



Increasing Transparency & Accountability of Texas' Taxpayer Dollars

Testimony before the Senate Finance Committee in support of SB 1831

by Vance Ginn, Ph.D.

Madame Chair Nelson and Members of the Committee:

My name is Dr. Vance Ginn, and I am an economist in the Center for Fiscal Policy at the Texas Public Policy Foundation, a 501(c)(3) non-profit, non-partisan free market think tank based here in Austin. Thank you for the opportunity to speak today in support of [Senate Bill 1831](#), which would require the Comptroller to provide an annual report on state programs and functions that are not funded by appropriations.

The Foundation has long advocated for increasing budget transparency so that taxpayers can have more information to hold their government accountable for each of their hard-earned dollars. For example, our [research](#) suggests that the current strategic budget format makes it challenging for experts, much less ordinary citizens, to track funds in the budget. By obscuring the amount of funds approved for each agency program or service, there is little incentive to remove programs that are ineffective because it is almost impossible to single them out. This makes it difficult for Texans to communicate with their legislator on what spending to approve and makes it difficult for legislators not directly involved with writing the budget to determine their spending priorities.

To overcome the shortcomings of the strategic budget format, the Foundation recommends converting to a program-based budget format. This would allow the budget to be written so that each agency's income and expense is listed by program, as is done in the agency's own internal budget. In addition, the source of funds should be listed for each line item. This change is a way to simplify the budget process for taxpayers and legislators to review programs that may need to be eliminated, reduced, or increased, and more easily identify and deal with any waste, fraud, and abuse. The Legislative Budget Board's online application that presents the budget in a program-based format provides an excellent example of what this format could look like. We also recommend making this information more timely by requiring budget information to be online in real time or near real time throughout the appropriations process.

While SB 1831 would not change the budget format, it would be a good step toward increasing budget transparency by asking the Comptroller to publish a report that highlights programs that are statutorily required but do not receive appropriations. Unfortunately, this information is currently difficult for taxpayers and legislators to gather, so having this in one central report, preferably provided online, will help to provide insight on which programs should be eliminated, reduced, or increased. This will be a valuable step in making government more accountable to taxpayers, which is why we support SB 1831.

Thank you for your time and I look forward to answering your questions. ★

About the Author



Vance Ginn, Ph.D., is an economist in the Center for Fiscal Policy at the Texas Public Policy Foundation. He is an expert on Texas' state budget, franchise tax, tax and expenditure limit, and other fiscal issues. Before joining the Foundation in September 2013, Ginn was a Koch Fellow, and taught at three universities and one community college in Texas. He has published peer-reviewed articles in academic journals, as well as commentaries in major media outlets across Texas and the nation.

About the Texas Public Policy Foundation

The Texas Public Policy Foundation is a 501(c)3 nonprofit, nonpartisan research institute. The Foundation's mission is to promote and defend liberty, personal responsibility, and free enterprise in Texas and the nation by educating and affecting policymakers and the Texas public policy debate with academically sound research and outreach.

Funded by thousands of individuals, foundations, and corporations, the Foundation does not accept government funds or contributions to influence the outcomes of its research.

The public is demanding a different direction for their government, and the Texas Public Policy Foundation is providing the ideas that enable policymakers to chart that new course.

