



March 14, 2019

## **Support the Cost Openness and Spending Transparency (COST) Act, S. 807**

On behalf of FreedomWorks' activist community, I urge you to contact your senators and ask them to cosponsor the Cost Openness and Spending Transparency (COST) Act, S. 807. Introduced by Sen. Joni Ernst (R-Iowa) and co-sponsored by Sens. Rand Paul (R-Ky.) and James Lankford (R-Okla.), the COST Act would enhance transparency in federal spending.

The COST Act is relatively straightforward. The bill would simply require entities, including state and local governments, that receive grants funded either in full or partially through federal funds to make certain disclosures related to the cost of the project or program funded.

The disclosure would be required on "any statement, press release, requests for proposal, bid solicitation, or other document describing the program, project, or activity, other than a communication containing not more than 280 characters." The entity receiving the funds must disclose the percentage of the total costs of the project or program paid for by federal funds, the dollar amount of federal funds, and the percentage of the cost and the dollar amount paid for by funds that come from other sources.

Entities that receive grants through the Labor, Health and Human Services, and Education appropriations are already required to disclose this information. This has been federal law for roughly 30 years. Unfortunately, noncompliance with the law is significant. A new report from the Government Accountability Office (GAO) concludes that the law is largely not being followed.<sup>1</sup> In fact, some agencies told GAO that they "did not monitor for...compliance because monitoring is not explicitly required under the statute."

The COST Act would add another approach to address noncompliance. It would allow the Director of the White House Office of Management and Budget (OMB) to withhold up to 25

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<sup>1</sup> Government Accountability Office, "Grants Management: Agency Action Required to Ensure Grantees Identify Federal Contribution Amounts," March 2019 [https://www.gao.gov/prerelease/files/JgXK\\_d19282.pdf](https://www.gao.gov/prerelease/files/JgXK_d19282.pdf)

percent of federal funds for a project or program until the entity receiving the funds is in compliance with the law.

The COST Act would increase transparency in federal spending, providing Congress and taxpayers with more knowledge about where tax dollars are going and for what purposes. For these reasons, I urge you to contact your senators and ask them to cosponsor the COST Act, S. 807, if they haven't already done so.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Brandon', with a stylized flourish at the end.

Adam Brandon  
President, FreedomWorks