

Speaker 1 ([00:16](#)):

Hello and welcome to Oversight Matters, a podcast on legislative oversight. My name is Ben Eikey, and I am your host. Thank you for joining me as I share conversations on legislative investigations, the people involved, and 11 Center happenings oversight matters is brought to you by the Levin Center for Oversight and Democracy at Wayne State Law School in Detroit.

Speaker 2 ([00:51](#)):

Well, welcome again to another Levin Center Fast class. Again. My name is Ben Ike, and I am here today with JB McClusky, the West Virginia State auditor. JB, thank you so much for, uh, joining me today. Uh, do you mind telling all the listeners a little bit about yourself?

Speaker 3 ([01:04](#)):

Yeah, so my name's JB McClusky, like you said, and I am the auditor of West Virginia, and my wife and I have, uh, an eight and a five year old run a small business here in West Virginia. And we've made it our mission in my office to sort of revolutionize the way that the bureaucracy analyzes its data and continues to improve itself without spending more taxpayer money.

Speaker 2 ([01:28](#)):

Excellent. Well, I really appreciate you taking the time here to, uh, talk to us a little bit more about your office and some of the going ons in West Virginia. I'm gonna go with a first question here. Uh, since uh, you became West Virginia's state auditor in 2016, you've undertaken significant initiatives to bring greater oversight and transparency to state finances. Why is this such an important focus for you?

Speaker 3 ([01:50](#)):

Well, I, I think as an initial matter, what needs to be understood is that that here in West Virginia, and you guys are just across the line there, you know, we have a, a population that we are hoping is gonna start getting bigger. We are the only state in the country that was losing population, and as you looked at the trends, we were losing people and spending more. And to me what that means is, is that we are using funding as an excuse for failure. And from my perspective, the great companies and the great reformers of our time, they look at the problem from a holistic approach. And to me, that approach means what's our process? What's our objective, and what are the data points that we need to collect to ensure that we're doing everything we can to, to provide world class services to our taxpayers? And that's things like education and infrastructure and making sure that the people have a, a little bit of a lesser chance at the beginning of their life are given a great opportunity to, to be successful adults.

Speaker 2 ([02:44](#)):

Good stuff. Uh, I like that. Like what's the process? What's the objective sort of thing we're thinking about government programs and services. Has there been anything kind of recent from the audit office that you kind of look at and you sort of pat yourself in the back thinking that was good information about something that was looking at addressing a gap or maybe some sort of information that the legislature was able to really pick up? Is there any, uh, example of that that's been recent?

Speaker 3 ([03:06](#)):

Sure. So we created something called the West Virginia Budget Book this year, and it's a real testament to Skylar who's on the call here with us, but I believe we're the first state in the country to have a fully

digestible and organized, searchable review of our state's budget, which comes out at the end of the legislature. So what every taxpayer and every legislator and every bureaucrat now has the option to do is they can see what the enormous state budget does on every line item in a way that they can understand. So if you care about child welfare, right, you can go on our site, find the D H H R's line item for child welfare and go back five and six years and see how much money that they were allocated. And then you can go in and make your own analysis as to whether or not those funding increases have resulted in greater opportunity for children. And the answer in this state is objectively no. And so the hope here is, is that our legislators will start to see, as well as our bureaucrats, that throwing money at these problems isn't always the answer. Potentially we do the hard work, which is why are we failing? Uh, not are we spending enough money.

Speaker 2 ([04:03](#)):

Now, was child welfare services the inspiration to do the West Virginia checkbook or was there something else that was sort of a moment, or was it a chronic gap? Uh, what, uh, what was the inspiration here?

Speaker 3 ([04:13](#)):

So the inspiration for me is just a, a general, uh, philosophy on government that every single thing we have and do is known by the taxpayers and the government needs to, even that playing field, they need to say to every single person that pays their taxes, that we're gonna tell you what we did with your money. And if you don't like it, you can understand it. You can go to the boating booth and you can vote for the other person. Because what happened for pretty much our entire lives is that incumbents were able to get reelected, and bureaucracies were able to grow with impunity because they hid the information from the people who, who were able to change those diapers, if you will. And so I believe in unbridled transparency in government leads to true accountability and the reforms that people have been clamoring for and desiring, uh, for my entire life and my state.

Speaker 1 ([05:01](#)):

Let's take a moment to share more detail on this West Virginia checkbook available online. This virtual checkbook tracks spending on a variety of topics, including local government spending, economic development, subsidy, transparency, and special reports on topics including opioid settlements, state bond ratings, and retirement systems. It's a neat resource and something other states should also check out@wvcheckbook.gov. Next, JB discusses bureaucratic reporting and how his office is further leveraging the checkbook transparency model.

Speaker 2 ([05:40](#)):

I'm curious to hear more about, uh, the ways in which, uh, your office and then the different reports are then picked up and used by elected officials. Uh, could you talk about how the state legislature uses your reports to monitor state government programs and services?

Speaker 3 ([05:53](#)):

Sure. So, um, I was in the state legislature before I was to auditor and you know, you would sit there and a bureaucrat would come in for their report and you'd say, you know, why is it that our education system's 48 out of 50? You know, they would sort of haw around for a little while and then eventually they'd say, well, you don't give us enough money every time, right? And so what our legislators now can do and what you can watch, I know legislative hearings is you could watch them review the checkbook

and say, look, you know, we gave you this much money to do this. Why did you spend it on coffee and lunch? And you name the thing, right? And it's really interesting to watch them truly hold accountable, the people spending the money for what they spend it on, and to force them to actually answer questions. How was this expenditure directly related to ensuring that we have less kids with diabetes or our educational outcomes for third graders are better?

Speaker 2 ([06:40](#)):

And that's a real priority for the 11th center as well. Just thinking about those ways of asking questions, we've had, uh, masterclass with state legislatures across the country on asking better questions in an oversight hearing. And also ways to leverage the budget. There's ways to be able to get reporting that's mandated from an agency or from a department on different topics like the ones you just brought up, thinking about, uh, diet for kids or different types of issues involving education or infrastructure, whatever it might be. That's all oversight. That's all just seen is the government fulfilling and keeping its promise?

Speaker 3 ([07:10](#)):

Well, and occasionally it's about just doing a little bit harder work. Uh, occasionally it's about actually having to say, you know, we're gonna have to sit down and actually look at what we're doing and figure out how to do it better, as opposed to just throwing money at what is, uh, an obviously flawed process.

Speaker 2 ([07:25](#)):

No, definitely. Now, do you or, uh, do others in the state auditor's office, do y'all go to hearings or take meetings with state legislators? Has there been any sort of a topic that's of recent great interest in the legislature in West Virginia?

Speaker 3 ([07:38](#)):

So the answer to your first question is yes. So we do a lot of training for our legislators on how to use the checkbook. So the greatest utility of the checkbook is that it turns financial accounting system that is unusable to anyone who isn't a professional in the government accounting world and gives regular people, regular legislators, regular citizens access to that information in a a digestible and understandable way. And so we train our media partners, so basically every newspaper and TV station in the state and and radio stations too. We train journalists on how to use it so they can be writing very accurate stories about what's happening without having to sort of communicate with the government and the legislators. By and large, you know, we have a, a budget surplus in West Virginia right now, which is obviously a good thing. Um, but you know, my question is always, if you can't tell me why we have a budget surplus, it's very, very difficult to replicate.

([08:32](#)):

And if you don't know why you can't plan for the future and say, look, you know, we have a budget surplus cuz we did X, Y, and Z, we need to keep doing that, otherwise, you're just guessing. And so most of our legislators and I are really looking to try to hone in on what are the, what are the things that we've done that are causing this budget surplus and is it replicatable? Meaning can we plan for the future that this much revenue continue to come in? And, and that's the next great step is, is how do we, how do we leverage money that we know is gonna come in right to do the things that need to happen right now? And those things are proving water lines and making sure that we have gas lines everywhere in need of getting internet to rural areas and, and all the other things that we've spoken about.

Speaker 1 ([09:14](#)):

Am glad JB brought up West Virginia's budget surplus. In fact, you can go online and share how you would spend the 1 billion surplus in West Virginia, build your own budget with topics like tax reform, education and public safety. Seems like a neat tool and is available online. Next, JB examines how his office is looking into how the public is assessing state auditor info and if AI can assist in the work,

Speaker 2 ([09:44](#)):

Do you anticipate any sort of a report or anything that the public might be able to look at, kind of read and have a general idea when thinking about taxes and expenditures in West Virginia? Is there anything like that that's been, uh, sort of talked about being put together either from the auditor's office or in the legislature?

Speaker 3 ([10:01](#)):

Yeah, absolutely. So we are in the process of building an AI modeling for revenue surplus purposes, and that would be for revenue deficits as well. What we know is, is that all of the external factors that are publicly available, you can aggregate all of those things and start to understand how, you know, I mean, it sounds sort of silly, but the price of steel in China changes the price of coal West Virginia, right? Sure. And so then you can start to say, what are the thousand data points that if you're doing it by hand, it would be very, very difficult to understand. But what are the ways in which every single thing that's happening in the world around us is shaping our revenue? And so that AI modeling is going to be wildly innovative and I think incredibly useful as we ask our legislators to make two and three and five and six year plans, uh, with what will be the predicted revenue.

Speaker 2 ([10:49](#)):

Now, where would that AI model be housed? Is that something inside of a committee? Is there an agency that's running this? Is, is this, is this That

Speaker 3 ([10:56](#)):

Would be me's office? That would be, that would be in the auditor's office, yes. Now, yep. Cause that's the plan, but we need a little tiny bit more help from our revenue department, but we're very hopeful that that's gonna

Speaker 2 ([11:05](#)):

Come. Yeah, yeah. That, that might need a little bit of a longer term act to get the plane to take off <laugh>.

Speaker 3 ([11:09](#)):

Yeah. Yes, correct. And and commitment too, right? Of course. But the really interesting thing there is, is when you are saying, I want my home, let's just say to be the greatest state in the country for, um, daycare, right? We wanna make sure that every single young family in West Virginia has access to childcare starting at age two, that's gonna cost X dollars. How do we plan to build that system and keep it sustainable long term? And that is both a how do you plan the system, which is a bureaucratic question. And how do you pay for the system, which is a legislative question. And we believe that this technology is going to give us a way to be significantly more accurate and give legislators the confidence to make bold steps to, to reform where they live.

Speaker 2 ([11:51](#)):

And again, it's a good opportunity for me to plug our wiki. I mean, we have a lot of, uh, reports about child welfare services all across the country now that are on our website. And so if you're in West Virginia and you want to know about how other states are trying to address this problem, because child welfare services is an issue that knows no state boundary. I mean, it is an issue all across the country. And there's a lot of people that are trying to come up with just the facts on just the basics of where do kids go and what services are provided to them. How do we track if they're going to school, how do we track what medications they are on? Uh, we, there was a federal and it

Speaker 3 ([12:21](#)):

All has to be in the same place.

Speaker 2 ([12:22](#)):

Absolutely. There, there was a really heartbreaking federal IG report, uh, looking at Michigan and how there were a lot of, uh, children in our, uh, welfare services that are not getting tracked appropriately on the type of, uh, different medications they have to deal with various mental health types of care and access. Yep. And that's, uh, certainly kind of things that I look at with the contents of oversight and think, okay, so now we know there's a gap and what are the facts that lead us to that gap? And what can we do to be able to try to find a system that's just simply more fair and more efficient?

Speaker 3 ([12:53](#)):

Yep. I think if you add the word accountability to that sentence, you just nailed exactly what it is I believe government should be doing.

Speaker 2 ([12:59](#)):

Now, I, I have a question here. This is kind of a structured question. And in your position, are you able to introduce bills to the legislature, which that, that appears to be

Speaker 3 ([13:07](#)):

So we

Speaker 2 ([13:07](#)):

Can unique to West Virginia?

Speaker 3 ([13:09](#)):

So the, the answer to that question is we can't introduce bills. We can get bills introduced by legislators and have them be at the request of the auditor. That makes sense. So what that does is, is you still have to have a legislator introduce it, obviously, right. But it says to the rest of the legislature when that language is on the bill that this was written by my office for my office. And so it honestly just makes it a lot easier for them to understand who and why is doing it.

Speaker 2 ([13:33](#)):

Now, do you notice any sort of a, a challenge with ensuring nonpartisanship with, you know, audits when, uh, trying to maintain, is there any sort of like a, a legislative agenda or these, you know, kind of

more programmatic sort of, I don't wanna say milk toast cause I'm sure they're important. How does the auditor office choose kind of what to prioritize with sort of that stand of approval when, uh, approaching another legislator to introduce something from the auditor?

Speaker 3 ([13:56](#)):

You know, I just have partners in the legislature, people that are really, really buying into what we're doing. And there isn't really a partisanship issue. It is, it's just, uh, you know, the folks that believe in true accessibility of government to the average taxpayer love our stuff. And we will frequently find that we have not enough spots for, for sponsors as opposed to too many. That's

Speaker 2 ([14:17](#)):

Really great. I mean, hey, that's a, it's a daily battle to, you know, kind of maintain that sort of, you know, accountability to even one's own self with, uh, being auditors to be able to continue to project. We're just trying to make things work better, and that's really the 11 center's all about as well.

Speaker 3 ([14:31](#)):

Yeah. And it's not a partisan thing, right? No,

Speaker 2 ([14:32](#)):

Not

Speaker 3 ([14:33](#)):

At all. There's just as many Democrats and, and to be fair, when you have a super majority of Republicans in the, the House and Senate as well as the Republican governor and all Republican Board of Public Works members, it's the Democrats who are really, really interested in finding out what's happening. Right? They're the ones that are trying to make good arguments as to, as to whether or not things are working Yeah. Everyth. And so the partisanship actually kind of works in reverse. That's

Speaker 1 ([14:55](#)):

Interesting. Now, following the success of the checkbook at the state level, your office helped county and local governments throughout West Virginia implement it as well. What benefits have come from, uh, making local fiscal information more easily available?

Speaker 3 ([15:10](#)):

Well, I mean, the benefit to the taxpayers is obvious, right? And so certainly if you live in one of the 50 cities that's a partner, you have access to your municipal county school board and state budgets and spending in real time. And that is not attainable to anybody else, anywhere else in this country. And that leads directly to better government. It leads to elected officials having a better relationship with their voters, being able to explain to them how and why they spent their money. And we use something called stories, which gives them the ability to add context to lines of, of spending data. So if they say, you know, we're gonna implement the 1% sales tax in our municipality, nobody wants that, right? I mean, those are things that are hard to pass, but they'll say, we need this to provide more police officers or more police cruisers or, or to, to, you know, fund our towns festivals and fairs, whatever.

([15:57](#)):

It's, doesn't matter. Yeah. Just matter. Then with stories, they can take pictures of those line items of expense, right? And then show people this is where the money came in and this is what it actually bought. Yeah. And that starts to, and, and this is important, this might actually be the most important thing that we talk about today. There is a distrust between the public and government that has to be remedied. It's probably the biggest problem that our government has. Now, when you watch how people view their elected representatives in Congress and in the United States Senate, what they'll say is, is, oh, those crooks just take my money and don't do anything with it. Right? When people feel that way, they vote less, they care less about their country, it reduces patriotism. There's a myriad of problems with that. And if you can start to rebuild that bridge and rebuild that trust, some of the things that have made America the juggernaut of the world that it is, are gonna start to come back. And we believe that transparency is really the first step there. If you're trying to change something, you really need to take the first step to be the person that's willing to, to admit that they weren't doing it perfectly and be better. And that's what we're trying to make our government do.

Speaker 1 ([17:06](#)):

Glad I was able to get clarified the way the auditor has bills introduced through requesting ideas to legislators. This structure is rare across the country. Auditors can include recommendations for legislation within the reports, but introducing something with a sort of approval seal from the auditor is a step further than most states. Go up next, join JB and me as we wrap up our conversation. Well, what else, uh, should the public know about the West Virginia State Auditor's office?

Speaker 3 ([17:37](#)):

What the public needs to know is that every single person that's elected is a servant, and they are serving those people, and they need to demand equal access to the exact same data that, that government's using as the bureaucrats have. Uh, because we are not going to reform our governments into smaller, leaner, more effective agencies, as long as we continue to allow fame seeking, uh, bureaucrats and politicians to, to hide the ball from 'em and enable themselves to narrate stories that aren't exactly happening. And so for me, that's the giant change that needs to happen, is the public needs to understand that this is possible. They can demand it, and it's happening even in a little place like West Virginia. Um, we're able to leave the entire country in taxpayer transparency and accountability.

Speaker 1 ([18:26](#)):

Thanks again, JB for a great conversation. I hope everyone listening has enjoyed learning more about the West Virginia State Auditor's office. Until next time, this is Ben Eikey from the Levin Center for Oversight and Democracy at Wayne State Law School in Detroit.