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## **GAO Endorses Towns' Legislation to Improve State and Local Government's Ability to Track Stimulus Dollars**

***Bill provides resources needed to meet demands of overseeing recovery spending at state and local levels***

Washington, DC – During the Oversight and Government Reform Committee's third in a series of stimulus oversight hearings today, Government Accountability Office (GAO) Acting Comptroller General Gene Dodaro endorsed legislation introduced by Committee Chairman Edolphus "Ed" Towns (D-NY) that will amend the Recovery Act titled, "Enhanced Oversight of State and Local Economic Recovery Act" (H.R. 2182). The legislation will provide state and local governments the ability to use stimulus funds in their efforts to meet the American Recovery and Reinvestment Act's (ARRA) oversight provisions. Chairman Towns introduced the legislation in April 2009 after learning that the officials responsible for monitoring and the accounting of Recovery Act funds were struggling to meet these requirements.

Chairman Towns said today in his opening remarks, "I remain concerned that the states are being asked to administer a funding program of unprecedented size without being given the necessary resources. In essence, they have been asked to fix the car, but not given the tools or spare parts. And I see that GAO, in its second report on the status of the Recovery Act, agrees with us that this is a serious problem. In fact, I introduced H.R. 2182, because we need to increase the percentage of Recovery Act funds that may be used by states and localities to conduct administrative and oversight functions."

H.R. 2182 modifies the Recovery Act and provides state and local governments the flexibility to set aside a portion of their stimulus funds for auditing, contract and grant planning and management, investigations of waste and fraud, and data collection. In addition, the bill requires the federal government to give detailed guidance to state and local governments on reporting jobs data to ensure consistency.

The bill further permits state and local governments to use the federal supply schedules of the General Services Administration (GSA). The GSA schedules are pre-negotiated federal contracts for a range of common goods and services, for stimulus projects.

“The House has passed H.R. 2182, but it has yet to be taken up in the Senate. I hope that one result of today’s hearing and the release of the GAO report is that it will reinforce the message to the Senate that this bill needs to be enacted as soon as possible,” said Chairman Towns. “I hope we can find ourselves in conference with the Senate prior to the August recess, at which time I also intend to address the Single Audit issues highlighted by GAO in its report.”

During the House Oversight and Government Reform Committee’s first stimulus oversight hearing in March 2009, Chairman Towns initially raised his concern that individual states receiving billions in stimulus funding needed additional resources to monitor this large infusion of taxpayer dollars. The Committee then received testimony from New York State and local officials during the first stimulus oversight field hearing in April 2009, in Brooklyn, NY. The officials testified that additional resources were needed to oversee Recovery Act spending. Chairman Towns then announced that he planned to seek more flexibility for state and local governments to meet the demands placed on them by the Recovery Act.

H.R. 2182 is cosponsored by Ranking Member Representative Darrell Issa (R-CA), Representative Dennis Kucinich (D-OH), Representative Todd Platts (R-PA), Representative Peter Welch (D-VT), and Representative Gerry Connolly (D-VA). The bill incorporates part of H.R. 1911, introduced by Representative Connolly.

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