

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION ON RECOVERY ACT ADMINISTRATIVE COSTS

WHEREAS, the American Recovery and Reinvestment Act (ARRA) (P.L. 111-5) places significant oversight and accountability requirements on state and local governments;

WHEREAS, the ARRA provides federal agencies with significant funding for certain administrative costs, including monitoring funding distribution, waste and fraud investigation, and auditing;

WHEREAS, the ARRA does not provide state and local governments with flexibility to set aside a portion of their Recovery Act funds for certain administrative costs, such as auditing, contract and grant planning and management, data collection, and fraud investigations;

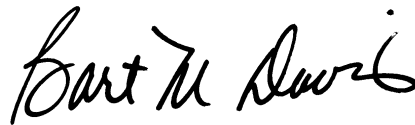
WHEREAS, the increased oversight and accountability demands place on state and local governments by the Recovery Act may be overwhelming and untenable unless states are provided additional flexibility to use Recovery Act funds for administrative costs;

BE IT THEREFORE RESOLVED, that The Council of State Governments urges Congress, in coordination with the administration and state and local governments, to adopt legislation modifying the Recovery Act so as to allow state and local governments to set aside a portion of their stimulus funds for the administrative costs involved with meeting the reporting and accountability requirements established by the Recovery Act.

Adopted this 18th day of May, 2009, at the 2009 CSG Spring Conference in Coeur d'Alene, Idaho



Governor Joe Manchin III
2009 CSG President



Senator Bart Davis
2009 CSG Chair