

THE COUNCIL OF STATE GOVERNMENTS
2010 ECONOMIC SUMMIT OF THE STATES
INTERGOVERNMENTAL AFFAIRS COMMITTEE

Index of Resolutions

- 1) Reauthorization of the Elementary and Secondary Education Act.....Page 3
- 2) Common Core State Standards.....Page 7
- 3) Export Promotion.....Page 11
- 4) Affirming the 10th Amendment to the U.S. Constitution.....Page 15
- 5) Public Safety Communications.....Page 17
- 6) Government Tax Preparation and Electronic Filing.....Page 21

THE COUNCIL OF STATE GOVERNMENTS
RESOLUTION ON REAUTHORIZATION OF
THE ELEMENTARY AND SECONDARY EDUCATION ACT

Resolution Summary

The Elementary and Secondary Education Act (ESEA) of 1965 is one of the principal pillars of President Lyndon Johnson's War on Poverty. The original goal of ESEA—to provide educational opportunities to poor and disadvantaged students—remains essential. The 2002 version of the Elementary and Secondary Education Act (ESEA), No Child Left Behind (NCLB), established an accountability framework for states in order to address achievement gaps among various demographic groups nationwide. High academic standards and accountability for all students comprise the framework for federal education reform under the law.

As Congress and the Administration work on legislation to reauthorize ESEA, there must be a focus on policies that would help transform public schools into high-quality learning centers by recognizing the shared responsibility among local, state, and federal governments. Given the law's complexity, each proposed change must be carefully considered to fully understand its effect on our nation's schools and students.

There are many out-of-school factors that affect student success. Poverty, health care, the availability of summer opportunities for students, and the stability of housing are but a few. Socioeconomic factors must be addressed as part of well-crafted and comprehensive strategies to improve educational opportunities for every student.

The No Child Left Behind (NCLB) Act established goals that have widespread support: high standards and accountability for the learning of all children. But implementation of NCLB has shown that the law will not reach the penultimate goal of all students proficient in reading and math by 2014. It is necessary that Congress moves to reauthorize ESEA with a continued emphasis on high standards and accountability but an increased focus on state and local flexibility balanced with appropriate federal support.

Additional Resources

- U.S. Department of Education: <http://www2.ed.gov/policy/elsec/leg/blueprint/publicationtoc.html>
- National Association of State Boards of Education: <http://nasbe.org/index.php/file-repository/func-startdown/1111/>
- National Education Association: <http://www.nea.org/home/NoChildLeftBehindAct.html>

Management Directives

- **Management Directive #1:** The Council of State Governments will support efforts to recommend effective and efficient changes to NCLB to ensure that all students will graduate high school college and career ready.
- **Management Directive #2:** The Council of State Governments will urge Congress and the Administration to prioritize ESEA reauthorization, and to address the learning needs of all students by fully funding the law so that schools can successfully implement its provisions.
- **Management Directive #3:** CSG staff will post approved resolution on CSG's Web site and make available through its regular communication venues at the state and local level to ensure its distribution to the state government and policy community.

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION ON REAUTHORIZATION OF THE ELEMENTARY AND SECONDARY EDUCATION ACT

- WHEREAS**, education is the largest line item in state budgets, and without additional federal support schools continue to struggle with funding, mandated annual testing, student transfers, and the requirement to provide supplemental services;
- WHEREAS**, the next reauthorization should provide greater flexibility to states in how they meet the standards of ESEA, including allowing for the use of longitudinal or growth models as well as multiple sources of evidence to measure individual student academic achievement and school performance. Greater flexibility is needed when assessing and measuring the academic progress of the various student subgroups;
- WHEREAS**, while The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) provided much needed fiscal support to maintain education programs, sustained and dedicated federal education support is necessary to avoid future layoffs and to build upon the reforms pursued with Recovery Act funding.
- WHEREAS**, reauthorization should recognize the distinct needs of rural, suburban, and urban areas in the delivery of educational services, including focusing on the use of online education technology;
- WHEREAS**, ESEA provides for highly qualified teachers in core academic areas, but should focus on increasing flexibility for meeting the “highly qualified” teacher requirements, particularly for teachers of multiple subjects such as special education, bilingual, middle school, and rural educators, and advancing teacher quality at the highest poverty schools by providing funding to attract and retain quality teachers and improved teaching and learning conditions;
- WHEREAS**, ESEA should include a class size reduction program to improve student learning, with priority given to high poverty schools. Research has shown that reducing class sizes has a positive impact on maximizing student learning and closing achievement gaps, particularly in the early grades and students who need more individualized attention;
- WHEREAS**, ESEA should reinforce parental involvement programs and encourage community members to interact with neighborhood schools. Programs that encourage parent and community involvement in the school are vital in strengthening families and enhancing quality of life; and
- WHEREAS**, ESEA should support compensation systems that are designed to firmly establish teaching as a respected profession, improve student learning through improved teacher practice, and focus on factors shown to make a difference in teaching and learning.

BE IT THEREFORE RESOLVED, The Council of State Governments recognizes that to compete with their international peers, American students must graduate from high school college and career ready. If implemented properly and funded, ESEA reforms could be long-term steps towards economic recovery and sustainability;

BE IT THEREFORE RESOLVED, The Council of State Governments urges the federal government to fully fund the Individual with Disabilities Education Act (IDEA) (P.L. 108-446), which could potentially save states upwards of \$16 billion nationally; and

BE IT FINALLY RESOLVED, The Council of State Governments calls upon federal education policymakers to work closely with state and local education officials during ESEA reauthorization to examine how ESEA is working in their communities and where improvements are needed, while maintaining a focus on accountability and standards. The federal government must also live up to its commitment and provide the necessary financial resources to implement the ESEA's mandates by fully funding Title I programs to low-income school districts, Teacher Quality Grants, and state-mandated assessment costs.

Adopted this ____ Day of May 2010 at the CSG Economic Summit of the States in New York, New York.

Gov. Mike Rounds, South Dakota
2010 CSG President

Sen. David Williams, Kentucky
2010 CSG Chair

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION ON COMMON CORE STATE STANDARDS

Resolution Summary

Governors and state commissioners of education from 48 states, 2 territories and the District of Columbia have committed to developing a common core of state standards in English-language arts and mathematics for grades K-12. The Common Core State Standards Initiative (CCSSI) is a state-led effort coordinated by the National Governors Association Center for Best Practices (NGA Center) and the Council of Chief State School Officers (CCSSO).

The standards, developed in collaboration with teachers, school administrators, and experts, seek to provide a clear and consistent framework to prepare our children for college and the workforce. The NGA Center and CCSSO have received feedback from national organizations representing, but not limited to, teachers, postsecondary education (including community colleges), civil rights groups, English language learners, and students with disabilities.

These standards define the knowledge and skills students should have within their K-12 education careers so that they will graduate high school able to succeed in entry-level, credit-bearing academic college courses and in workforce training programs. States will be asked to adopt the Common Core State Standards in their entirety and the core must represent at least 85% of the state's standards in English language arts and mathematics, lending 15% above and beyond the common core as they are written to state discretion. These standards are aligned with college and work expectations; clear, understandable and consistent; include rigorous content and application of knowledge through higher order skills; build upon strengths and lessons of current state standards; informed by other top performing countries so that all students are prepared to succeed in our global economy and society; and evidence-based. The Common Core State Standards is a state-led effort to establish consistent and clear education standards for English-language arts and mathematics so students will be prepared for success in today's world.

Additional Resources

- Common Core State Standards Initiative:
<http://www.corestandards.org/>
http://www.ccsso.org/federal_programs/13286.cfm
http://www.pta.org/common_core_state_standards.asp
<http://www.hunt-institute.org/knowledge-library/articles/2010-4-28/background-information-on-common-core-standards/>

Management Directives

- **Management Directive #1:** CSG will promote efforts to educate elected and appointed officials on the Common Core State Standards Initiative and provide an opportunity for collaboration between the legislative and executive branches of state government as the adoption process moves forward.

- **Management Directive #2:** CSG staff will post approved resolution on CSG's website and make available through its regular communication venues at the state and local level to ensure its distribution to the state government and policy community.

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION ON COMMON CORE STATE STANDARDS

WHEREAS, educational standards help teachers ensure that their students have the skills and knowledge needed to be successful by providing clear goals for student learning;

WHEREAS, standards ensure that all students, no matter where they live, are prepared for success in postsecondary education and the workforce. Common standards will help ensure that students are receiving a high quality education consistently, from school to school and state to state;

WHEREAS, common standards will provide a greater opportunity to share experiences and best practices within and across states that will improve our ability to best serve the needs of the students;

WHEREAS, standards also help students and parents by setting clear and realistic goals for success. Standards are a first step, a key building block, in providing our young people with a high-quality education that will prepare them for success in college and work. Standards are not the only strategy that is needed for student success, but they provide an accessible roadmap for students, educators and parents;

WHEREAS, legislators will have a significant role to play in key components related to common core state standards, including assessment, improving pre-service teacher education programs and crating data systems to determine which students are making gains; and

WHEREAS, there is a necessity to increase the number of young people who earn a postsecondary degree or certificate with value in the marketplace.

BE IT THEREFORE RESOLVED, that The Council of State Governments encourages state policymakers to gain information about the common core state standards, increase their awareness on what implications the standards have for their state and ensure collaboration with their state Board of Education and state-level department of instruction as the initiative unfolds.

Adopted this ____ Day of May 2010 at the Economic Summit of the States in New York, New York.

Gov. Mike Rounds, South Dakota
2010 CSG President

Sen. David Williams, Kentucky
2010 CSG Chair

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION ON EXPORT PROMOTION

Resolution Summary

The Obama administration has recently unveiled plans for a National Export Initiative (NEI), designed to double U.S. exports over five years by expanding the budgets of the Foreign Commercial Service and Foreign Agricultural Service and by promoting greater interagency cooperation in marketing American products and services overseas. According to a 2006 study by the World Bank, each \$1 spent by a nation on export promotion results on average in a \$40 increase in exports.

This resolution calls on the administration to work with the states to ensure the new initiative builds upon and enhances the existing investments that states have made in export promotion through their own economic development agencies. It is modeled on a similar resolution passed by CSG's affiliated organization of state economic development leaders, The State International Development Organizations (SIDO).

Additional Resources

- National Export Initiative: <http://www.whitehouse.gov/the-press-office/executive-order-national-export-initiative>
- World Bank Export Promotion Agencies findings: http://siteresources.worldbank.org/INTEXP/COMNET/Resources/Lederman_Export_Promotion_Agencies_What_Works_and_What_Doesnt.pdf
- SIDO: <http://www.sidoamerica.org/About-Us.aspx>

Management Directive

- Share CSG's collective support of increased export promotion with key oversight committees in Congress and with relevant interlocutors at the Department of Commerce.

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION ON EXPORT PROMOTION

WHEREAS, President Obama has issued the National Export Initiative (NEI) by executive order, to enhance and coordinate Federal efforts to facilitate the creation of jobs in the United States through the promotion of exports, and to ensure the effective use of Federal resources in support of these goals; and

WHEREAS, combined the 50 states spend over \$80,000,000 annually on trade promotion programs and employ approximately 1,000 trade specialists; and

WHEREAS, fiscal challenges have moved state economic development agencies to restructure the trade promotion services they offer to businesses, resulting in the closure of 70 overseas offices (down nearly 29% from 2008); and

WHEREAS, state economic development agencies are responsible for attracting Foreign Direct Investment (FDI) and rely heavily on comprehensive state-level FDI data collection from the Bureau of Economic Analysis (BEA), and funding for this service was cut from the BEA budget in 2009.

NOW, THEREFORE BE IT RESOLVED, that The Council of State Governments urges strategic and priority NEI funding allocation for the U.S. Foreign Commercial Service to reopen previously closed international offices and to provide that all international Commercial Service offices have adequate staff to service clients with 45 days of request.

BE IT FURTHER RESOLVED, that The Council of State Governments supports the reinstatement of BEA funding for the collection of FDI statistics at the state level and advocates for the added annual collection of service-sector import/export statistics at the state level.

BE IT FURTHER RESOLVED, that The Council of State Governments urges greater federal-state collaboration and consistency in trade promotion programs throughout the U.S.

Adopted this ____ Day of May 2010 at the CSG Economic Summit of the States in New York, NY.

Gov. Mike Rounds, South Dakota
2010 CSG President

Sen. David Williams, Kentucky
2010 CSG Chair

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION AFFIRMING THE 10th AMENDMENT TO THE U.S. CONSTITUTION

Resolution Summary

The 10th amendment is made part of our constitution by the “Bill of Rights.” It is no coincidence that the issue of state sovereignty holds the same stature as the prohibition against self incrimination, the protection against unreasonable searches and seizures, freedom of speech, etc. The framers of our constitution saw the possibility of a federal government run amok and instituted the 10th amendment, among others, to provide specific limitations to protect the state and their citizens.

Modern laws and directives at the federal level, notably the Unfunded Mandate Reform Act of 1995¹, Presidential Executive Order 13132 (1999)² and the 2009 Presidential Memorandum, re: Preemption of State Law³, have sought to restore the constitutional balance of power within our federal system. Despite these actions, work remains if state and federal leaders are to gain not only an appropriate balance of power, but a truly cooperative and productive partnership in solving today’s far-reaching policy issues.

State leaders increasingly recognize that “one-size-fits-all” national policies do not accommodate the unique needs, cultural traditions and priorities of individual states, thereby stifling opportunities for innovative state-driven policy solutions. Several states, notably Alabama, Alaska, Idaho, Louisiana, North Dakota, Oklahoma, South Dakota and Tennessee, have passed resolutions asserting their states’ rights under the 10th Amendment. When combined with the 2009 legislative sessions, upwards of 40 states have now introduced resolutions or legislation seeking to curb federal mandates and assumption of powers.⁴

This policy resolution affirms the states’ sovereignty under the 10th Amendment and serves as an appeal for a continued and meaningful dialogue between federal and state officials on matters of common interest and seeks active collaboration on an intergovernmental basis.

¹ <http://www.govtrack.us/congress/bill.xpd?bill=s104-1>

² <http://www.epa.gov/fedreg/eo/eo13132.htm>

³ http://www.whitehouse.gov/the_press_office/Presidential-Memorandum-Regarding-Preemption

⁴ <http://www.tenthamentcenter.com/>

Additional Resources

- The 10th Amendment to the U.S. Constitution: Reserved Powers, Scope and Purpose, and Relevant Case Law. [Sponsored by the U.S. Senate and U.S. Government Printing Office.](#)
- [Tenth Amendment Center](#)

Management Directives

- **Management Directive #1:** CSG will affirm on behalf of its member states their sovereignty under the 10th Amendment and support continued and meaningful dialogue between federal and state officials on matters of common interest.
- **Management Directive #2:** CSG will transmit a copy of this resolution to the executive and legislative leaders in each state so that they may contact their states' Congressional Delegation to emphasize the important role of the states in our federal system.
- **Management Directive #3:** CSG will transmit a copy of this resolution to the President of the United States, the President of the United States Senate, the Speaker and the Clerk of the United States House of Representatives and post a copy of this resolution on its Web-site.

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION AFFIRMING THE 10th AMENDMENT TO THE U.S. CONSTITUTION

WHEREAS, the 10th Amendment to the Constitution of the United States reads as follows:
"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people"; and

WHEREAS, the scope of power defined by the 10th Amendment means that the federal government was created by the states specifically to be an agent of the states and it enjoys no more power than that granted to it by the Constitution; and

WHEREAS, states acting under the authority granted to them by the 10th Amendment have the ability to create innovative policy strategies that accommodate the unique needs, cultural traditions and priorities of their jurisdictions; and

WHEREAS, state governments are experiencing unprecedented shortfalls in revenue, and are generally bound by constitutional balanced budget requirements, thereby struggling to pay for their own policies and programs; and

WHEREAS, despite the fiscal position of states and the articulated intent of the 10th Amendment, the federal government continues to impose unfunded mandates and preempt state sovereignty causing states to be treated as agents of the federal government; and

WHEREAS, recognizing the critical role that states play as laboratories of democracy, modern laws and directives at the federal level, notably President Obama's 2009 Presidential Memorandum, re: Preemption of State Law, have sought to restore the constitutional balance of power within the state-federal governing relationship.

NOW THEREFORE BE IT RESOLVED, that The Council of State Governments affirms, on behalf of the states, their sovereignty under the 10th Amendment to the Constitution of the United States over all powers not otherwise enumerated and granted to the federal government by the Constitution of the United States.

BE IT FURTHER RESOLVED, that The Council of State Governments urges federal agencies to closely adhere to the 2009 Presidential Memorandum, re: Preemption of State Law directing federal agencies to consider the impact of their decisions on the states.

BE IT FURTHER RESOLVED, that The Council of State Governments urges Congress to extend and enhance the scope of the Unfunded Mandate Reform Act to cover rule making actions of independent federal agencies as well as to include a careful examination of the costs imposed on states by partially funded mandates, such as those created by No Child Left Behind, as well as purely unfunded mandates.

BE IT FURTHER RESOLVED, that The Council of State Governments appeal for a continued and meaningful dialogue between federal and state officials on matters of common interest and seek active collaboration on an intergovernmental basis.

BE IT FURTHER RESOLVED, that a copy of this resolution be transmitted to the executive and legislative leadership of the states, urging them to contact their states' Congressional Delegation to emphasize the important role of the states in our federal system.

BE IT FURTHER RESOLVED, that a copy of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker and the Clerk of the United States House of Representatives.

Adopted this _____ Day of May 2010 at CSG's 2010 Economic Summit of the States in New York City, NY.

Gov. Mike Rounds, South Dakota
2010 CSG President

Sen. David Williams, Kentucky
2010 CSG Chair

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION ON PUBLIC SAFETY COMMUNICATIONS

Resolution Summary

Under current law, the Federal Communications Commission (FCC) is required to auction the 10 megahertz (MHz) of the 700 MHz radio spectrum known as the “D block”. This resolution urges Congress to enact legislation that would remove the auction requirement and, instead, reallocate the D block to state and local public safety officials. By adopting this resolution, The Council of State Governments would align its support with the other “Big 7” organizations as well as over a dozen of the most prominent state and local public safety groups.

On March 16, 2010, the Federal Communications Commission (FCC) released its congressionally mandated National Broadband Plan (NBP). The NBP makes several recommendations regarding public safety communications including a proposed commercial auction of the 700 MHz D block spectrum. Auctioning the D block spectrum would likely generate little revenue for the Federal government and would allocate to commercial use scarce spectrum resources urgently needed by public safety. Rather, the allocation of the 10 MHz D block spectrum combined with the 10 MHz of spectrum already allocated for public safety use, will create a contiguous, nationwide 20 MHz swath of broadband spectrum that would provide the foundation for a sustainable nationwide public safety wireless broadband network.

Spectrum is a finite and valuable commodity that cannot be regained once it is auctioned and once networks are developed. Guaranteeing only 10 MHz of capacity to public safety will likely prove insufficient, allowing for interference and gaps in coverage to persist. By providing the 20 MHz of contiguous spectrum to public safety, first responders could, for example, make widespread use of streaming video of an incident scene that could be sent to other responding agencies or to remote medical personnel. As the general public comes to expect that they can send 911 messages via text, picture or video, it will also become increasingly important for 911 call centers and responding public safety officials to have access to corresponding technologies.

Reallocating the spectrum to public safety would allow state and local officials to pursue tailored public-private partnerships through a request for proposal or other similar process. National standards would ensure nationwide interoperability while public safety and state and local officials could ensure mission critical needs are met at a cost that can be sustained by state and local governments over time.

Additional Resources

- Information website on the D block created by state and local public safety organizations: <http://www.d-block.net/>
- The Public Safety Spectrum Trust Corporation (PSST), a 501(c)(3) entity, has been selected by the FCC as the Public Safety Broadband Licensee (PSBL) for the 10 MHz of 700 MHz public safety nationwide broadband spectrum. The PSST's mission is to provide an organizational structure to help guide the construction and operation of an interoperable nationwide public safety wireless broadband network: <http://www.psst.org/index.jsp>
- Federal Communications Commission (FCC) National Broadband Plan highlights: <http://www.broadband.gov/issues/public-safety.html>

Management Directives

- **Management Directive #1:** CSG will urge Congress to enact legislation directing the Federal Communications Commission (FCC) to remove the requirement to auction the D block of the radio spectrum in the 700 MHz range, and rather allocate the D block to state and local public safety officials.
- **Management Directive #2:** CSG staff will post approved resolution on CSG's Web site and make available through its regular communication venues at the state and local level to ensure its distribution to the state government and policy community.

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION ON PUBLIC SAFETY COMMUNICATIONS

WHEREAS, The Council of State Governments supports the build out of a nationwide public safety broadband network to provide public safety officials with the most modern and reliable communications available;

WHEREAS, As the public's use of text messaging and picture/video sharing via commercial wireless devices continues to grow, there is an expectation that first responders will be capable of using this information in real-time through emergency dispatch systems, such as 911;

WHEREAS, Without the reallocation of the 10 MHz of spectrum known as the "D block" to state and local public safety officials, first responders must continue to rely on commercial networks, which cannot guarantee first responders will have priority access to the network over other users;

WHEREAS, By allocating to public safety a single section of contiguous spectrum, public safety could not only use the most modern and reliable technologies for video and data communications, but also help to ensure public safety's ability to control access to the network during times of emergency;

WHEREAS, Reallocating the D block to state and local public safety officials would improve interoperable communications across the various first responder agencies, jurisdictions and geographic regions, while also reducing the cost burden to public safety agencies by reducing need to utilize multiple communications systems to ensure officers are able to talk with one another;

WHEREAS, A united public safety community is deeply concerned that an auction of the spectrum would limit their future access to the most modern and reliable communications technologies and would remove their ability to ensure the network will meet the mission critical needs of first responders; and

WHEREAS, While reallocating the D block would double the amount of spectrum available to public safety, removing it from auction would represent less than a two percent reduction in the amount of spectrum requested for commercial purposes.

BE IT THEREFORE RESOLVED, The Council of State Governments urges Congress to enact legislation directing the Federal Communications Commission (FCC) to remove the requirement to auction the D block of the radio spectrum in the 700 MHz range, and rather allocate the D block to state and local public safety officials; and

BE IT FINALLY RESOLVED, The Council of State Governments supports the development of national standards for a public safety broadband network to ensure that technical requirements for access to, reliability of and performance of the network are consistent across the country.

Adopted this ____ Day of May 2010 at the CSG Economic Summit of the States in New York, New York.

Gov. Mike Rounds, South Dakota
2010 CSG President

Sen. David Williams, Kentucky
2010 CSG Chair

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION ON GOVERNMENT TAX PREPARATION AND ELECTRONIC FILING

Resolution Summary

This resolution would renew the CSG Resolution on Government Tax Preparation and Electronic Filing that was originally adopted during CSG's 2006 Annual Meeting.

The Free File Program is an agreement between a consortium of American software companies and the Internal Revenue Service which enables up to 70% of all individual income taxpayers to become eligible to use free individual income tax preparation software and free electronic filing of their Federal income tax return. Free File helps the working poor and lower income taxpayers to smartly comply with both their federal and state individual income tax obligations at no cost to the eligible taxpayer or the public treasury.

Twenty-one (21) states have adopted the terms and conditions of the IRS Agreement which was extended to 2014 in order to allow their eligible state income taxpayers to use free electronic tax preparation software and file their taxes electronically for free. The eligible individual income taxpayers in those 21 states are able to file both their federal and state individual income tax return using free tax preparation software and free electronic filing.

Recently the IRS was asked to create a new federal government funded and managed tax preparation system. This new task would have the IRS completing individual income tax returns and then presenting them to individual taxpayers. If the IRS were to assume such a role the IRS would become a federal individual income tax preparer as well as the tax collector and the tax law enforcement agency. Such a role would violate the terms of the IRS Free File Agreement and thus have the effect of terminating Free File.

In addition to fundamentally changing the relationship between the individual income taxpayer and the IRS the "ready return" concept would have the effect of an unfunded mandate on the 21 states by forcing them to replace their Free File Program with another compatible service at state taxpayer expense.

Meanwhile, the Free File program has become the largest program of its kind and it continues to evolve and to adapt to meet the needs and expectations of its users. It has been recognized as a new model of collaboration amongst the public, the private and the not for profit sectors enabling the delivery of state of the art public services directly to those who are eligible.

Additional Resources

- IRS - Free File Program: <http://www.irs.gov/efile/article/0,,id=118986,00.html>
- U.S. Department of Treasury: <http://treas.gov/press/releases/docs/finalterm.pdf>

Management Directives

- **Management Directive #1:** CSG will oppose the termination of the Free File program.
- **Management Directive #2:** CSG staff will post approved resolution on CSG's web site and make available through its regular communication venues at the state and local level to ensure its distribution to the state government and policy community.

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION ON GOVERNMENT TAX PREPARATION AND ELECTRONIC FILING

WHEREAS, a program that is important to the citizens of the United States may be in jeopardy as the result of recent decisions;

WHEREAS, 50% of the states that have an individual income tax have banded together to implement an innovative solution to meet the needs of the low income and working poor taxpayers;

WHEREAS, this innovative solution, called the state Free File, has been developed where public need and private corporate citizenship work together, and is based on the Free File policy agreement reached between the Internal Revenue Service and the tax software industry several years ago, and recently extended through 2014, whereby working poor and other lower income families and individuals are able to obtain free online tax preparation and electronic filing for their federal and state tax returns;

WHEREAS, the program saves state budgets the high cost of creating and maintaining an alternate tax preparation and filing service. Twenty-one states participate in the Free File public-private partnership solution by having created Free File programs in their states, ultimately providing substantial savings to state governments;

WHEREAS, the IRS negotiated the terms of the national Free File agreement with the software providers, and this agreement is the common basis for all the Free File programs in the twenty-one Free File states;

WHEREAS, the Free File program provides competitive consumer choice among service providers, and relies upon private sector innovation and invention to simplify tax compliance while preserving the independence and objectivity of private tax preparation for the citizen;

WHEREAS, the state Free File programs are directly tied to the national policy agreement underlying the federal Free File program. The demise of the national IRS program could force states to invest in State tax preparation systems to replace the lost free program;

WHEREAS, a government-provided bill presentment tax system may not have all the information necessary to accurately determine what tax credits and deductions taxpayers and their families may be eligible to receive;

WHEREAS, in contrast to return preparation and bill presentment by the government tax collector, the Free File program can help eligible taxpayers properly claim the Earned Income Credit, and in so doing make a real difference in helping lift

themselves and their families out of poverty. Similarly, Free File can help eligible taxpayers claim the Child and Elder Care Credits, and Retirement Savings Incentives, and minimize their lawful tax liability;

WHEREAS, the Free File states are not in a position to dedicate scarce state resources to develop and maintain the type of state tax preparation systems necessary to effectively replace their Free File programs; and

WHEREAS, the Council of State Governments is concerned of the potential costs the demise of the state Free File program could place on states.

BE IT THEREFORE RESOLVED, that CSG urges the Congress to support the Free File Program, assuring its stability and continuity in service to the nation as a highly cost-effective solution that protects taxpayer privacy, preserves the independence and objectivity of their tax advice and assistance, and helps ensure that taxpayers receive all the tax credits and deductions they fairly deserve; and

BE IT THEREFORE RESOLVED, that CSG recommends that Congress reject any proposal that would convert the current voluntary compliance tax system into a Government-provided bill presentment tax system, where the tax collector would expand its role into routinely preparing the tax returns of millions of lower and middle income citizens; and

BE IT FINALLY RESOLVED, that copies of this resolution be transmitted to members of the U.S. Senate and House of Representatives; and the U.S. Department of Treasury.

Adopted this ____ Day of May 2010 at the Economic Summit of the States in New York, New York.

Gov. Mike Rounds, South Dakota
2010 CSG President

Sen. David Williams, Kentucky
2010 CSG Chair