

HOUSE COMMITTEE ON  
OVERSIGHT & GOVERNMENT REFORM

**OPENING STATEMENT OF  
CHAIRMAN EDOLPHUS TOWNS**

Field Hearing: The American Recovery and Reinvestment Act of 2009: The  
Role of State and Local Governments

April 21, 2009

Good morning and thank you all for being here. Today's hearing is the first in a series of field hearings that will be held in various locations throughout the country. The purpose of these hearings is to examine the crucial role that state and local governments will play in the administration of the American Recovery and Reinvestment Act of 2009, also known as the Stimulus Program or the Recovery Act.

The American Recovery and Reinvestment Act of 2009 is an historic piece of legislation which I was proud to co-sponsor.

The stimulus program has already been, and will continue to be a powerful force for getting the American economy back on track as we face the greatest economic crisis since the Great Depression. The American Recovery and Reinvestment Act provides \$787 billion in tax cuts and federal

spending to preserve and create jobs, assist those most harmed by the recession, and reinvest in our great country.

I am especially proud to be here today in my district, in my home borough of Brooklyn. New York is not only the financial capital of the world, it is home to millions of decent, hard working and dedicated people from all backgrounds, who stand ready to help turn the American economy in the right direction.

I am also happy to have my friend and colleague, Ranking Member Issa, here with me today in Brooklyn.

Just a few weeks ago, several hundred residents of Brooklyn attended a town hall meeting on a Saturday morning that Congresswoman Clarke and I held to talk about President Obama's Stimulus Program.

That is a simple but telling example of the commitment the American people have to overcoming the economic challenges that we all face together.

New York is a unique source of strength for America and I know it will play a unique role in putting our economy back in the right direction.

In Washington, my colleagues and I on this Committee have been working hard to make sure that federal agencies do everything possible to protect your hard-earned taxpayer dollars and see to it that they are spent wisely.

Every dollar that we can stop from being wasted is a dollar that is put to good use on a school improvement project for our children, a job training program for those who want to work but need new skills, or a construction project that results in something as simple but important as a safer road or cleaner drinking water.

The Recovery Act is a monumental program that calls for a monumental effort to fight waste and promote efficiency. For the Recovery Act to be effective, the federal, state and local governments must coordinate, cooperate and communicate. As President Obama stated recently, “This plan cannot and will not be an excuse for waste and abuse.”

To fight fraud, the Recovery Act provides for an unprecedented degree of oversight and accountability. For example, the Recovery Act established the Recovery Accountability and Transparency Board (known as the “Recovery Act Board”), which is designed to provide transparency on how federal recovery money is spent. The Act also included significant increases in funding for the offices of Inspector General, whose job it is to root out waste, fraud and abuse in federal programs. I applaud President Obama for his support of these measures.

However, I also have concerns. I am concerned that a very heavy burden is being placed on State auditors who are responsible for monitoring and accounting for the Stimulus funds they receive. This concern was raised at the Committee’s hearing last month and it needs to be addressed.

Accordingly, I plan to introduce legislation that will provide increased funding for State auditors so they will be able to meet the demands placed on them by the Recovery Act. With individual states receiving billions in Stimulus funding, it makes sense that the State’s also be fully equipped to closely monitor those taxpayer dollars. Not initially providing funds for State auditors under the Recovery Act was an omission that should be rectified.

I am also concerned that states have already started spending funds from the Recovery Act, but they have not yet been given complete guidance from the federal government in terms of how the money is to be tracked and how they are required to report spending of Stimulus funds. Further, I have major concerns about the Administration's primary transparency tool, Recovery.gov. The fact of the matter is that Recovery.gov is currently not a useable database where citizens can go to see how their money is being spent.

I expressed this concern to the Chairman of the Recovery Act Board when he testified before this Committee in Washington last month. It is my hope that he takes the concerns of Congress to heart and transforms Recovery.gov into a comprehensive, useful and easy to understand database.

If he fails in this regard, you can be certain that the members of this Committee will exercise their full oversight authority to ensure that he honors his commitment.

I fully recognize the difficulties presented by building a website that tracks how every dollar of a \$787 billion program is spent. But I also know how hard the average American works for each dollar they earn. Americans have a right to know exactly how their money is being used, and the Administration has an obligation to show them.

We will hear today from people who have been, and will continue to be at the forefront of the effort to ensure that the Recovery Act is administered in an efficient and fair manner at the State and local level. Today, we want to learn more from our witnesses about how the federal government is doing so far in administering the Stimulus Program.

Where can the federal government do better, and how has it been successful thus far?

In short, we want to ensure that the federal government is doing everything it can to help state and local governments successfully administer the Stimulus Program.

We all know that this is one of the toughest economic situations we've ever faced as a Nation, but I also know that Americans, and New Yorkers in particular, can overcome any obstacle, beat any opponent and triumph in the face of the most difficult circumstances.

I want to thank all of our witnesses for appearing here today, and I look forward to hearing their testimony.