

To strengthen
and promote
cities as centers
of opportunity,
leadership, and
governance.



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Before the
**U.S. Senate Committee on
Homeland Security and Government Affairs**

Washington, DC
Wednesday, April 23, 2009

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Thank you Chairman Lieberman, Ranking Member Collins, and members of the U.S. Senate Homeland Security and Government Affairs Committee. I am pleased to be here this morning to discuss the responsibilities for accountability and transparency placed on local governments under the American Recovery and Reinvestment Act of 2009 and to summarize efforts undertaken, thus far, to comply with those responsibilities, as well as some of the challenges that lie ahead. I am Carolyn Coleman, Director, Federal Relations, for the National League of Cities. NLC is the nation's oldest and largest organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance. NLC is a resource and advocate for 18,000 cities, towns and villages, representing more than 218 million Americans.

As the economic engines of the country, cities play a key role in ensuring the resources in the ARRA achieve the intended purpose of boosting our economy and saving and creating jobs. At this critical time, the future of our country and the places we call home are inextricably intertwined. "This bold legislation unites all levels of government in an unprecedented effort to get our country back to work and provides new resources that will help us create and preserve good jobs, strengthen the economy, and provide long-lasting benefits to our communities," said NLC President Kathleen Novak, mayor, Northglenn, Colorado, upon the bill's signing,

In anticipation of ARRA, in February, NLC began mobilizing resources and programmatic opportunities organization-wide to help local government leaders prepare to receive and invest recovery funds in ways consistent with the Act.

Congressional City Conference

In March, NLC hosted its annual Congressional City Conference in Washington, D.C. Attended by over 2,500 local government leaders from across the country, the conference program featured general sessions focused on the ARRA, as well as workshop opportunities for local leaders to discuss the Act and its requirements with federal agency representatives. (*See attachment 1*)

Webcasts

In addition to the Conference, NLC has hosted three ARRA webcasts for local elected officials and city staff to learn about programs funded in the ARRA and is planning for two additional webcasts during the month of May. By our estimates, these webcasts, which are archived for viewing on NLC's website, www.nlc.org, are *each* reaching 4,000 – 5,000 listeners. We believe that, as the federal government, including the Government Accountability Office (GAO) and the Office of Management and Budget (OMB), releases additional guidance regarding the ARRA reporting requirements, the webcast technology will be an important tool for rapid dissemination of the information, which will help expedite local government efforts to comply with those requirements.

Recovery Coordinators and Advisors Network

On April 22, 2009, NLC launched the ARRA Recovery Coordinators and Advisors Network (RCAN), a national peer learning network, intended for mayors and their senior staff to share information, insights, and lessons learned regarding the reporting requirements and strategies to fully leverage federal economic recovery resources in a way that creates and retains jobs and

serves as a catalyst for long-term benefits for all communities. Importantly, RCAN also will serve as a rapid-response network to communicate with federal officials regarding the implementation status of various ARRA-funded programs and challenges local governments may be experiencing. So far, the network consists of 50 – 55 cities and more are expected to participate as this initiative gets underway.

In addition to these efforts, NLC looks forward to continuing the dialogue regarding the Act's reporting requirements and the development of future requirements with representatives from the White House, GAO, OMB, the Recovery Accountability and Transparency Board, and representatives from various federal agencies, including the Departments of Housing and Urban Development, Transportation, Justice, Energy, and Labor, and the Environmental Protection Agency.

Before and since the ARRA was enacted, cities and towns have been taking steps to ensure compliance with its accountability and transparency responsibilities. Like the federal government, local governments are developing websites to educate their residents about the ARRA and to ensure transparency and accountability in the decision-making process.

Since the legislation's passage, the City of Reno, Nevada, has launched a webpage dedicated to the ARRA on its website, www.cityofreno.com/recovery, that contains information about the City's uses of ARRA funds, job creation, infrastructure improvements, and requests for proposals for ARRA funds. The page has a link to the State of Nevada Recovery page, the federal recovery website, as well as the legislation. In a future enhancement, the page will also

have a link to the city's financial department, so the public can track the expenditure of these funds.

Similarly, in New York City, [*NYCStat Stimulus Tracker*](#), a comprehensive and interactive Stimulus Tracker Web site is under development. It will provide extensive detail and access to information about the use of federal stimulus/recovery funds in New York City and will include features such as:

- A detailed accounting for each funding source, including how funds are distributed to building projects and other City programs.
- Key performance measures - such as jobs created - showing how these projects and programs benefit the City.
- Details of the procurement and contracting process where applicable - such as the start and end dates of construction projects, and the status of contracting steps for outsourced projects.
- A locator map to identify key initiatives in each borough and neighborhood.

In another example, the city of Boise, Idaho, launched a webpage: [Accountable Boise](#).

According to Mayor Dave Bieter, Accountable Boise is designed to provide detailed information regarding local projects financed through the ARRA. "Our goal is transparency and accountability, to make sure that every dollar is spent on worthwhile projects that put Americans to work and help lead the economic recovery," Bieter said.

In addition to these individual city efforts, the cities of Kansas City, Missouri; Detroit, Michigan; Denver, Colorado; Cleveland, Ohio; Tempe, Arizona; Chicago, Illinois; and state municipal associations in Maine, Michigan, and South Carolina are among the many devoting sections of their web pages to federal recovery efforts.

In addition to websites, countless local governments of all sizes are establishing working groups with lead coordinators, in some cases new hires and in some cases existing employees, who meet on a regular basis to manage and oversee their overall ARRA efforts, while others have adopted a less centralized approach.

For example, in Providence, Rhode Island, in February, Mayor David N. Cicilline signed an executive order establishing a set of guidelines and priorities to ensure federal dollars authorized under ARRA are spent in the most strategic and timely manner. The executive order also created a 22-member team to identify opportunities for infrastructure improvement and job creation and to create a transparent system for tracking resources and expenditures. (*See attachment 2*) In Indianapolis, the Mayor's office is overseeing implementation of the ARRA with individual city department grants and fiscal management resources augmenting existing grants tracking systems or developing new tracking systems for ARRA funds.

To help local governments comply with their ARRA responsibilities, the federal government has provided several types of assistance and guidance. As of today, the majority of the federal agencies with responsibility for ARRA funding that will be distributed to local governments have released official guidance for those funding programs. (We believe that guidance on programs under HUD's jurisdiction will be released imminently.) In addition, federal officials

are providing assistance to local government leaders through conferences or meetings convened by various entities.

On March 18, 2009, the Vice President hosted an ARRA Implementation Conference at the White House for local government officials that featured representatives from the Recovery Accountability and Transparency Board, OMB, and the federal agencies with jurisdiction over ARRA programs. In addition to federal government efforts, local government leaders also are convening recovery information meetings in their local jurisdictions and inviting federal agency representatives to attend and brief the leaders on the various ARRA programs and requirements. The Municipal Association of South Carolina hosted such a meeting in Columbia, South Carolina, earlier this month. Also, besides the Washington headquarters offices, some federal agency regional offices have been an important source of ARRA information to local governments.

In terms of effectiveness, we understand and appreciate the challenges for the federal government in providing precise information about the ARRA's requirements, particularly given the accelerated timetables associated with implementation. In light of the evolving nature of the ARRA implementation process, we believe that the federal government's efforts to provide assistance and guidance will be more effective as OMB continues to clarify and enhance reporting requirements.

As local governments begin implementing the ARRA in communities across the country, important challenges lie ahead. The ARRA covers new ground, not just in the level of funding but with its accountability and transparency mandates. Importantly, these reporting requirements

are not buried at the back of the bill but featured immediately after the summary of its major provisions.

While the ARRA was premised on providing additional funding to existing federal programs as the fastest means to get the money working by avoiding start-up time associated with new federal programs, the level of accountability is new, yet the resources for compliance are greatly lacking.

The Act creates the Recovery Accountability and Transparency Board to review management of the recovery funds and appropriates resources for the Board to fulfill its responsibilities. The seven-person board, composed of federal inspectors general (IGs) and deputy cabinet secretaries, is also charged with providing early warnings of any problems. We have met its newly appointed Chair, Earl Devaney, with whom we expect to work very well.

The ARRA also tasks the GAO and Federal Agency IGs with carrying out specific oversight roles and reporting requirements and allocates resources for them to this important work.

We certainly agree with the President when he said at his inaugural: “Those of us who manage the public’s dollars will be held to account – to spend wisely, reform bad habits, and do our business the right way – because only then can we restore the vital trust between a people and their government” and expect no less than such heightened scrutiny given the magnitude of the investment called for by the ARRA.

However, local governments receive no specific allocation of ARRA oversight resources and are only able to leverage small amounts of administrative (or indirect costs) within grants, which

could impact the competitiveness of the grant application or discourage local governments from pursuing ARRA resources.

In addition to the challenge of ensuring adequate administrative oversight capacity, ambiguity in terms of performance measures and compliance requirements could be a challenge to the extent it exposes good projects funded by the ARRA to unjustified, misinformed, hostile public criticism. Additionally, lack of clarity in the reporting requirements will negatively impact the ability of all levels of government to demonstrate to the public progress towards the achievement of the ARRA goals.

Accordingly, to help achieve the Act's goals with the intended accountability and transparency in the decision-making process, we believe cities specifically would benefit from additional federal guidance with respect to the types of projects eligible for ARRA funding and from federal guidance with the definition of calculation of jobs, both retained and created. Additionally, we believe the important effort to report on jobs would benefit greatly from a common set of tools – developed by the federal government and made available to states, local governments, and other appropriate ARRA funded recipients.

Further, we recommend that additional consideration be given to providing an additional allocation of resources to local governments to ensure compliance with the ARRA and that the funds made available through the Act are able to be used for their intended purposes.

In closing, cities have always been the seat of innovation in this country and stand ready to work in partnership with the federal government (and the states) as we together help turn around our economy.

Thank you for the opportunity to appear here this morning. I would be happy to answer any questions.

2009 Annual Congressional City Conference

Marriott Wardman Park • Washington, DC • March 14 -18, 2009

Next month's Congressional City Conference will focus on how cities can get the most out of the economic recovery package signed into law by President Obama last week.

The conference will feature general sessions, workshops and other sessions with the latest information from federal agency representatives and other technical experts who can help local officials learn how to bring these recovery dollars home and how to best leverage them with other resources to make a difference in these troubling economic times.

"We understand that you are watching every dollar and you need to be concerned about traveling to meetings when budgets are being cut," said NLC President Kathleen Novak, who was present at the signing of the economic recovery bill. "However, it is also important for your constituents to know that by attending the NLC Congressional City Conference you are making sure you are taking advantage of an opportunity to learn about these unprecedented resources available to your community to create jobs and improve fundamental infrastructure."

The \$787 billion American Recovery and Reinvestment Act aims to spur millions of jobs through massive investments in transportation, energy, education and health care. The economic recovery package contains resources for cities to create jobs and resources for improvements to roads, bridges, sewer and water facilities and housing.

In addition to conference activities, NLC TV, NLC's Internet TV channel, will hold a webcast, "The Federal Recovery Package: What's In It for Cities and How to Access the Resources," this Wednesday, February 25, from 3:00 to 4:00 p.m. EST. To participate, go to www.NLCTV.org and click on the webcast event page under "Coming Up."

Resources targeted to local governments in the package will become available from three sources: (1) through state agencies; (2) through federal formula programs; and (3) through federal agency discretionary grant programs. But local elected officials will have to take action to access these resources.

The conference, taking place March 14-18 at the Marriott Wardman Park in Washington, D.C., will help local officials do just that, as well as provide opportunities to lobby federal officials on issues important to their cities.

In addition to several sessions on the stimulus package, the annual legislative conference will provide a lineup of key Congressional and Administration leaders sharing their priorities for the coming year.

Workshops on issues such as public safety, sustainability, the housing and mortgage crisis, health care reform and youth and families will provide background information for city officials on key pieces of legislation being considered by Congress. Mini plenary sessions will offer the opportunity for a more in-depth look at some of these issues.

The Congressional City Conference also gives local officials the opportunity to network and learn from each other through lunch sessions and other meetings. Leadership Training Institute seminars and NLC meetings will take place before the general conference program.

For the latest information on the conference and to register, visit www.NLCCongressionalCityConference.org.



Executive Office, City of Providence, Rhode Island
DAVID N. CICILLINE
MAYOR

Date: February 27th, 2009

For Immediate Release

Contact: Karen Southern, Press Secretary
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PRESS RELEASE

MAYOR ESTABLISHES TRANSPARENT PROCESS TO MAXIMIZE ECONOMIC RECOVERY REINVESTMENT FUNDS

Executive order sets priorities and names 22-member team to ensure funds are invested strategically and expeditiously

PROVIDENCE – Mayor David N. Cicilline today signed an executive order establishing a set of clear guidelines and priorities to ensure federal dollars authorized under the American Recovery and Reinvestment Act (ARRA) are spent in the most strategic and timely manner. The executive order also creates a 22-member team to identify opportunities for infrastructure improvement and job creation and to create a transparent system for tracking resources and expenditures.

“It’s critically important that we maximize these funds to their fullest potential to create jobs, rebuild our infrastructure and get our economy moving again,” said Mayor Cicilline. “The executive order that I signed today will ensure that every single dollar is accounted for and invested wisely as we work towards strengthening our economy and ensuring the long-term

prosperity of our city and state.”

In addition to setting out a transparent process for accurately accounting for the expenditure of funds under the ARRA, the executive order also underscores the importance of building a proactive, productive partnership with the State to ensure the funding is utilized in the most effective manner.

The City’s priorities for the ARRA funds include:

- Increase employment and access to job training
- Repair and modernize infrastructure and transit
- Enhance long-term, sustainable economic development potential
- Provide assistance and economic relief to Providence families
- Strengthen education and public safety

Providence’s 26-member American Recovery & Reinvestment Act team will meet regularly to identify opportunities for investment, track resources and report on the results of those investments. The ARRA team is led by Policy & Legislative Affairs Director Matthew Stark and includes an ARRA project coordinator, an ARRA compliance officer, ARRA analysts, the City’s chief of Administration, chief of Operations, the director of Planning & Development, the director of Public Works, the chief engineer of Providence Water, Providence Schools superintendent, Police chief, Fire chief, acting director of Public Property, director of the Providence/Cranston Workforce Investment Board, director of the Providence After School Alliance (PASA) and the director of the Mayor’s Substance Abuse Prevention Council, the director of Emergency Management, director of Pathways to Opportunity, director of the Public Housing Authority, director of Provstat and the director of ProCap.

Attachment 2