

# Hicks-Ray Associates



May 14, 2012

TO: WESTCAS Members

FROM: Fred B. Hicks and Tom Ray

SUBJECT: HR 2146, the Digital Accountability and Transparency Act of 2011

We're sure that many of you will have met Jolene Walsh at WESTCAS conferences. She is the Director of Public and Government Affairs for the Eastern Municipal Water District in California.

Jolene has brought to our attention HR 2146, which is "The Digital Accountability and Transparency Act of 2011" otherwise known as the "DATA" Act. The primary sponsor of this legislation is Representative Darrell Isa of California. HR 2146 passed the full House of Representatives on April 25 under "unanimous consent" which means it was adopted by a voice vote. Items brought to the House flood under unanimous consent are considered non-controversial and are not subject to a recorded vote.

This legislation would create a "Federal Accountability and Spending Transparency Board [i.e. "FAST]" which would consolidate into a single program how local recipients of Federal dollars report how they are spending their funds. Eight inspector generals operating under this board would be responsible for setting the rules for reporting.

Few would argue that local agencies should account for the Federal funds they now receive. Most currently do so with quarterly reporting and annual report plus A-133 audits. Many local governments find the current system so onerous that they are reluctant to accept Federal funds because of the associated administrative costs. HR 2146 could add to the complexity of these requirements.

Finally, the Congressional Budget Office "Cost Estimate" for the legislation includes the following comment: "Enacting HR 2146 could increase revenues from civil and criminal fines imposed on those who violate the regulations issued by the Board."

During the WESTCAS Phoenix Fly-In earlier this year, several WESTCAS members expressed concerns that the reporting requirements as they currently stand made them less willing to accept Federal funding, particularly in small amounts.

What do you, as a WESTCAS member think about additional mandates for how any Federal funds are spent?

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