The Recovery Act: An Accountability Test for Our Federal System

by Paul L. Posner

Background

The Congress passed the American Recovery and Reinvestment Act (ARRA) in February 2009 in the midst of the worst economic crisis since the Great Depression. The $787 billion was approved to stimulate the economy through a mix of tax and spending actions—the largest stimulus enacted in the postwar era.

The stakes have rarely been higher for an administration or Congress. The economy's turnaround is in no small part predicated on the jump start that the ARRA provides. The paradox of ARRA is that achievement of these compelling national goals rests on the shoulders of the thousands of state and local governments, nonprofits, and private firms who would be assigned the primary implementation roles for ARRA programs. The tensions that will unfold between national policy ambitions and noncentralized implementation regimes are as old as the republic. However, the consequences of this tension have rarely been so immediately apparent and politically consequential.

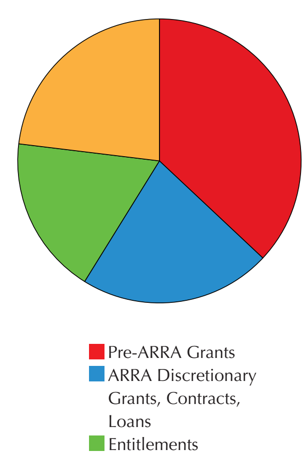
The high stakes have spawned emergent forms of accountability and new governance models. Officials with the Obama administration have already opined that they intend for many of the innovations in governance to become the new baseline for managing federal programs beyond ARRA for the future. It is incumbent upon our community—public administration researchers as well as practitioners—to assess the implications of these emerging governance models for national policy leadership, accountability, and our federal system.

Passage of ARRA constituted a major federal fiscal investment in economic recovery unlike any seen since the New Deal. With traditional monetary levers exhausted, the new administration reached for fiscal intervention to stimulate the economy, with the goal of saving or creating 3 million to 4 million jobs. Other postwar stimulus packages were dwarfed in magnitude by the $787 billion package of 2009.

Unlike the New Deal, however, ARRA does not focus on creating direct federal jobs or federally owned and operated public works projects. Rather, consistent with the nation's postwar history, this stimulus largely consists of funneling federal assistance to a wide range of third parties. The *Stimulus and Governmental Tools* chart shows that most of the ARRA subsidies are provided through several more indirect tools of government—grants, tax expenditures, contracts, and loans.

While often discussed as a single entity, in reality ARRA affects numerous programs across the spending and revenue sides of the budget. Grants to state and local governments through ARRA exceed $300 billion, when all discretionary and entitlement grants are included. In

Stimulus and Governmental Tools



Source: *Recovery.gov*

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fiscal year 2010, grant outlays for ARRA alone are equivalent to approximately one-fourth of all grants in FY 2008, the last year before ARRA.

Major new tax credits and deductions were provided for new home purchases, energy conservation, higher education assistance, health insurance premiums for the unemployed, and auto purchases, among others. In several cases, tax expenditures were replaced by more direct federal grant funding, as the collapse of financial markets undermined the roles played by tax subsidies in such areas as low-income housing and state and local infrastructure bonds.

Much is riding on the implementation of the Recovery Act. Against the backdrop of high expectations, how are the actors in our system positioning themselves to achieve the ambitious goals of the act? What are the fiscal, programmatic, and intergovernmental consequences of the programs enacted by Congress and the implementation regime articulated by the Obama administration? What are the longer-term implications of the ARRA experience for the future of federal domestic policy management and implementation?

Progress to Date

Economic Stimulus. When viewed against the primary goal of stimulating the economy, the performance of this legislation is actually quite notable. The conventional wisdom about federal countercyclical assistance can be summed up simply: too little, too late. For instance, in the 1970s, federal money from the antirecession fiscal assistance act came to the states so late that it may have contributed to higher inflation, since the economy had already entered a period of strong recovery.

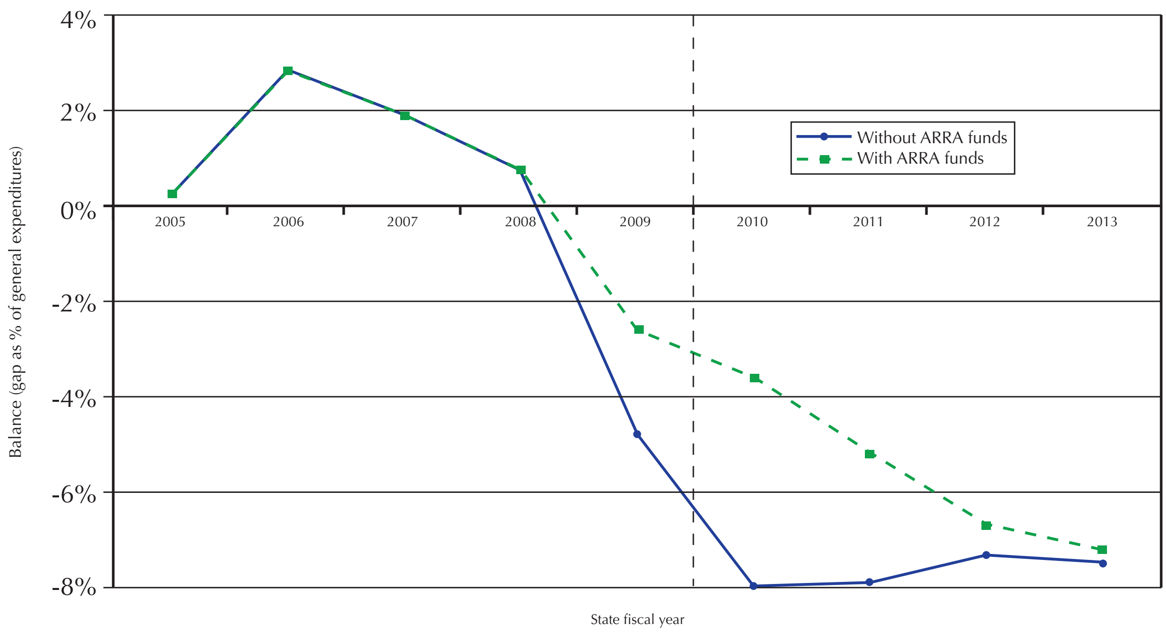
Facing mounting job losses and bank failures, Congress and the Obama administration acted with record speed. The 2009 stimulus program became law just 14 months after the recession officially began in December 2007—faster than the average 27 months between the beginning of past recessions and the enactment of antirecession job creation programs.[1]

The magnitude and targeting of at least a portion of the funds was also notable. The combination of Medicaid enhancements and the State Stabilization Fund means that the flexible funds provided under the act total over $100 billion, a significant share of projected state budget shortfalls of $300 billion to $350 billion through 2011. While labeled as programmatic funds, in effect they constitute back-door revenue sharing which can be used to free up state dollars in education and health care to shore up the entire state budget. Moreover, the Medicaid matching formula was changed to target a portion of the enhanced federal match based on states' relative unemployment rates. The executive director of the National

Governors Association concluded that ARRA funds have already had a positive economic impact by enabling states to postpone planned cuts and tax increases for fiscal year 2010.[2]

The following chart from the Rockefeller Institute of Government illustrates both the moderating fiscal role played by ARRA and the projected lag in the states' fiscal recovery path from the recession.

Actual and Projected State Budget Shortfalls 2005–2013



Source: *Rockefeller Institute of Government*

Daunting Management Challenges. Congress and the administration have together created a highly complex set of programs and tools under the ARRA umbrella to achieve economic and programmatic goals of the act. When viewed against the backdrop of the insistent and urgent national economic crisis, weaving an implementation regime together to manage ARRA has proven to be a difficult challenge indeed.

The ARRA is a highly complex assemblage of specific and fragmented programs and tools. Classic managerial problems associated with implementing ambitious federal goals were made even more challenging thanks to a highly specific, and sometimes conflicting, set of federal goals and objectives. This alone suggests the likelihood of goal conflicts, slippage, program delivery shortfalls, and widespread confusion.

For the most part, the effective implementation of ARRA's economic and programmatic goals relies on a wide range of third parties with independent interests, priorities, and allegiances. For the first quarterly reporting cycle, there were over 130,000 entities that reported spending under ARRA-funded discretionary grants, contracts, and loans. These included many state and local governments as well as subrecipients, contractors, and subcontractors that number in the thousands.

Key Challenges in Ensuring Responsible ARRA Spending

Challenge One: Complex Federal Program Structures

Over 300 new and existing programs are covered by the public reporting requirements alone–and those only cover one-third of ARRA funding.[3] Grants to state and local governments are provided through 95 specific grant programs, each with their own program rules and administrative conduits.[4] The more than 200 grant programs funded under the Recovery Act have very different designs, with different expectations and results. One breakdown of grants by the Council of State Governments showed the following:

- $100 billion can be used to supplant state funding through general fiscal relief under increased federal Medicaid matching and the State Stabilization Fund program.
- $130 billion supplements state spending under categorical grant programs.
- $100 billion is competitive funding for new discretionary grant awards.[5]

Grant programs under ARRA contribute to the classic problems of program fragmentation that have plagued the categorical grant system over many years. Thus, for instance, one study found that over 30 specific ARRA and non-ARRA federal grant programs were available to support energy retrofit projects undertaken by cities.[6] In some respects, the proliferation of programs under ARRA reflects the fragmentation of authority in the Congress and the executive branch which formulated the act, as numerous subcommittees and agencies competed to gain a foothold for their programs in the recovery process.

Challenge Two: Conflicting Purposes

ARRA serves several different purposes. Stimulating the economy through more jobs was, of course, the primary impetus for the act. However, like so much legislation, the act became a veritable magnet for other policy goals and programs that had little to do with the near-term economy. For example, the administration chose to use ARRA to provide a down payment on longer-term programmatic investments, including high-speed rail, broadband dissemination, and health care technology. On top of this, other policy requirements were added to the mix—which has had the effect of sowing conflicting messages about goals, and slowing implementation.

Multiple objectives are not unusual for federal programs. However, many of ARRA's goals may well prove to be mutually inconsistent. For instance, a key objective was funding "shovel ready" projects that could start immediately, but, for example, the addition of Davis-Bacon wage requirements has slowed the use of weatherization funding by local communities as they waited for federal guidance on pay rates for contractors.[7]

Most critically, speed can undermine accountability and thoughtful implementation design. Hurricane Katrina illustrates the problems that occur when federal agencies are pressed to expedite responses to urgent needs, sometimes at the expense of careful management and oversight.[8] Brookings' Metropolitan Policy program observes that the emphasis on speed frustrates the ability of state and local officials to use the new funds to transform the delivery structures of intergovernmental programs.[9]

Challenge Three: Third-Party Government

In some respects, ARRA follows traditional models of domestic policy implementation. As with other policy initiatives, state and local governments have major responsibilities, authority, and expertise in most domestic policy areas that are vital to the recovery.

As with many other programs, the federal government seeks access to the authority, expertise, and resources of other levels of government as well as to those of other nonprofit and private actors, while these third parties gain vital federal funding. While the federal government may gradually gain buy-in and partnerships, top-down, centralized federal goals typically founder in these settings, at least in the early going. Third parties, in particular state and local governments, have different priorities and significant information monopolies and controls over beneficiaries which enable them to resist or modify and mitigate the most onerous federal prescriptions. The sheer volume of transactions means that federal officials are fundamentally incapable of managing the system in a hands-on manner, but rather must rely on state and local governments and other third parties to eventually internalize federal priorities and norms.[10]

Derthick's work notes that centralizing policy choices made at the national level are modified and even undone by the bargaining process that takes place with state-level bureaucrats who have critical leverage as the middle layers of our system.[11] Peterson, Rabe, and Wong have added a brighter note by concluding that implementation systems mature over time, as program specialists across levels of government come to share common values and professional norms.[12] Attending the same schools and same professional conferences, informal networks of program specialists become the mortar that binds the intergovernmental system together in cooperative endeavors.

The challenges facing federal officials in gaining cooperation are perhaps greatest when using governmental tools that are the least direct and least controllable by national officials. Tax expenditures, for instance, present vexing program challenges to federal officials. Prized for avoiding meddlesome government interference with the private economic decisions of taxpayers, these government tools provide notoriously weak accountability for achieving the underlying programmatic goals of the subsidy.[13]

Challenge Four: High Political Stakes

One observer noted that, given its dependence on state and local governments to deliver recovery programs, this administration has an even greater investment in cooperative federalism than did many prior administrations.[14] However, the version of cooperative federalism ushered in by the Recovery Act has a monotonic Washington accent. In marked contrast to the devolution rhetoric that has characterized national programs since the Reagan era, there has been a decidedly centralizing shift in our system under ARRA.

Crises, whether economic or around homeland security, traditionally have centralizing effects on our system. The rapid start-up of programs and high national stakes together provide powerful incentives for national officials to take strong measures to drive implementation and develop effective surveillance and oversight. Politically, the president and Congress are in the hot seat. Even if state and local governments share responsibility for any program failures or shortfalls, prior research suggests that the broad public will blame national officials, as was the case with the botched response to Katrina.[15]

Challenge Five: Centralization Under ARRA

Commensurate with the high political stakes, this administration and Congress established policy implementation roles, strategies, and policies that represent a significant centralization of authority for the many intergovernmental and third-party programs. The following examples comprise significant increases in federal centralization of the implementation of ARRA programs in comparison with the typical federal implementation role:

- **The "Sheriff."** The vice president has been assigned to play the key role in managing ARRA implementation. In carrying this out, the vice president has fashioned himself as the "sheriff" who will single out leaders across the federal system who are found to be wasting funds or violating grant or program requirements. Rivaling the centralized authority exercised by President Johnson at the birth of many domestic programs, the projection of the vice president adds a new dimension of political centralization to the ordinary management of government. Importantly, the White House has indicated it will use the bully pulpit to place blame on state and local leaders who fail to choose and deliver effective Recovery Act projects.

  The vice president has assumed the role of centralized authority for management, both horizontally and vertically. His control over federal agencies is reinforced by a special "Recovery Cabinet" that meets biweekly with key federal agencies. Reflecting the importance placed on implementation at the highest levels, the director of ARRA implementation reports to the president, the vice president, and the OMB director.

  The vice president also plays a key role in reaching downward through the system, upsetting "normal" federal, state, and local roles and routines in the process. With weekly calls to state and local leaders, the vice president plays the role of an ombudsman who will intervene to smooth implementation and override federal agency decisions, where warranted. In return, in early October he asserted his authority by overturning 150 proposals from federal agencies, states, and local governments—including projects under block grant programs, where state and local officials normally enjoy unfettered discretion.[16]

- **Gubernatorial centralization.** The very same impulses prompting a stronger role for the White House also caused governors to become more engaged in ARRA implementation within their own states. Most states established Recovery Act "czars" to provide statewide guidance and strategy in dealing with the federal government, the legislature, and various interest groups and media. Just as the president is in the hot seat, so are governors—and they need to be positioned to prevent embarrassing practices and promote effective ones. The federal ARRA statute provides new authority for a governor to prepare state proposals for areas not traditionally under the purview of many governors: education stabilization funds and mass transit funding provided under ARRA.

  Stronger gubernatorial roles have raised the prospects for a union of "topocrats" across all levels of government. Just as programmatic experts work in partnership across governments on federal programs, there is evidence that top political officials have used ARRA as an occasion to establish their own intergovernmental networks to counter the dominance of program specialists and agencies in their respective governments. High-level consultations among elected officials and their staffs can serve as a safety value to relieve some of the intergovernmental tensions arising from the centralized ARRA framework.

- **OMB standards.** The Office of Management and Budget (OMB) played an unusually prominent role in ARRA implementation. The agency issued five highly specific guidance documents from February through September 2009. The guidance specified government-wide standards covering issues such as recipient reporting, agency risk assessments, budget execution, and application and review procedures for grants, contracts, and loans. While contracting rules are traditionally standardized in the Federal Acquisition Regulation, the level of standardization for grants constitutes a major departure from the more generalized and often hortatory language in OMB's grants management circulars. The common reporting framework for providing data on jobs and spending provides a level of standardization and detail that is rare indeed in the world of grants management.

- **Program rules.** Federal programmatic guidelines and standards were often ratcheted up under ARRA. While it is difficult to capture the diversity of programs under the act, one bellwether is the set of rules established for state spending under the broadest-purpose ARRA programs—Medicaid, State Fiscal Stabilization Funds, and highways programs.

  Although gaining what amounts to $87 billion in general fiscal relief under Medicaid, states were nonetheless required to maintain benefits and payments to local governments at 2006 levels. The State Fiscal Stabilization Fund provided significant new funds to the states under the education banner, but only if states maintain their education spending at 2006 levels and achieve four major education reform goals—including improving teacher effectiveness and promoting standardized testing. The federal highways program became more centralized under ARRA than before, with a new state "maintenance of effort" provision added to prevent substitution, new requirements for targeting hard-pressed local areas, and a Department of Transportation review of state project decisions.

Challenge Six: An Accountability Stress Test

Consistent with the more insistent federal expectations, ARRA is accompanied by virtually unprecedented layers of federal oversight and accountability rules. At the federal level alone, multiple actors will play significant roles in overseeing the use of ARRA funds:

- Vice president's office—broad political oversight
- OMB—program guidance
- Council of Economic Advisers—jobs reporting
- Federal agencies—program management and monitoring
- Recovery Accountability and Transparency Board—12 Inspectors General (IGs) involved with ARRA
- IGs—up-front guidance and post hoc reviews
- Congressional committees—hearings and inquiries to federal and state officials
- Government Accountability Office (GAO)—regular reports on progress and data reports

In addition to official federal overseers, there is a virtual army of nonprofit organizations acting as nonofficial watchdogs of the Recovery Act. The Coalition for an Accountable Recovery, an umbrella of 35 nonprofit advocacy organizations, has made its presence known in monitoring ARRA guidance, reports, and websites.

What is particularly notable are the prominent roles played by federal auditors in the process. Departing from their traditional roles as ex post facto reviewers following program implementation, auditors are playing more proactive roles, advising top federal officials and managers up front in the design of rules and management processes. A separate body—the Recovery Accountability and Transparency Board—was established to provide coordination for federal agency IG reviews and to develop and maintain the federal ARRA website, Recovery.gov. With membership from 12 IGs, the so-called RAT Board will coordinate its work, perform its own audits, and make recommendations on management and internal controls and risks. Additional funds were allocated to provide staffing for IGs and the GAO to undertake reviews of ARRA management and results.

Both the IGs and the GAO have mounted early field reviews to examine state and local implementation. GAO is required to provide Congress with reports every 60 days on progress and problems involved with ARRA implementation, as well as with quarterly reports assessing the quality of recipient reporting under the act. The IGs are working proactively with federal agency managers to help them pinpoint areas of potential risk and vulnerability to waste and abuse, and to highlight key compliance responsibilities.

A challenging array of accountability provisions has been created to track and account for ARRA funds. Detailed reporting standards have been articulated requiring ARRA funds to be tracked, reported, and accounted for separately from other federal grant or state/local funds. The act includes new requirements, such as estimating the number of jobs created or maintained by the funds, and quarterly reporting on funding and project status.[17] For the first time, federal reporting will flow down to capture the first level of funds passed through by states to subrecipients.

These stronger federal accountability roles have proven to be controversial. On one hand, federal officials are appropriately worried that emphasis on speed might lead to waste, fraud, and abuse, justifying a more central role for auditors at the outset. Moreover, given the higher stakes involved with ARRA, long-standing federal weaknesses in managing federal grants and contracts also call for redoubled efforts to focus on program accountability.

Nonetheless, the higher federal accountability profile has raised concerns. First, the greater up-front role played by auditors raises questions about the relationship of auditors to managers in public administration. While such a relationship is clearly healthy, both parties need also to be on guard to protect their own unique roles and perspectives. Auditors must be careful not to compromise their independence by reviewing the very same rules and procedures they recommended early in the design phase. Managers must be free to trade off the often literal, rules-based accountability perspectives of auditors with other important competing values, such as the need to expeditiously deliver assistance to stimulate the economy.[18] ARRA experience shows that, under pressure to strictly observe accountability requirements, some program managers are erring on the side of caution rather than providing expeditious program delivery and drawdown of funds. State officials note that federal IGs often push federal rules well beyond the point of no return, pointing to a recent Education IG report—which called for states to maintain their own funding for education under ARRA—that went beyond the legal maintenance of effort provision in the law itself.[19]

The ARRA experience also illustrates that uniform standard federal accounting and reporting rules may founder when applied to diverse third-party governance settings. Given that many states and localities have their own accounting and reporting systems, and that existing federal grants often have different timelines, due dates, data collection requirements, and reporting styles, the overlay of Recovery Act requirements will create implementation problems as diverse as our federal system.[20] The essential problem is that we have no national chart of accounts that states—let alone the thousands of substate entities—must use in managing their own funds. These challenges become even greater when tracking funds below the state level, as states have very different ways of reporting and handling the pass-through of federal and state funds, often commingling federal and state money devoted to common programs. The projection of federal requirements down through the system constitutes a stiff stress test for a highly decentralized system.

Challenge Seven: Public Transparency

Perhaps the most significant governance legacy of ARRA will be the unprecedented public transparency provisions. Unlike the Federal Funding Accountability and Transparency Act of 2006, cosponsored by then-Senator Barack Obama, ARRA bypasses federal agencies by requiring all grantees and contractors, as well as the first level of subrecipients, to report their quarterly data from one-third of ARRA programs directly to an online website.[21] This new process will produce a veritable bow wave of information that will be searchable down to the level of specific communities on electronic maps.

The invitation to the public to become engaged in real-time oversight by providing it the tools to search ARRA data will make intergovernmental decisions more transparent than ever before. However, its success will rest on whether the information disclosed is both reliable and meaningful. As Earl Devaney, current chair of the RAT Board noted, the public reporting of inaccurate data will set transparency back. Indeed, the first round of recipient reports in October 2009 showed significant problems with data reporting and quality, according to GAO. The 640,000 jobs reported included numerous inconsistencies and apparent errors caused by confusion over federal guidance, among other factors.[22]

In addition to the problems with tracking funds downward through the layers of our system discussed earlier, the reporting will only focus on inputs and jobs for each separate ARRA program. While input data are important for the public, this level of data will not be sufficient for the public to understand how ARRA is affecting performance and broader outcomes that matter to communities. Most categorical grant projects are too narrow to capture the underlying outcomes—results which are typically achieved through the integration of individual federal grants with other related federal, state, and local programs that address broader community-level problems.

The most important feature to monitor will be the response of our system to this new information deluge. Various interest groups will not be shy about highlighting those data that support their views. An eager media and a vast array of blogs will become preoccupied with a daily diet of fresh incidents to follow and highlight. Those who oppose the stimulus and specific programs will be delighted by being able to select data that suit their own biases. Churchill's quote of some 60 years ago is more than true today: "A lie gets halfway around the world before the truth has a chance to get its pants on."

The question raised by this is whether public managers will play a role in interpreting and providing context to the welter of data released. In some respects, the transparency movement makes managers' institutional knowledge and expertise even more critical. However, some advocates advance the concept of "crowdsourcing," where the judgments of managers and other experts are supplanted by an undefined community, challenging the autonomy of professional managers of any stripe or calling.[23] Past studies of "open government" initiatives have shown that they are often exploited not by the "people," but by organized interests who have the resources to pay attention.

Certainly, the agenda of managers and political officials alike will at the very least be reshaped to respond to the vast outpouring of information to the public, and the responses that this engenders. ARRA is the latest chapter in the evolving story of how our bureaucracy reconciles potentially competing notions of responsiveness with broader stewardship responsibility to act on behalf of broader interests and values in our system, including those not expressed in blogs. Harlan Cleveland used to say that public administrators are the "get-it-all-together profession." This has never been more true than today.

The Road Ahead

Looking forward, ARRA is scheduled to expire over the next several years. Many of the issues raised for the economic recovery, state and local budgets, and accountability are still very much in their early stages and difficult to predict. For instance, considerable discussion is already being generated about a second stimulus. Even if the economy continues to recover, state and local governments will in all likelihood face deep and chronic deficits over the next several years. With the general relief from Medicaid and the State Stabilization Fund expiring in 2011, states will face a "cliff effect" from the withdrawal of those federal dollars—an effect which could not only deepen state fiscal deficits but set back the economy as well. For instance, New Jersey alone will have to pay $550 million in 2011 to replace enhanced federal Medicaid funds.

However, even once ARRA expires, the experience raises several important longer-term issues for the public sector that would profit from additional research. They include the following:

- **Intergovernmental fiscal relief.** State and local governments' procyclical budgets mean that they will continue to be a destabilizing force for both the economy and critical federal programs, like Medicaid, that rely on states and localities. Most major federal systems have a permanent national fiscal assistance program, recognizing the mismatch between the key spending responsibilities shared by state and local governments and the superior revenue-raising capacity of the national government. Whether such a program is in the cards or not here, recent history suggests that some kind of federal general assistance to hard-pressed states and localities is likely to be forthcoming in future downturns.

  Research can help identify design principles that should inform the magnitude, allocation, and triggering of such a program. Would an automatic trigger, along the lines of unemployment insurance, help ensure a more rapid response to recessions? How can we design appropriate incentives to ensure that such a program will not cause a moral hazard, i.e., where states reduce their own rainy day funds in anticipation of federal assistance?

- **The role of public transparency.** One lasting legacy of ARRA likely will be the direct reporting online of information on federal programs. What trends occurred in public participation in the ARRA process as a result of these new provisions? Who participated and who did not, and what does this say about the design of this transparency initiative? How satisfied were various groups, both in the public as well as among public managers, with the outcomes realized from this experiment in democratic governance?

  As Tim Conlan noted, public confidence will not automatically flow from public transparency.[24] What roles can and should public managers play to institutionalize transparency in a responsible and balanced manner? How can public managers work to facilitate the transparency movement in a way that also contributes to public understanding? How can appropriate controls be designed to ensure data quality as well as quantity?

- **The role of auditors in public management.** ARRA vaulted auditors into primary roles at the front end of program design and management. We need to better understand the implications of this for the future of public management at the federal level. Very little has been written about auditors in public management, except by the audit community itself.

Research is needed on the specific roles and relationships established under ARRA between the audit community and managers within OMB and the federal agencies. What kinds of contributions did auditors make to the design and management of ARRA programs? To what extent did these relationships succeed in satisfying the objectives of both communities—auditors and managers? What tensions existed between these two separate cultures, and what consequences did these have? What institutional reforms can be made to foster stronger partnerships?

- **States as middle agents in the federal system.** ARRA placed renewed focus on the critical role that states play in the intergovernmental grant system. As the stakes ratcheted up under ARRA, it became apparent that the capacity and effectiveness of the states' grants and contracting processes were vital to getting funds distributed in the most expeditious yet accountable manner. ARRA represented the ultimate stress test, which could provide a useful baseline for understanding these critical partners in our federal system.

  Unfortunately, little is known about these state systems. A study done by the Advisory Commission on Intergovernmental Relations (ACIR) in 1978 on the states' role in passing through federal funds needs to be updated and repeated.[25] The ability to understand and pinpoint the location and use of federal funds passed through the states is dependent on understanding how various states account for these funds. In years past, states combined related state and federal funds together into a single payment and grant to local providers and governments. If the federal government insists on isolating its contribution, this may very well require a major shift in state accounting and reporting.

- **Institutionalizing the center in intergovernmental management**. Successfully designing and managing broad cross-cutting intergovernmental initiatives like ARRA requires capacity at the federal level to understand intergovernmental management and work with partners to create mutually acceptable implementation regimes. Unfortunately, the federal government has allowed this central management capacity to wither within OMB, the Congress, and the White House. The ACIR provided analytic data and studies that helped us better understand the many moving parts of our compound republic.

  A study is needed to identify alternatives for restoring such a capacity at the national level. Such a study would address the restoration of analysis and data, managerial, and legislative capability—and the creation of a forum of elected officials to come together around common challenges and themes. Federal systems like Australia and Canada have established systematic mechanisms to regularly analyze and consult on alternatives across levels of government.

ENDNOTES

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19. U.S. Department of Education Office of Inspector General, Memorandum on Maintenance of Effort, ED/OIG/LO3J011, September, 2009.

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Implementation of the Recovery Act

The following research questions are based on discussions by participants in small group working sessions at the November forum:

1. Which Recovery Act programs have met the criteria for stimulus funding: timely, targeted, and temporary?
2. Which design features (e.g., maintenance of effort, segregation of funds, no earmarks, larger local role) of the Recovery Act have worked?
3. What have been the consequences of transparency and reporting requirements in the Recovery Act, including direct and subrecipient reporting?
4. What are the outcomes (e.g., jobs created or saved, program performance) from the Recovery Act?
5. What have been the implications of increased high-level attention (e.g., by the vice president, departmental secretaries, etc.) on spending and risk avoidance?
6. What is the role of public managers in enhancing public trust in the implementation of the Recovery Act?
7. How has the Recovery Act strengthened the role that states and governors play in the intergovernmental process?
8. How has the Recovery Act changed the audit function?
9. What positive and negative lessons have we learned about the Recovery Act accountability requirements?
10. What elements of the Recovery Act might be appropriate to extend to all intergovernmental spending programs?