

One of the areas of strength in the implementation of the Recovery Act was that many of the programs being funded were already established. You were plugging funds into established programs and established policy networks. This certainly promoted the goal of rapid and largely successful implementation, and certainly ensured spending the funds on time.

In addition, much of the aid that was given to state and local governments—the real big dollar amounts—were in relatively flexible forms of funding. The largest single component was the increase in the federal matching share for Medicaid, and that essentially had the effect of freeing up state money that would normally go into the state share of Medicaid, and made it available to plug other holes in state budgets—and there were gaping holes in state budgets as their revenues were plummeting as the recession took hold.

**Early Observations.** Although it is often overlooked in most assessments of ARRA, the Recovery Act's implementation also highlighted the strengths of the public service at all levels of government. At a time of tremendous fiscal and administrative stress, managers and civil servants at all levels of government, by and large, did an exemplary job of implementing the program despite working under enormous time pressures and with great uncertainty as to what the final rules were going to be. In Washington, there were people who were working nights and weekends to try to get rules out so the monies could be spent. The same thing occurred in many states, where there was no new money for administering the programs.

Where there were implementation problems, they tended to surface in the new or vastly expanded programs like the home weatherization grants in the Energy Department [where funding for this program was increased from \$210 million to \$5 billion] or the program to expand broadband access, where established procedures and implementation networks were lacking or they were inadequate to the massive increases in funding.

And finally, the early involvement of auditors in the program implementation process was a new role for them, and this new proactive role confused and heightened tensions with program managers, who saw themselves as having the lead responsibility for getting things done.

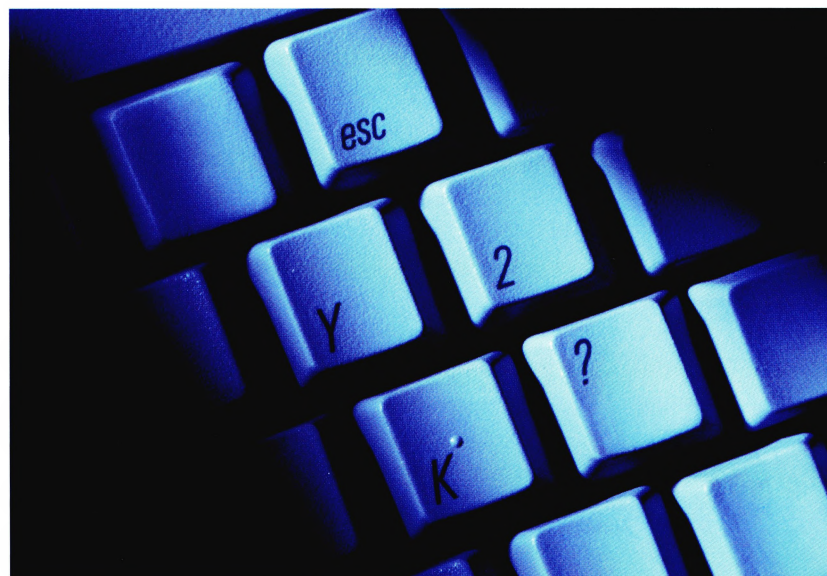
## Category Two: Large-Scale, Urgent Initiatives

— Dwight Ink —



The public administration community, I think, has reason to be proud of quite a lot of advances that have been made in recent years. But I would argue that in the kinds of management concepts and practices this country needs [in order] to address the large problems that cross agency lines, we have lost ground. The Katrina recovery fiasco and failure of the Iraq recovery efforts after the military success illustrate our frequent inability to coordinate government resources in a crisis.

However, the case of the federal Recovery Act shows that outstanding leadership can succeed in responding to time-urgent challenges. Ed DeSeve [the special advisor to the president responsible for the implementation of the Recovery Act under the political leadership of Vice President Joe Biden] was a professional leader who deserved a tremendous amount of credit for what transpired. Likewise, John Koskinen led the advance from the 20th century to the 21st century in terms of our computer problems [often referred to as Y2K] which posed a potential disaster because we realized, belatedly, how serious the consequences of failure might be. With the help of the president and the OMB, he drew together the most massive intergovernmental and inter-agency coalition of agencies and private-sector businesses and foreign countries that ever has occurred in the world. Most people said this massive undertaking started too late, couldn't succeed, but it did.



The 1964 Alaskan earthquake was the next-to-the-most severe earthquake ever recorded and when I first went to Alaska [as the President's designated recovery coordinator], we couldn't find a single engineer who said we could relocate, redesign, and reconstruct harbors, water sewer systems, railroads and so forth, in time to prevent two-thirds of the Alaskan population from having to abandon the state with the consequence that it would no longer be a viable state. We had such a short construction season that the dire predictions had a lot of credibility. I didn't quite see how I could go back to the president and say, "Mr. President, I'm sorry. I can't do what you told me to do." On the other hand, I had no idea how we could get it done. But through unprecedented management actions and integration of government-wide resources at all levels, we did.

Each of these three cases, the Recovery Act, the Y2K case, and the Alaskan earthquake, was regarded as virtually impossible. Each was addressing very different challenges. Each was under different presidencies, spanning half a century. Yet, there were some common values and concepts that were key to success and are worth looking at for future major crises.

**Leadership.** First, when there are challenges of the magnitude we have discussed, the federal government has to quickly assume a leadership role. The leader of the operational recovery needs to report directly to the president, as I did. No political appointees in between. And in each of the three cases, the director was either a career person or a political appointee with extensive prior government experience. They were professionals, and through experience, knew how the government worked. They knew where the strengths were, where the weaknesses were. They knew what risks could be taken. They knew how to meld the political and the career leadership together. They knew how to work with Congress.

**Transparency.** In each of these three cases, there was an unusual amount of transparency. In some instances, each invested quite a lot of time initially in openness, but it saved a great deal of time over the long run, and in the process we gained a lot of credibility not otherwise achieved. It reduced the opposition because people understood what was going on. There was much greater accountability that people could observe. Most knew where to go to register their complaints, to seek redress. In each instance, there was a great deal of effort put toward the intergovernmental dimension, melding different levels of government together with the private sector and with the public into a n integrated effort. In Alaska, every one of my operational decisions [was] made in public meetings in which the public participated and had a chance to raise their objections. The press was there.



And each of these cases provided a surprising amount of accountability which, in the case of the Recovery Act, was very complex and not at all easy to do. In each of these cases ... not only was there the career leadership reporting to the president, but the whole operation was staffed by professionals all the way through.

**Procedural Waivers.** I had the tacit approval from the President and Congressional leaders to suspend any agency procedures that got in our way of meeting our deadlines. Consequently, I didn't have time to fool around with public hearings. I eliminated almost all of them. The citizens cheered and the reason is because all of these decisions had already been made in public where the public had a chance to ask questions and express their opinions. If one operates openly, one is usually free to eliminate a lot of red tape which is often generated in the best of interests of society but we really can't afford today when we have to develop a greater capacity to move quickly in times of urgency.

**Congressional Linkages.** In the case of Alaska, President Johnson designated a senatorial ally, Senator [Clinton] Anderson, to a Cabinet level policy commission that provided excellent political leadership and White House cooperation with Congress. With respect to operations, I detailed three experienced Congressional staff to serve full time on my staff, creating a second close linkage between the two branches. Otherwise, we would never have been able to overcome the [political rancor caused by the] bitter Civil Rights debate [ongoing at the time] and the 57-day Senate filibuster it faced. It also helps explain my freedom to provide procedural waivers for agencies.