



GETTING YOUR SHARE OF THE OBAMA STIMULUS PLAN

Ensuring Your Government Will Meet Demands for
Accountability, Transparency, and Oversight

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The lobbying is intense and the needs are great for the Obama economic stimulus package, which – over two years – is expected to total at least \$775 billion and perhaps as much as \$1.3 trillion in tax cuts and increased spending. The new Administration's challenges will be to get the money out fast to projects that will produce jobs, meet priority needs, and won't wind up on the front page of the paper because of kick backs, inside deals, or outrageous pork. The criteria for project selection will certainly include: how fast a project can be underway ("shovel ready" projects are ideal), the quality and duration of the jobs each proposal will create, the needs each project will meet, and each project's expected impact on local issues as well as on national priorities, such as CO2 reduction.

In addition to these criteria, **the Administration has sent clear signals that responsibility and accountability for results will be paramount.** Obama himself told reporters that his package will set a "new higher standard of accountability, transparency and oversight." Obama's recent creation of a new White House position called "Chief Performance Officer" adds further credence to his claims that accountability for results will be a critical focus areas of the Administration.

The public is in strong agreement with a need for vigilant control over how any stimulus money is doled out, which is not surprising, given that the current economic collapse has been largely attributed to poor oversight. According to a national poll just released on January 9th, 94 percent of Americans support a national effort to build up the country's infrastructure, but more than half of those in the poll say that their top consideration when thinking about this infrastructure spending is either accountability (making sure those projects are on time and within budget) or transparency (allowing citizens to see exactly where money is being spent). News reports signal that the public will indeed have access to such information. There are plans to create a Web site that will allow taxpayers to track where stimulus money is being spent and to see the Administration's estimate of how the money is affecting individual communities, as well as the economy overall. So recipients of stimulus dollars who fail to follow-through on promises may face harsh public scrutiny.

How should local officials prepare? Are there things you can do to improve your odds of getting "your share" of the forthcoming stimulus funds? Absolutely. You will need to identify projects that will fit within the framework of the overall stimulus plan, with its emphasis on public works projects that can quickly produce jobs and have an impact on the economy over the long term. And, just as importantly, you will need to prove that your organization is capable of meeting the new standards for accountability, transparency, and oversight.

Here are some recommended steps, which will need to be undertaken expeditiously to be able to capitalize on the stimulus plan:

Step 1: Evaluate and rank your portfolio of projects against the above criteria. Maintain good documentation of this project selection process. You'll find some performance measures listed below that may be helpful for rating projects and presenting your region's/community's portfolio for consideration. (These types of measures will also be critical down the road, when it comes time to prove pay back). Document the methodology you're using for estimating the number of jobs that will be created and for estimating other measures of success. Think through and note what processes you will use to get the projects on-line quickly, while maintaining responsible controls and oversight.

Step 2: Design an approach that will ensure transparent, ethical management of the projects. You don't want a lot of bureaucracy; time won't permit it. But a truly independent contract review board consisting of a judge, a county attorney, and someone from an independent group, such as the League of Women Voters, will go a long way toward building real transparency and external confidence in your approach.

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Step 3: Setup a system to regularly and reliably monitor and review results. Accountability and oversight require clear goals, defined outputs, unambiguous responsibility, and regular, thorough reviews of progress. By starting with clear performance measures for your portfolio of projects (i.e. overall outcome goals for stimulus dollars), then creating a system of aligned lower-level objectives and measures, you will build in accountability, while putting your organization on-track to achieve its goals. You'll also be creating an "early warning system" that will let you take action on areas where progress is stalled, well before issues bloom into much bigger (and more public) debates. Examples of these types of lower-level measures would include compliance with the implementation schedule and completion of defined milestones and in-progress budget targets. Be sure to publish (and adhere to) a schedule of regular progress reviews that will set expectations of accountability and will also be key to ensuring results. This entire framework is really a version of a cascaded Balanced Scorecard framework, modified to focus explicitly on stimulus efforts.

Step 4: Further enhance your credibility, visibility, and accountability by putting your "Stimulus Scorecards" into a software framework that supports and displays all of your high-level goals and measures, linked to scorecards showing the contribution of individual projects in the portfolio, the critical supporting lower-level measures, milestones along the way, budget compliance measures, and in-process measures. Especially helpful are software packages that allow individual names to be associated with each objective, measure, and project, which is essential to ensuring accountability and transparency. These systems also are invaluable tools for regular progress reviews, because they allow leaders to "drill down" from top-level goals through cross-functional and lower-level activities to determine if preemptive action is being taken on potential problems.

Potential Objectives and Performance Measures for your Top-Level "Stimulus Package Scorecard"

Objective: "Create New High-Value, Long-Term Jobs"

- Number of jobs created per \$1,000,000 invested
- Percent of jobs paying over \$30,000
- Percent of jobs that will last a year or more

Objective: "Get New Jobs and Projects Underway Rapidly"

- Percent of jobs in place within 3 months of federal funding approval
- Percent of jobs in place within 6 months of federal funding approval
- Percent of stimulus-related projects on schedule

Objective: "Ensure Ethical, Transparent, Accountable Approach"

- Percent of contracts reviewed and approved by an independent ethics board
- Percent of contracts with measurable performance standards and penalties for non-performance
- Percent of projects undertaken in accordance with Project Management Institute standards

Objective: "Make Positive Contributions to the Community and the Environment"

- Percent of projects targeting economically disadvantaged areas
- Private investment leveraged per \$1,000,000 of stimulus investment
- Level of expected CO2 reduction as result of projects
- Expected five-year savings in energy costs (for citizens and/or government itself)

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To learn more about how to put this concept into action at your organization or to see an example of an actual “Stimulus Package Scorecard” complete with drill-downs to lower-level contributors, targets, actual measures, and linked projects, all linked and accessible in software, please contact ActiveStrategy (info@activestrategy.com) or 484-690-0700.

About the Author

Chris Heflin-Ewing is a Malcolm Baldrige Examiner who leads ActiveStrategy's Public Sector Practice Group, which helps governments, the military, and federal agencies drive better transparency, accountability, and results through strategy execution. She is an experienced performance excellence practitioner with over thirty years of leadership in government innovation and improvement. Immediately prior to joining ActiveStrategy, she was an Internal Consultant on performance improvement at The City of Coral Springs, the 2007 Baldrige Recipient.