

Stimulus (ARRA) Reporting Challenges and Opportunities

Staying on the Island: Timely and Accurate Reporting

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Presentation Summary

“Staying on the ARRA Island: Outwit – Outplay – Outlast”

 The ARRA Challenge: Unprecedented reporting requirements

 WSDOT’s approach, or “Staying on the Island”:

- Enhance what is already in place and successful
- Adopt new practices and products
- Seek expert assistance for requirements that need specialized expertise

 Lessons learned



**American Recovery and Reinvestment Act
provided fiscal relief, and was accompanied
by unprecedented public reporting**

“In implementing the Recovery Act, we have undertaken unprecedented efforts to ensure the responsible distribution of funds for the Act's purposes and to provide public transparency and accountability of expenditures.”

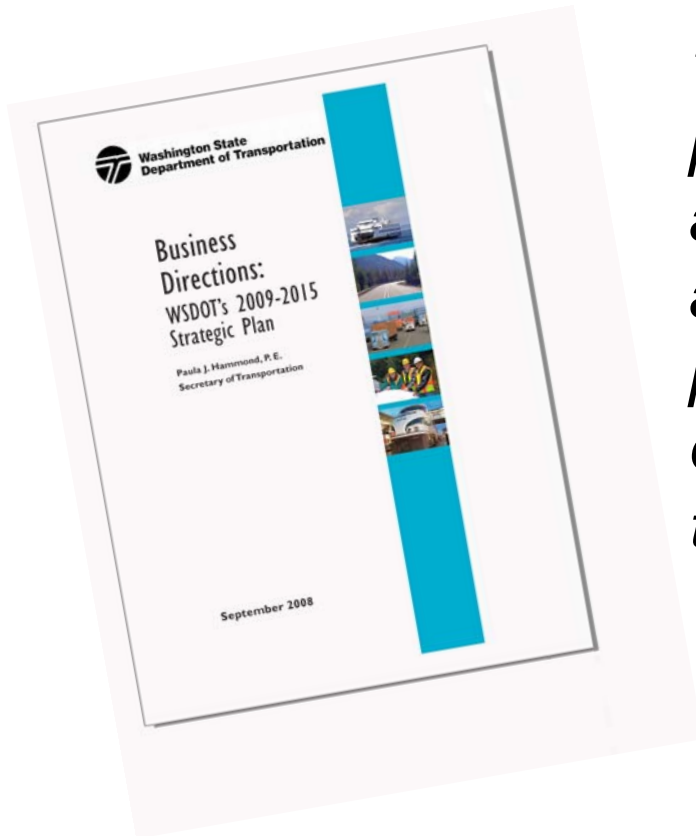
President Obama, March 20, 2009

“One of the most important parts of the federal recovery plan is the emphasis on accountability and transparency.”

Governor Christine Gregoire February 26, 2009

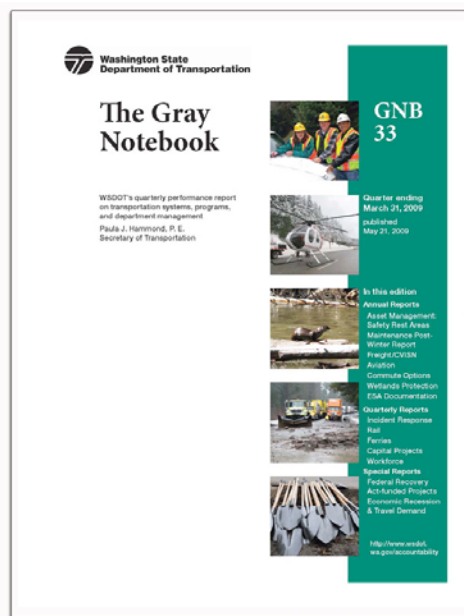
WSDOT is committed to transparency and accountability as a fundamental principle of management

From WSDOT's Strategic Plan:



“We will be accountable to the public for all of our challenges and achievements by providing clear and concise information to the people of Washington, elected officials, and our many other transportation partners.”

Existing Performance Management Culture



- WSDOT's quarterly performance report, *The Gray Notebook*, gave the agency a strong foundation for required federal reporting:
 - Emphasis on intense scrutiny and quality control of data, analysis
 - Established relationships and processes
- In place since 2001, it provides quarterly, in-depth reports on agency and transportation system performance.
 - Performance Journalism combines quantitative and narrative reporting to “Tell the story,” not simply push out numbers and data.
- Ensures accountability to citizens, the Legislature, Governor, and transportation organizations.
 - Candor and transparency: Show all results, “the good, the bad and the ugly” – no exceptions.
- Important internal management and integration tool that has elevated agency performance measurement to a high priority at WSDOT: “What gets measured, gets managed,” and “No surprises reporting.”

Volume of Federal and state reporting requirements pose challenges to even the most accountable of agencies

- Two monthly FHWA reports for all highway projects
- Monthly report to U.S. House Committee on Transportation and Infrastructure
- Weekly reports to the Governor and quarterly updates through Government Management Accountability & Performance (GMAP) report and session
- Periodic updates to state legislature on progress in delivering projects and spending funds
- ... And more still coming:
- Office of Management and Budget's new quarterly job reporting requirement - June 22





With apologies to Edvard Munch's The Scream...

WSDOT's response ...
... at
first

...but WSDOT quickly moved into survivor mode, using three approaches to meet these challenges:

- ☎️🕒 Enhance what is already in place and successful
- ☎️🕒 Adopt new practices and products
- ☎️🕒 Seek assistance for requirements that need specialized expertise

Staying on the Island: Enhancing tools already in place

- *Gray Notebook* and accountability website provided reporting infrastructure and discipline to take on new requirements.
 - Provided opportunity to better describe the benefits citizens can expect from ARRA projects
 - Cannot be captured through federal reports

Stimulus

American Recovery and Reinvestment Act (ARRA)

Delivering Projects

The American Recovery and Reinvestment Act of 2009 (Recovery Act) was signed into law by President Obama on February 17, 2009. It is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century.

[Learn more](#)

Highway Project Delivery Dashboard				
Project Total	To Ad	Award	Complete	
State	34*	29	23	0
Local	147	94	38	0

NOTE: Cumulative totals
* Two of these are projects that contain multiple cable median barrier and rumble strip projects at locations statewide

From WSDOT website, July 2009

Special Report on Federal Recovery Act-funded Projects

State Projects

Recovery Act Highlights

179 state and local highway projects have been identified and certified by Governor Gregoire as of May 8, 2009.

16 construction contracts have been awarded to date.

The state is required to obligate 50% of funds by June 29 to be

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act (Recovery Act) into law to spur an economic recovery. Washington received \$492 million for highway projects, and is using federal dollars to put people to work in a way that stimulates our economy and also helps maintain our transportation system. WSDOT, along with cities and counties, leveraged the \$492 million for highway projects into nearly \$1.4 billion in projects by combining federal dollars with partially funded, ready-to-go projects.

The tables on page 63 track WSDOT's progress in key areas of Recovery Act project activities, including:

- the number of projects certified and obligated for funding;
- project status from advertisement through construction and completion;
- the percentage of federal funds obligated (see note on page 63) to date against the target deadlines set by the Recovery Act;
- the number of jobs created or preserved through WSDOT's Recovery Act-funded projects.

The totals will be updated monthly on line at <http://www.wsdot.wa.gov/funding/stimulus/>

From *Gray Notebook* 33

- Established web presence allows for daily updates; opportunity to provide context and supplemental reporting.
 - “Economically distressed” analysis
 - Job creation methodology
- Gives the public the opportunity to review federal reporting and monitor WSDOT's progress.

New Challenges: Adopt new practices & products to provide access to information

Newsletter “Stimulus News You Can Use

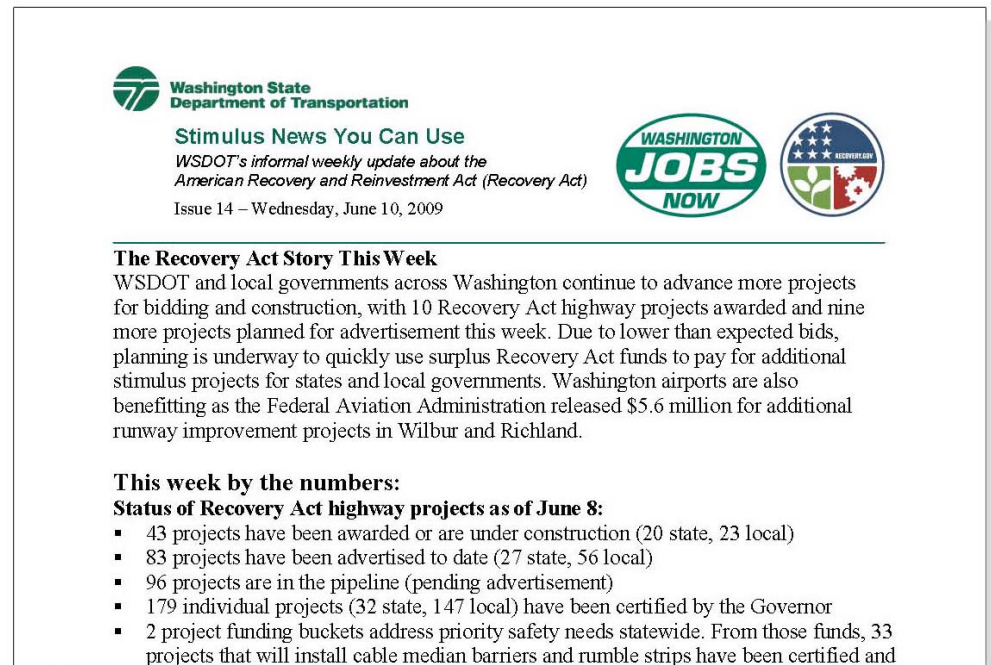
- Inspired by Missouri’s newsletter *Weekly Briefing*

- Began as internal memo, and evolved into weekly newsletter, available through subscription, to the public

- “*It takes a village*” to produce and requires rigorous quality control on a weekly basis

- Newsletter provides details on all aspects of project delivery, keeping WSDOT and the state accountable for project results.

- Includes the number of projects in development, certified by the Governor, advertised, awarded, and under construction.



The screenshot shows the header of a newsletter from the Washington State Department of Transportation. It includes the department's logo, the title 'Stimulus News You Can Use', a subtitle 'WSDOT's informal weekly update about the American Recovery and Reinvestment Act (Recovery Act)', and the issue information 'Issue 14 - Wednesday, June 10, 2009'. There are also two circular logos: one for 'WASHINGTON JOBS NOW' and another for 'RECOVERY ACT'. The main article is titled 'The Recovery Act Story This Week' and discusses WSDOT and local governments advancing projects. A section titled 'This week by the numbers:' provides a 'Status of Recovery Act highway projects as of June 8:' with a bulleted list of statistics.

Washington State Department of Transportation
Stimulus News You Can Use
WSDOT's informal weekly update about the American Recovery and Reinvestment Act (Recovery Act)
Issue 14 - Wednesday, June 10, 2009

WASHINGTON JOBS NOW

RECOVERY ACT

The Recovery Act Story This Week
WSDOT and local governments across Washington continue to advance more projects for bidding and construction, with 10 Recovery Act highway projects awarded and nine more projects planned for advertisement this week. Due to lower than expected bids, planning is underway to quickly use surplus Recovery Act funds to pay for additional stimulus projects for states and local governments. Washington airports are also benefitting as the Federal Aviation Administration released \$5.6 million for additional runway improvement projects in Wilbur and Richland.

This week by the numbers:
Status of Recovery Act highway projects as of June 8:

- 43 projects have been awarded or are under construction (20 state, 23 local)
- 83 projects have been advertised to date (27 state, 56 local)
- 96 projects are in the pipeline (pending advertisement)
- 179 individual projects (32 state, 147 local) have been certified by the Governor
- 2 project funding buckets address priority safety needs statewide. From those funds, 33 projects that will install cable median barriers and rumble strips have been certified and

Staying on the Island: Assure coordination between internal and external stakeholders



- Numerous reports with different deadlines and different reporting requirements
 - Required input from several divisions within agency
 - Frequent changes to federal guidance and new reporting requirements
- Frequent demands for latest, vetted performance information
 - Information generated by numerous divisions within WSDOT
 - WSDOT's practice was providing well-vetted, quality controlled data quarterly updates through the *Gray Notebook*
- To assure coordination, managers responsible for delivery and reporting meet each week to discuss emerging issues, topics, and concerns
- Chief of Staff chairs meetings; any issues or uncertainty can be addressed at the meeting.

New Challenges: Specialized assistance and knowledge needed to assess the impact of ARRA dollars on employment and the economy

Employment

- Recession-driven interest in job creation resulted in numerous requests for data by media, local government, etc.
 - Regional staff questioned on how many jobs, what types of jobs, when they could be counted, and where they would be
 - Regional communications staff not equipped to respond to economic impact questions: *“Let me write press releases and worry about where commas go . . . Anything but this!”*
- WSDOT has strong record of performance reporting, but estimating employment impacts presented a new challenge.

Economic Impact

- Assessing whether dollars were spent where needed most posed a challenge: the bill’s intent is to help those “most impacted by the recession,” but also to give priority to “economically distressed” counties.
- Analysis required consideration of a broad range of factors—knowing which ones were “best” was not easily defined.

Economic Analysis: the new frontier in agency Performance Reporting



$$BO_i = \left[1 - \frac{Of_i}{P.L.} \right] \cdot 100$$

$$BM = \frac{\sum_{i=1}^n BO_i}{n}$$

$$\sigma = \left[\frac{\sum_{i=1}^n (BO_i)^2 - n \cdot (BM)^2}{n} \right]^{1/2}$$

“The only function of economic forecasting is to make astrology look respectable”

John Kenneth Galbraith, former American Economic Association president, Harvard economics professor

Staying on the Island: Seek assistance for requirements that need specialized expertise, such as to assess the employment impact of ARRA

- WSDOT moved quickly to seek out experts, ask questions, propose approaches
- Sought out state economists to suggest reliable methods to estimate the number of jobs created or saved for each Recovery Act highway construction project.
- Expenditures and the number of jobs created vary with each phase of the project (right of way, PE, construction)
 - These phases can occur over a number of years and carry different job-creation multipliers.
- For multi-year projects, WSDOT based estimates on the year with the greatest expenditures and the job multipliers for the project phase(s) in that year.
 - This number was used to avoid over- or double-counting jobs.

Ongoing Challenges

- Estimates include direct, indirect, and induced jobs. Actual numbers reported will only be direct jobs and will not and should not match estimates.
- Project amount allocated in Transportation Bill served as basis for initial estimate. This is not a static figure, as estimates are refined, and not the same as the actual award amount.

...just do not ask me explain “job years”!!!

Staying on the Island: Determining counties most impacted by the recession

- The federal definition of economically distressed is based on personal income data from 2006, as well as unemployment data covering the past 24 months, making it important to consider a broader range of factors to assess to the recession's impact on workers.
- WSDOT worked with leading state economists to develop expanded analytical tools to take a broader view of the recession's impact.

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Reporting

Analysis of "Most Impacted" by the Recession for FHWA Reporting

The Recovery Act requires that in selecting projects to be funded by federal stimulus dollars, priority be given to "economically distressed counties." This is one of several considerations that states must address, including assisting those most impacted by the recession; investing in transportation projects with long term economic benefits; and selecting projects that can be completed within three years.

Of the projects selected by the Governor and Legislature:

- Per capita spending in the state's 26 federally-defined economically distressed counties is \$135 per person, compared to \$54 per person in the state's 13 non-economically distressed counties. Total spending for these 26 counties was approximately \$214 million, or 44% of the total.
- The federal definition of economically distressed is based on personal income data from 2006, as well as unemployment data covering the past 24 months. However, it is important to consider a broader range of factors to assess to the recession's impact on workers.

[Click on graphic to view distressed counties on a map.](#)

From WSDOT website, July 2009

Staying on the Island: Determining counties most impacted by the recession, cont'd

- Based on the discussions with the state's lead economists, WSDOT selected two key additional indicators of the recession's impact:
 - Change in unemployment numbers (employment/job loss)
 - Change in county taxable retail sales dollars (retail sales loss)

- To supplement the federal definition, WSDOT identified counties that fell in the bottom quartile of the state, both in increased unemployment and decline in retail sales between December 2007 and 2008.

- This analysis identified an additional five counties which were not economically distressed, but were instead those most impacted by the recession.

Surviving Stimulus Reporting: Lessons learned

- Don't be afraid to ask “stupid questions” and to challenge assumptions
- New and frequently changing reporting requirements require nimble and dedicated staff, strong executive involvement and due diligence.
- Everyone needs to be on the island (no silos allowed); frequent meetings between involved divisions assures that all parties are consistent in their understanding of requirements, challenges and progress.
- Providing public updates and transparency in agency's progress and analysis allows you to tell your story.
- Use people with diverse skill levels and backgrounds (*...fortuitously hire both a journalist and a newly minted economist before ARRA passed*).





Survivor Credits

It takes a lot of people working together to survive the ARRA island.

Program Management:

Jay Alexander and team

Local Programs:

Kathleen Davis and team

Construction:

Jeff Carpenter and team

Communications:

Lloyd Brown and team

Public Transportation:

Cathy Silins and team

Design:

Pasco Bakotich and team

Strategic Assessment:

Daniela Bremmer and team

**For more information on this presentation and
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<http://www.wsdot.wa.gov/funding/stimulus//>

