



## Could the Recovery Act Help Reinvent Government?

By Neal Peirce



If you think the Obama administration's \$787 billion American Recovery and Reinvestment Act (ARRA) is just one big government boondoggle, check out some top regional implementation strategies.

Kansas City, Missouri, for example. A big infusion of stimulus funds is being focused on a newly dubbed "Green Impact Zone," a 150-block area of the inner city long plagued by poverty, violence, abandonment, and joblessness.

The goal is nothing less than turning around every negative indicator in an area that's long been a glaring exception to the Kansas City region's general prosperity — notwithstanding its proximity to major roads and a large health sciences cluster.

Rep. Emanuel Cleaver, D-Mo., gets credit for conceiving the Green Impact Zone idea. But the entire metropolitan region stepped in — the Mid-America Regional Council, city departments, neighborhood groups, community development organizations, employment and energy nonprofits, and others.

Their agenda runs from weatherizing every home that needs it to a bus rapid transit system, to community policing, to a home-by-home outreach, including job training and placement.

The Kansas City story is not unique. California's Business, Transportation and Housing Agency invited all 12 regions of the state to propose ways to

spend stimulus funds most effectively. The star responder was the Bay Area Council Economic Institute, which mapped ways to connect the monies to advance the region's 21st-century goals, ranging from transportation and water security to work-force development.

All of the Bay Area's nine counties and 101 cities came onboard, with mayors, county supervisors, business leaders, and legislative delegations in Sacramento, California, offering input. Proposals include a new stem cell research facility, full conversion to LED streetlights, even ways to integrate electric vehicles with the power grid.

The Kansas City and Bay Area regions aren't alone. The Brookings Institution's Metropolitan Policy Program has been able to identify several others — among them Memphis, Tennessee; Chicago, Illinois; even smaller areas such as Cape Cod, Massachusetts, and Flagstaff, Arizona — where regions have "gotten their act together" to connect dots and make ARRA funds serve cohesive area-wide agendas.

Normally regions wouldn't have the funds for such far-reaching — and, one could argue, historically long-delayed — initiatives. Which is why the Recovery Act offered such a rare opportunity. Understandably, people are judging the stimulus legislation — celebrating its six-month anniversary this month — on jobs it's created. Estimates are running as high as 1 million, a serious anti-recession move.

## An Alternative Approach to Service Delivery

An Elected Official's Guide:

### Intergovernmental Service Sharing

by John Ruggini

Shared services represent intergovernmental cooperation at the local level that often provides a workable method of meeting particular problems. In this Elected Official's Guide, readers will learn about the different types of shared services as well as the advantages and barriers to intergovernmental cooperation. The guide contains useful tips on developing an effective intergovernmental agreement and explains how to ensure success in a shared services initiative.

The entire Elected Official's series provides practical and easy-to-understand explanations — in plain language — on a variety of public finance topics. An affordable price structure and quantity discounts make these booklets ideal for distribution to newly elected officials, news reporters, government employees, citizen and taxpayer groups, and others interested in local government finance.

To learn more, visit us online at [www.gfoa.org](http://www.gfoa.org).

order online  
@  
[www.gfoa.org](http://www.gfoa.org)

 Government Finance Officers Association

GFOA Publications

But couldn't — and shouldn't — this massive outlay of monies go much further? Couldn't it also be a big incentive to all 366 U.S. metro regions — where 83 percent of us live — to break out of rigid federal grant-in-aid channels? Couldn't it help bypass the inflexible formulas that so often stand in the way of smart metro-scale action? Why not aim for truly “transformative” alliances and programs instead?

That's the question senior Brookings analyst Mark Muro and his colleagues posed. Yet sadly, their nationwide survey didn't find very many “stars.” And where they did — as in such regions as Chicago, Seattle, Kansas City and the Bay Area — there was often a regional vision, with strong government-private sector leadership, well before the current economic crisis.

This dictates a big lesson for regions nationwide: Don't wait for a crisis. Get your top government, business, neighborhood, and environmental leaders to the table early and often on joint projects. Then, when there is fresh national money, you're able to respond quickly, effectively. The worst idea is to leave your key players — government leaders, housing and transportation officials, schools and universities, chambers of commerce, and citizen groups — in their own foxholes, isolated and lagging in forging inventive strategies for this ultra-challenging century.

But there's a message for Washington and state governments, too: It's a mistake — even when you want to see recovery money spent fast — to mindlessly pump out funds through existing federal-state-local spending mechanisms and formulas. Speed too easily becomes the enemy of reinvention: It

eclipses the chances to engage metro regions and combine resources on the ground for meaningful, and long-term, economic recovery.

The Brookings researchers also warn that the White House and Cabinet agencies need to take the job of promoting state, regional, and local innovation in using Recovery Act funds much more seriously. The idea should be to encourage mutually reinforcing projects and to highlight exemplary state-regional-local innovation through presidential statements — perhaps even a blunt Office of Management and Budget directive to all federal agencies.

Right now, they report, some federal programs — for example, the new energy efficiency and conservation block grants — are allowing lots of local flexibility and positive results. But the federal government's separate weatherization program is so rigid, stuck in details such as the types of eligible buildings, that localities, contends Brookings' Muro, have to “turn themselves inside out” to try to access it.

Will we Americans, with our tangled federal system, be smart enough to make these changes? Tradition says no. The pressing need for a sounder national future says yes. ■

© 2009, Washington Post Writers Group. Reprinted with permission. The views expressed in this column are the author's and do not represent the official position of the GFOA.

**NEAL PEIRCE** is a syndicated columnist based in Washington, D.C. His weekly column, which appears in more than 50 newspapers nationwide, examines trends and innovations in state and local government. E-mail: [nrp@citistates.com](mailto:nrp@citistates.com).