

July 9, 2009

The Honorable Peter Orszag
Director
Office of Management and Budget
725 17th Street, N.W.
Washington, D.C. 20503

Dear Director Orszag:

With the passage of the \$787 billion *American Recovery and Reinvestment Act* (ARRA) this past February, it is essential that the federal government spend money wisely. I firmly believe that unless there are clear goals for every dollar spent, the possibility that money will be wasted increases substantially. In light of this, I am writing to gain a fuller understanding of the specific performance measurements and outcomes that the administration has established for each ARRA program being implemented.

Some have suggested that spending taxpayer money *well* is not nearly as important as spending it *quickly*. This kind of thinking is clearly misguided, and has already resulted in stimulus funds being misspent. Taxpayers should not have to sacrifice quality for speed when it comes to funding stimulus projects. Unless the money is targeted toward areas that build the economy, it should not be spent. The best way to ensure that this is accomplished is by establishing clear, measurable performance goals in advance for each program.

In a report released this week by the Government Accountability Office (GAO), it made the following recommendation: “[T]he Director of OMB should work with agencies to clarify what new or existing program performance measures are needed to assess the impact of Recovery Act funding.”¹ So far, there has been a tremendous emphasis on counting the number of jobs created or saved, with less public emphasis on measuring the performance of programs. With only a small percentage of the stimulus money having been spent, it is not too late to change this by putting such performance metrics into place.

The kinds of measurements that are needed are those that help taxpayers determine the *outcomes* of programs, and not simply their *outputs*. Federal programs are often judged solely by the amount of activity that they generate, rather than the quality of that activity. By failing to sufficiently measure these programs, it will be hard to determine whether the money is achieving its intended purposes.

As an example of a stimulus program without insufficient performance measures in place, there are plans to spend nearly \$5 billion on the Department of Energy’s Weatherization Assistance Program,

¹ Government Accountability Office, “Recovery Act: States’ and Localities’ Current and Planned Uses of Funds While Facing Fiscal Stress,” July 2009, GAO-09-829, <http://www.gao.gov/new.items/d09829.pdf>.

which exceeds last year's \$227.2 million budget for the same program by nearly twenty times. Does this mean the Department of Energy aims to weatherize twenty times the number of homes than last year? More importantly, will the program measure its success simply by tracking the number of homes serviced, or will there be measurements of energy savings gained as a result of the weatherization?

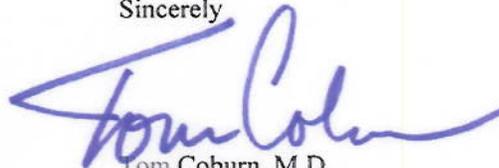
To help me better understand what you are doing to create performance-based measurements for stimulus funds, I would appreciate if you could provide the following:

1. A list of all programs to be funded under the ARRA, including:
 - a. Identification of each new program created under the ARRA;
 - b. The total amount of stimulus funding allocated to each program; and
 - c. If the program existed prior to passage of the ARRA, the total budget for each program in fiscal years 2007 and 2008.

2. For each ARRA program, a detailed list of all performance measures in place for the use of stimulus funds, including:
 - a. An explanation of how the performance measurements are being implemented;
 - b. A justification for why the measurements in place for each program will help determine whether the program is successful; and
 - c. An explanation of how, and if, performance measurements will be used to inform spending decisions.

Please provide all documents electronically in a searchable PDF format, or where appropriate, in a searchable spreadsheet. I appreciate in advance your assistance with this matter. If you have any questions concerning this request, please feel free to contact Chris Barkley on my staff at 202/224-5633.

Sincerely



Tom Coburn, M.D.
U.S. Senator