

## **NEWTALK HIGHLIGHTS:**

### ***Is it possible to fix government?***

This was NewTalk's inaugural discussion featuring government leaders and policy experts, including: New York Mayor Michael Bloomberg, former Senator Bill Bradley and Atlanta Mayor Shirley Franklin. These highlights are organized by topic:

- **THE PROBLEM** – Deep governmental reform is long overdue.
- **PARTISANSHIP** – Putting the national good ahead of partisan political gain.
- **THE PRESIDENT AS CEO** – Giving the President's role as CEO equal weight with his role as Commander-in-Chief.
- **ACCOUNTABILITY** – Holding government employees at all levels accountable.
- **PERFORMANCE MEASUREMENT** – Evaluating the social benefits and the economic realities of government programs.
- **REFORM RECOMMENDATIONS** – Specific steps toward change.

#### **THE PROBLEM:**

**Philip Howard:** *(Moderator) Founder of NewTalk*

I feel like we're about to gather round a sick patient with a terrible malady, like doctors in a teaching hospital. Most Americans seem to think the case is hopeless. But we're the hopeful ones (maybe), so let's go at it. The symptoms are well-known:

1. Performance that gets poorer as we go from basic services to broader social needs, like healthcare.
2. An unwillingness by Washington, almost pathologically, to face up to basic tradeoffs.
3. A void of accountability, except in the worst sense of "gotcha" for some moral or technical infraction.

I have my own hypotheses about the causes and cures, having to do with the fact that government is encased in legal concrete. Inertia, zealously guarded by special interests, is the m.o. of federal government.

**David Walker:** *President and CEO, The Peter G. Peterson Foundation*

After almost 10 years serving on the front line of government transformation and accountability as Comptroller General of the United States and head of the U.S. Government Accountability Office (GAO), I can say with confidence that the federal government needs a major overhaul. Don't get me wrong, most public servants in government are highly educated and dedicated professionals who are committed to "the greater good." At the same time, the government has become a bloated bureaucracy that is based on past conditions and in too many cases, federal programs and policies can't demonstrate that they are generating real results that benefit the American people.

The truth is, today's federal government is a far cry from what our Founders intended. It

now comprises over 20 percent of the economy, up from about 2 percent at the outset of our republic. In fact, all of the major express and enumerated responsibilities for the federal government under the Constitution are contained in the 38 percent of the budget that is called “discretionary spending.” Can you believe that national defense, homeland security and the federal judicial system are among the items that are deemed to be “discretionary!” Over 62 percent of the budget is on autopilot and the health care portion of it is out of control. If we want our collective future to be better than our past, we need to get back to basics, start focusing on the future, and separate the programs and policies that work from the ones that don’t.

**Charles Kolb:** *President, Committee for Economic Development*

Many government programs do not work because they lack proper incentives and the necessary accountability. The incentives are to get money out the door without really worrying about whether the programs are actually benefiting real people. Katrina cleanup is but one example.

**David Osborne:** *Senior Partner, The Public Strategies Group*

Congress will always be the lagging element in the reform equation—which just means that powerful presidential leadership is essential. If we fail, the consequences will be dire. According to the Congressional Budget Office, current policy will bring us to a point within 15 years where Medicare, Medicaid, Social Security, and interest on the debt consume 100% of federal revenues. We are hurtling into a fiscal train wreck, and unless the next administration can put the train on very different tracks, we are all in trouble.

**Shirley Franklin:** *Mayor, City of Atlanta*

Resistance to change is endemic in all large organizations: private, public, non-profit.

### **PARTISANSHIP:**

**Michael Bloomberg:** *Mayor, City of New York*

We’re not going to completely eliminate partisanship from Washington. But I don’t think we’re going to make real progress on the fundamental challenges we face—health care, global warming, education, and energy, to name a few—until we help more of those in Washington quit smoking the partisanship pipe.

**Charles Kolb:**

The Mayor is correct about partisanship. One solution is to look at our entire reapportionment process—a process that leads to many safe congressional districts coupled with a tendency to promote candidates in both parties who pander to their ideological extremes. Moderates are therefore endangered and derided. We end up with a large number of noncompetitive races and more elected officials pandering to the extreme factions of their parties.

**David Walker:**

The Founders of our great nation were skeptical about the role that political parties might play. They called them ‘factions.’ Today we have many factions; most are called special interest groups. While partisanship is a problem, especially if it serves to trump the public interest, it has existed and will always exist to varying degrees.

**Philip Howard:**

Every president since Carter has vowed to end partisanship and clean out special interest influence. The situation has only gotten worse. My question is whether

partisanship is the disease or the symptom? All of us have tried to make things happen in Washington and have run into a wall. I don't think it's because Washington is filled with aspiring Karl Roves and Lee Atwaters. The underlying structure makes it hard to change anything.

**Thomas E. Mann:** *Senior Fellow in Governance Studies, The Brookings Institution*

Let us pause for a moment before reaching a conclusion that partisanship is the bane of good government. Political parties are essential institutions in every democracy in the world, for framing choices for the electorate, organizing politicians within government, and providing a mechanism for accountability. Nonpartisanship or bipartisanship is not demonstrably preferable to a strong and competitive party system. Our current problems stem from the ideological polarization of the parties at a time of rough parity between those parties.

**Shirley Franklin:**

The leadership of Mayors Greg Nickels of Seattle (who has accomplished a lot in the area of climate change), Mike Bloomberg of New York (illegal guns), and Sheila Dixon of Baltimore (foreclosures), as well as Governor Arnold Schwarzenegger of California (who has a penchant for water planning—an initiative close to my heart) and Governor Jennifer Granholm of Michigan (predatory lending) are just a few examples of political leaders who have bridged the partisan gap in the development of bold new policy.

### **THE PRESIDENT AS CEO:**

**David Walker:**

Our next president must have the courage to state the facts, speak the truth and provide strong leadership in at least two areas. First, we must begin to address a number of serious sustainability challenges that threaten our collective future (e.g., fiscal policy, entitlement programs, health care, taxes, education, energy, environment, immigration, infrastructure, foreign relations). Second, we must transform what the federal government does and how it does business. That will require courage, strong communication skills, an 'A-team' of players in all key positions, and employment of a sensible, results oriented and bi-partisan approach to key policy issues.

The President plays a critically important role. After all, while the Congress is a co-equal branch of the federal government, Congress is a committee and you can't run a country by committee. A lot of emphasis has been placed on the President being our Commander-in-Chief. However, not enough emphasis has been placed on the President's role as Chief Executive Officer of the United States. Both roles are important and we need a President who can perform both well.

**Michael Bloomberg:**

David Walker mentioned that greater emphasis needs to be paid to the role of president as Chief Executive Officer. I couldn't agree more. The CEO not only sets the agenda, he or she sets the tone. And this is where partisanship poisons the well. The trouble isn't with the parties themselves. The trouble is that there is a culture of party loyalty—enforced largely by the special interests—and a focus on the next election that have both been carried to the extreme, and both ends of Pennsylvania Avenue have fallen victim to it for some time now.

What positions should we expect the presidential candidates to be taking that show that they are serious about pursuing outside-the-box ideas that have the potential to win support in both parties?

**David Osborne:**

To answer Mayor Bloomberg's question, here are a few of the kinds of things we ought to be hearing from the presidential candidates, if they are serious about government performance:

1. Reinvigorate performance measurement throughout the federal government.
2. Budget for results.
3. Create a Performance Management system (which will require that we complete civil service reform) with regular performance reviews (a la Citistat), real rewards, and consequences for performance.
4. Create an independent institution to publish Consumer Reports on the public sector.
5. Continue but streamline Bush's managed competition initiative.

**ACCOUNTABILITY:**

**Bill Bradley:** *Former Senator and now Managing Director, Allen & Company LLC*

We know that government doesn't function properly. Bureaucracy wastes money and distorts purposes. We need to make bureaucrats accountable and bureaucracies less burdened by work rules that impede efficiency. And we need a transparent federal budget that is online and keyword accessible, so that average citizens can see how much money was spent on children's health or military bases or bridges. Citizens would then have the info they need to hold elected representatives accountable.

**Thomas E. Mann:**

David, the congressional budget process is no more broken than the executive budget process. For years, by imposing discretionary spending caps and pay/go requirements, Congress did precisely what you ask it to. No surprise that spending was contained and budget deficits turned into surpluses. Over the last seven years, with tax cuts and Medicare drug benefits exempted from pay/go and discretionary spending no longer subject to limits, we have returned to a world of high spending and big deficits. This was led by a president and approved by an acquiescent Congress controlled by his own party. These high politics/ideological considerations overwhelm your laudatory process reform.

**Steven Kelman:** *Professor of Public Management, Harvard's Kennedy School*

Without wishing to be or sound partisan, the reinventing government efforts under Al Gore represented a dramatic move away from a philosophy of tying the government in knots as a strategy to prevent abuse, at the expense of allowing achievement or excellence. Unfortunately, that philosophy seems to have been lost, in both parties, now, as we move backward toward more internal rules, more controls, and more discouragement doled out to the career government workforce.

The campaign against the government credit card, where isolated examples of abuse (which should be dealt with straightforwardly by sending perpetrators to jail) are being used to attack a program that has produced billions in administrative cost savings and allowed organizations quick access to everything they need to do their jobs (before the credit card, getting a new computer on somebody's desk generally took months). Our

approach to managing government is analogous to shutting down highways because there are drunk drivers out there.

**Shirley Franklin:**

The ‘red tape’ that people complain about is generally the result of legislative bodies trying to curb past abuses by executive branches. We create new laws and regulations intended to prevent ‘bad’ people from doing ‘bad’ things, but those same regulations prevent ‘good’ people from doing ‘good’ things. In Atlanta, our argument has been to rely on transparency in government. If people can see what is happening—that is, if they have visibility into the operation of government without having to micromanage it—then they are more apt to loosen the bureaucratic constraints.

**PERFORMANCE MEASUREMENT:**

**Steven Kelman:**

If there were one ‘magic bullet’ to improve government performance—of course, there’s not any magic bullet, but we need to make choices about where to concentrate reform effort—it would be to institutionalize and strengthen systems for performance measurement and management, where possible, around results-oriented measures (health, crime, accident rates, environmental quality) in government. These kinds of performance measures are government’s counterpart to the profit measure as a performance measure for firms. They can motivate employees to try harder, foster focus on mission results, and encourage learning by providing feedback over time and across organizational units or jurisdictions.

**David Osborne:**

The Congressional budget process is broken. A new president should start over. We have developed an approach, which we call Budgeting for Outcomes, that organizes the budget not by departments but by results. Under each desired outcome (better health, better education, a better environment, etc.), program options are ranked from most cost-effective to least. A dollar amount is attached to each result, and executives buy from the top of the list down. When the money runs out, they draw a line and recommend no funding for items below the line. Roughly 20 jurisdictions have adopted it (states, cities, counties, school districts).

**SPECIFIC STEPS TOWARD REFORM:**

**Bill Bradley:**

Here are five suggestions:

- We all know money is at the root of our problem with government. The answer to this problem is public financing of elections for House and Senate.
- Second, partisan state legislature draws congressional district lines that leave Congress with only about 50 seats of 435 that are competitive. The remaining 385 are often 60-40 Republican or Democrat. Because the general election is certain, the candidate plays to the extremes of the party to avoid a primary as opposed to working in the center to deal with the issues that most affect people’s lives such as health care, pensions, education. The answer to this problem is to take the line-drawing responsibility away from the state legislature and give it to a citizen commission.

- Only about 50% of the eligible voters actually vote in congressional elections. The reason most give for not voting is the demands of their work. The answer here is to move election day from Tuesday (tell me why is it on Tuesday?) to the weekend. Two days of voting is not too much for the world's greatest democracy. Raising turnout from 50 to 80% would be the biggest change in our politics since women got the right to vote.
- We know that government doesn't function properly. Bureaucracy wastes money and distorts purposes. Here we need to make bureaucrats accountable and bureaucracies less burdened by work rules that impede efficiency.
- Finally, a transparent federal budget that is online and keyword accessible so that average citizens can see how much money was spent on children's health or military bases or bridges. The biggest number could then be linked with the votes and the debates on the particular subject that preceded its enactment. Citizens would then have the info they need to hold elected representatives accountable.

**Jim Cooper:** *Congressman, 5<sup>th</sup> Congressional District of Tennessee*

Maybe I am too simple-minded, but how about this for an agenda to fix federal government?

1. Make government use accrual accounting like every other sizeable business, non-profit, and government in America. If you can't measure it, you can't manage it. If you won't measure it, you don't deserve to manage it. The only audited financial statements for America can be found in the Financial Report of the U.S. Government issued by the U.S. Treasury, but few people have seen them because they are issued on Christmas Eve without a press release. You get your favorite companies' financials, why not your favorite country's?
2. Report the retirement and health liabilities of federal employees on the federal balance sheet. Failure to do so in the private sector is a criminal offense.
3. Medicare and Social Security benefits should vest when employees have paid in 10 years of payroll taxes, unlike today's practice of only counting the benefit the month we have to write the check.
4. Report the amount of employer sponsored health benefits on your W-2 Form. Otherwise you have no idea what your health insurance costs.
5. Support the Wyden-Bennett Healthy Americans Act. It has more Democratic and Republican cosponsors than any health reform bill in history.

**Philip Howard:**

If I were asked how to tackle this problem by the new president, I would recommend:

1. a special 5-year commission to recommend overhauls that would enable government to be responsive to public needs and accountable for its performance;
2. experiment with programs to permit citizen involvement in public programs, with a focus on the tradeoffs inherent in all public choices. Tradeoffs must become part of our public vocabulary;
3. organize a spring cleaning of outdated statutes and regulations, to better align law with current needs.

**Sally Katzen:** *Public Interest/Public Service Fellow, University of Michigan Law School*

Returning to Philip's challenge last night about concrete suggestions for better managing the government, I offer three possible routes:

1. Select people to head the agencies who not only accept the premise that part of their job is to manage, but are able to do it. The programs that are in place should be run efficiently and effectively, yet too often, the office of presidential

- personnel looks to other criteria—e.g., loyalty—for selection, and getting competent people in place takes a poor third or fourth place. With a new administration, we have an opportunity to change that.
2. Empower senior civil servants in the management of government—that was what drove much of the reinventing government under Gore.
  3. More transparency—a lot of work has gone into developing performance measures. The raw data are informative about the management of government programs—regrettably, the data are lost by the simple (or simplistic) grading of agencies—with many receiving poor marks because results not shown when data gathering has been difficult because of lack of funding.

**Patricia McGinnis:** *President and CEO, Council for Excellence in Government*

The next President can take big steps to fix government:

1. Excellent people managing for results. Appoint excellent managers to run critical agencies and programs, ask talented people to serve in government, fix the hiring process and spread a culture of responsiveness and results.
2. Show that bipartisan, collaborative, effective reform is possible. Make health care reform a reality with a bipartisan approach that follows the principles discussed earlier and builds ownership each step of the way.
3. Embrace transparency, collaboration and accountability for results. Be clear about a few key priorities, reach out for ideas and support, publicly track progress, be willing to change course if necessary, give credit to others, and hold yourself, your team and your partners accountable for results.