

OVERSIGHT AND TRANSPARENCY

Mr. WARNER. Mr. President, I rise today to speak about a bipartisan, commonsense amendment that Members of this body endorsed yesterday by unanimous consent. I wish to thank Chairman BAUCUS for his work and the work of his staff in managing this important job creation package on which we took a step yesterday. I wish to thank Senator CRAPO for cosponsoring this bipartisan amendment and Senator COBURN for his ideas and support.

My amendment is simple. It amends the Recovery and Reinvestment Act of 2009—what I think most folks refer to commonly as the stimulus—to correct gaps in oversight and transparency. It provides much needed additional accountability for these public investments, again, that have come about through the stimulus package.

I voted for the stimulus package. It was one of the first and toughest votes I cast as a Member of this body. I have worked hard to make sure my State, the Commonwealth of Virginia, has had opportunities to compete for its fair share of this funding.

The Recovery Act was not perfect, and reasonable people can debate whether it was necessary or whether it was ambitious enough. But I do think it is fair to say that the majority of the economists of all political stripes across most of the ideological spectrum now agree a year later that while imperfect, the stimulus package prevented our battered economy from sliding over a cliff last spring into what I think could have been a full-scale economic depression.

Almost a year ago, I remember coming to this floor for one of my first presentations, and I stood on the Senate floor and spoke of my concerns about the potential challenges of implementing a piece of legislation as big as the Recovery Act.

At that time, I said we needed to come up with a common set of definitions, performance metrics, that would allow us to honestly measure our progress as these stimulus dollars were pumped into our economy. I know that metrics, performance indicators, and other things—many Members' eyes start to glaze over when you go into these kinds of discussions, but if we are going to be truly responsible to the people of this country, it is our job to make sure we put in place, particularly when we start new programs, those kinds of performance metrics.

As the Chair knows, prior to being Senator, I had the opportunity to be Governor. The hallmark of my administration was, that which gets measured gets done. My sense was that as we started down the ambitious path around the Recovery Act, we needed to have those same kinds of metrics in place.

I suggested a year ago requiring specific timelines and checkpoints so we could better track the outcome of programs funded by stimulus dollars. I discussed at that time steps we could take

to hold Recovery Act recipients more accountable. I actually recommended delaying or deferring stimulus payments if progress was not adequately demonstrated or appropriately reported. Here we are a year later, and while I do believe the macro level of a lot of the stimulus activities has accomplished its goals, it appears that requirements for program reporting and disclosure of spending plans have gone missing or just have not been reported and that the notion of putting in place, in effect, a business plan for some of the new programs of this legislation has never fully been vetted. In the amendment this body adopted yesterday—this bipartisan amendment—we have successfully included fixes to make sure that on a going-forward basis, we will not have this problem.

When we passed the Recovery Act 1 year ago, we required recipients to report quarterly, we required agencies to post reports, and we established an oversight board to tackle issues of waste, fraud, and abuse—the Recovery Accountability Board. We required the Congressional Budget Office, various inspectors general, and the Government Accountability Office to provide oversight. One would think, with all this reporting and oversight, that we would have it totally covered, that we would have thought through all of the ramifications. Unfortunately, a year later we have found that is not the case.

Not that anyone here needs a recap, but I think it is fair to once again explain—and I do not think particularly those of us who are supporting the Recovery Act and the administration ever did a very good job of actually explaining to the American people what was in the Recovery Act. It is not a long recap, but I do think it is important for viewers and my colleagues to recall what it was.

Literally more than one-third of the stimulus act was tax cuts, \$288 billion of tax cuts. I believe it was, in effect, the third largest tax cut in American history. As I travel Virginia—and the Presiding Officer, I know, travels the great State of Illinois—I very rarely find a constituent who realizes the stimulus had a huge amount of tax cuts. We have only paid out less than half of those dollars, but a third of the stimulus was tax cuts.

A second third was direct assistance to State and local governments.

I can tell you, in the Commonwealth of Virginia, I sometimes run into the legislators there, some folks from the other side, who oftentimes will say to me: Senator, we are going to keep kicking you in the tail about the stimulus, but keep sending those checks because otherwise we would be right down the tubes at the State level.

Oftentimes, these dollars have gone to prevent what would have been otherwise catastrophic layoffs in our schools, in our highway departments, providing health care. Many State governments that are working on biennial

budgets are finding, in the second year of the budget when the stimulus dollars run out, the enormous budget shortfalls they are going to face.

Again, for many of our constituents, because these dollars did not necessarily create new jobs but prevented massive additional layoffs, I am not sure we conveyed that to folks adequately.

The third part of the stimulus package and the category I am primarily concerned with today and the focus of my amendment included significant new investments in our Nation's economic infrastructure. These are areas this body and policymakers have talked about for years, but we never really put our moneys where our mouth was until the stimulus. These areas include such policy goals as smart grid; investing in high-speed rail; making sure we have the power of information technology to transform our health care industry to make it more productive and cost-effective, so we have significant dollars in health care IT; and an area I am particularly interested in: deployment of broadband across our rural communities.

As you can see in this third category, as of mid-February we have only paid out about \$80 billion of a total of \$275 billion. And it has now become clear that many of the programs in this third category are what I would term "high risk." That means they include Federal programs that sought enormous increases in funding and new responsibilities. Some of these programs barely existed a year and a half ago. They had relatively modest priorities before. But now with broadband, we have seen a 100-fold increase, and dramatic increases in health care IT. These programs have had a year to gear up, but we have to make sure they actually have business plans that can be vetted. In some cases, these stimulus funds were actually designated for brand-new priorities and new programs. Now many of these programs are just now a year later getting their stimulus funds out the door.

Here is the challenge my amendment will address: We simply do not know a year in and with \$80 billion being spent out very much about how these high-risk programs are actually doing in terms of delivering broadband, health care IT, and smart grid.

For example—let me turn to the next chart—on the Web site recovery.gov, you learn that the Energy Department has paid out about \$2.5 billion in stimulus money so far. Close to another \$24 billion remains to be spent out.

If we look even further, we find that the Energy Department complied with OMB requirements last year to come up with an implementation plan for its Weatherization Assistance Program. The Energy Department plan set a clear and reasonable goal. It said it would use stimulus dollars to weatherize 50,000 homes across the country in 2009. Weatherization programs are geared to low-income homes. They help

the homeowners. They decrease energy costs and decrease our commitment on foreign oil. There is a lot of good in this program. But a report from the Energy Department just 3 weeks ago showed that these funds actually paid to weatherize only 30,000 or so homes in 2009. That means the programs missed the goal by 20,000 homes. That is a score of 60 percent. When I was in school, 60 percent was not a passing grade.

We should be concerned that almost every dollar of the \$5 billion program for weatherization has already been awarded. We have to make sure we are getting the results we were promised. How can we have confidence these grants already in the pipeline for this year are going to be properly managed? We must have more transparency and accountability from the Energy Department about how they are managing this program and overseeing the spending of these funds.

There are the same kinds of challenges around the smart grid program. I am not just picking on the Department of Energy. If we look at the other areas—health care IT and rail—we find similar challenges.

There is no information, beyond once these funds are distributed, how this fund distribution fits into the overall management of these new programs. That information should be easily accessible and available to taxpayers, and it should be reported on a regular basis to those of us in Congress who have this oversight responsibility. If these agencies are not meeting their milestones or deadlines and if stimulus programs are not producing measurable results, we need to know about them. If there are problems of potential barriers to distributing these stimulus funds, we in the Congress and the administration could do more to support reasonable solutions. We should be able to work together to fix the management barriers that have slowed down this work.

It is not too late. According to the Congressional Budget Office, the government spent only about 18 percent of the stimulus funds in fiscal year 2009. By the end of this fiscal year—that means October of this year, 2010—that number grows to about 54 percent. But that still means over half of the dollars will be spent out after October of this year. That means much of the stimulus funding remains in the pipeline, and that means we have an opportunity now to correct any management and transparency gaps.

Our amendment this body adopted will do that in three important ways:

First, it requires agencies to update and refine their implementation plans they developed last year for these high-risk programs. We define “high risk” as any program that received more than \$2 billion or any program that saw a funding increase of 150 percent or more from the previous year’s funding. These are the programs that went from quite small to ramping up to huge

amounts. It also includes brand-new programs. Under our amendment, these programs will be required to update their stimulus implementation and oversight plans by July 1. As a former business guy, what that means in legislative speak is they have to show us their business plan in a way that is intelligible and understandable to the taxpayers and to Congress by July 1.

Second, our amendment would require these high-risk programs to report their outcomes to Congress and taxpayers every quarter beginning September 30. We cannot wait for a year to go by to see if these programs that are spending billions of dollars are actually achieving their goals. These reports must include relevant information on spending and outcomes that clearly measures whether these programs are working and meeting the goals defined basically in the business plans they would have submitted by July 1.

Finally, our amendment adds an enforcement mechanism to make sure that Federal agencies, Members of Congress, and the public have access to the information they deserve to evaluate whether these stimulus investments are actually working. One of the things we found is that close to 1,000 recipients of stimulus funding in this last quarter never even filed the required reports so that we know and the taxpayers know how these dollars are being spent.

The amendment will impose civil and financial penalties on stimulus grant recipients who deliberately or consistently fail to comply with quarterly reporting requirements. The amendment provides sufficient discretion for the Attorney General and the courts to set these penalties and to make sure there is consideration of whether the recipient is a nonprofit organization or State and local government or a small business. Again, we are not trying to unduly penalize, but we want to put some teeth in the fact that these organizations that are recipients of Federal funds document what they are doing with those funds. This is basic accountability.

Once again, I applaud my colleagues for stepping up in a responsible and bipartisan way to correct obvious gaps in management, accountability, and transparency of the Recovery Act programs. With so much of the stimulus funding still in the pipeline, this amendment will allow us to dramatically improve the way we measure and report outcomes and demonstrate accurate, verifiable results for the taxpayers.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COBURN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COBURN. Mr. President, I compliment my colleague from Virginia. I am a cosponsor of his amendment. I think it is a very noble attempt to try to put better hands on the stimulus.

It is interesting to note that when we had the first hearing with the IG who is overseeing the stimulus, he said, regrettably, \$50 billion would be wasted; that is, \$50 billion out of \$867 billion—actually, some \$940 billion—was going to be wasted. We started with the assumption that about 6 or 7 percent of this money was going to be defrauded. I congratulate my colleague because some of the steps he is talking about in his amendment will actually lessen that, hopefully. I agree with him.

It is exciting for me to see a bipartisan attempt to start bringing teeth into the laws we pass, not toward the American public but toward the agencies that administer the funds.

I congratulate him. I think he has a good amendment. I think we will have a great vote on it.

TAX EXTENDERS

Mr. COBURN. Mr. President, I wish to spend time talking about the bill we are considering.

Yesterday afternoon, I had the great fortune—my daughter was performing in Florida and was driving back to New York. I got to see my 7-month-old granddaughter. Anybody who is a grandparent knows what it is like to see your grandchildren. There is nothing wrong with it and everything right with it. You get a picture and see in your grandchildren aspects of your children. It draws back memories.

But I was struck by that encounter with my daughter and granddaughter and, by the way, her dog. What are our hopes and dreams about? What are the hopes and dreams we have for our children and our grandchildren? Our hopes and dreams are that they will have great opportunity to flower and blossom in a way that they can take advantage of their God-given talents and their hard work and become a success in their life’s endeavors. And then you contrast that with the heritage of our Nation—a heritage which is about sacrifice—where one generation makes hard choices, makes difficult decisions, where they sacrifice their own benefits from their own endeavors to create opportunity so that the next generation of Americans can have that opportunity to fulfill and expand their heart’s desires.

We heard the Senator from Utah today talk about where the problems were with our Nation, and he talked about where all the gold was in terms of fixing what is wrong. I would have to say I disagree with him. When I look at the U.S. Constitution, and then I look at all the government programs the Federal Government has fostered, passed, and funds, I see a black-and-white slate. I see on the one hand the very limited intent of our Founders, which was spelled out very clearly in