



Highlights of [GAO-10-581](#), a report to the Republican Leader, U. S. Senate

Why GAO Did This Study

A hallmark of efforts to implement the \$862 billion American Recovery and Reinvestment Act of 2009 (Recovery Act) is to be transparent and accountable about what the money is being spent on and what is being achieved. To help achieve these goals, recipients are to report every 3 months on their award activities and expected outcomes, among other things. This information is available on Recovery.gov, the government's official Recovery Act Web site.

As requested, this report covers 11 federal programs focused on broadband, energy, transportation, federal buildings, and civil works activities, representing \$67 billion in Recovery Act funding. Primarily, the report (1) describes how the Office of Management and Budget (OMB) and federal agencies implemented the act to report funds' uses and (2) assesses the extent to which descriptions of awards meet GAO's transparency criteria. It also describes reported uses of funds for the 11 programs.

GAO reviewed requirements for reporting in the act and OMB's guidance. Based on these requirements, GAO developed a transparency assessment and applied it to a probability sample of descriptions from 14,089 recipient reports. In addition, GAO reviewed 52 projects in detail in states that it had contacted as part of its bimonthly reviews and interviewed federal, state, and local officials about their experiences with reporting descriptions of awards.

View [GAO-10-581](#) or [key components](#). For more information, contact Katherine Siggerud at (202) 512-2834 or Patricia Dalton at (202) 512-3841.

RECOVERY ACT

Increasing the Public's Understanding of What Funds Are Being Spent on and What Outcomes Are Expected

What GAO Found

This report focuses on one aspect of transparency and accountability: the extent to which descriptions of awards found on Recovery.gov foster a basic understanding of award activities and expected outcomes.

Requirements and Guidance Regarding Descriptions of Awards

Section 1512 of the act created broad requirements for recipient reporting. For example, it requires recipients to report the amount of funds received and to list projects or activities, including the project names and descriptions. The act does not further explain these requirements. To implement the act, OMB provided generic guidance instructing recipients to report narrative information, among other things, that captures the overall purpose of the award and expected results. OMB created guidance to require general information that could be applied broadly across a wide range of programs expecting, but not requiring, federal agencies to supplement it with program-specific materials. However, this baseline guidance on narrative information, which OMB views as a work in progress, was sometimes unclear.

Extent to Which Descriptions Met GAO's Transparency Criteria

GAO estimates that, for the nine programs with funds awarded by December 31, 2009, 25 percent of the descriptions met its transparency criteria; that is, they had sufficiently clear and complete information on the award's purpose, scope and nature of activities, location, cost, outcomes, and status of work. (See table on next page.) Another estimated 68 percent partially met the criteria because they had some or most of the information, but not all, and an estimated 7 percent provided little or none of this information. Recipient-reported narrative information varied widely in its completeness and clarity. For example, a description of a transit award clearly indicated that funds will be used to purchase four hybrid buses and construct a multimodal park-and-ride facility, and, as a result, the transit fleet will be modernized and the park-and-ride facility will allow commuters to make more efficient, safe, and timely transit connections. In contrast, a description of a highway award for "chip sealing" did not explain what chip sealing is, why and on what it was being used, where the work was located, or how extensive the work would be.

Two factors may have influenced what GAO found. First, GAO's results were somewhat more positive for programs in which the federal agencies provided program-specific materials that supplemented OMB's guidance with detailed information on what recipients should include in the narrative fields. The highway, transit, and geothermal programs that GAO reviewed—for which agencies supplied such materials—tended to have more transparent descriptions compared with programs that only supplied general guidance. OMB primarily reviewed agencies' program-specific formal guidance for consistency with its own general guidance and overall sufficiency, but not to specifically determine if agencies developed guidance on the narrative fields. In addition, while OMB reviews formal guidance, it does not monitor other forms of agency supplemental material or technical assistance provided to

recipients. Second, officials in many programs told GAO that they did not typically include the narrative fields in their data quality reviews. (The act also established a Recovery Accountability and Transparency Board, which is working with the federal Inspectors General to review the quality of the data submitted by recipients.) While an estimated three-quarters of the recipient-reported information did not fully meet GAO’s transparency criteria—thus potentially hampering understanding of what is being achieved with Recovery Act funding—GAO found that federal and state Recovery Act Web sites, in some cases, provided additional information that could aid the public in understanding what its tax dollars are being spent on and what outcomes are expected.

Estimated Extent to Which Descriptions Met GAO’s Transparency Criteria

Program	Number of awards	Met	Partially met	Did not meet
Department of Commerce				
• Broadband	46	57%	43%	0%
Department of Energy				
• Weatherization	57	12	71	18
• Geothermal	29	33	62	5
Department of Transportation				
• Airports	328	18	82	0
• Highway	10,156	25	69	6
• Transit	641	50	50	0
• Rail ^a	5	20	20	60
General Services Administration				
• Federal Buildings	491	29	64	7
U.S. Army Corps of Engineers				
• Civil Works	2,336	14	70	16
Total	14,089	25%	68%	7%

Source: GAO.

^aResults are for all five awards.

Reported Uses of Recovery Act Funds

GAO collected information on the reported uses of funds from federal agencies for the 11 programs it reviewed. These uses ranged from improving infrastructure (such as widening roads) to improving Internet (broadband) access. Agencies have obligated program funds at different rates, which may be due, in part, to whether the programs were new, existing, or received sizable funding increases. For example, as of early May, the Department of Transportation had obligated all of its established highway program’s \$26.7 billion in funding. In contrast, it had obligated a small portion of its \$8 billion in Recovery Act funding for a new high-speed rail program, which it has to develop before awarding funds. It obligated the funds for engineering and other services that can be performed while it negotiates the rail awards. The Department of Energy’s \$5 billion Weatherization Assistance Program was extant, but it received a

sizeable funding increase, requiring states to develop plans for using the funds. In addition, certain federal requirements, such as Davis-Bacon wage requirements, affected the ability of some agencies to start work in programs, including the Weatherization Assistance Program. As of late March, about \$4.7 billion (94 percent) of these funds had been obligated. (See apps. I-XI for individual program results.)

Federal and State Efforts to Make Information Available to the Public and Public Feedback Received

GAO also asked the federal agencies and selected state agencies in its review about how they make Recovery Act project information available to the public and what feedback they have received. Each agency has established a Recovery Act Web site, as have states, some state auditors and Inspectors General, and some recipients. These sites contain varying amounts of information, such as program objectives, lists of projects, and interactive maps. For example, the New York state site details how the state is spending funds through a map that provides information on each award, and links to over 40 other sites where more information can be found. Federal officials told GAO that there has been limited feedback from the public on awards and the award information made available to public. (See the report and apps. I-XI.)

GAO Recommendations to Improve the Transparency of Descriptions of Awards

To further public understanding of what Recovery Act funds are being spent on and the expected results, GAO recommends that the Director, OMB, (1) revise the agency’s recipient reporting guidance to remedy the unclear examples and enhance instructions for completing narrative fields; (2) work with agencies to determine whether supplemental guidance is needed to meet the intent of the act and whether that supplemental guidance or other technical assistance proposed by agencies dealing with narrative descriptions of awards provides for transparent descriptions of funded activities; and (3) periodically review, in partnership with federal agencies, the recipients’ descriptions of awards to determine whether the information provides a basic understanding of the uses of the funds and expected outcomes, and, if not, encourage agencies to develop or improve program-specific guidance, as well as work with the Recovery Board as the board reviews the results of agencies’ data quality reviews to further reinforce actions to meet transparency goals.

In commenting on a draft of this report, OMB agreed with GAO’s recommendations. OMB and the federal agencies provided a number of specific comments, many of which GAO incorporated.