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ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

PARTICIPANTS:

Moderator:

WILLIAM GALSTON
Senior Fellow, Governance Studies
The Brookings Institution

Featured Speaker:

DONALD KETTL
Nonresident Senior Fellow, Governance Studies
The Brookings Institution

Discussants:

ELAINE KAMARACK
Lecturer in Public Policy, John F. Kennedy School of
Government
Harvard University

JONATHAN BRUEL
Executive Director, IBM Center for the Business of
Government and Partner, IBM Global Business Services
IBM

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P R O C E E D I N G S

MR. GALSTON: I'm calling the session to order, and I will begin by introducing myself. I'm Bill Galston, a senior fellow in Governance Studies here at the Brookings Institution, and I would like to welcome you all to the latest in a long-running hit series that we call Governing Ideas.

And the basic idea of Governing Ideas can be stated pretty simply. This is a town that is awash in politics, political punditry, political analysis, and it also filled with think tanks that devote themselves, at least if you read their annual reports, to policy analysis of one sort or another.

We in Governance Studies have nothing against politics or policy analysis. We've been known to commit ourselves, but it's our thesis that there is a broader context within which the questions of public life ought to be considered. That context is in part cultural and intellectual, even religious, especially in the United States, but it is also in part institutional. It is institutions, the condition of

our institutions and ways in which we might improve them that brings us together today.

Let me just say a word about the importance of institutions. They are, quite simply, the way we arrange and organize ourselves for collective action.

It's easy to believe that good people plus sound policies equal effective governance. Well, our founders were under no such illusion. They believed, and I think rightly believed, that well-conceived institutions matter as much as good people and sound policies. Indeed, and this is one of the great themes of the book that we're gathered to celebrate, discuss and perhaps even critique this afternoon, bad institutions can frustrate the best intentions of good people and can thwart the implementation of sound policy.

Now because this is the Brookings Institution, every introduction must have at least one high-toned quote. Well, here's mine, and it's from Alexander Hamilton, Federalist Number 68, and I'm sure everybody on the panel knows what I'm about to say.

Hamilton stated, after dissing Alexander Pope, he went on to say, "The true test of a good government is its aptitude and tendency to produce a good administration."

Indeed, modern political science tells us that good administration is not only the key to effective implementation of public policy. It is also the basis of public trust and confidence in government.

I don't need to remind you that that public trust and confidence is almost entirely absent today. The American people, sadly, have rendered a negative verdict on our government or at least our government as we now know it.

Well, what is to be done? That's the question we're gathered today to ponder, focusing on an important new book, *The Next Government of the United States: Why Our Institutions Fail Us and How to Fix Them*.

I can't imagine a better panel to instruct us on this question, starting with the book's author

to my immediate left, Don Kettl who is a nonresident senior fellow here at Brookings and he's also, and perhaps more importantly, the Robert A. Fox Leadership Professor at the University of Pennsylvania where he's a professor of political science.

He's the author and editor of a dozen books and monographs of which *The Next Government of the United States* is the latest. Two of his books have been co-winners of the Louis Brownlow Book Award of the National Academy of Public Administration for the best book published in public administration.

He has consulted for a broad array of public organizations. He is a fellow of the National Academy of Public Administration and, I'm informed, a proud shareholder in the Green Bay Packers. Congratulations.

To my right is an old friend and frequent co-author, Elaine C. Kamarck who is a lecturer in public policy, who came to the Kennedy School in 1997 after a career in politics and government, a career too long to recount. Suffice it to say that she

served in the White House from 1993 to 1997 where she created and managed the Clinton Administration's National Performance Review also known as Reinventing Government.

At the Kennedy School, she has served as Director of Visions of Governance for the 21st Century and is a faculty advisor to the Innovations in American Government Award Program. She is the author of another important book on the subject of the condition of our institutions, *The End of Government as We Know It: Policy Implementation in the 21st Century* and also of the forthcoming *Primary Politics: How Presidential Candidates Have Shaped the Modern Nominating System*, which Brookings will be proud to publish early next year.

And, finally, someone who might well be regarded as the *éminence grise* of everything that we're doing this afternoon, Jonathan Bruel, who is the Executive Director of the IBM Center for the Business of Government and a partner in IBM Global Business Services. The IBM Center is a fascinating place. It

helps public sector executives improve the effectiveness of government with practical ideas and original thinking.

Jonathan Bruel was formerly Senior Advisor to the Deputy Director for Management in the Office of Management and Budget in the Executive Office of the President. He served as OMB's senior career executive with primary responsibility for governmentwide general management services. He served for eight years as the U.S. Delegate and elected Vice Chair of the Paris-based Organization for Economic Cooperation and Development, Public Management Committee, and he is an elected fellow and member of the board of trustees of the National Academy of Public Administration.

A last word before the main event as to format, the author, Don Kettl, will present his book, taking about 20 minutes. Each of the commentators will then speak for about 10 minutes each. There will be a little bit of cross talk on the panel if I can think of a question worthy of receiving a response from the panel after which we'll devote roughly the

final half hour to questions and comments from the floor and responses from the panelists.

With that, Don, the floor is yours.

MR. KETTL: Thanks so much and thanks to all of you for coming here today.

I want to begin by climbing inside a time capsule and going back to a Tuesday night in September when the Federal Reserve in the middle of the financial meltdown decided to buy American International Group. The United States of America found itself, on a Tuesday evening, owner of an insurance company.

Star Trek always used to begin with the dictum: To boldly go where no man has gone before. Well, we are there. We are now in uncharted territory. We are where no man has gone before, and question is where it is that we are and what it is we're going to do with what it is that we've got.

The basic argument that I have in the book is that the government that we have and that we've created and have spent the last 230 years trying to

construct is not a very good fit for the problems we're trying to solve, and unless we find a way to update our institutions and make them a lot smarter and a lot more nimble in a very big hurry, we're likely to have very big problems not only for the performance of government but also, perhaps just as importantly, for the performance of American democracy.

The financial meltdown that we're now talking about is really part of a much broader string of very complex problems that we've been trying to struggle with, whether it's the post-9/11 world of homeland security or the debate over nationalizing the auto industry. But what I want to suggest is that if you stop and sit back a little bit, you can see AIG, the financial meltdown, homeland security, the auto industry as part of a much broader array of problems that we've been struggling to try to have to deal with.

Let me tell you two stories that I use to begin the book with. One is my mother-in-law,

Mildred, who died about a year and a half ago but was a wonderful 91-year-old woman who, to her last days, loved angels and loved flying in part because she was lucky enough to have married an Air Force officer and spent a long and happy career traveling around the world, exploring and having a chance to get acquainted with all the great glories of flight.

In the last couple years of her life, though, she was having increasing difficulty with her memory and with just trying to cope with the day to day things that came along with life. And so, facing the realities and her difficulty in trying to just deal with basic decisions, we had to try to put her in a nursing home. We were very, very lucky because the care that she got there was extraordinary. It was all of what it is that you would want it to be.

Given the fact that she was a military widow, she had had a military pension, but her pension wasn't nearly large enough to be able to cover the \$85,000 a year that a nursing home bed costs. So she had to apply for medical assistance. So for the last

couple of years of her life, she was supported by the federal and the state governments in what, as we all know, is one of the fastest growing programs in the entire government.

Now the paradox here is that through the entire time that she went through this process, from the first stage of the application to the last breath that she drew and all the care that she got in between, she never encountered a government employee. We have this fundamental paradox of the fastest growing program, if not one of the fastest, in the entire governmental realm supporting this woman, multiplied millions of times, over without ever encountering a government employee.

That's not to say that there's not government there because there's government regulation of the nursing homes. There's government finance of the system. There's government regulation about what would be reimbursed, what kinds of things would be covered and what kinds of things were not. But this all operated behind the scenes in a very intricate,

very complex system of Medicare and Medicaid, federal and state, public, private, non-profit which provided her extraordinary care but which didn't require her to do anything in interacting with government itself.

What we have is a kind of government without a direct involvement of government, governance without anything but a very complex governmental role, a really extraordinary system of care for her that was most characterized by the fact that she never encountered government employees herself.

So we think about the paradox of such an extraordinarily large government program with such an important role in the lives of so many millions of Americans with their quality of care dependent on how well this very complex system works, with government's role operating only indirectly and where her well being was dependent on the decisions that everybody at every step along this chain made on a daily basis, we see a truly extraordinary picture of government.

If you step back then and look at the question of what happened in the government's response

to the Hurricane Katrina which at first may seem an extraordinarily different kind of question but which in reality, I would argue, is really the same problem.

What we had was: FEMA's effort to step into New Orleans, to struggle with the problem of figuring out how to leverage effective government action.

Ten thousand people stuck at the Superdome, other people stuck at the convention center.

The state government struggling to figure out how to provide the right kind of support.

The mayor of the City of New Orleans isolated from his command authority for 48 hours without even a telephone.

The difficulty of the non-profits getting involved in this and the problem with trying to bring the private sector in.

The paradox that for most people the biggest organizational hero was Wal-Mart because they were the first organization back in business after the storm hit.

The extraordinary scenes of Anderson Cooper

out there wading around in the middle of all this muck, raising the questions of: If I'm here, where is FEMA? If I get it, how come the government doesn't?

This problem of, again, this very complex interrelated system of government which only works if all the pieces fit together, where in a case here they did not. What we have here, in short, I think, is the same problem characterized by two things.

First, we have a system where increasingly, for anything that matters, no single organization can control anything that matters. If you step back and ask, and I'd be happy to come back and talk about this in the questions if anybody can find anything that's to the contrary, but I can't imagine any single problem that matters that any one organization can any longer control -- so that, by its very nature, everything that matters requires a very complex interrelationship of government, public, private and non-profit institutions and increasingly, as we've discovered if we didn't know it already, global institutions as well.

We have this first point, that for any problem that matters no one organization can control it.

The second thing that characterizes these problems in general is that no one is really in charge. One of the things that was the case about my mother-in-law's care is the number of times my wife and I found ourselves having to make fundamental decisions about the kind of care and the kind of services she ought to get, should she get Treatment A or Treatment B or any treatment at all, which kinds of things made the most sense. Doctors would come, and they'd be very careful about explaining the options. But in the end my wife and I were essentially making decisions about the expenditure of public money, and we were making decisions about the quality of care that my mother-in-law was going to get without our being medical professionals.

What it was that happened and how much we all as taxpayers paid was the product of the individual decisions that everybody throughout the

system ended up making.

The same was true in Katrina where there wasn't really anybody in charge, where at the beginning in particular the fact that nobody seemed to be in charge of much of anything led to total chaos, where later that there were the beginnings of a restoration of public order because some officials stepped forward, but they stepped forward not because they were in charge but because they found effective ways of getting everybody to work together.

So we have with Mildred and Katrina, with the bailout, with Star Trek homeland security, nationalization of the auto industry, a whole set of issues here where we have boldly gone where no man has gone before and where the basic facts are, first, we have a large set of important problems where no one organization can be in charge of anything and where the idea of trying to reorganize government, to try to put a box around it is doomed to failure and, secondly, where no one person can control all what it is that needs to happen.

The meaning of complexity in government is increasing the problem of trying to manage these things, and that's, in a nutshell, why the government we have is not a very good fit for the problems we have to try to solve.

Let me step back and put some of this in historical context. Barack Obama campaigned on the promise of change we can believe in. The one thing that seemed clear in this election, no matter what happened, was that the candidate was going to be whoever it is who could best articulate a vision of change for everybody.

But what I want to suggest is that whether a candidate wanted to articulate change or not, it was going to happen because it already had happened because it happens on a regular basis in the course of American society. In fact, if you look at the last 125 years or so of American life, about 20 to 28 years, we've gone through a regular change and shifting cycle of strategies of government.

To skip ahead to the point I'm about to

make, 2008-2009 is one of those critical turning points. It was destined to be, already was. Whether Obama wanted to be the President of change or not, he had no alternative.

Put the whole thing back in rewind. Go back to the beginning of the Industrial Age where everybody was trying to figure out how can we try to prevent the great trusts from overrunning American democracy and American society and the lives of ordinary citizens.

So the progressives stood up and said, we need a stronger government, back in the early 1880s, to try to find a stronger, more effective way of making government work. And so, they put together at the beginning of the Industrial Age a whole strategy of government that went everywhere from the civil service system to the creation of new regulatory agencies and a stronger, more robust government whose job it was to try to put boundaries around the power of the private sector, which worked pretty well until about 1913.

And we went through a new stage of those

things where we invented new cabinet departments. We created the Federal Reserve. We created a new federal comprehensive budget. From there until the end of the Hoover Administration, we continued to play that out, but then it became clear at the end of the Hoover Administration that that wasn't enough.

So FDR came in, in 1933, with the creation of the New Deal in response to the Great Depression which then ran its course until about 1953.

Eisenhower came in with a new era of modernization. With professionalization of the Eisenhower years, the whiz kids in the Kennedy Administration, budgeting reforms and management reforms, with LBJ and with Richard Nixon and with Jimmy Carter, to the point that we ran all that out, to the point then at the end of the Carter Administration, Reagan came in with an argument for another fundamental change, this time for more privatization.

And for the last 28 years, we've been working the angle of privatization, working

reinventing government, working performance improvement but working on this balance of public and private power in the effort to try to make government more effective.

If you look back at this history, about every 20 to 28 years, we pretty much get to the end of our rope with the existing governance system that we have and then go about inventing a new strategy. If you look at the beginning of the last one, it was in about 1981, and it was due to run out in 2008 or 2009. And so, we see with the beginning of the Barack Obama Administration, like it or not, the natural end of the previous set of strategies and the inevitable beginning of something new.

The clock is now counting down to inescapable change, to what I want to argue is or at least has to be the next government of the United States. Why? Because at each of these stages, what's happened is that the old government that we have simply ceased to work as effectively as it needed to be to solve the problems that we wanted.

So Barack Obama can argue that he needed to be the exponent of change we can believe it, but one way or another what he does and how he does it and especially if he does it well, even more scary if he doesn't, will define what it is that this next generation of government is and ought to look like.

So what should it look like? Is this problem solvable?

It's easy enough to get depressed if you sit around and look at the financial meltdown, look at the questions of what's going to happen in the future of the auto industry, about what the banking system means, about the new waves of bankruptcy and mortgage collapses that are sweeping over the economy.

It's easy to be depressed enough, but if you look back over this history as well, what we have is a series of crises that we've faced in the past. The way in the past that we've always conquered those challenges is by devising the next government that we need for the problems that we have to face.

I'm basically an optimist, and the book is

optimistic about our ability to do that because in looking around, I've found people inside government who have been smart enough to figure out how to do what has to be done, people working in government now. Let me give you a couple of examples.

Go back to Katrina. In Katrina, we know that Michael Heck-of-a-Job Brown went to New Orleans and was excoriated. He's the one guy who lost his job because the government's response. The saddest thing of all about the Michael Brown case, the saddest thing of all about everything that happened in New Orleans was that nobody went to New Orleans saying: Here we have the biggest challenge we're going to face in our careers. Let's see if we can really screw this up.

The tragedy and the failure that we had occurred despite government's very best efforts to do its very best by its people. If doing its very best produced something that wasn't good enough, it suggests that we need to do what we do in a different kind of way.

Fortunately, what happened was that after

Michael Brown was relieved, Admiral Thad Allen of the Coast Guard came in. And, there was a time that even if you weren't following at close attention, you could sense if you were watching CNN that the world was starting to change there, that things were starting to happen, that progress was being made.

What was happening was that Admiral Allen and several other key leaders came in and focused on devising a new governance strategy to try to achieve what it is that had to get done. He succeeded in doing what it was that the previous efforts did not.

What was it that he did that worked? Well, let me read you one thing that he said. He said, "We give our field commanders a mission, an area of responsibility, and their own resources and assets such cutters and aircraft, and then we leave it up to them."

What he did was to train leaders to lead, give them what they needed, held them accountable for getting the job done.

There are stories, in fact, about some of

his Coast Guard personnel including a lieutenant who was flying a helicopter with orders to go back to Florida, who looked down and saw people on top of a roof who were obviously in need of being rescued in a hurry, and who decided on the spot that I could follow my orders and fly back or I can reach down and scoop them up. What the Coast Guard training had trained her to do in that circumstance was to scoop down and to find a way to get the problem solved because solving the problem meant getting the people off the roof, making that more important than flying back to Florida at that moment.

There was another commander of a C-130 who was flying over and looking at choppers flying around all over the place who were on the verge of colliding with each other. The last that they needed was to take out assets that they needed for rescue and end up having them crash. They established a mobile airborne command post on the spot to try to figure out a way to command and control the forces that were underneath.

In the streets of New Orleans at the time,

there was a lot of sludge. There was a lot of debris. There was a lot of junk floating around everywhere. The problem was that not only were there few boats but most boats that they had ended up getting fouled up in all the debris.

Some Coast Guard commanders said, you know, we just bought ourselves some new rescue boats for the Great Lakes. They're based in Michigan. What they're designed for is when the lakes freeze, we'd have these things that are almost like air boats that can scoot along on top of lakes that are frozen without drawing any water, rescue people at high speed and get them back. I bet that would work well in New Orleans where you don't want a boat to go very deep into the water there.

Sure enough, they got ice boats into about as far an extreme as you could possibly imagine in the swampy sewage that was floating down the streets of New Orleans which turned out to work incredibly well because what Admiral Allen was focusing on was figuring out what the job was, giving people the

assets that they needed and holding them accountable for results. Those were the things that really produced that kind of success, which in the end when success started to happen is how things started to turn around.

It was really the secret of what it is that made the care for Mildred work well in her nursing home, where there was a constant problem at night. In the evening, she would be in her wheelchair, and she was feeling a little uneasy. So she would want to go back and get in bed, but she wasn't strong enough to transfer herself from a wheelchair to her bed. When she would try, she'd end up on the floor. For a 90-year-old, falling from a wheelchair onto the floor could often mean a broken hip.

And so, just in a very small way, very reminiscent of the kind of training that in fact the Coast Guard had, the people who were running the floor said we have a medicine cart. We'll just park it in front of her door, and if she tries to get in there she won't be able to, and we'll be able to redirect

her back to where it is that she needs to go.

The idea of thinking about the problem, thinking beyond the routines to the problem that has to be solved, giving people the leadership skills and training that's required and then driving them to results and holding them accountable for what it is they can accomplish is what it is that occurred there.

In the post-New Orleans world, one more example, there's a budget official by the name of Ramsey Green who was working in the New Orleans schools. FEMA had come in and said: We will, under federal law, replace the supplies, the library books and other things that were lost in the schools. But to be able, for example, to replace a copy of *My Little Pony*, we need you to demonstrate how many copies of *My Little Pony* that you own.

At this point, FEMA was asking them to account for 5,000 different things that matched 183 different project worksheets, and the local officials were saying: We're trying to put our city back in shape and we could either spend all of our time

counting copies of *My Little Pony* or we could find some way of being able to solve the problem.

Then finally, ultimately, what they did was to devise a strategy to collapse these things into fewer categories, demonstrate that they had a certain number of books, where FEMA agreed to be able to give them what amounted to a larger block grant which they can then use to replace the supplies and which, ultimately, they could account for. Instead of trying to count pieces of chalk, numbers of erasers, individual desks, copies of individual books, they developed broader categories after a long, long painful, way too painful series of conversations and, in the end, solved the problem.

It turns out that if no problem fits any organization and no organization can be restructured to encompass any problem, if nobody is really in charge of any problem that matters, the only way to solve problems is to encourage people like Admiral Allen, the people who were his lieutenants and frontline officers, the people who were like the

nursing staff with my mother-in-law's nursing home, the people like Ramsey Green who know how to try to focus on the objectives, get the assets that they need and to be held accountable for the results that they can produce.

In short, and this is why ultimately I'm optimistic, we know how to do this. I can say that with confidence because I have seen people do it, as have all of you. The problem is that too often what needs to be done doesn't get done and doesn't get done often enough.

The challenge that we have is making sure that what ought to happen happens regularly, predictably, in a way that we all benefit from. That's really the core of the problem.

If we're really interested in change we can believe in, we can, as Barack Obama would surely say, challenge us all to try to reach for higher goals, but the goals don't matter unless we can produce results that back them up. The results that back them up increasingly depend not on creating new rules, not on

reorganizing boxes, not just simply in creating new programs but on finding these leaders, encouraging them and growing a lot more of them because if we don't, we will fail.

And if we fail, American democracy and the performance of the American government will be much worse off. We will have many, many more of the bad side of Katrina and not nearly as much of the good side of the care of my mother-in-law Mildred which is, in the end, what we want.

So where does this lead us? Where it leads, if I can just summarize in brief, first, if it's time to boldly go where no man has gone before, we are there. We are at a point where we haven't been before in part because of this regular, predictable change in the workings of American governance, and we have reached the end of one cycle, and we are, like it or not, at the beginning of the next.

Now is our time for creating this next government of the United States. There are certain problems that lie at the core of it where we can't

reorganize our way out of it, where no one organization can control any problem that matters and where solving all the problems that matter require a level of individual leadership because, in the end, we have a situation where nobody can control anything, but only by working together can we collaborate and accomplish anything.

Failure is just not an option if we want the country to thrive which is why, in the end, I conclude in the book it's time for the next government of the United States.

(Applause)

MR. GALSTON: Well, Don, thank you for launching us so crisply and encouragingly.

Now let me turn to Elaine Kamarck for the first comment.

MS. KAMARCK: Sure. This is a great book for those of you who haven't yet read it.

I, coincidentally, have reviewed it in *The American Prospect* for this month. One of the things that I said about it in the context of current events

today is that in both practitioners' worlds and in the world of political science that those of us on the panel and many of you in the audience come from thinking about policy implementation is kind of always secondary. It's much more interesting to think about health care or big foreign policy questions, but thinking about the ways in which we actually get it done tends to be a kind of poor cousin to the policy formulation.

The reason I've been thinking a lot about this was not only did I read Don's excellent new book but also looking at the Obama Administration as they put themselves together and as they come up with, as they're planning today, a massive stimulus plan.

What's interesting is how quickly most of the economists have come to a consensus on what's needed: We need to spend a lot of money, and then we need to spend even more money, okay, to get the economy out of this and get it back on its feet.

The interesting question is: Can we really spend that amount of money in time to get the economy

going? Okay.

Can we really spend \$700 billion or maybe \$1.4 trillion quickly in a world where the federal government which dispenses it has an accretion of many, many years of rules and regulations, all of them adopted for sound reasons which is to prevent corruption, okay, but all of which mean that they stall actual implementation?

So one of the things that I think the Obama Administration is quickly to come up against is they'll come up with a list of things to spend money and then come up against the following: Can they actually get this money out the door in time to actually make an impact on anything? That, I think is a profound question. It's a question that came to me after reading Don's book.

Just this morning in the *Washington Post*, I think it was this morning's *Washington Post*. I read it on the computer, so Lord knows what day it was really. There's a story about HUD and its foreclosure program, and they managed to give assistance to 312

people in the same period, 312 people. Now remember, foreclosures are affecting a lot more than 312 people. At the same time, a private bank has been busy repackaging and giving assistance and trying to keep people from foreclosing, and they've been handling thousands of people.

Now it's this kind of mismatch in performance that in fact got us to the point that Don describes in his book, where we don't have bureaucratic government anymore because when we run up against bureaucratic government we get 312 foreclosures dealt with, and that clearly is not acceptable. On the other hand, what we've done is we've created, essentially, a government by network and in some areas a government by market.

In the human services area -- and I love Don's description of his mother-in-law's care. I think it brings home just what a complex network we have in the United States when it comes to human services.

In human services, this network has actually

worked fairly well because what it's able to do is provide choice, and it's able to provide individual care in a way that a sort of bureaucratic routine would never be able to do. And so, we all kind of like this system that we have which makes it extremely difficult to change Medicare and change Medicaid and even more difficult to control their costs because we like it, because basically Don and his wife were able to spend all of our money making sure that his mother got the best care that they could get for her.

Well, we all do that. Okay. We are all doing that when we deal with our elderly parents these days, and ultimately the bill is being paid for by the federal government.

This elaborate system, though, is not a system that is easily held accountable, and that I think is one of the interesting points that comes out in Don's book. When you have the government business being done by people who are not in the government, it is extremely hard to figure out accountability.

We know what the old-fashioned mid-20th

Century government accountability looked like. It was a lot of rules, and it was adherence to routines. But the adherence to rules and the adherence to routines are precisely what made late 20th Century America absolutely furious with their government. That was not a government that any modern American wanted to have anymore.

So the government responded accordingly. We have the elaborate networks. We have gone outside of government, et cetera, and now we have a new problem. When it fails, what do we do? Whose to be held accountable?

Poor old Brownie, who, you know, I don't know him, but poor Brownie bore a lot of blame for a system that really just crashed and had a lot of poorly designed features in it.

So the question then before us is as we kind of muddle through, to use an old political science phrase, as we kind of muddle through in the next century and as Barack Obama attempts to put together the next government of the United States, what are the

accountability measures? Here, I think we have to go back to a concept which isn't all that old in government but the concept of performance measures. Only this time, what we're going to have to do is follow the money.

When the government shut down in 1996, I was in the White House. It was quite a dramatic time. And one of the things a lot of us realized who had been concerned with government is that it was a learning moment for America because when the federal government shut down, guess what. All sorts of things that nobody ever thought of as federal government also shut down. Catholic Charities couldn't operate. Okay. State governments, local governments, library programs, after school programs, all sorts of things suddenly had no money because, of course, the federal government is a giant ATM machine for much of the American state and local government and for many parts of the private sector.

Now if you follow the money, okay, and you realize that government goals are being pursued from

Washington but through a variety of players, then you have to start looking at this differently than our current government managers were trained to do. They were trained to manage institutions that had hierarchy, that had standard ways of operating.

The new government manager has to manage in a totally different way. The new government manager has to follow the money and then look at the system and ask himself or herself, what is the system producing? Is all this money that we are giving reducing teen pregnancy? Is this money actually causing more children to be immunized or whatever the goal is? And that is the only way that we can begin to get an accountability handle on this very complex government that Don has described but which arose really out of Americans' need for choice, for innovation and for the increasing complexity of policy problems.

I think what's important to realize is we're not going back. Okay. We're not going back to a bureaucratic government of the 1950s. But we're in a

kind of funny interregnum here where we have to figure out how do we measure accountability in this next government of the United States, and I think Don has done a great service to many of us through this book, and thank you very much.

MR. KETTL: Thank you, Elaine.

(Applause)

MR. GALSTON: John, you bat cleanup.

MR. BRUEL: Thank you.

I'm going to be in violent agreement with Elaine and Don. This is a view and a matter that Don and I, in fact, have wrestled with for quite a while.

In the year 2005, the IBM Center pulled together some government experts to try to figure out what would be next. We realized that there would be an election this year, and it might nice to anticipate what was going to be coming along. We asked Don to author us a short little paper on what's next, and the title of what he brought back was "The Next Government of the United States," which I think was sort of the outline for what we're reading today.

It's been right on point from the point and has been a stimulus for a lot of us to think about the key matters that really do matter in terms of the implementation and execution of these programs.

The thing that I think is powerful about this book is the way he uses Mildred and Katrina and *My Little Pony* as a way of bringing this down to a personal and recognizable level. It's not just the abstractions that we hear about in public administration. It's not just the big horror stories, but it's in fact something we can actually relate to in a pretty direct fashion.

Putting that personal face on it, I think is part of the power of what goes on here because the points he brings out are significant. Let me go over a couple with you because I think they bear repeating, and Elaine picked them up as well.

The first is this question of performance and results. We've had a lot of attention to that for the last 10 or 15 years, and unfortunately a good deal of it has been a paper exercise, and a good deal of it

has been just bureaucratic turning the crank. At times, it's even gotten ideological in the way it's been viewed.

But when you put all that aside, the public is demanding results, and real results will matter whether it is a Katrina situation or whether it's the health care of your mother-in-law. That is increasingly a demand that the public comes up with, with real assurance, and it's unavoidable. This President-Elect is going to have to show results in terms of the bailout, in terms of energy independence, a whole host of issues that are urgent and very significant. So, again, the centerpiece of this being the question of performance and results is, to me, an inescapable and really essential element and really part of the story here.

The second is this question of what we call boundaryless government. Don phrases it a little differently in terms of no one really being in charge, but it's the matter of partnerships, networks, all these more complicated arrangements that address the

problems that the United States is asking be addressed.

Networks and partnerships are increasingly the way problems are handled. It's because, as Don suggested, no one agency or person is in a position to handle these alone, and, increasingly, we've resorted to those tools as a way of dealing with the public management issues.

It's a way of doing business that's all too frequent now, but we don't see it recognized well in texts. We don't see it recognized in the way agencies operate. It's something that escapes the attention of the media or escapes the attention of congressional committees. They want to have one person in charge and one person to kind of call up before a hearing or one person to blame.

But in the network situation, it's far more complex, and the managerial challenges are really profound. There are real questions in the network about how you run a network if, indeed, it's your network and you're leading it. So if you're Julie

Gerberding at the Centers for Disease Control and you're doing a big network response to SARS, there are enormous number of challenges in leading a network and making it function and solve problems.

But, equally, if you're part of that network, how you operate and how you function within a network is a different set of skills and requires a different sort of playbook. Again, I don't think we've got either set of playbooks well understood or well laid out these days, which makes the operation of these various arrangements very tricky.

The third area I'd mention is the question of the workforce and the competence of the workforce, and Elaine brought it up as well. Public administrators, leaders, executives are not trained in this business. It's not the way most schools are now equipped. Most schools, in fact, still have courses on civil service as if, again, the whole operation is within the civil service ranks and within the organization.

The fact that we're governing by contract,

governing by collaboration and networks and partnerships is a new enough phenomenon that, again, we don't have the managers and the leaders skilled in the execution of those roles. It's a huge challenge and one that I think we're going to have even more trouble going forward particularly with the bailout and all these new functions that we're handling these days.

But like Don, I share his optimism here. I think there's enormous room for optimism. We, in fact, know how to do many of these.

We do have too few leaders who are available. When I was at OMB, we used to like to keep the top drawer of the Deputy Director for Management's Office, the top drawer of his desk available for people who could solve big problems. We didn't have enough John Koskinens or Thad Allens, the kind of people who could really take on these big, humongous assignments and who the President-Elect is going to need over the next couple of years to manage these things.

But we do have some cases where fabulous things have been done, and I think the Katrina situation is one. I think Y2K is one. Another one I'd offer you is Special Forces in the Department of Defense. General Wayne Downing took that over a number of years ago, and Special Forces includes the Army Rangers, the Seals, a Marine group and Air Force Special Ops. It's a group of very elite warriors from all the services in DoD, and they have been put into an integrated operation that's very effective.

Interestingly, in carrying forward Don's theme in the book about routine and nonroutine functions, on the parade ground, in the Pentagon, they can operate in a very rigid hierarchical command and control fashion. Indeed, they're the best at that.

But when they're in a combat situation, they snap into a nonroutine function where the stripes or the brass you're wearing and rank and all that formal stuff goes out the window. They're all in a mission focus, and getting results in the most effective way is what commands their attention.

And it's interesting, much like the Coast Guard in a sense. They know how to go from a hierarchical command and control situation into one that's nonroutine and requires a different operating style.

In fact, I think we've got a lot of lessons to learn from both of those groups where it's not only an either/or situation. Some of these groups are able to do both. Having that capability is, I would argue, going to be a significant challenge for us going forward because surprises happen. Whether it's salmonella tomatoes, an earthquake, bioterrorism, any kind of matter that causes the normal operation to be disrupted requires the government to operate, it seems to me, in a way that improvises a bit more and focuses on results and collaborates and operates in partnerships.

I think we do know how to do that. I think there are many cases where there are clear lessons on how to do that, and I think Don's book points us in the right direction to what the key elements are and

how we can learn from that and change the government so it's better able to deal with those situations.

MR. GALSTON: Thank you, John.

(Applause)

MR. GALSTON: Well, what I'd like to do before we get to the question and answer portion of this session is to put one question to Don but not only to Don, to the panel as a whole, and respond as you see fit. And Don, if you'd like to take the opportunity to respond to anything the commentators said at the same time, you certainly should feel free to do that.

Let me frame my question to you this way. There are different of picking up your book, different sort of handles to grab. You can talk about performance, absolutely. You can talk about accountability, absolutely. You have to. But the handle that I found most apt to pick up was the handle of leadership and what leadership means in 21st Century government.

Here, I want to make two points, each of

which if you put a question mark after it, it would be a question.

First of all, it seems to me that there is something slightly misleading or incomplete about the idea of networks because, as you tell the story of you and your wife dealing with your mother-in-law, you took the lead. Somebody had to be in charge, and your challenge was to take this dispersed system and bring it to a point, bring it to a decision or a series of decisions. In the absence of another aggregator and decisor, you and your wife took on that function.

No matter how dispersed things are, as a matter of fact, the more dispersed things are, the more essential a focal point of energy and decision becomes. And so, in my judgment, in the new government as well as the old government, leadership is essential. Then the question is what kind of leadership, which brings me to my next point.

That is that the chapter of your book that is devoted to the leaders, these exemplary leaders, has a very, I think, perceptive and also revealing

title. That title is Rocket Science, right, and you use the metaphor of rocket science as a way of characterizing what these leaders do.

But in using that metaphor, you raise a question: How do you routinize rocket science? How do you take rocket science to scale? How many Thad Allens can we expect?

Now the reason that's so important is my reading of the Madisonian system is that our constitution represents the effort to build a set of institutions that will work tolerably well even if the people within them are not particularly virtuous and not particularly talented. That's the essence of Madisonian constitutionalism.

But you're describing a system where you require not only a very high degree of public spiritedness in the leaders but also an extraordinary degree of flexibility, competence, insight, innovation. I mean these people strike me as one in a hundred or one in a thousand.

Can we run the government of the 21st

Century with 1 percent or a 1/10th of 1 percent of people like that and then a whole bunch of other people who are not nearly as good at flexible, nonroutine leadership as the best are?

MR. KETTL: Those are great questions, and let me try to respond as best I can by working my way through. And let me say, we're now officially at the end of the earth. We're at the point where we're going into issues of speculation that really have to do with where it is we're going, and we're going to places where we haven't been before.

Let me make four points. The first is that the question itself has to be understood as important as it is if for no other reason than, on the one hand, all of us want services and programs that work. We can establish that. None of us wants to pay for waste, fraud and abuse or for poorly working programs. So that's one thing.

On the other hand, from the political point of view, if you go back and look at the public opinion ratings for the George W. Bush Administration, the one

thing from which the Bush Administration never recovered was not mission accomplished and was not the problems of uprising in different communities. It was Katrina. The place where the negatives exceeded the positives for the Bush Administration and never came back down was Katrina. It was the mismanagement of Katrina that the administration never recovered from.

As the Obama people come in, that's one terribly important lesson. Management really matters because if you screw it up, it's the one thing that people tend not to forgive you for.

But then you raise the question about routine, and not only is the Madisonian approach to government that we create checks and balances, so it doesn't matter who it is we have where because we've got enough processes to be able to balance things out. Add to that one other thing, that the whole point of bureaucracy is to create structures and rules and hierarchies so that you can bring anybody in, train them, put them in place, and the rules and the procedures and the structures keep them from both

causing damage and improve the odds that they'll do the right thing.

All of what we're talking about and what I argue in the book is a series of things that you point out that do serious damage to both of those concepts. So we've got to either conclude that I'm wrong, that the problem is that every time you turn around you encounter rebuilding the schools in New Orleans, Katrina, my mother-in-law, the meltdown. There's enough of it going on that I think that probably the problem is not going to go away, and where the solutions come up they come up through individual leadership.

And so the question is can we try to find ways of being able to get enough good leaders in enough good places at the right time to be able to get happening what it is we need to have happening?

So that's my second point, that management matters. This is really critical because it gets right to the heart of the way in which we, for 230 years, run our government.

But the third point gets your issue about networks. We often talk about networks in a kind of networky fashion. We sort of imagine that all of things sort of get together. There's a kind of magic that one imagines about how these things all sort of mystically fit together.

But one of the problems that comes along with networks is that good results are not the product of spontaneous combustion, that somehow there's got to be some effort to try to steer them and guide them, in particular, if you believe anything at all about what we've been saying.

And if you look forward into the management of the financial bailout, look at the question of who's going to manage AIG now that the federal government is the majority shareholder. If you look at what we're going to be talking about doing with the auto companies, and we're talking about putting a lot public money in, is the government's role the kind of absentee landlord where we just mail in our proxy bailouts or do we expect the government to play some

kind of role in steering all of this?

The answer is obvious. We expect government to steer it. But how?

One of the things is that in the middle defense contracts we don't expect somebody to sign a contract and say: Here, we'll give you \$50 billion. Build us a nice missile system.

We expect the government to take an active role in designing it and overseeing it because we expect that the government is going to be essentially the prime mover of the system.

And so, the problem with the network approach understood just abstractly is that spontaneous combustion isn't the way in which we produce good results out of very complex systems. There's got to be some kind of hand, hidden or otherwise, that steers its operation and its behavior. So what we have to do is figure out, as Elaine and Jonathan both have suggested, how we go about doing that which means focusing on performance and results and managing it and following the money.

We're already halfway through the first part of the bailout. Where has the money gone and what have gotten for it and who's spending and how much money is going back to the economy? These are just basic questions that we need to be able to answer to be able to figure out what we do from here.

So the third point is that, you're absolutely right, the notion that governments are incomplete without somebody to try to steer them in the direction to which the public interest demands.

The last piece is then if management matters, if this really requires a different kind of approach to governance and bureaucracies and that somebody has got to steer it, have we just backed ourselves into a corner where we need the one in a million person to be able to do it and there aren't enough one in a million people? This is the hardest part of all, I think for this, but it's one where I'm basically optimistic.

One is that if you look into the story in the book about the care of my mother-in-law, the thing

that's extraordinary is that there were some really pretty extraordinary talented women, and they're mostly women who managed the care for my mother-in-law, but they were certified nursing assistants for the most part who saw it as their job to take care of her. They were extraordinarily talented people, but they weren't one in a million. They were there because they really wanted to do their job well, and they did.

I have a couple other stories about these rocket scientists, as I call them in the book, who figure to how to run their agencies the way that rocket scientists launch rockets because they focus on the job to be done and find ways to bring the networks together. Actually, I talked to some rocket scientists after writing the book, and they said this is how we launch rockets. So I think there's something here.

There are people who are out there, who are discovering that if you focus on a problem and drive your organization to accomplish it you can actually

get things done. The argument I guess I want to make is not that these folks are so scarce because I'm amazed as I start looking under the covers how many of them there are.

The argument and the problem I want to raise is a different one, which is how many of them out there feel that they're alone and working against all odds. There are a lot of them out there, but almost all of them are feeling that they're having to violate the rules, skate on the thin edge of what it is they're supposed to be doing, bending the procedures in the process.

I've had conversations in about four different federal agencies with very senior people, I mean directors of agencies, all of which have started the same way. They said: You know, this is interesting. Let me tell you what we're doing. We think it's working. It really is very different from what anybody has done before. It seems to be producing results. But, golly gee, we sort of feel like we're alone here.

It's very much like what Navy Seals are trained not to do, which is to go out in the squad and everybody tries to take the hill, but everybody is whacking through the weeds on their own with somebody else five feet away going the same direction, whacking through the field of weeds independently.

The problem is that we have, in fact, I think a lot more people out there trying hard to do the right thing but working against the system that makes it harder to do what it is that they need to do. I think the problem is not that there aren't a lot of them, but the ones who are there are having to work a lot harder than they should, which makes it a lot harder for other people to feel that they need to try.

MS. KAMARCK: Can I just add to that?

I think that part of the problem too is that we are in an interim phase. We are not in the next government of the United States. We have one foot there, and we have one foot in the last government of the United States.

And so, the problem comes as follows, which

is people who know that they have to drive the organization to one goal are often stymied by a series of rules and regulations and operating procedures, et cetera, that tell them, no, no, no, you can't do this even though this is the most effective way to do it.

It's like you think of the federal government as one foot in one century, one foot in the other century. The way this manifests itself often is through the series of contracts which together form these implementation networks, and let me give you just a simple example.

In Welfare to Work, when I was looking at Welfare to Work networks because most of the Welfare to Work money starts here in Washington, flows down through states, through counties and to private providers and services. Some of those contracts were let, and the performance measure in the contract was you get your money if you got a person a job for one day.

Now come on. That's not a good metric, okay. That's not working. Yet, what you find

increasingly in the network situation, particularly in the human services area, is the performance measures are not exactly exacting and there sometimes is little accountability for whether or not somebody makes the performance metric.

If you're managing a network, you're trying to figure out all the time how come this component of the network works and, for instance, gets people into jobs and they stay in jobs, and how come this organization over here doesn't work. Maybe after a while, you ought to stop the contract to that organization and give the first one more money, but in fact that doesn't tend to happen because there's politics involved in this. There's just a sort of stasis that gets involved in these networks.

We are not managing this new government of the United States. We're kind of letting it go along, one foot in one century, one foot in another century.

I think the reason that I certainly wrote my book on this topic and Don has written his is we want to kind of give a push and say: Look, we're in a new

world. You have to manage this new world.

Bill, I don't think you have to be a genius. I don't think you have to be a rocket scientist. But I think you have to be given permission to manage in this new world, and a lot of our public managers don't feel that they have that permission.

MR. BRUEL: Elaine, it may not even be just permission. I think, in fact, crises provide a wonderful opportunity for some of these things to happen.

Again, the Admiral Allen story has many lessons. He was a leader, but he became an extraordinary one during crisis. He had been trained throughout his whole career with the Coast Guard Academy, his first assignment on a hilltop in Chiang Mai, Thailand, running some little LORAN station. He did a drug war in the Atlantic. He ran New York Harbor. He did oil spill cleanups. I mean he had a career that gave him extraordinary experiences that made him ready for the kind of challenge he was given.

One of the questions he was asked, Don, that

was fascinating, by a lot of the folks in the Coast Guard was what do I do with these problems? What do I do and how do I handle people on the roofs?

Of course, it wasn't in a Coast Guard manual, but his answer rather quickly and naturally was, well, treat them as if they're a member of your family.

Well, that kind of principled and common-sense approach served them all very well. Again, crisis provided that opportunity to kind of step out and see what the situation demanded and really then step up and take it. So, in one sense, there's real reason for optimism here if we find the Thad Allens and we give them that chance in the face of all these challenges.

Real leaders, I think, can show us what the next government is going to be, Don, by actually going out there and doing it.

MR. GALSTON: Let me turn to the audience with the following sobering reflection, and that is that to talk about nonroutinized, nonruled government

leadership is to talk about leadership that has permission in a very special sense. It is leadership that enjoys discretionary authority. Discretionary authority requires an investment of trust. Trust is almost entirely absent.

And so, the question of how one creates a political space for discretionary authority in current circumstances and, as Don points out in his book, in the face of a Congress that is well-schooled in gotcha politics and in oversight by parade of horrors, if we're in a world where 99 good deeds are washed out by 1 failure, then how eager are people going to be to grasp and exercise discretionary authority?

Okay, the first question goes to the press. There are roving microphones. Please identify yourself as you pose your question and please be brisk.

MR. MITCHELL: Thank you for a really interesting discussion.

I'm Gary Mitchell from the Mitchell Report.

What I want to say is having listened to

this conversation, there are two terms that have not made their way into the discussion, the first of which is reward system and the second is congressional oversight.

The question that I want to pose, which is both hoping that it will come out like a question, I'm asking you to think of it, is: Is there any way?

It seems to me when we were talking about permission and trust, that gets at it. But having done something similar to what Elaine did in the federal government, for state government, where there was a lot of talk about performance, pay for performance and performance measures and metrics and all that kind of stuff, I kept coming back to the fact that unless and until there is a reward system that rewards the Thad Allens, and I would argue there are lots of them. There are a lot of heroes at various levels. If they know they operate in a system where they will be rewarded for taking chances, you enhance the likelihood that you will get the kind of results you want, and.

That, it seems to me, in the federal level, leads us to the question of congressional oversight because there's nothing that Congress likes to do more than beat the living stuffing out of a bureaucrat who tried to do something.

So, anyway, I'm sort of establishing those two points as critical to getting at what I think you're talking about, Don, and I don't know whether you deal with it in your book, but I'd be really interested to hear the panel have some discussion about that.

MR. KETTL: That's a great question, Gary, and in fact I deal with both of those questions in the book.

The problem about trying to find a way to incentivize good behavior and try to get people to do what it is that I think we all tend to agree is the right thing to do is very hard. But, on the other hand, what makes it a little bit easier is that a lot of this stuff is below the radar. It's not the kind of thing that members of Congress, even members in the

media, spend a whole lot of time talking about.

Most of you probably didn't do a lot of investigative work on the care my mother-in-law received before coming here today, but what was extraordinary was that she received extraordinary care. There's something in a reward system for people going to work and doing a good job and finding reward in knowing that they're handling hard problems well. The number of people that I've talked to who find a tremendous amount of personal reward in doing that well is in itself, I think, very good news.

The real problem is how you routinize it, how you make it easy, safe and how you reduce the odds that people are going to get kneecapped for trying it. That's where the real problems come and the difficulties that you can do right 99 times, make a mistake on the 100th time and you end up being hauled before a committee and being criticized for it. That's hard to do, and Congress is just not very good at doing this.

Congress is not very good about thinking

across anything beyond the boundaries of its own jurisdiction. It's not very good about thinking in performance terms except when there are obvious cases of bad performance. Congress, increasingly, is not very good about thinking about these management issues at all, to begin with increasingly in the bailout. So we need to think in the broadest terms about trying to reinvent Congress in the process as well, which might be a bridge too far, but on the other hand clearly has got to be part of this process.

But, on the other hand, the good news it is very important not to underestimate how far you can drive the system simply within the ability of people who are in there now to go to work to try to do what it is that they know they need to do. That was Thad Allen's secret in New Orleans. It's the secret of the other people that I talk about in the book. It's the secret of the care that my mother-in-law got simply because people came to work, cared about here and did everything they could to try to make her care good.

MS. KAMARCK: Can I just add one thing to

that?

I mean I think going to Congress. At some point, Congress has to confront their own problem, and their own problem is that in two of the most important issues before us, homeland security and the environment, they have incredibly fractured oversight. Okay.

You see different numbers about these areas, but in each one the number of congressional committees and subcommittees to which the Department of Homeland Security and EPA have to report are well over 50. Depending on how they count, it could be as high as 80. This fracturing of oversight is devastating to these agencies because they're constantly caught between the subcommittees and the committees.

I really do think that at some point, if Congress is going to be serious about oversight, they have simply got to sit down and reorganize themselves in a way that will understand that they're going to do oversight. Otherwise, they are either going to be completely irrelevant and not able to exercise

oversight or they will be in the sort of position of the fire truck. I mean they'll exercise oversight at a point when something goes horrendously wrong, and they have to have hearings, and they won't be able to prevent anything.

Tom Mann, a scholar here, your colleague here at Brookings, has written a wonderful book with Norm Ornstein called *The Broken Branch*. I think that whenever we have these discussions about what's happening in the Executive Branch, et cetera, we do come back to Congress.

We do come back to the fact that while the Executive Branch has been going through a sort of renaissance and grappling with these ideas, and there's lots of new ideas -- and people like Jonathan and Don and I spend a lot of time talking to federal executives, trying to understand what they're doing and help them along -- there has not been a similar renaissance in the organization of Congress and how Congress does its business in the 21st Century. I think that that really needs to be addressed, and I'm

hoping now that there is the same party in both in both branches that maybe that would be one of the good things that comes out of one-party control.

MR. BRUEL: Elaine, I'd suggest that's essential. When you look back at the last 16 years, President Clinton's and Vice President Gore's reinvention effort tried to sidestep the Congress and worked mostly administratively with high impact agencies and the rest. The Bush Administration, likewise, with its management agenda, didn't court the Hill at all. They poked them in the eye occasionally.

So both administrations now for 16 years have tried to handle these problems administratively. I would suggest that's been a real problem in both cases, that each of them was handicapped and in the end couldn't get anywhere the success they needed because they didn't court the Congress.

So, again, I think there's a responsibility on both ends of Pennsylvania Avenue here to bridge this one. But certainly, if this administration doesn't constructively reach out and try to get some

buy-in from Congress, I think it too is going to be frustrated with the situation.

MR. GALSTON: There's a sea of hands. Let's start with the woman in red, yes.

MS. PEELE: Thank you. Thank you for a very informative panel.

My name is Susie Peele. I work in public health globally, domestically and in resilience networks, and I would also like to underscore some words that haven't been used today which is the words of citizen and responsibility. We are in a democracy and every one of us is a leader. Every one of us is in charge.

And I'd also hope to hear that in fact our elected officials are servants, and we're looking in the wrong place for leaders. There are many, many people who are willing to step forward and are stepping forward in proposing very creative solutions.

Thank you.

MR. KETTL: That's a good point, Susan, and I actually explore some of this in the book.

There's one story I tell, this having to do with my father-in-law, instead of my mother-in-law, going to a pharmacy and getting a prescription filled with a pharmacist who, behind the counter, was just railing about big government and was complaining about what government was doing, screwing up again as he was filling a prescription that was being paid for by government benefits. At that point, without realizing it, he was a government bureaucrat or at least taking part in the government service system.

One of the things that is incumbent upon us all as we try to think about this new kind of government that's evolved is how much a part we all are of the public service system and therefore how much leadership and citizenship has to begin with each of us because whether we like it or not, whether we know it or not -- and this pharmacist certainly did not -- we are all part of this system. So I don't think you could possibly onto a better target than that because in the end everything has to begin with that as the foundation.

MR. GALSTON: Gentleman in the yellow tie there.

MR. KING: Great panel, great discussion.

I'm Arnold King, and my question is the majority of the federal government agencies in America are broken and disorganized. So has the Obama transition team, are they working on finding solutions for these agencies?

Don't you guys think that the federal government agencies are going to have to institute some kind of strategic plan and other types of things because the fact of the matter is agencies like OPM has a broken system and also other agencies and Congress is not on top of it as far as our government is concerned?

MR. KETTL: If you look at the transition and look in particular about the kinds of the things that the Obama Administration has to take on and listen to how often just the question of individuals and leadership keeps echoing back, it takes us back especially to the role of the Office of Personnel

Management and the people in the federal government whose job it is to think about what kind of job we want our senior civil servants and our civil servants throughout the rest of the government to play. Part of this has to be the kind of changing of the role, changing of the definition and finding ways of making good, effective leadership from top to bottom, safe and effective.

I suspect the Obama people are thinking about this, but it's going to require a much more focused effort to try to ask this question and to get away from this idea that somehow administrators who work for the government are just these unnecessary carrying charges that come along with this thing we call bureaucracy. If we look at things in that way, then we're bound to get what it is that we're paying for in that case.

MR. GALSTON: I saw, yes, the woman in the purple sweater.

MS. HOFFLIN: Hi. My name is Carolyn Hofflin. I'm a physician, and my question actually

goes mostly to Ms. Kamarck.

Accountability is now a big number among physicians, among teachers, and the problem I think with it is it's backward-looking. If measures are put in without buy-in from the people to whom the measures apply, both for civil servants and particularly for contractors, they will find ways to meet the metric without actually doing the job. Maybe it's just as important to inspire people at the beginning rather than trying to catch them at the end.

MS. KAMARCK: I totally agree. Part of it involves not so much a gotcha game on individuals or individual contractors but a kind of switch in the mind of people managing to look at the performance of the network that they are managing.

In other words, if you are giving out public health money and there is a system of hospitals and there are some hospitals having better results than other hospitals, how about asking why? Right. How about asking what's contributing to your better performance and maybe sharing some of that information

within this network?

I mean what strikes me about this sort of one foot in one century and one foot in the other century that we're in is that one of the values of the network is you have the chance to learn. Everybody is going to do something slightly differently. You're going to have different outcomes. Yet, we are not getting any learning from these networks that we are funding, and that, I think is, where we need a kind of generational switch in leadership in terms of looking at how you manage federal money differently.

MR. BRUEL: Well, I would just comment that this whole question of institutions organized for learning is one I think that already has received a great deal of thought, but I think deserves even more.

I don't know a lot about it, but I am struck by the fact that the U.S. Army has institutionalized something that it calls the After Action Review.

MR. KETTL: Special Forces does it.

MR. BRUEL: If there is one thing that I'd like every institution of the government to do, it

would be to create an honest After Action Review process.

MR. KETTL: One example of that if you want to see one fascinating thing to read, go to the Arlington County web site and read the After Action Report for the local government response to the attack on the Pentagon which is a marvel of exactly that and a marvel about how the kind of process that we're talking about can work well. It's a perfect example of precisely what you're talking about.

It's available. It's there on the web, and it's incredible reading about how it is that you do this and figure out. As they said early on, we've got to figure out how it is we can learn from what it is that we've just gone through in these last awful days.

MR. GALSTON: It was a learning exercise, not a fingerpointing exercise.

MR. KETTL: Exactly.

MS. KAMARCK: That's right.

MR. GALSTON: I think it's fair to say that at least among federal government agencies, that is

rare. Thank you. I'm glad a leading expert in the matter has confirmed me in this judgment.

There are lots of other hands. I'm working my way forward. There's a gentleman with the white beard.

QUESTIONER: I have a question about how you do performance review because quite often there's more than one objective. For example, if you're trying to beat the current recession, you could do it by giving me \$600 or you can do it by putting money into infrastructure. And if you're focusing totally on this one goal, the other things around it which have a major impact don't get adequately assessed.

I'll make a comment also on the previous. I was previously a project officer in the government and how good the product was that you got from a contractor depended totally on how much attention the program officer paid to that.

MR. GALSTON: I think we're going to take that as a statement.

MS. KAMARCK: Yes, I couldn't agree more. I

think those are exactly right. Those are exactly the right points.

MS. MONTGOMERY: Jean Montgomery. I would make a comment here.

Montgomery County did the same sort of thing with the train wreck in Silver Spring. I don't know that it's published anywhere, but they spent a number of days reworking where things went wrong and so forth.

That aside, the issue here about a focal point, it seems to me a focal point is whatever you shine a light on. You could just as easily have looked at the Director of Nursing of the nursing home. You could have looked at the owner of the nursing home. You could have looked at the federal rules governing that. You could have looked at the relationship of Congress to the federal programs for supplying money to pay for these things. It isn't just you. There's a whole lot of other focal points in the network.

My essential point here, though, has more to

do with the metrics, and my sense is that the things that government does are the things that government does because it's very hard to measure things. It's very hard to capture these values so that the private market can do them all by itself.

I think even in the nursing home example, does the owner of the nursing home know that his nurses were behaving in such a creative way? Is there something? Theoretically, there should be something he is doing to encourage his staff to behave in that way, that it could have gone the other direction.

If you then back up the chain from that, the federal government is paying for these things. How do they know what was a good nursing home? What are their metrics?

I think this whole issue of metrics makes it very difficult to settle on something that you can actually hold somebody accountable for.

MR. KETTL: I think those are two great questions because on the one hand I should point out it's not as was the case in the nursing home and the

care of my mother-in-law, that we were the only ones accountable for anything. The problem is that there are multiple sources of accountability everywhere. There are the private nursing home standards, Medicare standards, Medicaid standards, professional standards on all sides, the interest of the nursing home owners, the shift supervisors and all the other people.

So the question is what pulls them all together? One answer that is often used is we'll find a set of measures and metrics that we'll use to try to measure the performance of the individuals involved, the overall satisfaction with things. As both Elaine and Jonathan have pointed out, we've often ended up in difficulty in the past trying to find measures that really drive this.

In the end, the conclusion I think I come to is that the more we get down to both measures and behaviors that say: We've got a 91-year-old woman in a wheelchair here. How can we best try to deal with the quality of her care?

We've got five people who are stuck on a

rooftop in New Orleans. How can we best try to deal with the situation they find themselves in?

We've got to be much more successful about bringing the management and the measures of our programs to ground as they affect real people. So much of what we have just flies at the wrong altitude. It doesn't really seem to connect. If it seems like government is disconnected it's because sometimes it's disconnected.

We have lots of different kinds of pieces. They don't come together because they don't come together as they affect individuals. So it's little wonder that this pharmacist had no idea he was a government bureaucrat as he was dispensing this prescription.

Increasingly, this next generation of performance measures has to do with, I think, following the money so that we know for the \$700 billion bailout where the money goes, so we can track it down to where it goes and then figuring out how it affects real people.

Abstract measures that sit out, disconnected from the way in which it affects all of us, give all of us as citizens a free pass which is wrong in our role of citizenship and makes it that much more difficult to hold the programs accountable.

MR. GALSTON: Well, I would love to continue this session, but we have reached the end of our allotted 90 minutes. I know at least one member of the panel has exigent travel plans, but that is not to say that everybody will necessarily disperse after the formal session is over. So, perhaps, Don and others would be able to stay behind for a few minutes to answer questions directly and personally.

Thank you very much for coming.

(Applause)

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ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190