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A summary of President Obama's March 20 guidance memo

In a March 20 memo from President Barack Obama, we learn more details on the transparency and accountability requirements of the American Recovery and Reinvestment Act (ARRA). In implementing the Recovery Act the President stresses that there must be unprecedented efforts to ensure the responsible distribution of funds and to provide public transparency and accountability of expenditures. The President says that funds must not be distributed in response to improper influence or pressure and should be expended for projects that further the job creation, economic recovery, and other purposes of the Recovery Act. The guidance memo has four distinct sections as summarized below.

Section 1. Ensuring Merit-Based Decision-making for Grants and Other Forms of Federal Financial Assistance under the Recovery Act. (a) Executive departments and agencies shall develop transparent, merit-based selection criteria that will guide their available discretion in committing, obligating, or expending funds under the Recovery Act for grants and other forms of Federal financial assistance. These merit-based selection criteria shall be designed to support particular projects that have, to the greatest extent, a demonstrated or potential ability to: (i) deliver programmatic results; (ii) achieve economic stimulus by optimizing economic activity and the number of jobs created or saved in relation to the Federal dollars obligated; (iii) achieve long-term public benefits by, for example, investing in technological advances in science and health to increase economic efficiency and improve quality of life; investing in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; fostering energy independence; or improving educational quality; and (iv) satisfy the Recovery Act's transparency and accountability objectives.

Sec. 2. Avoiding Funding of Imprudent Projects. (a) Funds under the Recovery Act shall not be committed, obligated, or expended by any executive department or agency, and shall not be used by any State or local governmental or private grantee to support projects of the type described in section 1604 of Division A of the Recovery Act, which states that "none of the funds appropriated or otherwise made available in this Act may be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool."

Sec. 3. Ensuring Transparency of Registered Lobbyist Communications. (a) An executive department or agency official shall not consider the view of a lobbyist registered under the Lobbying Disclosure Act of 1995, 2 U.S.C. 1601 et seq., concerning particular projects, applications, or applicants for funding under the Recovery Act unless such views are in writing.

Sec. 4. General Provisions. (a) The Director of Office Management and Budget (OMB) shall assist and, as appropriate, issue guidance to the heads of executive departments and agencies to carry out their responsibilities under this memorandum. Within 60 days of the date of this memorandum, the Director of OMB shall review the implementation of this memorandum by executive departments and agencies and shall forward to me any recommendations for modifications or revisions to this memorandum.

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