



Community Connection

The Knight Center of Digital Excellence Newsletter

May 25, 2009



Slow federal spending not very stimulating



By Scot Rourke, the Knight Center of Digital Excellence

We're supposed to have an economic "stimulus" plan to both stave off further economic decline and invest in key 21st century assets such as broadband and electronic medical records. In the 90-plus days since its approval, it is disarming how little of the stimulus money has been invested and how far the funding allocation dates have been pushed back.

In the case of broadband networks, the original stated goal was to have as much as half the stimulus funds committed or spent by Sept. 30. Now the federal government's website, www.recovery.gov, lists the first award date as Dec. 31.

Projects that were shovel ready and on track to be done in 2009 now sit idle as their planners wait in the hopes of aligning with stimulus funding. This is exactly the opposite of what the stimulus was supposed to achieve - namely jobs in 2009.

In addition, delays unfortunately allow special interests more time for lobbying efforts. Clearly, the lobbyists are out in force. Take the telecom providers, who are going after a share of the \$7 billion earmarked for broadband. According to the Center for Responsive Politics, which tracks lobbyist spending, companies such as Comcast, Verizon and others are pouring millions of additional dollars into lobbying. Comcast spent \$12.5 million in 2008, up a whopping 2,193 percent from 2001. Verizon's lobbying budget rose to \$18 million last year, up from \$8.2 million in 2001. I wish I owned a hotel in Washington, D.C.

On the flip side, the extra time should allow federal agencies to better align procedures, strategies, and get what seems great new talent up-to-speed and ready to manage this large, fast, unprecedented process. Perhaps it will also provide time for better coordination across agencies. I am encouraged by what I'm hearing about developing policies that tout innovation and reform.

Getting these ideas through the political machine is another story, but I'm optimistic, and we have to start somewhere. It'd be interesting to see this same transformation begin happening in state and local governments as well, but that would take much longer, and probably only accomplished with formal incentives. Still, it's a critical component for all of our communities to be more globally competitive.

For our country to be competitive, we need government, one of our largest industries, to be able to attract and retain great talent with the relevant skill-sets to use technology to drive innovation. Only with this new strong leadership, joined with deep talent pools can we expect to see vast improvements in services and enhanced productivity.

So while it's disappointing that more investment has yet to hit the market, let's make sure we use this precious time to better collaborate across communities for larger, shared goals and efficiencies. Let's further build out our plans to make sure they hit the targeted outcomes and will be sustainable once the stimulus is over. Let's think about innovative ways to take advantage of this once-in-a-lifetime opportunity to invest in 21st century assets and partnerships.

We can't say we didn't have time.

Scot Rourke is President and CEO of the Cleveland-based technology nonprofit OneCommunity, which operates the Knight Center of Digital Excellence in partnership with The John S. and James L. Knight Foundation. To learn more about the Knight Center, go to www.knightcenter.org or e-mail info@knightcenter.org.