

Testimony of Patricia McGinnis, President and Chief Operating Officer of
the Council for Excellence in Government before
The House of Representatives
Committee on Government Reform
Subcommittee on Government Efficiency and Financial Management
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Mr. Chairman and distinguished members of the Subcommittee, thank you for inviting me to appear before you today to discuss the recent GAO report entitled *Results-Oriented Government – GPRA Has Established a Solid Foundation for Achieving Greater Results* (GAO-04-38).

The Council for Excellence in Government is a non-partisan non-profit organization that has been dedicated for more than 20 years to helping government improve the quality of its performance, and to increase the public's participation and confidence in government.

I am especially pleased to be here today to discuss this report, because this subject is so closely related to the Council's purpose and much of its work. Also, it is directly connected to my testimony here last year on the Administration's PART initiative. Along with that testimony, I submitted to the Committee the text of a discussion draft written at the Council entitled "Linking Resources to Results." That paper and the testimony addressed many of the pluses and minuses of GPRA implementation and offered a number of recommendations for future action.

I am pleased to see one of those recommendations incorporated into Chairman Platts' bill, H.R. 3826 "The Program Assessment and Results Act." That is the provision shifting the timing of GPRA strategic plans to coincide with Presidential terms. This is a long overdue improvement that would permit these plans to reflect more directly the executive branch's program management strategies. GAO's report also supports this approach.

It is significant that the Chairs and ranking members of this subcommittee and full committee, and your counterparts in the Senate joined in requesting this report from GAO. There can be few more indisputably important and non-partisan goals than steadily increasing the focus of government leaders and the people they serve on the tangible results of policies and programs and the return on the investment of our tax dollars.

GAO has done an important service with this report, pointing out both good and less good aspects of GPRA implementation and suggesting important improvements. I agree with the summary conclusion that GPRA has laid a base for improving management and budgeting for results.

I also agree with GAO's determination that much more work remains to be done in every agency and consistently across government. The report is replete with statements such as, "challenges lie ahead", or "more work is needed." I also agree that GPRA would have been more effective if it had been accompanied by stronger and more consistent leadership since enactment in 1993, by both Administrations and each Congress since then.

GAO covers a wide range of issues, all of which deserve careful consideration. In my testimony, in addition to stressing the importance of much stronger bi-partisan leadership and support at both ends of Pennsylvania Avenue, I want to focus primarily on what we see as the biggest government-wide issues.

The "missing links" in GPRA implementation:

- (1) Connecting performance plans and reports to high stakes management and budget decisions
- (2) Expanded conduct and use of rigorous program evaluation
- (3) Reporting results to the public

(1) High stakes decisions

The most important structural gap in GPRA implementation was the weak connection between GPRA performance plans and reports and high stakes agency and OMB decisions on program management and resource allocation. The current Administration deserves significant credit for exposing that missing link and seeking to establish the connection, primarily through its Budget and Performance Integration initiative and the related Performance Assessment Rating Tool.

Some have argued that the slow pace of GPRA implementation gave agencies time needed to build capacity. While time was surely needed and in some instances still is, we must also recognize that virtually every Administration and many in Congress throughout the latter half of the 20th century advocated and issued directives intended to improve managing for results. Even without those pushes, the focus on results has always been a

cardinal duty of every agency in every administration, career staff and political, for the expenditure of public funds. We must be extremely cautious in accepting excuses for slow development.

GAO found that by 2003, only 55% of federal managers report having outcome measures as called for by GPRA. (p.36 fig. 22). That is an improvement over the reported use in 1997, but hardly a record to be proud of.

Had GPRA implementation been tied more directly to high stakes management and resource-allocation decision-making in a deliberate developmental process, led systematically by the Executive Branch and supported strongly by both parties in Congress, then a decade after enactment agencies would be much further along on realizing the benefits of this key framework for managing for results.

There is good news. GPRA came along at the right time to give a statutory base to renewing the focus on results that successive executive branch initiatives had tried to establish without lasting success. Now GPRA's purposes and designs have been given the necessary strong push forward by the current Administration's management agenda and specifically, the Program Assessment and Rating Tool, which is being used in the budget process. Although their relation to GPRA requirements is not always clearly spelled out, they use the same language of performance goals and measures, management responsiveness, and public reporting of results as GPRA. And then they give them force and effect by the connection to high stakes budget decisions.

In this connection, I also concur with GAO's emphasis on the value of examining together sets of programs in multiple agencies that address the same goals. This is perennially difficult to do in the Executive Branch as it is in Congress, because of the way both institutions are organized, but it is essential for determining how best to achieve important national goals.

(2) Rigorous evaluation

Unfortunately, the past decade of GPRA implementation has not been accomplished by the clearly necessary effort to improve the frequency and quality of program evaluation. Logically, a system expressly tied to results must determine objectively and rigorously whether results are achieved in

the most efficient and effective manner possible. GAO calls this a “persistent weakness” in GPRA implementation (p. 13).

Certainly some agencies and programs have sustained a focus on evaluation for many years before and since GPRA was enacted. But the absence of an aggressive government-wide effort to expand high quality evaluation means the absence of key data on government programs of every kind.

There are many varieties of evaluation, most of which have important uses in various settings. For GPRA purposes, for most agencies and activities, the most important kind of evaluation is rigorous net impact evaluation: determining by use of the best methodology possible whether the program achieves results that would not otherwise have occurred. Only that determination justifies taking money from taxpayers to support the program. Randomized controlled trials are the classic form of highest quality impact evaluation in settings where they are feasible.

These studies can sometimes be difficult, time consuming, and costly, though by no means in all cases. A concrete expression of commitment to managing for results would be the Administration and Congress turning much greater attention to the use of evaluation and routinely providing the necessary resources every agency needs for this function, whether its programs are annually appropriated, mandatory spending, tax incentives, regulatory, or research. Every form of federal spending and policy has to develop publicly credible evidence of results.

We also need to see much more evaluation of the net impact of the sum of similar programs in multiple agencies addressing the same goals.

(3) Reporting to the public

It would be hard to overstate the *potential* importance of GPRA’s innovative requirement for annual public reports on results, or the concern we have for the way in which this requirement has been implemented.

Most agencies are getting better at defining goals in quantifiable terms, establishing performance measures, collecting data, and even informing internal management and budget proposals with performance data. They are doing less well in engaging the public with reports that are

accessible, understandable, and allow citizens to hold their government accountable for important results.

Virtually all agencies now routinely publish ponderous annual reports running to hundreds of colorful glossy pages with many pictures, and they post them on websites. I doubt whether any can demonstrate that their reports are being widely used by the public or by the media, or whether the agency encourages, responds to and considers public feedback to their reports.

Making information about performance and results accessible and useful is fundamental to an effective citizen-centered government, especially now that Congress requires the GPRA report to be combined with reports on financial performance.

Our colleagues at the Mercatus Center and the Association of Government Accountants help this process by annually assessing these reports, as does GAO. It would also be useful to ask a group of citizens to react to these annual reports and suggest how they could be more useful.

Having a government wide annual performance and financial report that clarifies top goals, priorities, results and progress would be a great service, if it were accessible, concise and understandable to citizens. A government wide report would provide useful context for agency annual reports and could also focus on goals and priorities that cross agency lines.

The public needs congressional authorizing and appropriating committees to pay systematic attention to these annual reports through regular hearings and other public forums and in legislative and funding decisions. The public needs Executive Branch leaders to use them routinely to report not only results achieved or not achieved, but also how programs will be managed differently to improve performance.

Reporting results to the public and listening to what the public says in response would go a long way to advance the use of performance data to improve management and resource allocation, and to encourage participation and confidence in government.

In conclusion, Mr. Chairman, let me say that GAO's response to the questions of the two government oversight committees offers an important

and timely service to those in Congress and the Executive Branch charged with leading the continuing effort to inform decision-making with increasingly better performance information.

Intense focus on the results of spending the public's money has never been more important than now, as the toughest decisions must be made if government is to cope successfully with enormous demographic pressures, fiscal limits, and the public's demand for a growing range of high quality programs and services.

Thank you.