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WHAT HAPPENED TO GPRA? A RETROSPECTIVE LOOK AT GOVERNMENT PERFORMANCE AND RESULTS

HEARING

BEFORE THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

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WHAT HAPPENED TO GPRA? A RETROSPECTIVE LOOK AT GOVERNMENT PERFORMANCE AND RESULTS

THURSDAY, SEPTEMBER 18, 2003

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The committee met, pursuant to notice, at 10:11 a.m., in room 2154, Rayburn House Office Building, Hon. Tom Davis (chairman of the committee) presiding.

Present: Representatives Tom Davis and Platts.

Staff present: Peter Sirh, staff director; Melissa Wojciak, deputy staff director; Keith Ausbrook, chief counsel; Ellen Brown, legislative director and senior policy counsel; Robert Borden, counsel/parliamentarian; David Marin, director of communications; Teresa Austin, chief clerk; Brien Beattie, deputy clerk; Shalley Kim, legislative assistant; Phil Barnett, chief counsel; Karen Lightfoot, communications director/senior policy advisor; Michelle Ash, counsel; David McMillen and Mark Stephenson, minority professional staff members; and Earley Green, minority chief clerk.

Chairman TOM DAVIS. The committee will come to order.

I want to thank everyone for coming this morning. The government is closed down in Washington, but the Government Reform Committee continues to meet here in the safety of the Rayburn Building, which has stood up through rain, snow, sleet, and hurricanes for over 40 years.

The purpose of today's hearing is to assess the overall effectiveness of the Government Performance and Results Act of 1993 in shifting the focus of government from process to results. The purpose of the Results Act, which was enacted into law 10 years ago, was to promote greater efficiency, effectiveness, and accountability in Federal operations and spending by establishing a new framework for performance management and budgeting in Federal agencies.

The Results Act was one of a number of laws enacted in the early 1990's whose purpose was to improve government efficiency and accountability. The Chief Financial Officers Act of 1990, the Government Performance and Results Act of 1993, the Government Management Reform Act of 1994, the Federal Acquisition Streamlining Act of 1994, the Federal Financial Management Improvement Act of 1996, and the Clinger-Cohen Act of 1996 were all good government initiatives passed by the Congress with the purpose of improving management practices in the Federal Government.

Today we will focus on the Results Act. In future hearings, I intend to revisit other management statutes to determine if Congress's vision is being met.

Section 2(b) of the Results Act clearly lays out Congress's purposes in enacting the legislation, and I would like to read some of these purposes to you and then spend some time today assessing whether these purposes have been realized.

No. 1, improve the confidence of the American people in the capability of the Federal Government by systematically holding Federal agencies accountable for achieving program results; No. 2, improving Federal program effectiveness and public accountability by promoting a new focus on results; No. 3, improving congressional decisionmaking by providing more objective information on achieving statutory objectives; and No. 4, improving internal management of the Federal Government.

If some or all of the act's goals are not being met, I encourage the witnesses to provide the committee with their comments and suggestions as to how we can accomplish these goals.

Ultimately, I am convinced that the underlying objective of the Results Act—focusing the government on accomplishing results rather than concentrating its time and attention on process—is not something that can be legislated. Instead, there must be a longstanding commitment from the top levels of the executive branch, a commitment that lasts long enough that it begins to soak down through the bureaucracy and into everyday operations of government. After all, government is the only vessel that leaks from the top.

Along those lines, I believe that the President's Management Agenda, which has put a public face on these somewhat abstract management issues, has been a major step forward in focusing the government's attention on improving management and accountability. I look forward to hearing the testimony today of Clay Johnson, the administration's point person for governmentwide management issues, to hear his assessment of the state of performance management and accountability in the Federal Government.

In particular, I look forward to hearing more about the administration's PART Initiative, or Program Assessment Rating Tool. The PART was used this year to evaluate whether specific Federal programs were accomplishing the goals they set out to accomplish, with the intention of setting funding levels based on whether or not the programs are accomplishing their goals. I would like to pursue this notion of tying budget decisions directly to program performance with the witnesses. While I don't believe that you can legislate accountability in government, I do think there is some merit in looking at ways to legislatively tie performance criteria into the Federal budget process.

I also want to welcome our former majority leader Dick Armey. Perhaps more than any other Member of Congress Mr. Armey's commitment to improving the management of the Federal Government during his tenure as majority leader is well known, and I look forward to getting his take on what kind of progress he believes has been made over the past decade.

We have gathered together an outstanding group of witnesses before us today who will provide members of this committee with a

broad range of perspectives on the success and failures of the Results Act.

Before us today are Richard Armey—Dick Armey, our former majority leader in the House, who was a Member from Texas for many years; Clay Johnson, another Texan, but the Deputy Director for Management at OMB; David Walker, who resides in my district down in the Lorton area, the Comptroller General of the GAO; and we are still looking for Patricia McGinnis of the Council for Excellence in Government. I know she didn't have a traffic problem coming in today with no cars on the road, but given the fact that government is closed and the like, I don't know if she will make it or not.

I look forward to all of your testimony, and I welcome all the witnesses to today's hearing and look forward to your testimony. Members will have 5 legislative days to submit opening statements for the record, and I ask unanimous consent. Hearing no objections, it is so ordered.

[The prepared statement of Chairman Tom Davis follows:]

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INDEPENDENT

"What Happened to GPRA? A Retrospective Look at Government Performance and Results"
Opening Statement of Chairman Davis
Committee on Government Reform
September 18, 2003 at 10:00 a.m.
2154 Rayburn House Office Building

Good morning and thank you for coming. The purpose of today's hearing is to assess the overall effectiveness of the Government Performance and Results Act of 1993 in shifting the focus of government from process to results. The purpose of the Results Act, which was enacted into law ten years ago, was to promote greater efficiency, effectiveness and accountability in federal operations and spending by establishing a new framework for performance management and budgeting in federal agencies.

The Results Act was one of a number of laws enacted in the early 1990s whose purpose was to improve government efficiency and accountability. The Chief Financial Officers Act of 1990, the Government Performance and Results Act of 1993, the Government Management Reform Act of 1994, the Federal Acquisition Streamlining Act of 1994, the Federal Financial Management Improvement Act of 1996, and the Clinger-Cohen Act of 1996 were all good government initiatives passed by the Congress with the purpose of improving management practices in the federal government.

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Section 2(b) of the Results Act clearly lays out Congress's "purposes" in enacting the legislation, and I would like to read some of these purposes to you and then spend some time today assessing whether these purposes have been realized:

(1) improve the confidence of the American people in the capability of the Federal government by systematically holding Federal agencies accountable for achieving program results;
(2) improving Federal program effectiveness and public accountability by promoting a new focus on results;
(3) improving congressional decisionmaking by providing more objective information on achieving statutory objectives; and
(4) improving internal management of the Federal Government.

If some or all of the Act's goals are not being met, I encourage the witnesses to provide the Committee with their comments and suggestions as to how we can accomplish those goals.

Ultimately, I am convinced that the underlying objective of the Results Act – focusing the government on accomplishing results rather than concentrating its time and attention on process – is not something that can be legislated. Instead, there must be a long-standing commitment from the top levels of government, a commitment that lasts long enough that it begins to soak down through the bureaucracy and into everyday operations of government.

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In particular, I look forward to hearing more about the Administration's PART initiative, or Program Assessment Rating Tool. The PART was used this year to evaluate whether specific federal programs were accomplishing the goals they set out to accomplish, with the intention of setting funding levels based on whether or not programs are accomplishing their goals.

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We have gathered together an outstanding group of witnesses before us today who will provide Members of this Committee with a range of perspectives on the successes and failures of the Results Act. I welcome all of the witnesses to today's hearing and I look forward to their testimony.

Chairman TOM DAVIS. It is the policy of the committee that all witnesses be sworn before they testify. So if you would rise with me and raise your hands.

[Witnesses sworn.]

Chairman TOM DAVIS. Thank you.

I know all of you have been up here enough to know our general rules. We will relax them a little bit today, given the fact that we don't have a crowded dais of Members.

But what I would like to do is take about 5 minutes and talk—your testimony that is written out will be in the record as submitted—and take 5 minutes. You know how the lights read here. Try to take about 5 minutes to summarize your thoughts on this, and then we will go right into questions.

Mr. Armey, we will start with you as the former majority leader of this body; and it's great to have you back.

STATEMENTS OF RICHARD ARMEY, FORMER HOUSE MAJORITY LEADER; CLAY JOHNSON, DEPUTY DIRECTOR FOR MANAGEMENT, OFFICE OF MANAGEMENT AND BUDGET; DAVID WALKER, COMPTROLLER GENERAL, GENERAL ACCOUNTING OFFICE; AND PATRICIA MCGINNIS, PRESIDENT AND CHIEF EXECUTIVE OFFICER, COUNCIL FOR EXCELLENCE IN GOVERNMENT

Mr. ARMEY. Thank you, Mr. Chairman.

Let me just say, first of all, it is a pleasure for me to be back on the Hill and in the House and in this committee.

I might mention, Mr. Chairman, in 1984, when I was elected, between that time of my election and the time I was actually sworn in I was given the opportunity to elect which committees on which I would like to serve, and this was a committee of choice for me. My good fortune was that I was selected to serve on this committee, which I thought was going to be a delightful experience until I came to Washington and met the chairman, Mr. Brooks, who I remember with grand fondness.

Jack Brooks was a tough fellow but a decent guy, and we developed a good relationship over the years. He used the committee oftentimes to discipline the various agencies of this government and in a manner not always toward the objective of improving their performance with respect to the enactment of a law but perhaps with respect to the partisan difference between the Democrat majority in the Congress at that time and the Republican President. So that we saw all those years ago a different role for the question relative to its oversight responsibilities, a different set of philosophy.

That changed through the time—through the years, and I think it's important for us to note that the Government Performance and Results Act of 1993 was passed into law by a Democrat-controlled Congress at a time when a Democrat was in the White House. So clearly there was no purpose of Congress at that time to enact legislation that would allow them to exercise a political leverage over the administration. I think we can all recognize the intent of Congress at that time was to give this committee in particular but the Congress in general a set of tools and a set of standards by which they could encourage each and every agency of this government to

implement the law of the land and to do so in a manner that reflects the will of Congress as the law was written. This is the effort that we have taken—this committee has taken.

Let me also mention, if I might digress for a quick moment, I do have a formal statement, and I would like to have it in the record.

Chairman TOM DAVIS. It's all in the record. It's already done.

Mr. ARMEY. To my good fortune, in 1994, the majority status of the Congress changed, and I had the privilege of becoming majority leader, and within that context of my duties as majority leader I accepted the role of coordinating oversight activities. It was a role that I took with a great deal of enthusiasm. I had said then and I will say now that Congress can every year do more to affect the well-being of its children and their future with effective oversight than they can by passing new legislation.

Oversight is a tough business. It is a business that is often met with resistance, but it is the necessary business of taking that legislation and making it work for the people through the agencies that are charged with the responsibility of the enforcement.

I think GPRA, the Government Performance and Results Act, focused on a cultural problem that affected many of our agencies where they had an emphasis on process. One must understand that when legislation is written, it is oftentimes written in a manner that is lax enough to give the agencies a great latitude in finding their own direction; and, to some extent, the agency will act as if it were water and take the path of least resistance. That's not necessarily oftentimes what the law asks; it may ask us to do what is in fact a more difficult job with a greater degree of rigor, discipline and looking for different results.

So to pass a piece of legislation that gives Congress a sense of oversight authority and duty to—what should I say—encourage the agencies to focus on results, to measure their performance by results rather than to stay enmeshed in the comforts of a focus on process is an important piece of legislation. I have to say, from my experience, the U.S. House of Representatives since 1993 has taken GPRA seriously, this committee in particular.

I would like to take a moment to pay my respects to former Congressman Steve Horn, who served on this committee and I think may have set a standard in diligence and commitment in his personal subcommittee chairmanship with respect to his pursuit of this committee. I know from my many conversations with Steve and my own experience, if I may, that the GAO has always been an agency of this government that's understood GPRA, worked hard and provided good information and support to the efforts of the House.

After 10 years, we want to assess what progress is made. Ten years is not a great deal of time to effect a change in culture, and I think within that context I should say I believe we are making progress. Agencies who have many times been comfortable consoling themselves by measuring their past years' activities by process notations are learning that they can no longer do that and must juxtapose their activities against the results that were designed and hoped for in the legislation. The reports are painfully made and often resisted but this committee I believe, if it stays committed to the full and comprehensive enactment of GPRA as I believe

it has, can do a great deal to cause each and every agency of the government to exercise their responsibility to enact the enforcement of the law as enacted by Congress in a manner that gets better results for the American people.

So let me just summarize by saying I'm pleased we passed the law. I'm pleased with the efforts that have been made, particularly in the House of Representatives and even more particularly in this committee supported by the GAO. I'm encouraged by the responsiveness of agencies. You are actually asking agencies to change their behavior in a manner that takes them from less comfortable—or from more comfortable to more rigorous patterns of activity and success measurement.

The agencies are doing exactly what one would predict: They are dragging their feet; they are hoping it will go away. But, in the end, with constant encouragement, they will learn these new skill sets and we will serve our Nation's children better, as I said, through good oversight than we could have done by making a new law.

So thank you for letting me be here.

Chairman TOM DAVIS. Mr. Leader, thank you very much for being here. It's great to have you. We'll have a lively discussion in the question and answer period. Thank you.

[The prepared statement of Mr. Armey follows:]

Record

TEN YEARS LATER – THE GOVERNMENT PERFORMANCE AND RESULTS ACT

Statement of the Honorable Richard K. Armey
former Representative in Congress from the State of Texas
and Majority Leader, U.S. House of Representatives

before the

House Committee on Government Reform

September 18, 2003

It is my pleasure to return to the House of Representatives to testify before this important Committee on such an important topic - evaluating government agencies' implementation of the Government Performance and Results Act of 1993 (The Results Act). How well agencies comply with the Results Act has a direct bearing on the ability of Congress to conduct its oversight obligations and make informed spending decisions. As the decision makers for how our taxpayers' dollars are spent, Congress needs the ability to base spending decisions on more than just the previous year's funding level.

Congress is a deliberative body, representing a large country with widely divergent views. One thing Congress can agree on is that the laws that it passes must be carried out by the Executive Branch in a straightforward, efficient, prudent, and intelligent manner. Everyone in Congress agrees that when we pass laws, we want to know the results.

The Results Act recognized that government must be accountable. Used properly, the Results Act is a powerful tool by which agencies can measure their performance and root out waste, fraud, and abuse of taxpayer's money. As the name indicates, the Results Act is intended to shift the focus of accountability from process to results. It gets away from focusing on how many regulations agencies issue, how many grants they award, or how many investigations they conduct. What matters is what these activities actually accomplish in real outcomes that are important to the American people such as fewer transportation accidents, less crime, and a safer homeland.

All of this sounds like basic common sense, and it is. Setting results-oriented performance goals and then using them to track progress, make resource decisions, and to manage day-to-day operations should come as second nature. Many state and local governments operate in this manner, as does much of the private sector. However, these concepts represent a fundamental "cultural change" for Washington and moving the federal government in this

direction has been a real struggle.

The Results Act basically says to every agency, tell taxpayers and Congress what your mission and goals are and give us some evidence of your ability to achieve the results you were intended to achieve when you were authorized. As a Congress, you must give the agencies a great deal of latitude here. If you have a quarrel with what they believe to be their mission, you can take that up legislatively, but the fundamental question is, as you define your mission do you in fact have an ability to demonstrate that you are getting results? I have to tell you, to a large extent, what we did when we passed the Results Act was ask the agencies to conform to a new regime of accountability. I, for one, was more than willing to be patient and encouraging. I have always argued that no matter what your occupation in life, adaptation to change and the adoption of a new management structure always take time and encouragement. What you have seen happening simultaneously over the past several years is Congressional oversight that has been designed to in fact encourage greater performance, and at the same time, give Congress strong evidence of what results are being achieved. I think, quite frankly, this Congress has consistently been encouraging, and it has been diligent in oversight. However, a great deal of work remains to be done.

I have to tell you, Mr. Chairman, despite all the time and effort that has been spent encouraging agencies to improve their abilities to assess their own performance, I have ultimately became very disappointed in agencies' implementation of the Results Act. During my time in the House of Representatives, I monitored implementation of the Results Act very closely. At my request, the various standing committees completed a survey evaluating compliance with the Results Act by the agencies under their jurisdiction. Most committees found only average compliance. I also created a "Waste-O-Meter" to track wasteful spending and to try to provide useful information to budgeters and appropriators that can be used to make funding decisions. The latest evaluations of performance are frankly disappointing to me. Every agency in the federal government has had a chance to travel the performance learning curve, and at this point, they should be doing better.

The federal government has now prepared six years of performance plans under the Results Act, covering Fiscal Years 1999 through 2004 and completed four years of performance reports, covering Fiscal Years 1999 through 2002. Agencies are in the second cycle of updating their strategic plans, which the Results Act requires agencies to do at least every three years. All of this experience has shown that the federal government is moving toward being more results-oriented and performance-based. However, the progress has been uneven among the agencies. Many agencies continue to struggle with setting meaningful goals that are specific and measurable. Without appropriate goals, the agencies have no way to accurately measure their performance, and Congress is left without the information necessary to make performance-based funding decisions. It is clear that the federal government still has a long way to go in implementing the Results Act and in making the federal government more results-oriented and performance-based. Even so, the implementation of the Results Act has come to the point where we need to start using performance information to make decisions or we might as well give up on the Act.

I am encouraged by President Bush's unprecedented interest in, and the Office of Management and Budget's new focus on, integrating performance review with budget decisions. The President's Management Agenda has breathed life back into the discussion of budget and performance integration, and the Administration's development and application of the Program Assessment Rating Tool in the fiscal year 2004 budget was a step in the right direction. The long-range goal of this effort is using information about program results in making decisions about which programs should continue and which to terminate or reform. As I understand this tool, it helps budget analysts examine different parts of program performance to identify the strengths and weaknesses of a given program. The tool consists of a set of questions and focuses on four critical program areas: (1) Purpose, (2) Strategic Planning, (3) Program Management, and (4) Program Results. I think this tool will be an incentive for agencies to have sound goals and measures, reasonable strategies to achieve those goals, and credible performance information. This tool could be the last, best effort to bring a results-oriented focus to the federal government.

The real test for the President's PART initiative is how it is received in Congress. The PART was used to evaluate 20% of all federal spending in the fiscal year 2004 budget and an additional 20% will be evaluated in the fiscal year 2005 budget. At this crucial point in the year, when both bodies of Congress are approaching final passage of the appropriations bills, it is critical that I make this point. The members who serve on the Appropriations Committees must take available performance information into account when determining spending levels. The PART is driving decisions in the President's budget and the wealth of information provided in these evaluations should not be ignored.

Though some in Washington may lose sight of this basic fact, our federal government exists for the people. Federal agencies are and should be expected to spend tax dollars efficiently and to implement the laws Congress passes as they are intended – to achieve results. The most brilliant laws can fail to make America a better place when the execution of those laws is mishandled.

Thank you again for the opportunity to testify hear today. I can be assured that although I have left Congress, the capable members who have succeeded me are serving the most important investors in this Nation, the American taxpayer, to the best of their abilities.

Chairman TOM DAVIS. Mr. Johnson, thank you for being here.

Mr. JOHNSON. Thank you.

Mr. Chairman, the 1993 Results Act introduced the concept of performance management to government. This important law required strategic and performance planning. It required agencies to set annual goals and then report annually on the extent to which they were achieving their goals. The promise of the Results Act was a government that managed for results. That was the promise. I think, though, that the reality of the Results Act today is a government that rarely uses performance information to manage programs or make decisions on how to improve performance.

In response to this state of affairs, agencies and OMB together have set out to ask how individual programs—more targeted than asking a question about overall agencies—but asking how individual programs are performing. Are they effective? Are they well managed? If not, how might we work with Congress to improve program performance?

The administration created the Program Assessment Rating Tool [PART], which is a consistent, objective and transparent method of evaluating a program's purpose and design, its management and its results. It assesses the extent to which an agency is managing for results and maximizing the program's performance, which are key requirements of the Results Act.

We're analyzing 20 percent of the government's programs each year. We will "PART" these programs—at this rate, we will "PART"—we have turned this into a verb—we will "PART" all the programs in the Federal Government in a 5-year period of time. We thought it wise to allow this much time to properly assess and reassess all the Federal programs and, maybe more importantly, to allow this much time to change the way the executive and congressional branches address the issue of performance.

As Congressman Armey talked about, we have to change the culture of this place. I believe that 5 years from now the Federal Government will be managing for results; we can make this happen. The executive branch leadership will be routinely asking whether the programs it administers are effective and efficient and doing what they are intended to do. If they aren't, the executive branch will be looking for ways to improve, working closely with Congress to do so. The executive branch will also be able to assess the programs administered throughout the government, find out which ones work best, and share and supply best practices among them. We will also have a better picture of overall agency performance based on the sum of PART evaluations.

I also believe that Congress will use performance information—program performance information as part of their oversight considerations, insisting that program performance improve throughout government. I expect agencies will be asked why the programs haven't improved. Congress will be working with the executive branch to develop and implement remedies to address poor program performance. I expect this committee in particular will be looking across government at what's working and what's not, and appropriators will be focusing resources on what is working.

We are all working to earn the trust of the American people every day. One way to do this is to focus constantly on whether we

are doing what we set out to do. We are going to have to work at this. Managing for results is still a new way of thinking for the Federal Government. We are working with Congress and agencies as we speak to determine the best way to show what performance we achieved for the money we spent last year and the performance we can expect for the money we are requesting for next year. This is what managing for results is all about. It is not easy, but it is doable. And because we are managing in times of continued budgetary restraint, it is necessary. This will happen; we will bring about this historic change in government management together, the executive branch and Congress, and in doing so I believe realize the full promise of the Results Act.

Chairman TOM DAVIS. Thank you very much.

[The prepared statement of Mr. Johnson follows:]

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF **MANAGEMENT** AND BUDGET
WASHINGTON, D.C. 20503

Statement of the Honorable Clay Johnson III
Deputy Director for Management
Office of Management and Budget

before

The Committee on Government Reform
U.S. House of Representatives

September 18, 2003

Ten years ago, we had a Federal government with agencies that did not have strategic plans, planning documents long considered essential by most high-performing organizations. Likewise there was no systematic focus on results, what the Federal government should have been achieving for the American people. There was no systematic method in place to assess the performance of programs. Rarely was the question asked: are we doing what we set out to do?

The 1993 Government Performance and Results Act (GPRA or the Results Act) introduced the concept of performance management to government. This important law required strategic and performance planning. It required agencies to set annual goals and then report annually on the extent to which they were achieving their goals. The *promise* of GPRA was a government that managed for results. The *reality* of GPRA, on the other hand, is a government that rarely uses performance information to manage programs or make decisions to improve performance.

Today, the Federal government is beginning to embrace more effectively the promise of the Results Act. Agencies and OMB are together systematically asking how individual programs are performing. The right questions are being asked: Are programs effective? Are they well managed? If not, how might we work with Congress to improve program performance?

To in part address weaknesses in GPRA implementation, the Administration created the Program Assessment Rating Tool, a.k.a. the PART. The PART is the device being used to assess program performance. It is a consistent, objective, and

transparent method of evaluating a program's purpose and design, planning, management, and results and accountability to determine its overall effectiveness. It assesses the extent to which the agency is managing for results and maximizing the program's performance, key requirements of GPRA. Once complete, the basis for the ratings is made publicly available on OMB's website.

Applying the PART to 20% of the government's programs each year, we will "PART" all of the government's programs over a five year period. For the Committee's information, included with my testimony is a list of the programs assessed last year and those that will be assessed this year.

Clearly, it takes a while to properly assess and reassess all the Federal programs, and to change the way the Executive and Congressional branches address the issue of performance. Federal programs have lofty missions and their performance is sometimes hard to measure. In addition, there are few easy black and white answers to why a program is performing poorly. With the PART, we systematically and routinely assess program performance and follow-up on recommendations to address poor performance.

To illustrate the recommendations we are making to improve performance, I bring to your attention the PART-related recommendation for the Department of Education's Upward Bound program. Its PART revealed that the Upward Bound program, which provides intensive services to improve academic performance and college preparation for high school students, did not effectively target the highest risk students, those who have potential for college but are not performing successfully in high school. Because evaluations indicate that this high-risk population is most likely to benefit from the program, the Department created a special competition that will award $20 million to projects that serve these high-risk students. The Department of Education will monitor the college enrollment rate for these participants and will use the results of this demonstration initiative to guide future changes in the Upward Bound program.

I believe that five years from now the Federal government will be managing for results: we can make it happen. Executive Branch leadership will be routinely asking whether the programs it administers are effective and efficient and doing what they were intended to do. If they aren't, the Executive Branch will be looking for ways to improve, working closely with Congress to do so. The Executive Branch will also be able to assess like programs administered throughout the government; find out which ones work best, and share and apply best practices among them. We will also have a better picture of overall agency performance based on the sum of PART evaluations.

I also believe that Congress will be using performance information as part of their oversight considerations, insisting that program performance improve throughout government. I expect agencies will be asked why programs haven't improved. Congress will be working with the Executive Branch to develop and implement remedies to address poor program performance. I expect this Committee in particular will be looking across government at what's working and what's not. Appropriators will be focusing resources on what's working.

Members sit on this Committee because they have a strong interest in good government. The quest for good government demands we pursue this promise of the Results Act. We must be held accountable for our performance and produce measurable results.

We should be working to earn the trust of the American people every day. One way to do this is to focus constantly on whether we are doing what we set out to do. We're going to have to work at this. Managing for results is still a new way of thinking for the Federal government. We are working with Congress and agencies to determine the best way to show what performance we have achieved for the money we spent and the performance we can expect for the money we are requesting. This is what managing for results is all about. It is not easy. But it is doable and, because we are managing in times of continued budgetary constraints, it is necessary. This will happen. We will bring about this historic change in government management together, and in so doing, realize the full promise of the Results Act.

Programs Assessed for FY 2004

CABINET AGENCIES:

Department of Agriculture
APHIS Agric. Quarantine and Inspection
APHIS Animal Welfare
CCC Direct Payments
CCC Farmland Protection Program
CCC Wildlife Habitat Incentives Program
FNS National School Lunch Program
FS Wildland Fire Management
FS Capital Improvement and Maintenance
FSIS Food Safety and Inspection Service
RHS Multifamily Housing Direct Loans and Rental Assistance Grants
RHS Rental Assistance Payments
RMA Crop Insurance
RUS Electric Loan Program (Not including Hardship Loans)
RUS Water and Waste Disposal Grants
Food Aid Programs (including P.L. 480 Title)

Department of Commerce
U.S. Patent Trademark Office-Patents
EDA-Patents
National Weather Service
U.S. Patent Trademark Office-Trademarks
NIST-In-house Labs
Bureau of Economic Analysis
Pacific Coastal Salmon Recovery Grants
National Marine Fisheries Service
Minority Business Development Agency

Department of Defense
Air to Ground and Air to Air Combat
Inter/Intra Theater Airlift Aircraft
Surface Ships
Missile Defense
Chemical Demilitarization
Basic Research
Family Housing and Basic Allowance for Housing
Defense Health Program
Communications Infrastructure
Recruiting
Facilities Sustainment, Restoration, Modernization, and Demobilization
Energy Conservation Improvement Program

Department of Education
Even Start
Safe and Drug Free Schools State Grants
Vocational Rehabilitation State Grants
TRIO Student Support Services
TRIO Upward Bound
Selected ESEA Programs
All IDEA Programs

All Vocational and Adult Education Programs
Projects with Industry (PWI)
Student Loan Programs
Pell Grants
Student Aid Administration
GEAR UP
Leveraging Education Assistance Partnerships (LEAP)
Assessment & Statistics

Department of Energy
Environmental Management (EM)
Weatherization Assistance Program
Office of Science
All applied R&D:
-Fossil Energy
-Energy Efficiency
-Nuclear Energy
-EM
National Nuclear Security Administration (NNSA):
-Safeguards and Security
-Facilities and Infrastructure
-ASCI
-MPC&A
Power Marketing Administrations:
-Bonneville Power Administration
-Southeastern Power Administration
-Southwestern Power Administration
-Western Area Power Administration

Department of Health and Human Services*
FDA Center for Biologics Evaluation and Research
FDA Center for Food Safety and Applied Nutrition
FDA Center for Drug Evaluation and Research
FDA Center for Devices and Radiological Health
FDA Center for Veterinary Medicine
HRSA Consolidated Health Center Program
HRSA Ryan White
HRSA Health Professions
HRSA National Health Service Corps
HRSA Nursing Education Loan Repayment Program
Department of Health and Human Services*, continued
HRSA Maternal Child Health (MCH) Block Grant
IHS Federally-Administered Activities
IHS Sanitation Facilities
CDC Immunizations
CDC Domestic HIV/AIDS Prevention
CDC Chronic Disease Breast and Cervical Cancer
CDC Chronic Disease - Diabetes
SAMHSA Projects for Assistance in Transition from Homelessness
SAMHSA Children's Mental Health Services
SAMHSA Substance Abuse Treatment Programs of Regional and National Significance
AHRQ Data Collection and Dissemination (Medical Expenditure Panel Surveys, Healthcare Cost and Utilization Program, Consumer Assessment of Health Plans)
AHRQ Translating Research into Practice
CMS Medicare Integrity Program
CMS State Children's Health Insurance Program (SCHIP)
ACF Head Start

ACF Foster Care
ACF Refugee and Entrant Assistance
AoA Congregate Meals Program
OIG Health Care Fraud and Abuse Control (HCFAC) Program
BioT: Health Alert Network (to all States) (and related activities in FY03)
BioT: Metropolitan Medical Response System (contracts to statutorily selected cities)

**A PART is currently under development for the National Institutes of Health and is targeted for completion in Spring 2003.*

Department of Housing and Urban Development
Housing Vouchers (Section 8 Tenant-Based Rental Assistance)
Section 8 Project-Based Rental Assistance
Elderly Housing Grants
Disabled Housing Grants
HOME
Native American Housing Grant

Department of the Interior
DOI Wildland Firefighting
BIA School Construction
BIA School Operations
BLM restoration activities
BOR Hydropower Program
BOR Rural Water Supply Projects
BOR Title XVI Water Reuse and Recycling
FWS Hatcheries
FWS Partners Program
MMS Environmental Studies Program
NPS deferred maintenance backlog
NPS Natural Resource Challenge
OSM Abandoned Mine Land Program
OST Tribal land consolidation
USGS National Mapping Program

Department of Justice
Bureau of Prisons (S&E)
Drug Enforcement Administration (S&E)
OJP Residential Substance Abuse Treatment
FBI Cybercrime
FBI White Collar Crime
INS Immigration Services
OJP Weed and Seed
OJP Drug Courts
Office of Juvenile Justice and Delinquency Prevention
Juvenile Accountability Block Grants

Department of Labor
Trade Adjustment Assistance (TAA)
Occupational Safety and Health Administration (OSHA)
Bureau of Labor Statistics (BLS)
Office of Federal Contract Compliance Programs (OFCCP)
Dislocated Worker Assistance: State Formula Grants
Youth Activities
Federal Employees' Compensation Act (FECA)
Pension and Welfare Benefits Administration (PWBA)
ILAB Technical Assistance Grants (Child Labor and Core Labor Standards grants)

Department of State and other related agencies
State Dept. - Refugee Admissions to the U.S.
Security Assistance to Sub-Saharan Africa
PKO (includes OSCE Peacekeeping & East Timor)
Antiterrorism Assistance
Security Construction
Military Assistance to new NATO and NATO Aspirants
Refugees-Resettlement and Placement in Israel
Broadcasting to Near East Asia and South Asia
Educational and Cultural Exchange Programs in Near East Asia and South Asia
Border Security

International Assistance Programs
Treasury Technical Assistance
International Development Association
USAID Development Assistance – Climate Change
USAID Development Assistance – Population Programs
Export Import Bank – Long-Term Guarantees
Overseas Private Investment Corporation – Finance Programs
P.L. 480 Title II Food Aid

Department of Transportation
FAA Airport Improvement Program
FHWA Highway Infrastructure
USCG Search and Rescue
USCG Drug Interdiction
Department of Transportation, continued
USCG Aids to Navigation
NHTSA Highway Safety Programs
FMCSA Highway Safety

Department of the Treasury
IRS Collection
Federal Law Enforcement Training Center
Earned Income Tax Credit (EITC) Compliance
Office of Foreign Assets Control (OFAC)
ATF Consumer Product Safety Activities (Inspection and licensing processing)
Coin Production (Mint)
Bank Enterprise Award (BEA)
Office of the Comptroller of the Currency (OCC) – Bank Supervision
Office of Thrift Supervision - Thrift Supervision

Department of Veterans Affairs
Burial
Medical Care
Compensation

INDEPENDENT AND OTHER AGENCIES:

Corps of Engineers (Civil Works)
Inland Waterways Navigation
Hydropower
Flood Damage Reduction
Wetlands (non-regulatory)
Emergency Management

Corporation for National and Community Service
AmeriCorps

Consumer Product Safety Commission
Consumer Product Safety Commission

Environmental Protection Agency
Leaking Underground Storage Tanks Program
Air Toxics Program
Nonpoint Source Program
Superfund Removal Program
Drinking Water State Revolving Fund
Pesticides
Chemical Programs
Tribal General Assistance
Civil Enforcement
Pollution Prevention Research

Federal Emergency Management Agency
Hazard Mitigation Grant Program
Disaster Relief Fund - Public Assistance Program
National Flood Insurance Program

General Services Administration
Asset Management of Federally-owned Real Property
Vehicle Acquisition
Vehicle Leasing
Supply Depots & Special Order Program
Multiple Award Schedules Program

National Aeronautics and Space Administration
Space Station
Mars Exploration Program
Space Shuttle
Space Launch Initiative
Earth Science Technology

National Science Foundation
Core Research
Nanoscale Science and Engineering
PreK-12 Education
Information Technology Research
Major Research Equipment and Facility Construction
Major Facility Operations
Polar Programs

Office of National Drug Control Policy
High Intensity Drug Trafficking Area (HIDTA) program
Youth Anti-Drug Media Campaign

Office of Personnel Management
Federal Employees' Group Life Insurance (FEGLI)
Retirement

Small Business Administration
Business Information Centers (BICs)

Service Corps of Retired Executives (SCORE)
Small Business Development Centers (SBDCs)
Section 504 Certified Development Corporation Guaranteed Loan Program

Social Security Administration
Supplemental Security Income for the Aged
Disability Insurance

Tennessee Valley Authority
TVA Power Program
TVA Non-power Program

Program Assessments Planned for FY 2005 Budget

Department of Agriculture

BioEnergy Program
Business and Industry Guaranteed Loan Program
Consumer Credit Corporation Marketing Loans
Community Facilities Direct Loan Program
Conservation Technical Assistance
Data Collection Programs
Food Safety Research
Food Stamps
Forest Legacy Program
Agricultural Credit Insurance Fund - Guaranteed Loans
Land Acquisition
McIntire-Stennis Research
Monitoring & Surveillance Veterinary Biologic/ Diagnostics
National Resources Inventory
Plant Materials Program
Snow Survey & Water Supply Forecasting
Soil Survey
Telecommunications Loan Program

Department of Commerce

Coastal Zone Management Grants
Current Demographic Statistics
Decennial Census
Intercensal Estimates
Navigation Services/ Mapping & Charting
National Institute of Standards and Technology Labs
Small Business Innovation Research (National Institute of Standards and Technology; National Oceanic and Atmospheric Administration)
Survey Sample Redesign
US and Foreign Commercial Service

Department of Defense

Comanche Helicopter Program
Military Force Management
Small Business Innovative Research Program

Department of Education

21st Century Community Learning Centers
Teacher Quality State Grants
Troops to Teachers
College Work Study
Federal Family Education Loans
Supplemental Education Opportunity Grants
Federal Perkins Loans
International Department of Education—Domestic
TRIO Talent Search
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)

Teacher Quality Enhancement
Individuals with Disabilities Education Act (IDEA) Personnel Prep
IDEA Research
National Institute on Disability and Rehabilitation and Research
Independent Living

Department of Energy
Distributed Department of Energy Resources
Elimination of Weapons Grade Plutonium Production
High Temperature Superconductor
Inertial Confinement Fusion
Readiness in Technical Base Facilities
Strategic Petroleum Reserve
Yucca Mountain Repository

Department of Health and Human Services
AIDS Research
Agency for Toxic Substances and Disease Registry
Centers for Disease Control State and Local Preparedness Grants
Hospital Preparedness Grants
Office of Child Support Enforcement
Community Services Block Grant
Developmental Disabilities (3 Programs)
Food and Drug Administration
Resource and Patient Management System
Low Income Home Department of Energy Assistance Program (LIHEAP)
Medicare
Community Mental Health Services Block Grant
Patient Safety Activities
Children's Hospital Graduate Medical Education Payment Program
Runaway and Homeless Youth
Rural Health Activities
Substance Abuse Prevention and Treatment Block Grant
Urban Indian Health Program

Department of Homeland Security
Container Security
Detention and Removals
Federal Air Marshal Service
Fire Grants
Coast Guard Fisheries Enforcement
Marine Environmental Protection
Aviation Passenger Screening Program
Federal Protective Service
Security between Ports of Entry

Department of Housing and Urban Development
Community Development Block Grants
Homeownership and Opportunity for People Everywhere (HOPE VI)
Housing Opportunities for Persons with AIDS
Lead Hazard Control Grants

United States Agency for International Development
Child Survival and Health (CSH)
Office of Transition Initiatives

Department of the Treasury
Administering the Public Debt
Currency Program
Debt Collection
Global Environment Facility
Submissions Processing

Department of Transportation
Air Traffic Services
Federal Lands Highway Program
Hazardous Materials Emergency Preparedness Grants
Limitation on Administrative Expenses
Major Capital Investments (New Starts)
Research, Engineering and Development
Railroad Safety Program (RSP)

Department of Veterans Affairs
Montgomery GI Bill (Education Benefits)
Research and Development

Corps of Engineers
Regulatory Program

Environmental Protection Agency
Acid Rain
Brownfields
Clean Water State Revolving Fund
Criminal Enforcement
Ecological Research
Environmental Education
Particulate Matter Research
Pollution Prevention and New Technologies
Resource Conservation and Recovery Act (RCRA) Corrective Action
RCRA State Grants

National Aeronautics and Space Administration
Biological Sciences Research
Earth Science Applications
Mission and Science Measurement Technology
Solar System Exploration

National Science Foundation
Facilities Grants and Research Resources
Information Technology Research
Nanoscale Science and Engineering
National Science Foundation (NSF): Individuals

Small Business Administration
Office of Disaster Assistance
Small Business Investment Companies

Broadcasting Board of Governors
Broadcasting to Africa

Executive Office of the President
Counterdrug Technology Assessment Center (CTAC)
Technology Transfer Program
Drug Free Communities Support Program

Federal Communications Commission
Schools and Libraries E-Rate Program

Federal Election Commission
Enforcing Federal Election Campaign Laws

General Services Administration
Leasing Space
Personal Property Management
Real Property Disposal
Regional Information Technology Solutions

National Archives and Records Administration
Records Services

Office of Personnel Management
Federal Employee Health Benefits Program (FEHBP) Integrity

Overseas Private Investment Corporation
Insurance

Public Defender Service
Legal Representation to Indigent Defendants

Securities and Exchange Commission
Full Disclosure Program (Corporate Review)

Trade and Development Agency
U.S. Trade and Development Agency

Chairman TOM DAVIS. Mr. Walker, thank you for being here.

Mr. WALKER. Thank you, Mr. Chairman; and thank you very much for continuing to hold this hearing today. I think this is a very important topic and appreciate your willingness to continue to hold it even though others aren't here today.

Also, let me say at the outset it is a privilege to be here with former majority leader Dick Armey; he was the champion of GPRA, there is absolutely no question about it. And I totally acknowledge as well that Steve Horn—former Congressman Steve Horn was the champion of oversight with regard to this area.

I'm also pleased to be here with Clay Johnson and with Pat McGinnis. Clay clearly has responsibility for the President's Management Agenda as well as the PART, and this administration is taking GPRA very seriously and real progress is being made and I would like to commend them for that. But, if I can, Mr. Chairman, since you put the entire statement in the record, a few highlights.

As has been noted, this is the 10-year anniversary. It is also, interestingly, the 20th anniversary of the IG Act and the 25th anniversary of the last Civil Service Reform Act; and those are two areas separate and distinct today that hopefully will get some attention during this Congress.

I think it is important to note that GPRA was about strategic planning but also annual performance planning and reporting. Candidly, initially people didn't take it very seriously in the executive branch. Initially, it was an annual paperwork exercise that people went through, and it did not have very outcome-based measures for performance. But that has changed considerably over the last several years, not only because of congressional interest, in particular this committee, in particular Steve Horn's subcommittee, but also there are other good government groups, such as the Council of Excellence in Government.

Of course, GAO has been and will remain on the case. But, furthermore, they have the Association of Government Accountants, who give annual awards for excellence in reporting, and the Mercatus Center, which is part of George Mason University, ranks performance and accountability reports every year and what kind of progress that's being made. So, based upon our work and based upon the work of these other entities, I think it's clear to say that progress is being made, that the executive branch is taking this seriously.

I might note that probably two of the three top agencies in this area are the Transportation Department, the Social Security Administration, the Labor Department, the executive branch. Three of the laggards in this area, based upon our work and the work of others, the Defense Department, Health and Human Services and the Energy Department.

I might also say that GAO, as you know, Mr. Chairman, is leading by example in many areas. I might note that we were ranked No. 1 in the Federal Government by the Mercatus Center. We received an "excellent" from AGA. But, more importantly, it's not just your reporting and your planning, it's what results you actually achieve; and I think we have to focus on that. It's not just the pa-

perwork. It's not just the processes. It's what results are actually being achieved.

I think it's important that more steps be taken to link resources to results, to reward people who are doing a good job and to have consequences for people who are not. The PART is a positive step in this regard. I think it's important to link institutional performance measures with individual performance measurement reward systems. In most Federal agencies, that has not been done. It is important to have a governmentwide performance plan, which we don't have right now. It's also important to focus on the horizontal dimension of government, rather than just the vertical dimension, because there are many programs. Policies are executed by many different departments and agencies and we need to be able to minimize duplication, overlap, inconsistency, if you will.

I note in my testimony the need for a set of key national indicators that could help frame the overall governmentwide performance plan and cascade down to departments and agencies, the need to consider chief operating officers or chief management officials and selected departments and agencies to really make this come alive and to deal with the transformation effort that majority leader Armey talked about.

And candidly, Mr. Chairman, I would say that the executive branch right now in the Steve Horn—who gave grades. In respect for him, I would say the executive branch is a B or better in taking this seriously and making progress. They are good. There are differences. Some are better than others, but they are taking it seriously.

Candidly, other than this committee, Mr. Chairman, the Congress has a long way to go. I think one of the things that has to happen is Congress has to use this information more for oversight, for authorization, and for appropriations. We see very little evidence—other than this committee, we see very little evidence that Congress is using this information in a meaningful way. People that are doing a good job should be rewarded. People that aren't should be held accountable. If they can't improve after a period of time, there have to be consequences; and, to date, frankly, there haven't been. I mean, some of the agencies that are doing the poorest in this area get the most resources and the most flexibility, and something is wrong with that.

Thank you, Mr. Chairman.

Chairman TOM DAVIS. Thank you. Thank you very much. It's going to generate some questions. I appreciate that.

[The prepared statement of Mr. Walker follows:]

United States General Accounting Office

GAO

Testimony

Before the Committee on Government Reform,
House of Representatives

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RESULTS-ORIENTED GOVERNMENT

Using GPRA to Address 21st Century Challenges

Statement of David M. Walker
Comptroller General of the United States

GAO-03-1166T

September 18 2003

GAO
Accountability·Integrity·Reliability

Highlights

Highlights of GAO-03-1166T, a testimony before the Committee on Government Reform, House of Representatives

RESULTS-ORIENTED GOVERNMENT

Using GPRA to Address 21st Century Challenges

Why GAO Did This Study

The Committee asked GAO to discuss the Government Performance and Results Act's (GPRA) success in shifting the focus of government operations from process to results and to evaluate the extent to which agency managers have embraced GPRA as a management tool. Further, the Committee was interested in any recommendations GAO may have to improve the effectiveness of GPRA.

GAO is conducting a comprehensive review of the effectiveness of GPRA since its enactment, including updating the results of our federal managers survey. The results of this review will be available next month.

What GAO Recommends

We did not make recommendations in this testimony. However, we suggested a range of options that the Congress could use to strengthen GPRA as a tool to meet the challenges the federal government faces at the beginning of the 21st century. These options include simplifying and streamlining agency performance information, developing governmentwide strategic and annual performance plans, enhancing congressional oversight, and establishing chief operating officers in selected agencies.

What GAO Found

GPRA, which was enacted in 1993, provides a foundation for examining agency missions, performance goals and objectives, and results. While this building effort is far from complete, it has helped create a government-wide focus on results by establishing a statutory framework for management and accountability. This framework can improve the performance and accountability of the executive branch and enhance executive branch and congressional decisionmaking. In view of the broad trends and long-term fiscal challenges facing the nation, there is a need to consider how the Congress, the Office of Management and Budget, and executive agencies can make better use of GPRA's planning and accountability framework to maximize the performance of not only individual programs and agencies, but also of the federal government as whole in addressing these challenges.

The necessary infrastructure has been built to generate meaningful performance information. For example, through the strategic planning requirement, GPRA has required federal agencies to consult with the Congress and key stakeholders to reassess their missions and long-term goals as well as the strategies and resources they will need to achieve their goals. It also has required agencies to articulate goals for the upcoming fiscal year that are aligned with their long-term strategic goals. Finally, agencies are required to report annually on their progress in achieving their annual performance goals. Therefore, information is available about current missions, goals, and results.

We are now moving to a more difficult but more important phase of GPRA implementation, that is, using results-oriented performance information as a part of agencies' day-to-day management, and congressional and executive branch decision-making. However, much work remains before this framework is effectively implemented across the government, including (1) transforming agencies' organizational cultures to improve decisionmaking and strengthen performance and accountability, (2) developing meaningful, outcome-oriented performance goals and measures and collecting useful performance data, and (3) addressing widespread mission fragmentation and overlap. Furthermore, linking planned performance with budget requests and financial reports is an essential step in building a culture of performance management. Such an alignment can help to infuse performance concerns into budgetary deliberations. However, credible outcome-based performance information is critical to foster the kind of debate that is needed.

www.gao.gov/cgi-bin/getrpt?GAO-03-1166T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Patricia Dalton at (202) 512-6737 or daltonp@gao.gov.

Mr. Chairman Davis and Members of the Committee:

Now that the Government Performance and Results Act (GPRA) has reached its 10th anniversary, I appreciate the opportunity to address the progress made in creating a government-wide focus on results and how the federal government could make better use of GPRA in meeting the significant, emerging challenges we face as a nation while, at the same time, becoming more economical, effective, and efficient in doing government business. We are currently performing a comprehensive review of the effectiveness of GPRA since its enactment in 1993—including updating the results of our federal managers survey—for this and other congressional committees. Those results will be available later next month. Therefore, my statement today draws primarily from our many previous reports assessing GPRA's implementation.

Over the last decade, the Congress, the Office of Management and Budget (OMB), and other executive agencies have worked to implement a statutory framework to improve the performance and accountability of the executive branch and to enhance executive branch and congressional decision making.[1] The core elements of this framework include financial management and information technology reforms as well as results-oriented management legislation, particularly GPRA. As a result of this framework, there has been substantial progress in the last few years in establishing the basic infrastructure needed to create high-performing federal organizations.

For example, in contrast to pre-GPRA planning and performance measurement, agencies are now producing more results-oriented goals and performance information. They have also begun to identify their plans to coordinate with other federal agencies on program areas that cut across agency boundaries. Finally, all of this information is much more transparent to the Congress, OMB, and the public in the form of published plans and reports, which were not generally available prior to GPRA.

However, moving beyond the realm of individual agency performance, we now have both an opportunity and an obligation to take a look across the federal government at what it should be doing and how it should go about

[1]U.S. General Accounting Office, *Managing for Results: The Statutory Framework for Performance-Based Management and Accountability*, GAO/GGD/AIMD-98-52 (Washington, D.C.: Jan. 28, 1998).

doing its work. GPRA, with its focus on strategic planning, the development of long-term goals, and accountability for results, provides a framework the Congress and the executive branch can use to consider the appropriate mix of long-term strategic goals and strategies needed to address the challenges we face, given the significant resource constraints that will exist long into the future.

As I discussed in my speech before the National Press Club on September 17,[2] the federal government is in a period of profound transition and faces an array of challenges and opportunities to enhance performance, ensure accountability, and position the nation for the future. A number of overarching trends, such as diffuse security threats and homeland security needs, increasing global interdependency, the shift to a knowledge-based economy, and the looming fiscal challenges facing our nation drive the need to reconsider the role of the federal government in the 21st century, how the government should do business (including how it should be structured), and in some instances, who should do the government's business.

GAO has sought to assist the Congress and the executive branch in considering the actions needed to support the transition to a more high performing, results-oriented, and accountable federal government. We believe that it is crucial for both the Congress and the executive branch to work together constructively and on a bipartisan basis in addressing a range of "good government" issues.

My statement today will focus on four points:

- the impact of current trends and increasing fiscal challenges;
- the foundation for results-oriented management created in response to GPRA;
- the need to make better use of GPRA as a tool to address the trends and challenges; and
- options for strengthening congressional oversight.

[2]David M. Walker, Comptroller General of the United States, *Truth and Transparency: The Federal Government's Financial Condition and Fiscal Outlook*, speech delivered before the National Press Club, September 17, 2003.

My statement is based on our large body of work in recent years assessing GPRA implementation as well as other management and budget issues. We conducted our work in accordance with generally accepted government auditing standards.

Impact of Emerging Trends and Fiscal Challenges

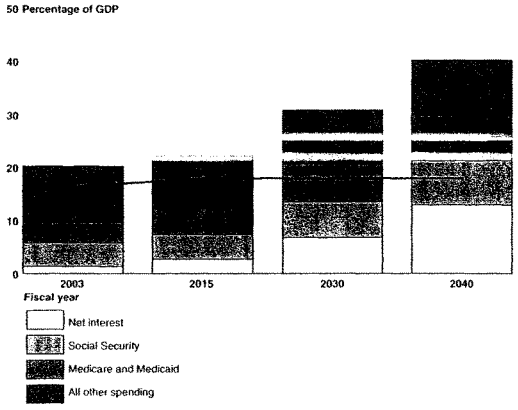
With the 21st century challenges we are facing, it is more vital than ever to maximize the performance of federal agencies in achieving their long-term goals. The federal government must address and adapt to major trends in our country and around the world. At the same time, our nation faces serious long-term fiscal challenges. Increased pressure also comes from world events: both from the recognition that we cannot consider ourselves "safe" between two oceans—which has increased demands for spending on homeland security—and from the U.S. role in combating terrorism in an increasingly interdependent world. To be able to assess federal agency performance and hold agency managers accountable for achieving their long-term goals, we need to know what the level of performance is. GPRA planning and reporting requirements can provide this essential information.

Our country's transition into the 21st century is characterized by a number of key trends, including

- the national and global response to terrorism and other threats to our personal and national security;
- the increasing interdependence of enterprises, economies, markets, civil societies, and national governments, commonly referred to as globalization;
- the shift to market-oriented, knowledge-based economies;
- an aging and more diverse U.S. population;
- rapid advances in science and technology and the opportunities and challenges created by these changes;
- challenges and opportunities to maintain and improve the quality of life for the nation, communities, families, and individuals; and
- the changing and increasingly diverse nature of governance structures and tools.

As the nation and government policymakers grapple with the challenges presented by these evolving trends, they do so in the context of rapidly building fiscal pressures. GAO's long-range budget simulations show that this nation faces a large and growing structural deficit due primarily to known demographic trends and rising health care costs. The fiscal pressures created by the retirement of the baby boom generation and rising health costs threaten to overwhelm the nation's fiscal future. As figure 1 shows, by 2040, absent reform or other major tax or spending policy changes, projected federal revenues will likely be insufficient to pay much beyond interest on publicly held debt. Further, our recent shift from surpluses to deficits means the nation is moving into the future in a weaker fiscal position.

Figure 1: Composition of Spending as a Share of GDP Assuming Discretionary Spending Grows with GDP after 2003 and All Expiring Tax Provisions Are Extended



Source: GAO

Notes: Although all expiring tax cuts are extended, revenue as a share of gross domestic product (GDP) increases through 2013 due to (1) real bracket creep, (2) more taxpayers becoming subject to the Alternative Minimum Tax, and (3) increased revenue from tax-deferred retirement accounts. After 2013, revenue as a share of GDP is held constant. This simulation assumes that currently scheduled Social Security benefits are paid in full throughout the simulation period.

The United States has had a long-range budget deficit problem for a number of years, even during recent years when we had significant annual budget surpluses. Unfortunately, the days of surpluses are gone, and our current and projected budget situation has worsened significantly. The bottom line is that our projected budget deficits are not manageable without significant changes in "status quo" programs, policies, processes, and operations.

Doing nothing is simply not an option, nor will marginal efforts be enough. Difficult choices will have to be made. Clearly, the federal government must start to exercise more fiscal discipline on both the spending side and the tax side. While many spending increases and tax cuts may be popular, they may not all be prudent. However, there is not a single solution to the problems we face; a number of solutions are needed. It will take the combined efforts of many parties over an extended period for these efforts to succeed.

GPRA Provides a Foundation for Results-Oriented Management

GPRA, which was enacted 10 years ago, provides a foundation for examining agency missions, performance goals and objectives, and results. While this building effort is far from complete, it has helped create a governmentwide focus on results by establishing a statutory framework for performance management and accountability. The necessary infrastructure has been built to generate meaningful performance information.

For example, through the strategic planning requirement, GPRA has required federal agencies to consult with the Congress and key stakeholders to reassess their missions and long-term goals as well as the strategies and resources they will need to achieve their goals. It also has required agencies to articulate goals for the upcoming fiscal year that are aligned with their long-term strategic goals. Finally, agencies are required to report annually on their progress in achieving their annual performance goals. Therefore, information is available about current missions, goals, and results.

Our prior assessments of the quality of agency planning and reporting documents indicate that significant progress has been made in meeting the basic requirements of GPRA. For example, we found improvements in agencies' strategic plans, such as clearer mission statements and long-term

goals.[3] Also, after we found many weaknesses in agencies' first annual performance plans, subsequent plans showed improvements, such as the frequent use of results-oriented goals and quantifiable measures to address performance.[4]

Finally, a high and increasing percentage of federal managers we surveyed in 1997 and 2000 reported that there were performance measures for the programs with which they were involved.[5] Those managers who reported having performance measures also increasingly reported having outcome, output, and efficiency measures. We will be updating our analysis of the quality of agency planning and reporting efforts and our survey of federal managers as part of our 10-year retrospective review of GPRA. The report will be available next month.

Using GPRA as a Tool to Address 21st Century Trends and Challenges

As we move further into the 21st century, it becomes increasingly important for the Congress, OMB, and other executive agencies to consider how the federal government can maximize performance and results, given the significant fiscal limitations I have described. GPRA can help address this question by linking the results that the federal government seeks to achieve to the program approaches and resources that are necessary to achieve those results. The performance information produced by GPRA's planning and reporting infrastructure can help build a government that is better equipped to deliver economical, efficient, and effective programs that can help address the challenges facing the federal government.

Clearly, federal agencies have made strides in laying the foundation of planning and performance information that will be needed to address our

[3]U.S. General Accounting Office, *Managing for Results: Observations on Agencies' Strategic Plans*, GAO/T-GGD-98-66 (Washington, D.C.: Feb. 12, 1998).

[4]U.S. General Accounting Office, *Managing for Results: Opportunities for Continued Improvements in Agencies' Performance Plans*, GGD/AIMD-99-215 (Washington, D.C.: July 20, 1999).

[5]For additional details on our two previous governmentwide surveys, see U.S. General Accounting Office, *Managing for Results: Federal Managers' Views on Key Management Issues Vary Widely Across Agencies*, GAO-01-592 (Washington, D.C.: May 25, 2001), *Managing for Results: Federal Managers' Views Show Need for Ensuring Top Leadership Skills*, GAO-01-127 (Washington, D.C.: Oct. 20, 2000), and *The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven*, GAO/GGD-97-109, Washington, D.C.: June 2, 1997).

21st century challenges. We are now moving to a more difficult but more important phase of GPRA implementation, that is, using results-oriented performance information as a routine part of agencies' day-to-day management, and congressional and executive branch decision making.

To achieve a greater focus on results and maximize performance, federal agencies will need to make greater use of GPRA documents, such as strategic plans, to guide how they do business every day—both internally, in terms of guiding individual employee efforts, as well as externally, in terms of coordinating activities and interacting with key stakeholders.

However, much work remains before this framework is effectively implemented across the government, including (1) transforming agencies' organizational cultures to improve decision making and strengthen performance and accountability, (2) developing meaningful, outcome-oriented performance goals and measures and collecting useful performance data, (3) addressing widespread mission fragmentation and overlap, and (4) using performance information in allocating resources.

Uneven Progress in Building Results-Oriented Organizational Cultures

The cornerstone of federal efforts to successfully meet current and emerging public demands is to adopt a results orientation, that is, to develop a clear sense of the results an agency wants to achieve as opposed to the products and services (outputs) an agency produces and the processes used to produce them. Adopting a results orientation requires transforming organizational cultures to improve decision making, maximize performance, and ensure accountability—it entails new ways of thinking and doing business. This transformation is not an easy one and requires investments of time and resources as well as sustained leadership commitment and attention.

Our prior work on GPRA implementation has found that many agencies face significant challenges in establishing an agency-wide results-orientation.[6] Federal managers we surveyed have reported that agency leaders do not consistently demonstrate a strong commitment to achieving results. Furthermore, these managers believed that agencies do not always positively recognize employees for helping the agency accomplish its strategic goals.

[6]GAO-01-592, GAO-01-127, and GAO/GGD-97-109.

In addition, we have reported that high-performing organizations seek to shift the focus of management and accountability from activities and processes to contributions and achieving results. However, although many federal managers in our survey reported that they were held accountable for the results of their programs, only a few reported that they had the decision making authority they needed to help the agencies accomplish their strategic goals.

Finally, although managers we surveyed increasingly reported having results-oriented performance measures for their programs, the extent to which these managers reported using performance information for any of the key management activities we asked about mostly declined from earlier survey levels.[7]

To be positioned to address the array of challenges we face, federal agencies will need to transform their organizational cultures so that they are more results-oriented, customer-focused, and collaborative. Leading public organizations here in the United States and abroad have found that strategic human capital management must be the centerpiece of any serious change management initiative and efforts to transform the cultures of government agencies. Performance management systems are integral to strategic human capital management. Such systems can be key tools to maximizing performance by aligning institutional performance measures with individual performance and creating a "line of sight" between individual and organizational goals. Leading organizations use their performance management systems as a key tool for aligning institutional, unit, and employee performance; achieving results; accelerating change; managing the organization day to day; and facilitating communication throughout the year so that discussions about individual and organizational performance are integrated and ongoing.[8]

[7]We asked about five key management activities: setting program priorities, allocating resources, adopting new program approaches or changing work processes, coordinating program efforts with other organizations, and setting individual job expectations.

[8]U.S. General Accounting Office, *Human Capital: Key Principles From Nine Private Sector Organizations*, GAO/GGD-00-28 (Washington, D.C.: Jan. 31, 2000).

Developing Meaningful, Outcome-Oriented Performance Goals and Collecting Useful Performance Data

Another key challenge to achieving a governmentwide focus on results is that of developing meaningful, outcome-oriented performance goals and collecting performance data that can be used to assess results. Performance measurement under GPRA is the ongoing monitoring and reporting of program accomplishments, particularly progress toward preestablished goals. It tends to focus on regularly collected data on the level and type of program activities, the direct products and services delivered by the program, and the results of those activities. For programs that have readily observable results or outcomes, performance measurement may provide sufficient information to demonstrate program results. In some programs, however, outcomes are not quickly achieved or readily observed, or their relationship to the program is uncertain. In such cases, more in-depth program evaluations may be needed, in addition to performance measurement, to examine the extent to which a program is achieving its objectives.

However, our work has raised concerns about the capacity of federal agencies to produce evaluations of program effectiveness.[9] Few of the agencies we reviewed deployed the rigorous research methods required to attribute changes underlying outcomes to program activities. Yet we have also seen how some agencies have profitably drawn on systematic program evaluations to improve their measurement of program performance or understanding of performance and how it might be improved.[10] For example, to improve performance measurement, two agencies we reviewed used the findings of effectiveness evaluations to provide data on program results that were otherwise unavailable.

Our work has also identified substantial, long-standing limitations in agencies' abilities to produce credible data and identify performance improvement opportunities that will not be quickly or easily resolved.[11] For example, policy decisions made when designing federal programs,

[9]U.S. General Accounting Office, *Program Evaluation: Agencies Challenged by New Demand for Information on Program Results*, GAO/GGD-98-53 (Washington, D.C.: Apr. 24, 1998).

[10]U.S. General Accounting Office, *Program Evaluation: Studies Helped Agencies Measure or Explain Program Performance*, GAO/GGD-00-204 (Washington, D.C.: Sept. 29, 2000).

[11]U.S. General Accounting Office, *Managing for Results: Challenges Agencies Face in Producing Credible Performance Information*, GAO/GGD-00-52 (Washington, D.C.: Feb. 4, 2000).

particularly intergovernmental programs, may make it difficult to collect timely and consistent national data. In administering programs that are the joint responsibility of state and local governments, the Congress and the executive branch continually balance the competing objectives of collecting uniform program information to assess performance with giving states and localities the flexibility needed to effectively implement intergovernmental programs.

Using GPRA to Address Mission Fragmentation and Overlap

While progress has been made by federal agencies in laying a foundation of performance information for existing program activities and structures, the federal government has not realized the full potential of GPRA to address program areas that cut across federal agency boundaries. The government has made strides in this area in recent years. For example, in reviewing agencies' crosscutting plans in the area of wildland fire management, we found that both the Department of the Interior and the Forest Service, within the Department of Agriculture, discussed their joint participation in developing plans and strategies to address the growing threats to our forests and nearby communities from catastrophic wild fires.[12] The Congress could make greater use of agency performance information to identify potential fragmentation, overlap, and duplication among federal programs.

Virtually all of the results that the federal government strives to achieve require the concerted and coordinated efforts of two or more agencies. Our work has shown that mission fragmentation and program overlap are widespread, and that crosscutting federal program efforts are not well coordinated.[13] For example, we have reported that seven federal agencies administer 16 programs that serve the homeless population, with the Department of Housing and Urban Development responsible for most of the funds. We have also frequently commented on the fragmented nature of our food safety system, with responsibility split between the Food Safety and Inspection Service within the Department of Agriculture, the Food and

[12]U.S. General Accounting Office, *Results-Oriented Management: Agency Crosscutting Actions and Plans in Border Control, Flood Mitigation and Insurance, Wetlands, and Wildland Fire Management*, GAO-03-321 (Washington, D.C.: Dec. 20, 2002).

[13]U.S. General Accounting Office, *Managing for Results: Barriers to Interagency Coordination*, GAO/GGD-00-106 (Washington, D.C.: Mar. 29, 2000), and *Managing for Results: Using the Results Act to Address Mission Fragmentation and Program Overlap*, GAO/AIMD-97-146 (Washington, D.C.: Aug. 29, 1997).

Drug Administration within the Department of Health and Human Services, and 10 other federal agencies.

Crosscutting program areas that are not effectively coordinated waste scarce funds, confuse and frustrate program customers, and undercut the overall effectiveness of the federal effort. GPRA offers a structured and governmentwide means for rationalizing these crosscutting efforts. The strategic, annual, and governmentwide performance planning processes under GPRA provide opportunities for each agency to ensure that its goals for crosscutting programs complement those of other agencies; program strategies are mutually reinforcing; and, as appropriate, common performance measures are used. If GPRA is effectively implemented, the governmentwide performance plan and the agencies' annual performance plans and reports should provide the Congress with information on agencies and programs addressing similar results. Once these programs are identified, the Congress can consider the associated policy, management, and performance implications of crosscutting programs as part of its oversight of the executive branch.

Using Performance Information to Inform the Allocation of Resources

A key objective of GPRA is to help the Congress, OMB, and other executive agencies develop a clearer understanding of what is being achieved in relation to what is being spent. Linking planned performance with budget requests and financial reports is an essential step in building a culture of performance management. Such an alignment infuses performance concerns into budgetary deliberations, prompting agencies to reassess their performance goals and strategies and to more clearly understand the cost of performance. For the fiscal year 2005 budget process, OMB called for agencies to prepare a performance budget that can be used for the annual performance plan required by GPRA.

Credible outcome-based performance information is absolutely critical to fostering the kind of debate that is needed. Linking performance information to budgeting carries great potential to improve the budget debate by changing the kinds of questions and information available to decision makers. However, performance information will not provide mechanistic answers for budget decisions, nor can performance data eliminate the need for considered judgment and political choice. If budget decisions are to be based in part on performance data, the integrity, credibility, and quality of these data and related analyses become more important. Moreover, in seeking to link resources to results, it will be

necessary to improve the government's capacity to account for and measure the total costs of federal programs and activities.

GPRA expanded the supply of performance information generated by federal agencies. OMB's Program Assessment Rating Tool (PART) proposes to build on GPRA by improving the demand for results-oriented information in the budget. It has the potential to promote a more explicit discussion and debate between OMB, the agencies, and the Congress about the performance of selected programs. Presumably, PART will identify expectation gaps, questions, and areas where further inquiry and analysis would be most useful.

Oversight Is Critical to Achieving Results

Fifty years of past efforts to link resources with results has shown that any successful effort must involve the Congress as a partner. In fact, the administration acknowledged that performance and accountability are shared responsibilities that must involve the Congress. It will only be through the continued attention of the Congress, the administration, and federal agencies that progress can be sustained and, more important, accelerated. Ultimately, the success of GPRA will be reflected in whether and how the Congress uses agency performance information in the congressional budget, appropriations, authorization, and oversight processes. As a key user of performance information, the Congress also needs to be considered a partner in shaping agency goals at the outset.

More generally, effective congressional oversight can help improve federal performance by examining the program structures agencies use to deliver products and services to ensure that the best, most cost-effective mix of strategies is in place to meet agency and national goals. As part of this oversight, the Congress should consider the associated policy, management, and policy implications of crosscutting programs.

Options for Strengthening GPRA

Information produced in response to GPRA can be useful for congressional oversight as well as program management. As I have testified before, there are several ways that GPRA could be enhanced to provide better governmentwide information.

First, there are many users of agencies' performance information—the Congress, the public, and the agency itself. One size does not fit all. To improve the prospect that agency performance information will be useful

to and used by these different users, agencies need to consider the different information needs and how to best tailor their performance information to meet those needs. This might entail the preparation of simplified and streamlined plans and reports for the Congress and other external users.

Second, we have previously reported that GPRA could provide a tool to reexamine federal government roles and structures governmentwide. GPRA requires the President to include in his annual budget submission a federal government performance plan. The Congress intended that this plan provide a "single cohesive picture of the annual performance goals for the fiscal year." The governmentwide performance plan could help the Congress and the executive branch address critical federal performance and management issues, including redundancy and other inefficiencies in how we do business. It could also provide a framework for any restructuring efforts. Unfortunately, this provision has not been fully implemented.

If the governmentwide performance plan were fully implemented, it could also provide a framework for congressional oversight. For example, in recent years, OMB has begun to develop common measures for similar programs, such as job training. By focusing on broad goals and objectives, oversight could more effectively cut across organization, program, and other traditional boundaries. Such oversight might also cut across existing committee boundaries, which suggests that the Congress may benefit from using specialized mechanisms to perform oversight (i.e., joint hearings and special committees).

Third, a strategic plan for the federal government, along with key national indicators to assess the government's performance, could provide an additional tool for governmentwide reexamination of existing programs, as well as proposals for new programs. If fully developed, a governmentwide strategic plan can potentially provide a cohesive perspective on the long-term goals of the federal government and provide a much needed basis for fully integrating, rather than merely coordinating, a wide array of federal activities. Successful strategic planning requires the involvement of key stakeholders. Thus, it could serve as a mechanism for building consensus. Further, it could provide a vehicle for the President to articulate long-term goals and a road map for achieving them. In addition, a strategic plan can provide a more comprehensive framework for considering organizational changes and making resource decisions. In addition to the annual budget resolution on funds, the Congress could also have a performance resolution that specifies performance expectations.

Developing a strategic plan for the federal government would be an important first step in articulating the role, goals, and objectives of the federal government. It could help provide critical horizontal and vertical linkages. Horizontally, it could integrate and foster synergies among components of the federal government as well as help to clarify the role of the federal government vis-a-vis other sectors of our society. Vertically, it could provide a framework of federal missions and goals within which individual federal agencies could align their own missions and goals that would cascade down to individual employees. It also could link to a set of key national performance indicators.

A set of key national indicators could also help to assess the overall position and progress of our nation in key areas, frame strategic issues, support public choices, and enhance accountability. Developing a key national indicator system goes beyond any one sector (e.g., public, private, or nonprofit). It requires designing and executing a process whereby diverse elements of society can participate in formulating key questions and choosing indicators in a way that increases consensus over time. Such a system will take time to develop. The federal government is an important and vital player in establishing such indicators.[14]

Fourth, the traditional oversight that the Congress provides to individual organizations, programs, and activities has an important role in eliminating redundancy and inefficiencies. Important benefits can be achieved through focused oversight if the right questions are asked about performance and management. Six key questions for program oversight are as follows:

- Does the program make sense given 21st century trends and challenges, including whether it is appropriate as an initiative of the federal government?
- Are there clear performance goals, measures, and data with which to track progress? Is the program achieving its goals? If not, why not?
- Does the program duplicate or even work at cross purposes with related programs and tools?

[14]U.S. General Accounting Office, *Forum on Key National Indicators: Assessing the Nation's Position and Progress*, GAO-03-672SP (Washington, D.C.: May 1, 2003).

- Is the program targeted properly?
- Is the program financially sustainable and are there opportunities for instituting appropriate cost-sharing and recovery mechanisms?
- Can the program be made more efficient through reengineering or streamlining processes or restructuring organizational roles and responsibilities?

Fifth, creating the results-oriented cultures needed to make GPRA a useful management tool depends on committed, top-level leadership and sustained attention to management issues. A chief operating officer (COO) could provide the sustained management attention essential for addressing key infrastructure and stewardship issues and could facilitate the transformation process. Establishing a COO position in selected federal agencies could provide a number of benefits. A COO would be the focal point for elevating attention on management issues and transformational change, integrating various key management and transformation efforts, and instituting accountability for addressing management issues and leading transformational change. A COO would provide a single organizational position for key management functions, such as human capital, financial management, information technology, acquisition management, and performance management as well as for transformational change initiatives. To be successful, in many cases, a COO will need to be among an agency's top leadership (e.g., deputy secretary or under secretary). However, consistent with the desire to integrate responsibilities, the creation of a senior management position needs to be considered with careful regard to existing positions and responsibilities so that it does not result in unnecessary "layering" at an agency. Consideration also should be given to providing a term appointment, such as a 5—7 year term. A term appointment would provide sustained leadership. No matter how the positions are structured, it is critical that the people appointed to these positions have proven track records in similar positions and be vested with sufficient authority to achieve results. To further clarify expectations and responsibilities, the COO should be subject to a clearly defined, results-oriented performance contract with appropriate incentives, rewards, and accountability mechanisms. For selected agencies, a COO should be subject to a Senate confirmation. In creating such a position, the Congress might consider making certain subordinate positions, such as the chief financial officer, not subject to Senate confirmation.

Concluding Remarks

In view of the broad trends and long-term fiscal challenges facing the nation, there is a need to consider how the Congress, OMB, and executive agencies can make better use of GPRA's planning and accountability framework to maximize the performance of not only individual programs and agencies but also the federal government as whole in addressing these challenges. The Congress can play a vital role in increasing the demand for such performance information by monitoring agencies' performance results, asking critical questions about goals not achieved, and considering whether adjustments are needed to maximize performance in the future. The large and growing fiscal gap means that tough, difficult choices will have to be made. Doing nothing is not an option. The Congress and the administration will need to use every tool at their disposal to address these challenges. In addressing these challenges, it will be important to set clear goals, involve all key players, and establish viable processes that will lead to positive results. Credible, timely, results-oriented performance information will be vital to this decisionmaking.

Mr. Chairman, this concludes my prepared statement. We in GAO take our responsibility to assist in these crucial efforts very seriously. I would be pleased to respond to any questions that you or other Members of the Committee may have.

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Chairman TOM DAVIS. Pat McGinnis is here. Thanks. You made it through the heavy traffic. I'm just kidding.

Ms. MCGINNIS. Thank you. Yeah, the heavy traffic.

Chairman TOM DAVIS. Will you rise with me and raise your right hand.

[Witness sworn.]

Chairman TOM DAVIS. Thanks for being with us this morning. We appreciate all that your organization has done and look forward to your perspective on this.

Ms. MCGINNIS. Thank you very much, and I also want to thank Congressman Armey for his leadership on this issue. When you talk about the Congress's lack of interest, your leadership really stands out over the years, and I hope that will be a legacy that will come alive even more. And thank you, Chairman Davis, for focusing on how we are doing with the Government Performance and Results Act and stepping back to think about how it might be improved.

As you know, and everyone here who we've worked with, the Council for Excellence in Government is a nonprofit, nonpartisan organization, and we have two goals: improving the performance of government and improving the public's trust and participation in government. Those two goals are intimately related, and both are quite connected to the Government Performance and Results Act.

I do not think that the potential, the intent of this act has yet been fully realized, although a lot of progress has been made. And when you read the statute, this—actually, this probably should get an award for one of the most readable statutes ever enacted, because it makes so much sense. I mean, it really lays out a commonsense way of approaching goal setting, management and accountability. If it does realize its potential, it's not only a tool for managers and funders but also a tool for the American people to hold their government accountable. So the stakes are high here, and making it work is very important.

The law was enacted, there was a very much—a phased approach to implementing it, and that made a lot of sense in terms of changing the culture, changing the practice. But, unfortunately, I don't think it has been accompanied by strong enough leadership either in the executive branch or outside this committee and the Senate Committee on Governmental Affairs in the Congress, especially in the authorizing, appropriation and tax-writing committees. We just have not seen this embraced as a valuable tool to make decisions about program design and funding. So on a governmentwide basis—and the Comptroller General has noted some of the agencies that have done a terrific job with their strategic planning, but if you look at it governmentwide, we have not achieved the potential by any means.

I want to say a word about the President's Management Agenda and the PART, because I think that this reflects a real seriousness by this administration about not only setting goals but measuring performance and, even more importantly, connecting that measurement of performance to budget decisions. I mean, that's where you see the seriousness of this, in the fact that budget and performance integration is at the center of the President's Management Agenda. Then when you look at the PART, which came along a year later,

you see again seriousness and commitment to looking at how these programs are doing, what is measurable, where there are gaps in the data—and that's actually a pretty big problem with making this work in the long run and that needs to be attended to. So we do see a seriousness in the executive branch, but I think in the Congress we have not yet seen that except in a few very selected areas. If you ask me what the biggest challenge is now, I would probably point in that direction in terms of leadership and taking this seriously.

This year, for the first time, the Reports Consolidation Act requires agencies to combine their financial reports with performance reports; and this is an amazing opportunity to begin to present to the Congress and the public a meaningful picture of what their tax dollars are being spent for and to explain performance and results in an accessible way. So that is an opportunity that we need to take advantage of through this GPRA framework. As the owners of government, the American people deserve to receive an understandable accounting, and they are not receiving that at this point in an understandable, accessible way.

Let me make some suggestions about improving the statutes. Some of the suggestions I'm going to make will require statutory change. There are other suggestions that could be done without statutory change, but they do require a change in culture, a commitment that is impossible to legislate. But I think, working together, the executive branch, the Congress and many of the other organizations that David Walker mentioned could make this a reality.

One suggestion is that you consider shifting the strategic plan cycle from every 3 years to every 4 years to conform to the Presidential terms. The plan should be required at the same time the first full budget is released in February of the year following inauguration. All agencies should have to produce new strategic plans that are consistent with the new President's policies and budget. Also, we suggest requiring the program goals, measures and performance data reported in the plans and performance reports to be consistent with those in the President's budget.

Then addressing the Congress—and this requires I believe rule changes or at least changes in practice—we would suggest that each appropriation act specify the goals, measures and performance data it's based on and identify the gaps and the need for additional information. This would create a constructive conversation on these key issues in the funding process. Similarly, we would suggest that every significant program authorization tax expenditure provision and mandatory spending provision specify the goals and performance measures expected to be used to judge whether statutory purposes are being achieved.

Also, we would—and this is a really important point in our view—the absence of sufficient rigorous evaluation of what approaches in government programs are actually working to produce results. The Government Performance and Results Act does mention evaluation and requires a listing in the plans and reports of evaluations that are scheduled or under way, but I think it might make sense to go a little further than that and in fact require every large-scale authorization, tax expenditure and mandatory spending

provision to include funding for long-term, rigorous evaluation of results.

In many cases where programs are not working well in the Federal Government, it's not because they aren't intended for the right purposes or for the right audiences; it's because we simply don't know what approach works better than another approach because we haven't evaluated it rigorously. And you all are familiar with an example of that in the DARE Program, which has been one of the most popular drug abuse education programs across the country for years. Once it was rigorously evaluated, guess what? We found out that it didn't really make any difference. So that program is being redesigned and changed. It's not that you wouldn't fund that effort, it's that you would want to fund an approach that would actually work.

So investing in evaluation and holding the program designers and funders accountable for that is really for important. Every appropriation act should have to provide an annual amount for such an evaluation consistent with the assessment of what the particular program needs are. These studies are expensive, they are complicated, and they are time consuming; and, as you know, they are often resisted by program advocates because sometimes it's tough to find out that the approach that you've been advocating doesn't really work. But this is a serious issue, and it really is at the heart of trust in government. The people around the country are seeing huge amounts of money spent on programs for purposes that they agree with, but I think we are not seeing the results, the return on that investment, and we need to understand that better. Also, we would suggest requiring the annual integrated performance and financial reports again not only to list the evaluations but to report the status of the evaluations for each goal and how those findings are used to assess programs in meeting the goals and how program direction has changed as a result of that.

Another suggestion we would make relates to something that David Walker said, and that is taking a cross-cutting look at how programs together that are intended—that have similar purposes—are performing. So we would suggest requiring that strategic and annual plans and performance reports that address similar programs and multiple agencies be developed collaboratively by those agencies, identifying cumulative effect and spotlighting the overlap and unproductive duplication. And, where appropriate, it would make sense to also require the plans and reports to specify how related State and local government and private and nonprofit sector activity are taken into account by these programs.

Again, it's hard to legislate changes in thinking and many changes in commitment and behavior, but GPRA is an essential and important framework for effective planning and management, and it's also essential for the public to figure out what government's doing and how well it's doing. So we appreciate your leadership and look forward to working with you to make this more robust and powerful.

Chairman TOM DAVIS. Thank you very much.

[The prepared statement of Ms. McGinnis follows:]

Testimony of Patricia McGinnis, President and CEO, The Council for Excellence in Government

Before

The Committee on Government Reform
U.S. House of Representatives

September 18, 2003

Mr. Chairman, members of the Committee, thank you for this opportunity to join you today in an assessment of the Government Performance and Results Act on the tenth anniversary of its passage.

The Council for Excellence in Government, whose 20th anniversary will be celebrated later this year, is a non-profit, non-partisan organization of over 700 former government officials dedicated to two goals, which are strongly related: improving the performance of government and improving public trust and participation in government. We firmly believe that the people's trust in government will increase as they see their government working hard to improve the quality of its services and its responsiveness to their concerns. Among GPRA's potential value has always been the opportunities it offers for government agencies to explain what they have achieved compared to their goals, as a tool to design and manage programs

more effectively, and as a way for the American people to hold their government accountable for important results.

It will probably not surprise you to learn that I find that the record of the actual, vs. potential impact of the Act to date is highly mixed. Strategic planning, managing for results and performance measurement is a priority for many in the Executive Branch, as evidenced by the work on the President' Management Agenda. But, unfortunately, there is little evidence that Congress values or uses the performance and results and information in the authorization or funding of programs. The value and use by the public is certainly not robust. I will expand briefly on each of these points, then close with a few recommendations for improvement.

The record to date

The Government Performance and Results Act is simple, straight forward and makes a lot of sense. It sounds good but the measure of its true impact must turn on the quality of its implementation, management and use over time.

GPRA was preceded by many, many Executive Branch initiated, results-focused management initiatives, dating back at least to the Hoover Commission report of 1950, through President Johnson's Program-Planning-Budgeting System, President Nixon's Management by Objectives, President Carter's Zero-Based Budgeting, and President Reagan's Grace Commission, and was accompanied by President Clinton's National Performance Review. Virtually all these efforts shared some common goals with GPRA:

- The focus on results
- Goal setting and performance planning
- Improving government effectiveness and efficiency
- Reporting performance to the public
- Improving resource allocation, program design, and program management decisions
- Increased use of high quality program evaluation.

Implementation of each initiative was flawed in various ways, but more importantly, each was short-lived, limited by the propensity to re-create such initiatives in new forms with each new administration. The important difference for GPRA is its statutory base, offering the possibility of continuity and use by both the Executive Branch and the Congress.

Continuity and persistent effort are central to the likelihood of success for management improvements in an enterprise as complex and diverse as the federal government. In the words of General H.M. Lord, Director of the Bureau of Budget, speaking of the reforms embodied in the Budget and Accounting Act of 1922:

> "It must be remembered that the [Act] is not in itself a magic wand that will wave out all the faulty procedures and beckon in the financial millennium. Habits, customs, regulations, laws that the passage of more than a hundred years has built into the very machinery of government cannot be eradicated overnight... it must be a continuing process that will require years of patient, persistent and courageous endeavor."

Those words could have been said as well of GPRA in 1993.

In ten years GPRA has not achieved its intent or its potential. The slow pace of initial implementation allowed time for change in practice and thinking to develop, which is not a bad thing. But it was not accompanied by strong leadership in the Executive Branch nor, outside this committee and your Senate counterpart, by strong interest in Congress, particularly from authorizing, appropriating, and tax writing committees. Too often, the GPRA process was delegated down the line and was not strategically connected to other dimensions of excellent management, such as budgeting, financial management and human resources.

There have been some important gains in individual agencies in the quality of plans and annual performance reports, and change in some agencies in the way they manage against performance goals.

GPRA is supported and advantaged by the efforts of two non-government groups, the Mercatus Center at George Mason University, and the Association of Government Accountants, who annually assess and report publicly on aspects of the quality of agency performance reports. Congress's mainstay in this effort, in addition to the work of this Committee and your partner in the Senate, has been the work of the General Accounting Office, which has consistently drawn attention to the quality of the GPRA processes in agencies and the substantive value of plans and reports.

Nevertheless, on a government-wide basis, my impression is that GPRA has not had the big impact its authors hoped for.

The President's Management Agenda

In the summer of 2001, President Bush promulgated his management agenda, featuring "Budget and Performance Integration" as one of five

central elements for government improvement. Inclusion of that element, with its standards and scorecard ratings, gives real government-wide impetus for the first time to the principles of GPRA.

In the Spring of 2002, the Administration followed this with the introduction of the Program Assessment Rating Tool (PART). PART is the systematic aggregation of what is known about individual programs in terms of their goals, measures and results. It is being applied incrementally, reaching 40% of programs with the FY 2005 Budget to be released early next year. Most importantly, PART formats are published annually for all to see and critique.

The PMA and PART are not an overlay to government processes, as were their Executive Branch results-based predecessors. They are meant to change the institutional process for program design and resource allocation decision-making by making the use of performance information central to the process and most importantly, making the information used transparent to and accessible by the Congress and the public. The Administration is implementing PMA and PART through OMB, making the link to the decision-making processes direct and forceful.

Nobody would be so naïve as to assert that all decisions should flow solely from what we know of program performance. However, as these budget and performance initiatives mature, and as they give steadily increasing meaning to GPRA's planning and reporting requirements, I believe we will see a much more robust debate around the merits of decisions as informed by the best possible information on results.

This year for the first time, the Reports Consolidation Act requires agencies to combine financial reports with the annual performance reports required by the Government Performance and Accountability Act. The integration of performance data and financial data across all departments can now, for the first time, begin to present to the public a meaningful picture of what their tax dollars are being spent for, and explain performance and results in an accessible format.

As the owners of government, the American people deserve to receive an understandable accounting, a meaningful annual report, of how their agencies are doing and the return on their investment, in the short term and in the long term. The challenge is to provide often complex information in an easy to use format.

What statutory changes would enhance GPRA goals

The current Administration is taking the key step administratively. It is beginning to show how it applies performance information to its decision-making processes. As importantly, we are increasingly seeing federal agencies changing their internal program management and decision-making processes in similar ways. I don't think you can legislate this – GPRA without this Executive Branch commitment did not make much difference. But you can do a few things to make the process better in the Executive Branch and to enhance the likelihood of Congressional participation.

- Shift the Strategic Plan cycle from every three to every four years to conform to Presidential terms. The plan should be required at the same time the first full budget is released in February of the year following inauguration. No President is likely to fully adopt the plans and commitments of his predecessor, even when of the same party. All agencies should have to produce new Strategic Plans consistent with the new President's policies and budget.
- Require the program goals, measures, and performance data reported in GRPA plans and performance reports to be consistent with those in

the President's Budget, and through conforming House and Senate rules, require each Appropriation Act to specify the goals, measures, and performance data it is based on and to identify the gaps and need for additional information. This would certainly draw attention to goals and measures and data, create a constructive conversation on these issues in the funding process.

- Similarly, require every significant program authorization, tax expenditure provision, and mandatory spending provision to specify the goals and performance measures expected to be used to judge whether statutory purposes are being achieved.

On these last two points, I must caution that you need to focus on outcome goals and measures, not solely on short term process or output measures. While valid in some settings, those short term process and output measures cannot substitute for end results or net impact. This would enhance the public's interest in and use of performance reports to hold government accountable for important results.

- Require every large scale authorization, tax expenditure and mandatory spending provision to include funding for long term

rigorous evaluation of results. I also believe every appropriation act should have to provide an annual amount for such evaluation consistent with an assessment of what the particular program needs. These studies are expensive, complex, and time consuming and often profoundly resisted by program advocates, but they are essential to support a serious commitment to raising the quality of government performance.

- Require the annual integrated GPRA and financial reports to not only list evaluations planned or underway, but to report the status of evaluations for each goal and how evaluation findings are used to assess progress in meeting the goals and change program direction and management.
- Finally, require strategic and annual plans and annual performance reports addressing similar programs in multiple agencies to be developed collaboratively by those agencies, with particular attention to identifying cumulative effect and spotlighting potential overlap and unproductive duplication. Where appropriate, also require the plans and reports to specify how related state and local government, and private and non-profit sector activity are taken into account by these programs.

Conclusion

No law can make anyone plan or manage well or use performance data effectively. No law can make the media or the public pay attention to this information. GPRA is an essential and important framework for effective planning and management, and for the public to figure out what government is doing and how well it is doing it.

GPRA made a good start. The Administration's initiatives have given the GPRA framework new life in the Executive Branch. Hearings like this and the work your committee does during the year can continue to spotlight the issues and draw attention to successes and areas needing improvement.

We at the Council look forward to working with you to develop and implement the changes necessary to realize the potential of GPRA for the designers, managers and funders of federal programs and for the owners – the American People.

Thank you.

Chairman TOM DAVIS. We have been joined by Representative Platts who chairs the subcommittee with jurisdiction over GPRA. I just want to thank his staff for helping us set this hearing up today, and I know he wants you to come before him again.

I don't think we can talk about these issues too much, and, judging from the testimony, we need a greater awareness in Congress and among the public about what valuable tools they can be if employed properly. I think John F. Kennedy said that we campaign in poetry and we govern in prose; and we are today talking about the prose of governance, the footnotes, the details, the decimal points that can make or break programs.

You know, if good intentions and good will and dollars could solve our problems, we would have solved them a long time ago, but public policy is very tough. But like the DARE program and all the T-shirts and hats and everything that were handed out—I was there at a lot of the rallies—if they are not working, it's up to us sometimes to have an honest evaluation, even to stand up to interest groups who have vested interests in programs and take an honest appraisal of what works.

We had this problem with the District of Columbia schools last week. Mr. Armey, you for years have championed the voucher program, and I've been a reluctant supporter. We passed it again in the House this year and have received surprising support from people like Senator Lieberman and Senator Feinstein who said, "Look, we believe in public schools first, but if the programs aren't working we need to look at new things." It's hard sometimes getting through interest groups and everything else to have an honest appraisal, but that's what GPRA is designed to do.

I'm touched by the fact that I think everyone touched on in their testimony, the difficulty between the "awareness" of accountability and the ability to transform results in the Appropriations Committee and other committees in Congress where we can probably have the most effect. I think one of the difficulties of that is the role that interest groups and local constituencies play in terms of getting government's largess and help on their programs and the difficulty we have sometimes in sorting through that for the taxpayers' benefits. So we've got a lot of questions I want to move through.

Just one other quick anecdote is, when Rudy Guiliani was elected mayor of New York, he'd hold these town meetings throughout the city, and the No. 1 request he'd get at these town meetings is for stop signs through neighborhoods, people running traffic and what this did to the old people, the elderly and the kids and everybody else. He'd go back to Gracie Mansion and he'd dictate a memo and they'd come out and they'd do the engineering studies to see if it met the international traffic warrants for signage. And of course they never got a stop sign. He'd go back the next year and they'd say, where is the stop sign, Rudy? So he finally got the joke and he would go out there and he would load his trunk up with stop signs in his car. They'd talk about a stop sign and the need for it in detail and he'd pull the stop sign out there and give it to them. It's the difference sometimes between a process-oriented government, in which it's very difficult to get anything done, and a results-oriented government; the difference between getting a thoroughbred and getting a camel.

There's, of course, a need for process in government, for openness, for transparency. These are the things we rely on government to do. By its nature, we're probably less efficient than the private sector. But, at the same time, sometimes just the process drives the outcome, and the result is negative for taxpayers and for the people we are trying to help.

Let me start with the former majority leader. Mr. Armey, what do you think? Mr. Armey also has a Ph.D. in economics. He actually had a career before he got into politics and a lot of knowledge on these issues. How do we translate the promise of GPRA to the appropriations and the tax-writing committees where it can really have clout? That's where the big dollars are, it seems to me. And, politically, how do you get through this maze of interest groups and local constituencies and so on that weigh the other way in the process? Any idea?

Mr. ARMEY. I appreciate you asking me that, Mr. Chairman. And I want to appreciate what Ms. McGinnis and Mr. Walker said regarding our committees, because it was a terrible frustration with me.

And if I can again take a moment to take a—remember with fondness Virginia Thomas, bless her heart. Virginia Thomas was a member of my staff who I dedicated to this task. And, basically, Virginia and I, what we tried to do is create a symbiosis between the authorizers and the appropriators with this committee and its jurisdiction, sort of a foundation on the whole question of oversight.

I look back on the now 10 years—almost 10 years of the Republican majority, and if there is a skill set that this Republican majority has not yet attained well, it's oversight. I have to say, by the time I got here the Democrats were in their 30th year of their majority, uninterrupted majority. And, as I said earlier, Jack Brooks was my first observed, and they had developed an oversight skill set. I would say that between Jack Brooks and John Dingell it was perfected, perfected to the terror of agency heads that were called before the committees.

Oversight doesn't have to be a terrifying process, but it should be a rigorous process. The appropriators seem to have fairly good skills on oversight, but they target the oversight more or less at the money and at appropriators—what should I say—focused attention sometimes parochially. But when they—when the appropriators do oversight, they achieve a level of rigor and thoroughness. I just don't think they have ever really got in the spirit of seeing how they could coordinate their oversight leverage, which is, of course, the power of the purse, to our efforts to implement the Results Act; and I think that can be encouraged. We tried to encourage that.

The authorizing committees for the most part I believe in this body have never achieved a very high level of skill in oversight, nor do I think they devoted much attention or interest in it as a general rule. When we tried to encourage greater interest, it was the authorizers. Basically, the effort that I got——

I remember one very sensational meeting with somebody singing the song Devil With A Blue Dress On to Virginia Thomas, who I believe never wore a blue dress to a meeting again after that. Because, quite frankly, she was a woman of fairly assertive personal-

ity, as well she should have been in that instance, and it was met with some unkind resistance.

Chairman TOM DAVIS. Well, let me ask a question.

Mr. ARMEY. If I may continue.

Chairman TOM DAVIS. Sure. You bet.

Mr. ARMEY. The appropriators' attitude was, we know how to do oversight and we do it better than anybody else around here, so we need no encouragement or any instruction. The authorizers basically said, that's not our business, we don't do that. And that has been the problem we have fought.

Now—I'm sorry.

Chairman TOM DAVIS. No. I think one of the difficulties has been that you get a popular program up, and Ms. McGinnis talked about the DARE program, but it's everything from student loans to lunches and everything else, and there are studies that show maybe it's not the most efficient way to deliver it. Members are asked to look at—we just had a big vote on Head Start, and I don't want to get into the politics of that in terms of maybe doing it a little more efficiently, and all of a sudden Members end up getting targeted by groups with interest in the program even though there may be a more efficient way to deliver it, and it becomes political hot potatoes. I mean, on Members this puts a lot of pressure to change things, because every program once it's passed gets a constituency, and that's why there's nothing closer to eternal life than a government program once it's created constituencies. And you start changes, and I saw it in my first reelection: "Congressman Davis voted against this and against that"—I just voted for a different way to do it based on some studies. But there is a huge reluctance, a big inertia factor.

I see Mr. Walker with his hand up.

Mr. WALKER. Mr. Chairman, several of us talked about the issue of cultural transformation. That's really what we are talking about here. I mean, we are talking about a cultural transformation on Capitol Hill. The executive branch realistically is going to be ahead of the legislative branch on cultural transformations because it has one chief executive. You now have the President's Management Agenda, you now have the Program Assessment Rating Tool and things that are focused on this. There needs to be a cultural transformation in the legislative branch.

Candidly, my experience in both the public sector, having run two executive branch agencies and now GAO, and having run several lines of business in the private sector, is, before you can have a cultural transformation, you have to have the affected parties recognize that we are on a burning platform—not literally, but figuratively—that the status quo is unacceptable, that the status quo is unsustainable.

In that regard, I gave a speech to the National Press Club talking about changes and challenges. We are on a burning platform. We have to make tough choices. I will provide a copy for your information, and if you think it's worthwhile to put it in the record for this hearing. But the fact of the matter is, these various parties have to be convinced that the status quo is unacceptable, and that we are on an unsustainable path. If that can be done, believe me,

this is a very valuable tool that can be used to try to help make informed judgments in this regard.

Chairman TOM DAVIS. Let me make a comment and get a reaction from all of you. A lot of the innovation we see in State and local governments, these are your laboratories of democracy. But they run on balanced budgets and so they are forced to make changes sometimes in the way they deliver programs, because they have to balance it and they have to either cut a service out altogether or figure out a new, more efficient way to do it. Sometimes we don't face the same pressure here. We just print more money and keep going on. Is that probably one of the differences we see? And how do you instill that discipline?

Mr. WALKER. Well, it is—I mean, the fact of the matter is we don't have a balanced budget requirement. Whether we should or not reasonable people can differ on. We don't have a rating on our debt. We don't have a stock price. So this is a valuable mechanism to be able to demonstrate what kind of resources people are getting, and what kind of results they are generating. But we have a big gap that we have got to close, and we need to use every tool that we can get to help make informed judgments on how to close it.

Mr. ARMEY. And may I also just add a very big component is courage. The fact of the matter is, Congress has in the past created things that have become political sacred cows. I can remember sitting in the Education Committee years ago and marvelling at then Congressman Tom Tauke's courage in saying we ought to measure what real results we're getting from Head Start, and I really expected to see the ceiling come down on the poor man. But the fact that he dared to say we ought to have an objective measure of the real results of a sacred cow was a source of quite a bit of encouragement. I was fully aware that Tom Tauke, being from the more moderate wing of our party, had more license to say that than I did. Had I said it, the roof would have come down. But Tom at least was able to pose the question.

Now, once the question is posed, then people must step forward and say, you can't expect the agency to take that initiative. They don't have the responsibility to the public interest that the elected official has. Until we can obtain the courage out of Members of Congress, we will not get objective measures, programs, perhaps some longstanding, and large costs that really do not indeed deliver the results. Does Head Start do that? I don't know. I know that one time I heard Tom Tauke ask the question. I am not sure I've ever heard it asked since. But I doubt that the measurement has ever taken place.

Chairman TOM DAVIS. Well, I assure you, we had a huge vote on revamping that Mike Castle led the way on, that was very close. And as you say, a lot of issues, and we could stand here today—I'm sure there are different perspectives on the committee, but it has continued to be looked at, not in terms of cutting help to the people we're trying to help, but the best way to deliver it.

Mr. Johnson.

Mr. JOHNSON. I was going to say, one of the things the executive branch and also Congress needs to understand is that performance is not to be feared. I know when we first started talking about the

PART, there was concern in the agencies that, "Oh, a low PART score means funding gets cut and a high PART score means funding gets increased."

A bad performance score for a program, Head Start or adult literacy or a defense program, whatever, should not mean that funding automatically gets dropped, gets lowered, or the program gets dropped. It should mean that we should stop and ask ourselves what was planned, what was intended, what's the definition of success, how successful are we? If we aren't as successful as we intended when we passed the law, what can we do differently? How can we restructure it?

Maybe we're spending too much money, maybe we're spending not enough money. Maybe we need to combine it with this or that, but asking the question, "Is Head Start working?" "Are adult literacy programs working?" It is not to be feared.

Adult literacy programs do not work. I think we like the notion of literate adults. I think that's the business we want to be in. They don't work, so the goal is not to get out of that business; we need to figure out how to better structure programs to help illiterate adults become literate, and it starts with the understanding and belief that performance information, there's nothing automatic about observing and America ensuring and concluding that something does or does not work. The key is, what's the so-what of it, what's the next step that takes place as a result of knowing that.

Chairman TOM DAVIS. Let me ask one other question before I turn the questioning over to Mr. Platts.

It's been suggested by a couple other speakers that maybe instead of 3-year or 5-year performance, we do 4-year so it coincides with each of these administrations. But you were head of Presidential personnel. My experience is, it usually takes the administration a year to get things up and running. As we said, we campaign in poetry, but translating this into prose, it takes a year to get your people in place, to get the programs in place.

The administration is really now up and running on these issues, but for the first couple of years, you're coming in, trying to understand everything to get people in place.

I was wondering if you and Ms. McGinnis could talk about that, because that's one of the concerns I have with trying to coincide with 4 years. We have the same problem with our Governors in Virginia on the budget, so——

Ms. MCGINNIS. What I could just say to start is we are suggesting a 4-year cycle that would begin the year after.

Chairman TOM DAVIS. So you'd give them a year to get up.

Ms. MCGINNIS. You would give that full year, so this would begin with the first full budget that the administration proposed, not 1 month after taking off.

Mr. JOHNSON. Right. But again, those strategic plans are agency wide, and to ask the question, "How is the Interior Department performing, how is housing or HUD performing?" That's almost akin to asking, "How long is a piece of string?" Well, what part of HUD or what part of Interior? And that's one of the things that we're suggesting, that the bulk of the conversation be about individual programs or like programs or types of programs, because you're talking about something with a much more specific ideal,

much more specific target measure performance, and the conversation would be much more targeted and much more focused on the "so-what" of it, what might we do if it's working well, or not working well.

Chairman TOM DAVIS. And even a department could be implementing a program well.

Mr. JOHNSON. Right.

Chairman TOM DAVIS. And the audits look great, but the results are——

Mr. JOHNSON. Right.

Chairman TOM DAVIS. I understand. And then I'm going to turn to Mr. Platts.

Go ahead.

Mr. WALKER. As you probably recall, Mr. Chairman, the GAO does a strategic plan in consultation with Congress; and what we do is similar to what the recommendation is of Ms. McGinnis: We end up updating our plan and publishing it a year after there's a new Congress, the reason being there may or may not be a change of control, but even if there isn't a change of control, now you have term limits on committee chairs and, as a result, there can be some changes in key players even if there isn't a change in control.

So I think the concept of saying, give the Congress, give the administration, the new players, a year has a lot of merit; and I think—every 4 years, I think, has merit as well for the executive branch.

Mr. ARMEY. May I make one final point, Mr. Chairman? There is what I have always thought to be a companion piece to GPRA called the Congressional Review Act, and I think perhaps you might take a leave to encourage to the leadership that the authorizing committees avail themselves of that oversight instrument. This gives them a real stake in the claim, and as I understand it, it goes like this: We wrote the law, it got signed by the President, it got put within the responsibility of your agency, and now we have a duty and an interest in seeing that your implementation of the law is consistent with our intent of the law. This is a very important oversight activity.

My guess is as you can encourage the authorizers to be more involved in the business of oversight, they'll be more willing to complement your activities, and the best way to encourage them to be more involved in the business of oversight is to encourage them to be involved in their own interest, reviewing the implementation of the laws that they themselves created.

Chairman TOM DAVIS. Thank you very much.

Mr. Platts.

Mr. PLATTS. Thank you, Mr. Chairman. And first I'd like to thank you for holding the hearing with Mother Nature, unfortunately, not cooperating with us to allow a broader membership here.

Chairman TOM DAVIS. That's great for you and me, because we get as many questions as we want.

Mr. PLATTS. Right, we get more time. But I do have an opening statement I'll submit for the record.

Chairman TOM DAVIS. Without objection.

[The prepared statement of Hon. Todd Russell Platts follows:]

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Opening Statement
Chairman Todd R. Platts
Committee on Government Reform
September 18, 2003

Mr. Chairman, thank you for holding this hearing today. As Chairman of the Subcommittee on Government Efficiency and Financial Management, implementation of GPRA and PART are of great importance to me and my fellow members of the Subcommittee. I have conducted significant oversight on this topic this year.

As you know, Federal Government appropriations decisions have traditionally been based on three things: (1) the amount of funding that a program received in the previous year, (2) the President's requests, and (3) the policy preferences of Congress. I believe a more appropriate approach, however, is for Congress to focus on whether federal taxpayers are receiving a good return on the investment of their hard-earned dollars. Unfortunately, it is a long-standing and well-documented fact that many agencies are unable to provide substantial, tangible evidence of the benefits the public receives for the money spent.

In an attempt to address this concern, Congress passed the Government Performance and Results Act - known as GPRA or the Results Act in 1993. GPRA seeks to tie the funds an agency receives through the appropriations process to the agency's annual performance results.

GPRA, however, is only as good as the quality of the goals each agency sets for its programs. Building on GPRA, President Bush and his Administration should be applauded for their strong commitment to tying budget decisions to performance and for the development of the Program Assessment Rating Tool or PART. PART was used for the first time this past year, and the PART ratings for 234 Federal programs, representing over 20% of all Federal funding were published in the fiscal year 2004 budget. Another 20% of funding will be evaluated for FY 2005. While PART has the potential to be a very valuable tool for appropriators and others with an interest in the budget process, it is still maturing. I look forward to hearing from our witnesses today and to working with OMB as we seek to ensure the most efficient use of our tax dollars.

Mr. PLATTS. I apologize for my late arrival. I'd also like to thank all of the panelists for being here today and for your work, past and present, on behalf of our fellow citizens.

I guess where I'd like to start is maybe with a question for each of our witnesses. The GPRA kind of set the big picture, and very importantly, that we start looking at performance, and to its great credit—and it goes to the issue that, Mr. Walker, you addressed, the cultural transformation—this administration, President Bush, is trying to have a cultural transformation, in my opinion, in taking GPRA and its big-picture outlook and how to take that to the next level down and the program evaluations with PART.

One of the challenges was going to be—for PART to have any meaningful impact long-term, is that we build every year on basic knowledge; and, you know, this year's appropriations and the 20 percent that are evaluated, we have that, and next we're—we see what happened in response to those evaluations being done.

Apart from the measuring agenda is executive action. How do we make that level of GPRA now become permanent, and is it necessary that we look at codifying PART as an extension of GPRA so we get into that program permanently, not simply because we have an administration today that's making it a priority to look at actual performances of programs.

And, Mr. Armey, maybe we'll start with you.

Mr. ARMEY. Well, it's very difficult. We've talked about that a great deal.

What I had always hoped for during the 8 years that I was privileged to be majority leader was that we would have a unified leadership position. Now, ideally, if you could have that unit through the major leadership offices of Speaker on one side with all of the leadership offices of his caucus and the minority leader with all the leadership offices of their caucus—I'm thinking that Steny Hoyer might do very well to do so with so many agency people in his district. If you could get a unified leadership commitment to effective and thorough oversight, which, I'm sorry to say, I never was able to muster in my 8 years, then I think to a large extent you're trying to effect a cultural change with the committees and the chairmen. And the only instrument I know by which that can be done would be effective—this kind of a unit, I think. You're chairman of this committee, a very popular person. It's very possible, Mr. Davis, that perhaps you could broker that kind of unified commitment. You being a man of far more considerable tact and charm than I exhibited in my efforts, I would expect you might have better luck.

I might also say, though, cultural change does take place when there is a symbiosis of ideas; and just as a thought of encouragement, Mr. Platts, I was sitting here, thinking about your tenure here in Congress. You very likely have very rarely heard the expression "continuing services baseline budget." For the first 10 years I was in Congress, all budgets started on that basis, and the tacit implication was, "We want to make sure we can do next year exactly what we did last year;" and that message just sort of permeated people's attitudes.

Well, what GPRA's about is, "Let's see if we can do something different and better than we did last year;" and now, frankly, we don't budget with that language anymore, and I'm not sure we

budget with that spirit anymore. There's probably a continuing, spirited baseline hangover in the process, but there is not the governing conceptual framework, so change does take place.

The more people that represent the advocacy, are the cheerleaders for it, especially people in high places, the quicker it'll happen, but I do believe this committee can encourage the other committees. I mean, I know this, even during the 8 years that I was here, this committee, I think, kind of got off the oversight track onto a more sensational track, and generally speaking, Republicans got a bloody nose in every effort they ever made. But it became a sense that oversight is not fun, and it is dangerous, and other people developed an aversion to it.

I think Steve demonstrated to a lot of members that you can be recognized and you can be appreciated and you can have success in oversight, and it can be fun. Steve Horn, I think, is a good example for all of us, but this committee can be that good example for the other committees.

Mr. PLATTS. And before we move on, Mr. Leader, I appreciate and share that perspective, and as one who's been given the privilege of succeeding Mr. Horn in his chair of the Government Efficiency Subcommittee, when we've had our oversight hearings and—you know, with various agencies that had a very good dialog between agencies and GAO and personnel there, our committee—one of the things I tried to emphasize is, this isn't a "gotcha" committee approach. We're not looking to generate headlines. We're looking just to have good communications.

So let's say the executive branch is important; GAO officials are there and help us to work as a team. At the end of the day, we really are not spending money because that's the way we spent it for the last 20 years, but we're spending it because it's really benefiting the people of the Nation as it should, and we should be responsible.

Mr. Johnson, if——

Mr. JOHNSON. Is your question things we might do to——

Mr. PLATTS. Well, specifically, it's to take, you know, what the administration is currently doing. And I have some other questions to get into, how that's working in specific—but as one who believes PART is a very positive step, how do we make sure it's a permanently positive step as opposed to just this administration? So should we legislate it as an extension of GPRA, or are there other things we should look at?

Mr. JOHNSON. I think we do need to look for ways to institutionalize results orientation, and I don't know whether it requires legislation or Executive orders or what it takes in terms of the process. I think we can make—the executive branch can make demands on themselves and the things we look at and the things we provide to you, or you could take action, things you require of us.

I know one of the things we have to do. Robert Shea and I used to work with the House and Senate on Governmental Affairs and talked about how we can work with Members of Congress to think through how performance information can be used. And perhaps what we need to be more aggressive about is, let's take some real programs or some sample programs and a variety of different scenarios: We don't know how it works. We do know how it works, and

it's great. We do know how it works, and it's bad. High-profile programs. Low-profile programs.

Maybe it ought to be hypothetical to remove some particular sensitivities to it; sit down with some staffs initially and talk through, "OK, in this situation, what would Congress' approach be? What kind of openness to attacks do they face? What things should the executive branch be doing? What kind of performance changes should we be considering, what type of budgetary, appropriations things should we be considering to develop an understanding of, if and when we had a lot of performance information, how should it be used? And where do we run into political problems, where do we run into getting-it-done problems? Where do we run into labor problems?"

And then, get a larger audience, go to elected Members, work it through with them, so we think through, as opposed to, "here's performance, live with it;" because I'm not sure we know how to do that. I'm not quite sure we know in the executive branch—if we have detailed performance information on every program, I'm not sure we're equipped and have the process in place to really effectively react to that kind of information. And I'll bet the same thing is true of Congress, so maybe we game it out and practice it and think through what the implications are on a small scale before we decide to look broadly.

I think that's why Mitch Daniels and Sean O'Keefe, who originally developed the PART and conceived of doing this over 5 years, were very wise. This is not something you need to rush into, and sometimes the first evaluation of a program is not the best evaluation and you have to think through, "How do you really measure success on some of these hard programs and what are the implications you get back in the answers to these questions," and then take those and try to work out with Congress what the implications are in terms of how we ought to work independently of each other and also together.

Mr. WALKER. Mr. Platts, I would say the first things you ought to do when you're looking at new legislation—what are you trying to accomplish, why do you need it, does it already exist in government, how do you measure success—and try to define those types of things in considering whether or not legislation should be passed and as a critical element of anything that is passed.

And second, I think what you have to do is, you have to recognize, in my opinion, that the Federal Government today is on an absolute, unsustainable path and debate is not OK. We have an amalgamation of programs, policies, functions, and activities over decades, much of which may have made sense when they were created, some of which may still make sense today; others don't, and others may not make sense tomorrow, but because the world has changed dramatically, our position in the world has changed, our fiscal situation is very different. We face a demographic tidal wave. It's not going to go away; it's right on the horizon. Tough choices are going to have to get made.

Now, intellectually, I would say that, understanding that, the primary responsibility ought to be on the executive branch agencies after the law is enacted. They need to be given more guidance of what Congress expects, but the primary responsibility has been the

executive agency. OMB has an important role to play to second-guess whether or not the agencies are doing what they should have been doing in linking resources because the President has to hold them accountable and has to propose budgets.

Congress has to do a lot more in this area because candidly, right now there is little evidence that Congress has any meaningful way to link resources to results—you know, to date. But, intellectually, it's a non-partisan issue to be able to say "We have spent a lot of money on this, we've given a lot of authorities. How are they doing?" I mean, is it working? Is it not working?

And to get the facts, reasonable people can differ on those facts, but you got have have the facts before you can have an honest intellectual argument. But tough choices are going to have to be made by this Congress and by more than just this committee. And this can be a valuable tool, a valuable mechanism, to make it on a more timely and on a more informed basis.

Mr. PLATTS. Ms. McGinnis.

Ms. MCGINNIS. Congressman, I do think that there should be a more explicit and permanent connection between the use of performance information, not only performance information, but the results of rigorous evaluation of program approaches; a more explicit connection between that and program design, which is done largely through the authorization process in Congress, the funding of programs by the appropriators and the management of programs in the executive branch. Changing the GPRA statute could contribute to that, but as I suggested in my testimony, I think it may require some rule changes in the Congress, in the way the appropriations and authorizations legislation are developed.

Let me just add that there is a difference between performance information and the results of rigorous evaluation, and let me see if I can give an example of that, because I think the PART is very effective in putting the focus on the generation of information about performance and using it in budgeting. But if you're looking at a program—adult literacy is the one that Clay Johnson mentioned—if you look at the performance information, you'll see that this program is not producing the intended results.

If you also invest in some long-term evaluation of different approaches with a control group you can begin to see what approaches under the label of "adult literacy" actually work. So we need both, and the fact of the matter is, in addition to making that connection more permanent and more explicit, we need a larger investment in evaluation. I mean, even in the PART process, if you look at it closely, you'll see that the data doesn't exist in a lot of cases where you can't assess performance, given what we have now. So that's another issue that needs to be taken up.

Mr. PLATTS. It certainly sounds like, with agreement on PART and the benefit and the direction you're heading—but perhaps we're premature—as to whether we should codify PART in GPRA; and the sense of this being, first, 20 percent and how we're actually going to use PART because of the—maybe the concern that GPRA is a paperwork exercise. But we're not really using GPRA as effectively, you know, today as we could be, and perhaps our focus should be really about getting more into where GPRA allows us to go and not necessarily move forward with just creating a new law

that makes it look like we're creating a new law, but really not using the tools we have.

Mr. Walker, do you have a thought?

Mr. WALKER. You may not have been here when I spoke before.

Other than this committee and Senate Governmental Affairs, there is not much activity in using the information that's already there. The executive branch is on the case. Some agencies are doing better than others. The administration is taking this very seriously.

The real work that needs to be done, quite frankly, is the Congress has to come up the curve. The Congress has a long way to go in coming up on this issue, and this is a nonpartisan issue. It really doesn't make a difference what party's in charge.

Chairman TOM DAVIS. If you'll yield just 1 second, that's a pretty brave statement for a man who reports to Congress and not the administration, but——

Mr. ARMEY. And if I may, I'd like to second that, and I'd like to again——

Chairman TOM DAVIS. Since you don't have to run for leader anymore, you can say whatever you want.

Mr. ARMEY. I can.

But if I may go back, this legislation was created in 1993 with a Democratic Congress and a Democratic President. There is no partisan purpose here, and it is something—we ought to be able to put partisanship aside. If the goals and objectives of legislation are heartfelt and precious, like Head Start, all the more reason Congress would take on the responsibilities of seeing to it that we get every bit of value for our dollar commitment to that program and all the more remiss we are if we do not do the appropriate oversight.

Mr. PLATTS. But I think you captured what Mr. Walker was talking about when we created a new program, and I think it goes hand in hand with reauthorizing existing programs. And I forget the gentleman from New Zealand, Mr. McKee, that we had before our subcommittee and he talked from his own experience, you know, in legislative work in New Zealand, and he asked those questions. He has a list of questions that he goes through and whether you should even begin a program.

And I think so often what our focus is, whether it's Head Start and preschool or early ed issues, whether it's literacy, our focus here in Congress becomes the program instead of the service we're trying to provide, and that gets to his comments and, Mr. Walker, yours today, that the focus is—we can agree with what we want to do, using Head Start, needy children who are not getting the benefits; that we're going to make sure they're the best citizens they can be, whether it be reading, whether it be other social service needs.

But our focus is on that preliminary existence as opposed to, "Is there a better way." Maybe there isn't, but we need to focus on how to make that program better.

You're right. I think Congress is, in my short time here, coming on 3 years, our focus is on the existing programs, not is there a better way, but what to do with this program.

I do have a followup, Ms. McGinnis, on your suggestion regarding, perhaps, rule changes in Congress. Is one that you envision—and my appropriating friends will cringe when I make this suggestion, if this is what you meant by that was the example of unauthorized appropriations, so that something that's not worked its way through the authorizing committee and through the process just gets right into the appropriations bill and is funding something that's really not had the additional scrutiny. Is that the type of rule change you envision?

Ms. MCGINNIS. Actually, that's not one I addressed, although that's an important issue.

What I had suggested was that every appropriation act have to set out the specific use of goals and performance data in coming up with the funding, and identify gaps in that data, so that you basically are changing the practice of using performance information in making funding decisions and explaining how it's been used.

Same thing with authorizers in the design of programs, but having this process be more connected to actual results and the promise of results is really, I think, a theme that we're all hitting on, and it really gets to the accountability and lack of trust of the American people in their government fundamentally.

Mr. PLATTS. I have some followup, Mr. Chairman, but I yield back.

Chairman TOM DAVIS. Go ahead, Mr. Johnson. You can go ahead.

Mr. PLATTS. Sure.

Mr. JOHNSON. Just one comment. Do we need a bill or do we need something to codify? I don't think we need any bills or legislation to institutionalize any of this yet. We're in only the second year of evaluating specific programs, so we're in the first year of following up on the "so-what" of it. If this program doesn't work, what do we do about it.

It strikes me that the responsibility should be in the executive branch to take performance information we have now from the 40 percent of the programs that have been evaluated and use that information to inform our recommendations to Congress, budget recommendations.

The responsibility should be ours to make that and to base as many of our decisions, as many of our recommendations as possible, based on whether the program works or not; and there are other political considerations and opportunities and so forth, but make sure we are referencing performance information at every turn. It would then pass to Congress to actually pay attention to it.

A lot of what we hear now is, don't even bother to send us that performance information or send it to us in a separate document if you want, if you need to.

Somehow, again, Congress or the executive branch—very brave of David to make these comments about Congress, better he than I, but Congress has to, one, be willing to pay attention to that; and there's no automatic if this is the performance, this is the assessment we automatically do that. There is no automatic anything; it is an indicator that they have to be open to at least consider the potential relevance of performance information, and they are not

now so, if we do our part, then Congress needs to be challenged to do their part.

Mr. PLATTS. Mr. Johnson, that kind of leads me to my next question, which is the relationship and how the interactions occur between OMB and the agencies regarding the program evaluations and taking the first 20 percent where we had just—over 50 percent saying the result's not demonstrated. I mean, it wasn't a good picture. So with those 100 and/or, I guess, 234 programs specifically, what is the OMB doing in response to that information now, going into the next year, and how is that refining perhaps your next 20 percent at each stage?

Mr. JOHNSON. For the programs for which there are—it's not clear. Some of these things are very hard to measure, and it never dawned on anybody when these programs were created whether they would work or not, so—how you measure things like, "are we doing a good job of managing the drug situation in the United States or adult literacy"—so we're looking for spending more time paying attention to how do you measure performance, how do you measure success. And then we're paying attention to the quality and aggressiveness on followup, on the recommended next steps that came out of that. So we're in the first year of that followup, and we're working with agencies to make sure there is a process in place with these agencies.

We've invested the time to assess whether the program works or not. We decided that the recommended course of action and a lot of our assessment is to change this, to combine it with that, to drop this, to more funding, less funding, to look for better performance measures. All right, that was 12 months ago. Where are we? What is the quality and the aggressiveness of the followup? Who is responsible for it, and so forth? And we're in the process now of trying to establish those processes with the agencies.

We also have learned more about the quality of the assessment. We've gone back and analyzed past PART ratings and determined that there is some inconsistency with some of the ratings, and so we're trying to make OMB examiners and the people in the agencies better at more uniformly and consistently evaluating these programs. So we're trying to make sure the quality assessment is better, and we're trying to make sure the quality and the aggressiveness of the followup is there, because if there is no "so-what," if there is no aggressive and high-quality followup by Congress and by us, this is a waste of time.

Mr. PLATTS. Absolutely, and that's certainly what we don't want, that we spend even more money and more time and don't get any results from that oversight responsibility; and it's a problem that we're trying to prevent in the first place.

What with the each stage coming, you know, the next round, the 20 percent over 5 years, are the agencies—and I may have asked this in one of our previous subcommittee hearings; I don't remember if I did, and I don't believe it was a clear answer, the ones that were in the last round, 5th year or 4th year—are they being told today, you know, you're 3 years out or 4 years out?

Mr. JOHNSON. Why wait?

Mr. PLATTS. Right, why wait. And so we don't have 50 percent so that you can't really assess the results, so they do have, you

know, more time to be ready for that assessment, so we shouldn't have 50.4 percent in that fifth round.

Where is that process?

Mr. JOHNSON. It's a very good point. I don't think we are formally suggesting that agencies do that. I have met with the leadership of governmental agencies, and I have heard individual agencies say, "We're not waiting. We know that our program is in that fifth prong, and we're not waiting. We're going through sort of an informal PART assessment to see where we are, and when we finally do go through this formally, we'll be better prepared for that." But I think that's a good idea, and I think we need to be working more formally with agencies. Some of these, when we see 40 percent evaluating the programs, that's not a uniform 40 percent. One agency has evaluated programs that account for 80 percent of their spending and others for 60 percent.

One thing we've given serious thought to is taking that program, that agency, and completing the PART assessment of all members in the program, so we have one or two or three agencies that are 100 percent PARTed. All right. How do you run an agency where you have appropriate performance information on everything they do? How does that agency function differently? What kind of conversations do they have, different conversations with themselves on a weekly or a monthly basis? What's their interaction with the Congress?

Right now, it's a little bit in between, because we've got 20 percent of the programs or 40 percent of the programs or whatever, and so there's no one consistent approach to that. So let's get them all across the finish line and see how they operate so they can report, and this is what we're heading toward.

Mr. PLATTS. Comprehensive cultural change?

Mr. JOHNSON. Right.

Mr. PLATTS. So that agency is operating in a better fashion with more scrutiny on results?

Mr. JOHNSON. Right.

Mr. PLATTS. Mr. Walker is there a need for an enhanced GAO role in evaluating the process in the actual evaluations that are completed in a more formal fashion?

Mr. WALKER. I think it's important that OMB continue to do what it's doing, and as I said before, I think the agencies have the primary responsibility, frankly, to make sure they are delivering results with the resources and authorities that they're getting. Not only the Congress should demand it, but the taxpayers should demand it.

I do think we have to realize there is a separation of policy issues, and while the OMB is doing it—and I commend them for it, and they should continue to do it—I think it's important that the legislative branch be able to use GAO to evaluate what they're doing; and also periodically to look at particular programs or departments or agencies, or to look at particular functional activities that cross agencies as a supplement, not a substitute for what the executive branch is doing.

Mr. PLATTS. Mr. Chairman, I yield back.

Chairman TOM DAVIS. Thank you very much.

Let me just throw a final query to the panel. I think everybody agrees it's a great concept. I think the executive branch is probably doing a better job than the legislative branch right now.

Are there any teeth legislatively that we could put in this that would help the legislative branch improve our job. Or is it just a question of leadership?

Mr. ARMEY. If I may?

Chairman TOM DAVIS. Sure, please, Mr. Armey.

Mr. ARMEY. I think—you know, I walk around the country and something happens. First thing you hear is, there ought to be a law. That's the first thing the Congressman hears, too, so he gets busy writing a new law.

I wish somebody would stand on Main Street and say, "There ought to be better oversight;" and Steve Horn is one of the few people who actually made a place in the sun for himself. He got recognized and appreciated for his oversight work. It's hard work and it's not well-recognized. You're not going to see the Washington Post down here covering oversight hearings.

I spent the first couple of years as majority leader frustrated because even this committee could get all the press in the world if it was wallowing around here in a scandal; everybody was down here with their note pads and their cameras. Well, that wasn't really, quite frankly, very productive toward the better performance of our agencies of government in implementing the law for the future safety and security of our children. It was probably better theater and more entertaining, but it was a diversion even of this committee.

Now, this committee with the current circumstances and the current leadership has an opportunity to demonstrate to other Members of Congress there are rewards and recognitions in effective oversight. The fact of the matter is, as they see that, they will be. I think virtually every authorizing committee has an oversight subcommittee. I believe for the most part they lie fallow because, again, we're not getting the kind of recognition that Congressmen want to have for their activities.

I think, you know—again, I said before—I can do my children more good through effective oversight than I can through writing another law, but I'm not going to get any personal recognition for the oversight, so I go right to law. And it may be, Mr. Chairman——

Chairman TOM DAVIS. Like I say, we campaign in poetry and we govern in prose.

Mr. ARMEY. If I might, oversight, the business of oversight to me needs its rock star.

Mr. Chairman, I think you can be that rock star. I think you should do your best Bono imitation and demonstrate to the Members of Congress that you can be successful. And I hope—I would hope that somebody in the media would understand the critical importance of this business, how hard the work is, and help set an example for others that's what good government's about, the hard rigor of oversight.

The agencies, perhaps if you take an agency and pull it all the way through the gauntlet, it can come out on the other end and say, hey, I ran the gauntlet and I'm a better agency for it. It can

be an encouragement to agencies. Maybe that is the approach that should be taken. Focus on one agency and say, we're going to give you the opportunity of a lifetime. You're going to be the first, best example of success to shine in front of the other agencies.

Chairman TOM DAVIS. We need a volunteer. I saw them running for corners.

Mr. ARMEY. May I say what may be my final words? Thank you for this, the work of this committee. Those of you who govern this committee, stay on this committee, assume positions of leadership for this committee and do the work seriously, I think, can be an example before your colleagues.

Each and every committee of Congress can perform an important oversight process and all should be encouraged to do so. I can think of no quicker, more effective source of that encouragement than your committee's success, so I wish you all the success in the world.

Chairman TOM DAVIS. Thank you very much.

Anyone else? Mr. Walker.

Mr. WALKER. A few quick comments: First, to reinforce, we're on a burning platform, figuratively not literally. The status quo's unacceptable, unsustainable.

Tough choices are going to have to be made. To make those tough choices, one of the things that's going to have to happen is, Congress is going to have to be more engaged through oversight, authorization and appropriations activities.

Like anything, you need a few champions. You don't need many; you need a few. You will now—even if you have a couple on each side of the aisle, if it's important enough, that can get the job done. In fact, I was assistant secretary of labor for—during the Reagan administration and early Bush for the Employee Retirement Income Security Act. There were two Democrats and two Republicans; you know, one Republican, one Democrat in the House, one Republican, one Democrat in the Senate, who labored for several years to get that passed.

It got done. It had a tremendous impact on tens of millions of Americans, our economy, etc.

This committee and Senate Governmental Affairs are the ones to get it done. I think the fact of the matter is that this committee and Senate Governmental Affairs also have a strategic ally on this important nonpartisan issue, and that's GAO. We are a strategic asset to this committee, to the Congress and the country and we look forward to doing our part.

Chairman TOM DAVIS. Thank you very much.

Ms. MCGINNIS. I have a suggestion. Clearly, you can't legislate leadership and you can't legislate culture change, but it occurs to me that the potential champions—and some of them, right now, might be resistors in the leadership of the Appropriations Committee. And some of the major authorization and tax committees should come together, perhaps in a very bipartisan way, House and Senate—there are some key people in the executive branch—and really have this conversation about performance and results and accountability to the public for a return on the tax investment. Because, you know, the Council for Excellence in Government, among many other things, organizes the bipartisan House retreat; and it strikes me, bringing together a much smaller group around an

issue as significant as this in that kind of an honest conversation could be very constructive to build some interest in ownership that might lead to both changes in practice, changes in rules and changes in legislation.

Chairman TOM DAVIS. OK. Thank you.

Ms. MCGINNIS. And we would be delighted to work with you on that——

Chairman TOM DAVIS. OK.

Ms. MCGINNIS [continuing]. If you're interested.

Chairman TOM DAVIS. Thank you very much.

Well, let me thank this panel. I think we had a great discussion today.

I'd say we have some great ideas for legislation, but I think, Mr. Armey, you know, we have great opportunities for oversight, so I will emphasize that, take this back. Actually, we may have a couple pieces of legislation come out of this. This has been very, very helpful to us, and although we had a small panel, members who have fled the jurisdiction with the coming hurricane, I think it allowed for a sustained discussion, something we don't often get in these hearings.

This will obviously be shared with other members, and Mr. Platts' subcommittee will hold further hearings on this; and basically he's employed to further any additional legislative changes and recommendations, so we'll see some of you there.

Mr. Walker.

Mr. WALKER. Real quickly for the record, Mr. Chairman: As you know, this committee and, I believe, it's Senate Governmental Affairs, have asked us to do a comprehensive assessment of GPRA on the 10-year anniversary.

We're going to be issuing a report next month——

Chairman TOM DAVIS. Excellent.

Mr. WALKER [continuing]. On this and it will have a number of recommendations.

We look forward to following up on that.

Chairman TOM DAVIS. Excellent.

Mr. JOHNSON. I'd encourage you to tone down some of that talk about Congress.

Mr. WALKER. Well, I'll do that.

Chairman TOM DAVIS. Well, I saw Mr. Walker gave the executive branch a B or better. I didn't ask him to rate the legislative branch.

I understand where his job comes from and where he's reporting from, but we get the message, and we appreciate very much everyone's comments today. I think they've added greatly to the discussion.

And we'll adjourn the hearing. Thank you very much.

[Whereupon, at 11:44 a.m., the committee was adjourned.]

[The prepared statement of Hon. Henry A. Waxman follows:]

TOM DAVIS, VIRGINIA,
CHAIRMAN

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CHRISTOPHER SHAYS, CONNECTICUT
ILEANA ROS-LEHTINEN, FLORIDA
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Statement Of Henry A. Waxman
Hearing On "What Happened To GPRA? A Retrospective Look At Government Performance And Results"

September 18, 2003

We are here today to review the Government Performance and Results Act (GPRA) on the occasion of its tenth anniversary. This well-intentioned statute became law in 1993, was phased in gradually over seven years, and now has been fully in effect for over three years. GPRA requires that federal agencies develop strategic plans, annual performance plans, and annual performance reports. These plans are to be developed in consultation with various stakeholders and must be submitted to Congress annually. The Act attempts to focus agencies attention away from measuring success by inputs -- how much money is spent -- and toward measuring success by outputs -- what measurable results are achieved.

There is little doubt that GPRA could be a powerful tool to enhance Congressional oversight, strengthen government accountability, and perhaps improve the management and performance of the federal government. Unfortunately, it is not clear that the law is really working as well as it could, and may in fact be in danger of becoming a mere paperwork exercise. There are also disturbing indications that the Act is becoming politicized, something which would seriously undermine the credibility of information it is intended to generate. Performance measures could be created to make favored programs appear successful, or conversely, to make politically unpopular programs seem to fail.

For instance, in 2001, the Department of Health and Human Services changed the performance measures for abstinence-only education programs from substantive measures including sexual activity and birth rates to assessments of attitudes, such as the percentage of teens that pledge abstinence. It turns out that measuring attitudes alone can be misleading and is a poor substitute for real outcomes. Yet, the new performance measures may generate data that will be used to argue that abstinence-only programs are successful, even though they have never been shown to have a sustainable effect on sexual activity, sexually transmitted disease or teen pregnancy. I view such political tampering with performance measures as a very real threat to

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GPRA, and want to thank the Chairman for agreeing to hold a hearing dedicated to this issue in the near future. As the Comptroller General said yesterday in a speech at the National Press Club, "Like many things in life, how you measure and keep score matters."

Strengthening the transparency of the GPRA process is one way to protect the validity of the performance measures. Another might be to increase the amount of stakeholder participation and ensure its balance. The statute currently requires the input of stakeholders during the development of strategic plans. Requiring the input of affected non-profit organizations, other governmental entities, and the public in the formation of performance goals and measures is something that should perhaps be considered to strengthen the Act.

Unfortunately, the Administration seems to be moving away from a more inclusive and transparent approach. As part of the President's Management Agenda, the administration has developed its own initiative to integrate performance information with budgetary decisions. The Program Assessment Rating Tool (PART) was used to review about 20% of all federal programs for the 2004 budget. This tool was developed without substantial input from either Congress or affected interest groups and it is unclear how exactly it relates to GPRA, and its statutory requirements. How this tool was developed and tested, how the programs selected were evaluated, and what is the impact of specific ratings on program budgets are all questions I hope our witnesses will address. I must say also that I am troubled by the underlying assumption of the PART program, which seems to be that the executive branch alone has the right to define a program's purpose, importance, and effectiveness.

I look forward to hearing from our witnesses on these and other issues. Thank you, Mr. Chairman.

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