

Testimony of Patricia McGinnis
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Before the Subcommittee on Government Efficiency, Financial Management and
Intergovernmental Relations of the House Committee on Government Reform
And the Subcommittee on the Legislative and Budget Process of the House Committee
on Rules

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Mr. Chairman, Madam Chairman, and members of both subcommittees, I am honored to be with you today to discuss linking program funding to performance and results. I commend you for your leadership in arranging this joint hearing to consider this important issue and the role of Congress.

The Council for Excellence in Government is a national, non-partisan organization whose members (we call them Principals) previously served in government and are now in the private sector. The Council's strategic priorities are to:

- Attract and develop the best and brightest in public service;
- Engage citizens and improve their trust and confidence in government;
- Promote electronic government as a tool to improve the operations of government and connect it to the American people; and
- Encourage innovation and results-oriented performance in government.

Improving the development and use of performance data to inform decision-making in the Executive Branch and Congress will go a long way toward achieving excellence in government and increasing the public's trust and confidence.

The Council's work in this area includes several proposals for specific actions by Congress and the Executive Branch to enhance the use of performance information in the decision-making process. Before I share those ideas with you, allow me to offer some historic context.

Attempts to link decisions about the design and funding of programs to their performance were significantly advanced with the enactment of the Government Performance and Improvement Act of 1993 (GPRA), and given renewed impetus by the inclusion of "budget and performance integration" in President Bush's Management Agenda in August 2001 and the development of the Program Assessment Rating Tool (PART). But the focus did not begin with these important actions.

Virtually every President in the latter half of the 20th Century had an initiative with similar goals, though under different labels. Arguably, the Budget and Accounting Act of 1921 initiated the modern attention to performance issues. President Truman's Hoover Commission urged that the budgetary concept of the federal government be called "a performance budget." President Johnson launched the Planning, Programming and Budgeting System in 1965 to find new ways to do jobs faster, better and cheaper. President Nixon began his Management By Objectives initiative in 1973 and asked each department and agency head to seek a sharper focus on results. And President Carter announced his Zero-Based Budgeting initiative in 1977, as a result of federal budgeting, which he called inefficient, chaotic, and virtually uncontrollable by either the President or the Congress.

The lesson to draw from this history is that the focus on integrating performance data more thoroughly in the decision-making process, for resource allocation as well as for program design, is a consistent, basic theme of government improvement efforts. Each succeeding effort teaches a little more about how we might improve and what pitfalls might be avoided.

The implementation of GPRA, as well as the current administration's Management Agenda and budget strategy—which are both centered on enhancing the use of performance data--leads me to believe that the time is right to push these ideas still further, especially in the direction of engaging the congressional appropriations and authorizing processes in the dialogue more effectively.

Despite enactment of GPRA and a series of other very important management improvement laws that originated in the government reform and governmental affairs committees, most decisions regarding federal program authorization and appropriations by Congress do not adequately use performance data that includes the findings of rigorous evaluations of the net impact of particular program interventions.

Comptroller General Walker's emphasis on performance measurement has put GAO in a strong position to support efforts in Congress to use such performance data more effectively.

In the Executive Branch, we believe that the President's budget and performance integration initiative--including OMB's new Program Assessment Rating Tool--represents a major and unprecedented step toward effectively using evidence of program effectiveness in making federal funding decisions. This initiative may help us to realize the promise of GPRA: to "improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving results."

However, the President's initiative, including OMB's rating tool, could be

significantly improved by using, wherever possible, the results of rigorous evaluations of the net impact of program interventions.

A successful and important precedent for the use of such rigorous, controlled studies to measure program effectiveness is federal welfare and employment policy. For the past 20 years, the Department of Health and Human Services has funded or facilitated more than 85 randomized controlled studies of state-level welfare-to-work programs and other employment programs for the poor.

As a result of this investment, we now have a cumulative body of evidence on the effectiveness of state-level welfare-to-work programs. These studies have yielded valuable conclusions about program effects on the employment, earnings, welfare benefits, and overall financial well-being of participants, the school achievement of their children, and other important outcome measures. This kind of performance data is critical to decisions about the design and funding of such programs.

The Council has developed a series of recommendations to promote the effective use of performance data by Congress and the Executive Branch. These recommendations are detailed in a discussion paper called *Linking Resources to Results*, which was the product of a joint effort between the Council and the Committee for Economic Development, a business group with a strong record of achievement and engagement in government improvement issues. I have provided a copy of the discussion paper for the record, and additional copies are available here today.

Linking resources to results remains largely an unrealized goal, as Congressional and Executive Branch decisions about resource allocation are not routinely based on demonstrated effectiveness. A recent GAO survey of federal agency program managers, for example, found that a strong commitment to achieving results was not a priority for top agency leadership. The survey also found that performance information in key management activities was infrequently used.

We've identified a series of institutional and procedural changes that would lead to a quantum improvement in the quality, quantity, timeliness and utility of performance data.

First and foremost would be the creation of a Congressionally chartered, nonpartisan Center for Domestic Program Assessment whose sole mission would be to strengthen and help institutionalize the link between government resource allocation and program design decisions and demonstrated program effectiveness. Such an entity would assess and report regularly--and publicly--on the progress in resolving the country's most significant domestic issues. It would produce high-quality analysis of program and policy performance, present it in a timely fashion and provide it to key decision makers and other stakeholders in a way that could be easily and effectively utilized.

I want to make clear that this Center would not replace existing evaluation and analysis capabilities. Rather, it would build on that work and knit together and coordinate other findings on program results with its own.

Second, and with equal importance, we recommend specific changes in Congressional and Executive Branch procedures that will enhance the use of performance information in agency decision-making.

Specifically, we call for statutory set-asides for program evaluation, in order to support high-quality evaluation of individual programs by the federal agencies.

We also propose new Congressional oversight and evaluation procedures, including powerful enforcement provisions, to ensure full use of evidence on program effectiveness and new Executive Branch procedures to maximize the use of evaluation results. These include changes to House and Senate rules that would require:

- authorizations for appropriated programs, mandatory spending programs, and significant tax expenditures to include a mandate for an evaluation of net impact as a condition for floor consideration;
- oversight hearings and reports on documented performance before reauthorization;
- evidence of potential effectiveness for new programs before floor consideration;
- “sunset” provisions (at least every five years) for all major authorizations, mandatory spending programs, or tax expenditures, in order to permit Congress to take into account the performance record before voting on extension of the program; and
- inclusion in all such bills statements of program goals and expected impact which would also be included in agency GPRA Strategic and Operating plans.

To make clear Congress’ commitment to these rules and their goal of raising the quality of government performance, we also propose that there be in the Senate, a requirement of a 60 vote majority to waive any of the above rules, and an analogous provision for the House of Representatives.

We also suggest recommendations to strengthen the Government Performance and Results Act.

As you are aware, GPRA was the first major statutory effort in more than eighty years to link resources to results. We applaud and encourage the progress that has been made by many agencies in establishing measurable performance goals. But more can--and

should--be done, particularly additional efforts to obtain and put to work more high-quality evaluation data on results to inform better decision-making.

Of special note is our recommendation to amend GPRA to merge strategic and operating plan segments and annual performance report segments for similar programs in multiple agencies. Doing so would demonstrate to Congress—and the public—how relevant programs are addressing a common problem. This recommendation is also consistent with the Administration's initiative in the 2004 budget to pilot the development of common performance measures across similar programs.

In our full report, you will also find recommendations for new Executive Branch procedures to maximize the use of independent, rigorous evaluation results.

Together with GPRA, the budget and performance integration initiatives of this administration, these recommendations comprise a systematic and effective strategy to link resources to results. Such a strategy would fundamentally improve the performance of government in addressing our most pressing social and economic needs, and make a major contribution to the quality of American life. In addition, these recommendations would enable and empower Congress and the federal agencies to overcome many of the barriers that now prevent or slow the generation and effective use of results data.

These recommendations are realistic and workable . . . they are not, however, easy, and I recognize that getting widespread acceptance of such ideas may be a challenge. But now there may be real momentum and appetite for change.

The interest of your two subcommittees, coupled with the administration's management agenda, budget strategy and other initiatives is evidence of that.

In closing, let me briefly tell you of several ways in which the Council continues to press forward on the results agenda:

- We house the Coalition for Evidence-Based Policy, a group of distinguished former officials and researchers committed to expanding the use of the highest quality evaluation data to inform government decision-making. In November, the Coalition will hold a major forum with the Secretary of Education and other education policy leaders to support education policy-making based on rigorous evidence of program effectiveness.
- We co-founded the Government Performance Coalition, an association of a dozen non-profit groups and scholars committed to the advancement of results-based government. Last year, the Coalition, with the support of the PricewaterhouseCoopers Endowment for the Business of Government, published

“Memos to the President: Advice from the Nation’s Top Public Administrators.”

- Our popular Excellence in Government Fellows program is the premier leadership development series for up and coming mid-career managers. Results-based management is a primary theme of this yearlong program.
- The Council partners with *Government Executive* magazine to sponsor the annual Excellence in Government Conference which showcases speakers and workshops on current issues in results management to 1000 government managers and leaders.
- In partnership with the Kennedy School of Government and the support of the Ford Foundation, we annually recognize winners of the Innovations in American Government awards, which feature advancements in results-based management.

Mr. Chairman and members of the subcommittees, the Council is greatly encouraged by the fact that you have held this hearing to spotlight such important issues. I would like to offer our support and assistance in developing further any and all ideas that would improve the use of performance in decision-making in Congress and the Executive Branch.

Thank you.