



DEPUTY DIRECTOR
FOR MANAGEMENT

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

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

before the

Committee on the Budget
United States House of Representatives

September 20, 2007

Since and even before enactment of the Government Performance and Results Act (GPRA) in 1993, Congress and the Executive Branch have been trying to discern just what we're getting for the tax dollars we spend and how to get even more. The first step is to have good information about what works and what doesn't.

GPRA implementation in the 90's laid a strong foundation for strategic and performance planning in the Federal Government. It required agencies to set goals and report on whether they were achieving them. This was the beginning of a candid assessment of government's performance, but any connection with the budget was remote. At the time, the Government Accountability Office (GAO) found that, although most agencies (30 of 35 reviewed) defined some type of relationship between the program activities of their proposed budgets and the performance goals in their annual performance plans, most plans did not explain how spending on the program would help it achieve performance goals.¹ More importantly, managers reported to GAO that their agencies were not well-positioned to answer the question of whether their programs produced real results.²

With that constructive criticism in mind, the Administration developed a tool – the Program Assessment Rating Tool – to assess performance at the program level and use the information to identify ways to help programs improve. Using the performance goals and information developed to implement GPRA, agencies and OMB assessed the available evidence and asked of every program:

- Is its purpose clear and is it well-designed to achieve that purpose?
- Does it have clear, outcome-oriented long-term and annual goals with aggressive targets?
- Is it well managed?
- Does it achieve its goals?

1 Government Accountability Office, "Performance Budgeting: Initial Experiences Under the Results Act in Linking Plans with Budgets." GAO/AIMD/GGD-99-67 (April 1999).

2 Government Accountability Office, "The Government Performance and Results Act: 1997 Governmentwide Implementation Will be Uneven." GAO/GGD-97-109 (June 1997).

Over the last six years, agencies and OMB have assessed more than 1000 programs that total \$2.6 trillion in spending. These assessments show that 78 percent of the programs assessed are considered “performing.” Fifty percent of programs received the impressive ratings of Effective or Moderately Effective. Only 3 percent were demonstrably Ineffective.

Is the information valid and reliable? Yes. The questions asked are those a reasonable person would ask to assess a program’s performance. There are clear, written rules that guide what evidence is required to get a “yes” answer to a PART question.³ Agencies and OMB agree on the right answer based on the available evidence. Then all PART questions are reviewed by experts in the PART process to ensure they are consistent with the rules. Agencies then have an opportunity to appeal questions to a high-level appeals board of a selection of agency chief operating officers. All of these factors contribute to the validity and reliability of PART information. We will continue every year to improve the quality of program goals, the consistency of PART answers, and the accuracy of performance information.

As part of our ongoing effort to ensure PARTs reflect the most accurate picture of a program’s performance, agencies and OMB over the next several months will systematically review all of the assessments to ensure the program goals are clear and outcome-oriented; the performance information is valid; and the program improvement plans are aggressive.

GPRA required public planning and reporting. PART results, the evidence on which they are based, the results each program achieves, and the amount of money spent and requested for each program, are all posted on ExpectMore.gov. We must continue to be candid about how well (or not) programs are performing and what we are doing to improve if we want to hold programs and agencies accountable for achieving outcomes that matter to the American people.

We want to incorporate performance information into budget justifications so Congress finds that it is a valuable factor in the decision-making process. Finding the best way to do this remains a challenge. The report accompanying the FY 2008 Financial Services and General Government Appropriations Bill criticized agency budget justifications for being “filled with references to the [PART], drowning in pleonasm, and yet still devoid of useful information.”⁴ [I’m sure the Members of the Committee know this, but I had to consult the dictionary to find that pleonasm means “the use of more words than are necessary to express an idea; redundancy.”] But the Labor, Health and Human Services Appropriations Bill cites the Department of Education’s Budget Justification as a model.⁵ Education’s budget justification integrates performance information in three different ways:

- A separate 25-page Performance Budget tab displaying budgets, programs, and key performance measures by strategic plan goal;
- A detailed discussion of performance information – both GPRA and evaluation – in each program justification; and
- References to performance information and PART in the program account narratives.

³ Office of Management and Budget, “Guidance for Completing 2007 PARTs.” Program Assessment Rating Tool Guidance No. 2007-02 (www.omb.gov/part/fy2007/2007_guidance_final.pdf) (January 29, 2007).

⁴ United States House of Representatives Committee on Appropriations, Report Accompanying the FY 2008 Financial Services and General Government Appropriations Bill, House Report 110-207 (June 2007).

⁵ The Departments of Labor, Health and Human Services, and Education FY Appropriations Act for FY 2006, Public Law 109-149, Section 107.

Education's budget staff has briefed every agency on its justification, and OMB has encouraged others to emulate it, provided they consult with appropriators first. In an effort to encourage greater use of performance information in Congressional decision-making and address a helpful recommendation from GAO, agencies now also brief their House and Senate appropriations and authorizing committees each year on completed and planned PART assessments.

Of course, it was never our goal, nor should it ever be, to make decisions mechanically based on performance information. It is not true that a program's budget should be cut just because it is not currently achieving results. Such a program may require additional resources in order to improve. Likewise, just because a program is achieving results does not mean it warrants an increase in funding. Such a program may have outlived its usefulness.

In some cases, poor performance has been the basis for a request for additional resources. For instance, the National Park Service Facilities Maintenance was unable to demonstrate results when it was first assessed in 2002. The program then began using a facility condition index to assess the state of its facilities and prioritize investment decisions for addressing identified deficiencies. Use of the index also helped the program provide a better justification for additional resources. This program has received funding increases and is steadily improving the quality of its facilities. Additional funding for the Earned Income Tax Compliance Program was proposed to improve its efforts to reduce improper payments. Improper Payments in this program are estimated at between 23 and 28 percent of total program payments.

Our ultimate goal is to make programs work better. We believe that making information about a program's performance more of a factor in all deliberations about the program will help it and other programs become more effective.

We have more information about what works and what doesn't today than ever before and we are always working diligently to improve its quality. Performance information for both agencies and programs is available to the public on ExpectMore.gov. We can and must make greater use of this information in our deliberations about programs, including funding and other issues affecting program performance. I look forward to working with Congress, especially Members of this Committee, to find ways we can be ever smarter about spending the taxpayers' money.