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GOVERNMENT PERFORMANCE

Strategies for Building a Results-Oriented and Collaborative Culture in the Federal Government

Statement of Bernice Steinhardt, Director
Strategic Issues

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Highlights

Highlights of GAO-09-1011T, a testimony before the Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

GOVERNMENT PERFORMANCE

Strategies for Building a Results-Oriented and Collaborative Culture in the Federal Government

Why GAO Did This Study

Since 1997, periodic GAO surveys indicate that overall, federal managers have more performance information available, but have not made greater use of this information for decision making. To understand the barriers and opportunities for more widespread use, GAO was asked to (1) examine key management practices in an agency in which managers' reported use of performance information has improved; (2) look at agencies with relatively low use of performance information and the factors that contribute to this condition; and (3) review the role the President and Congress can play in promoting a results-oriented and collaborative culture in the federal government. This testimony is primarily based on GAO's report, *Results-Oriented Management: Strengthening Key Practices at FEMA and Interior Could Promote Greater Use of Performance Information*, which is being released today. In this report, GAO made recommendations to the Departments of Homeland Security and the Interior for improvements to key management practices to promote greater use of performance information at FEMA, the National Park Service, Bureau of Reclamation, as well as at Interior. Both DHS and Interior generally agreed with these recommendations.

The testimony also draws from GAO's extensive prior work on the use of performance information and results-oriented management.

View GAO-09-1011T or key components. For more information, contact Bernice Steinhardt at (202) 512-6543 or steinhardtb@gao.gov.

What GAO Found

GAO's prior work identified key management practices that can promote the use of performance information for decision making to improve results, including: demonstrating leadership commitment; aligning agency, program, and individual performance goals; improving the usefulness of performance information; building analytic capacity; and communicating performance information frequently and effectively. The experience of the Centers for Medicare & Medicaid Services (CMS) illustrates how strengthening these practices can help an agency increase its use of performance information. According to GAO's most recent 2007 survey of federal managers, the percentage of CMS managers reporting use of performance information for various management decisions increased by nearly 21 percentage points since 2000—one of the largest improvements among the agencies surveyed. CMS officials attributed this positive change to a number of the key practices, such as the agency's leaders communicating their commitment to using performance information to drive decision making.

Conversely, the experiences of the Department of the Interior (Interior) and the Federal Emergency Management Agency (FEMA) within the Department of Homeland Security indicated that the absence of such commitment can discourage managers and their staff from using performance information. According to GAO's 2007 survey, Interior and FEMA ranked 27 and 28, respectively, out of 29 agencies in their reported use of performance information for various management functions. Based on further survey data analysis, reviews of planning, policy, and performance documents, and management interviews, GAO found that inconsistent application of key practices at FEMA and Interior—such as routine communication of how performance information influences decision making—contributed to their relatively low survey scores. While both FEMA and Interior have taken some promising steps to make their performance information both useful and used, these initiatives have thus far been limited.

The President and Congress also have unique and critical roles to play by driving improved federal agency performance. By focusing attention on certain high-level goals and tracking agency performance, the President and the Office of Management and Budget (OMB) can send a message that using performance information is critical for achieving results and maximizing the return on federal funds invested. Through its oversight, Congress can also signal to agencies that results matter by articulating performance expectations for areas of concern and following up to ensure that performance goals are achieved. The President and Congress can also play a role in improving government performance in areas that require the concerted efforts of multiple agencies and programs to address, such as preparing for and responding to a pandemic influenza. A governmentwide strategic plan could support collaborative efforts by identifying long-term goals and the strategies needed to address crosscutting issues.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here to discuss our work on strategies that can help foster a more results-oriented and collaborative culture across the federal government. How the federal government performs and the results it achieves have a significant effect on many of the American public's most pressing concerns—whether it be preparations for and response to pandemic influenza, reduction in pollutants that contribute to climate change, or rigorous oversight of financial markets. Given increasing public demands for a more effective and accountable federal government, it is more important than ever that federal agencies establish meaningful goals for improving performance, monitor progress in achieving their goals, and use information about performance to make decisions that can improve results.

It has been more than 16 years since Congress passed the Government Performance and Results Act (GPRA) in an effort to ensure that federal agencies have the infrastructure and tools they need to improve results.[1] Across the federal government, agencies have developed strategic plans and are routinely generating performance information to measure and report progress toward their strategic goals. However, as we testified before this subcommittee in July 2008,[2] our periodic surveys of federal managers on their use of performance information show that while significantly more federal managers reported having performance measures for their programs than they did 10 years ago, their reported use

[1]Congress enacted the Government Performance and Results Act of 1993 (GPRA) to address several broad purposes including improving federal program effectiveness, accountability, and service delivery, and enhancing congressional decision making by providing more objective information on program performance. GPRA requires executive agencies to complete strategic plans in which they define their missions, establish results-oriented goals, and identify the strategies that will be needed to achieve those goals. GPRA also requires executive agencies to prepare annual performance plans that articulate goals for the upcoming fiscal year that are aligned with their long-term strategic goals. Finally, GPRA requires executive agencies to measure performance toward the achievement of the goals in the annual performance plan and report annually on their progress in program performance reports. Pub. L. No. 103-62,107 Stat. 285 (Aug. 3, 1993).

[2]GAO, *Government Performance: Lessons Learned for the Next Administration on Using Performance Information to Achieve Results*, GAO-08-1026T (Washington, D.C.: July 24, 2008). In addition to our testimony, our survey results are also available: GAO, *Government Performance: 2007 Federal Managers Survey on Performance and Management Issues, an E-supplement* to GAO-08-1026T, GAO-08-1036SP (Washington, D.C.: July 24, 2008).

of performance information to make management decisions has not changed significantly.[3]

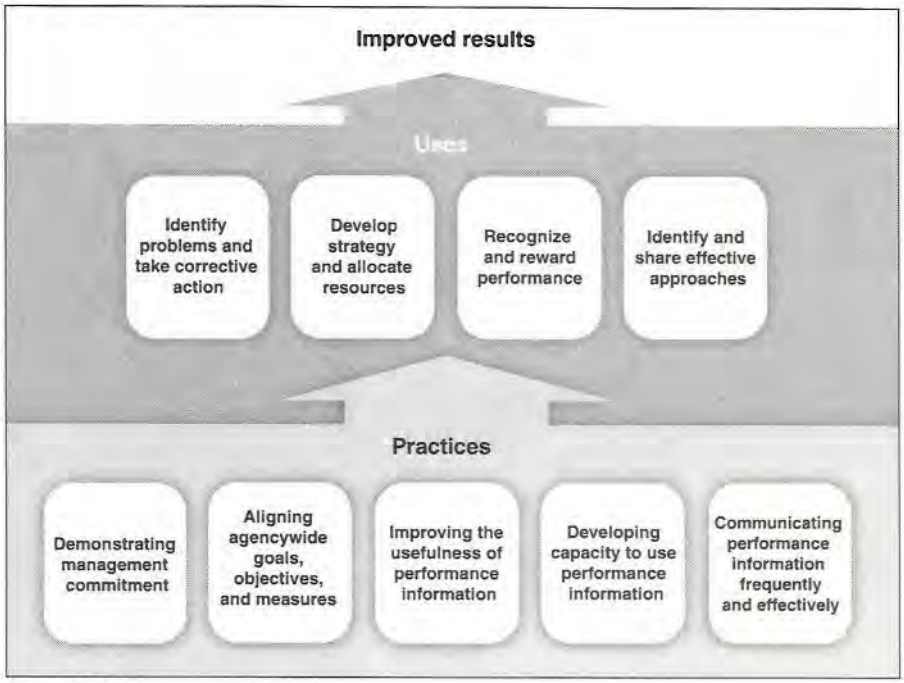
To better understand the barriers to and opportunities for more widespread use, we drew from our extensive body of work assessing the progress federal agencies have made in managing for results,[4] including our work on key management practices that can contribute to the use of performance information in management decision making.[5] These practices are: demonstrating leadership commitment, communicating the importance of using performance information frequently and effectively, creating a clear "line of sight" linking individual performance with organizational results, improving the usefulness of performance information, and developing the capacity to collect and use performance information (see fig. 1).

[3]Our surveys were completed in 1997, 2000, 2003, and 2007 and were designed to obtain the observations and perceptions of respondents on various aspects of results-oriented management topics such as the presence and use of performance measures, hindrances to measuring performance and using performance information, and agency climate. Most of the items on our surveys asked respondents to rate the strength of their perception on a 5-point extent scale ranging from "to no extent" at the low end of the scale to "to a very great extent" at the high end.

[4]See Related GAO Products listed in GAO, *Results-Oriented Management: Strengthening Key Practices at FEMA and Interior Could Promote Greater Use of Performance Information*, GAO-09-676 (Washington, D.C.: Aug. 17, 2009).

[5]GAO, *Managing for Results: Enhancing Agency Use of Performance Information for Management Decision Making*, GAO-05-927 (Washington, D.C.: Sept.9, 2005).

Figure 1: Practices That Can Promote the Use of Performance Information for Decision Making



Source: GAO.

We also conducted further analysis of our surveys of federal managers on their use of performance information. Using this analysis as a starting point, we looked in depth at the management practices at the Department of the Interior (Interior) and the Federal Emergency Management Agency (FEMA), where a smaller percentage of managers reported making extensive use of performance information compared to their counterparts

across the federal government.[6] According to our 2007 survey, Interior and FEMA ranked 27 and 28 respectively out of 29 agencies in their reported use of performance information for various management functions (see app. 1 for ranking of all 29 agencies).[7] We also examined the management practices at the Centers for Medicare & Medicaid Services (CMS) within the Department of Health and Human Services (HHS), where managers' reported use of performance information increased significantly over a seven-year period. To obtain the different perspectives of bureau, program, and field managers on challenges they faced in using performance information, we interviewed officials from selected component organizations that covered significant and diverse aspects of each agency's mission. At Interior, we selected the National Park Service (NPS) and Bureau of Reclamation (Reclamation); at FEMA, we selected the Disaster Assistance and Mitigation Directorates; and at CMS, we selected officials and managers in Regions IV and IX, and in two lines of business—the Consortium for Quality Improvement and Survey & Certification Operations (CQISCO) and the Consortium for Financial Management and Fee for Service Operations.[8]

In our report that is being released today, *Results-Oriented Management: Strengthening Key Practices at FEMA and Interior Could Promote Greater Use of Performance Information*, we described the factors that contributed to differences among managers' reported use of performance

[6]As part of our analyses of the 2007 survey data, we identified a set of nine items from the questionnaire that inquired about key uses of performance information. Using those items, we developed an index that reflected the extent to which managers' perceived their own use of performance information for various managerial functions and decisions as well as that of other managers in the agency. To obtain an index score of reported use of performance information, we computed an average score for each respondent across the nine items we identified. We then averaged the respondent scores from each agency to produce an overall index score for each agency. By using this average index score, which yields values in the same range as the 5-point extent scale used on each item, we were able to qualitatively characterize index score values using the same response categories used for the items constituting the index.

[7]Although the Forest Service had the lowest ranking among all federal agencies, our recent work at this agency had already resulted in recommendations to address key management issues that we will continue to monitor.

[8]We performed our audit work in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

information at CMS, FEMA, and Interior.[9] In my testimony today, I will highlight the main findings from this report focusing on (1) the practices that helped CMS promote results-oriented management and (2) actions FEMA and Interior can take to improve their use of performance information for decision making. In addition, drawing from earlier work, my testimony will highlight opportunities for the President and the Office of Management and Budget (OMB) to strengthen agency efforts to use performance information to manage for results and the role that Congress can play to support governmentwide initiatives to improve performance.

Adoption of Key Management Practices Promoted Greater Use of Performance Information at CMS

In 2000, significantly fewer managers at CMS—then known as the Health Care Financing Administration—reported using performance information for various management decisions, as compared to their counterparts in the rest of government. Between our 2000 and 2007 surveys, however, CMS showed one of the largest average increases in the percentage of managers who reported using performance information for certain decisions. This increase placed CMS in about the middle of our agency rankings, which were based on an index of 2007 survey results designed to reflect the extent to which managers at each agency reported using performance information.[10] Our analysis of CMS survey results, management interviews, and agency policies, performance reports, and other relevant documents indicated that the adoption of key management practices contributed to this improvement.

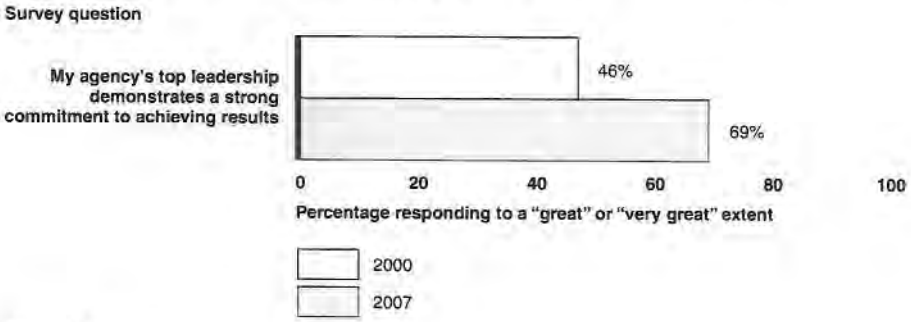
Demonstrating Leadership Commitment to Using Performance Information

Our 2007 survey results showed that significantly more CMS managers agreed that their leadership is committed to achieving results, than they did in 2000 (see fig. 2).

[9]GAO-09-676.

[10]See GAO-09-676 for a more detailed explanation of how we ranked agencies.

Figure 2: Percentage of CMS Managers Who Reported Top Leadership Demonstrated Commitment to Achieving Results



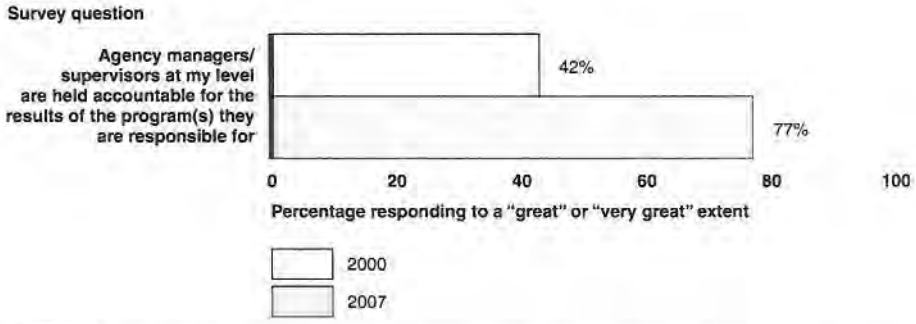
Source: GAO.

Nearly all of the CMS officials we interviewed credited the commitment of one or more agency leaders—such as the CMS Administrator or the Chief Operating Officer—for their increased use of performance information to achieve results. One way in which leaders can demonstrate their commitment is through frequent communication of established goals and progress made toward those goals. As an example, in an effort to reduce the incidence of pressure ulcers among nursing home residents, a Region IV manager described to us how regional leadership began to routinely share performance information about the pressure-ulcer problem with the many stakeholders involved with patient care including hospital and nursing-home personnel, patient advocates, emergency medical technicians, and others. CMS contracts with states to assess the quality of care provided by Medicare and Medicaid-participating facilities, such as nursing homes, and is therefore several steps removed from the delivery of health-care services to patients and the resulting health outcomes. According to CMS Region IV managers we interviewed, this indirect influence had been considered a limiting factor in CMS' ability to affect outcomes among nursing-home patients. However, these same managers said that leadership commitment to getting stakeholders to the table and sharing performance information with them were critical factors in bringing about a reduction in the incidence of pressure ulcers. In that region, between fiscal years 2006 and 2008, this improvement translated into nearly 2,500 fewer long-stay nursing-home residents with pressure ulcers.

Strengthening Alignment among Agency, Program, and Individual Performance Goals

Our survey results also indicated that between 2000 and 2007, a significantly greater percentage of CMS managers reported that they were held accountable for program results (see fig. 3).

Figure 3: Percentage of CMS Managers Who Reported That Agency Managers at Their Level Are Held Accountable for the Results of Their Programs



Source: GAO.

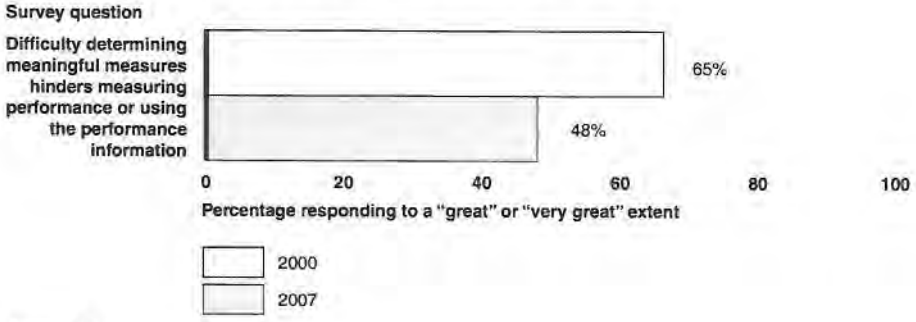
In 2006, as part of a change throughout HHS, the agency adopted a new performance-management system that links organizational and program goals with individual accountability for program results. Top CMS headquarters officials said that the new system had made individual accountability for program results more explicit. They described how agency goals and objectives were embedded in the Administrator's performance agreement and cascaded down through the management hierarchy, so that each level of management understood their accountability for achieving the broad department and agency-level goals.

To illustrate, broad goals for preventive healthcare cascade from HHS through a CMS director responsible for increasing early detection of breast cancer among Medicare beneficiaries, to a CMS Health Insurance Specialist responsible for communications to raise awareness of the importance of mammograms and other preventive measures.

Improving the Usefulness of Performance Information

Our survey results show that between 2000 and 2007, there was a significant decline in the percentage of CMS managers who reported that difficulty developing meaningful measures was a hindrance to using performance information (see fig. 4).

Figure 4: Percentage of CMS Managers Who Reported Difficulty Determining Meaningful Measures Hinders Using Performance Information



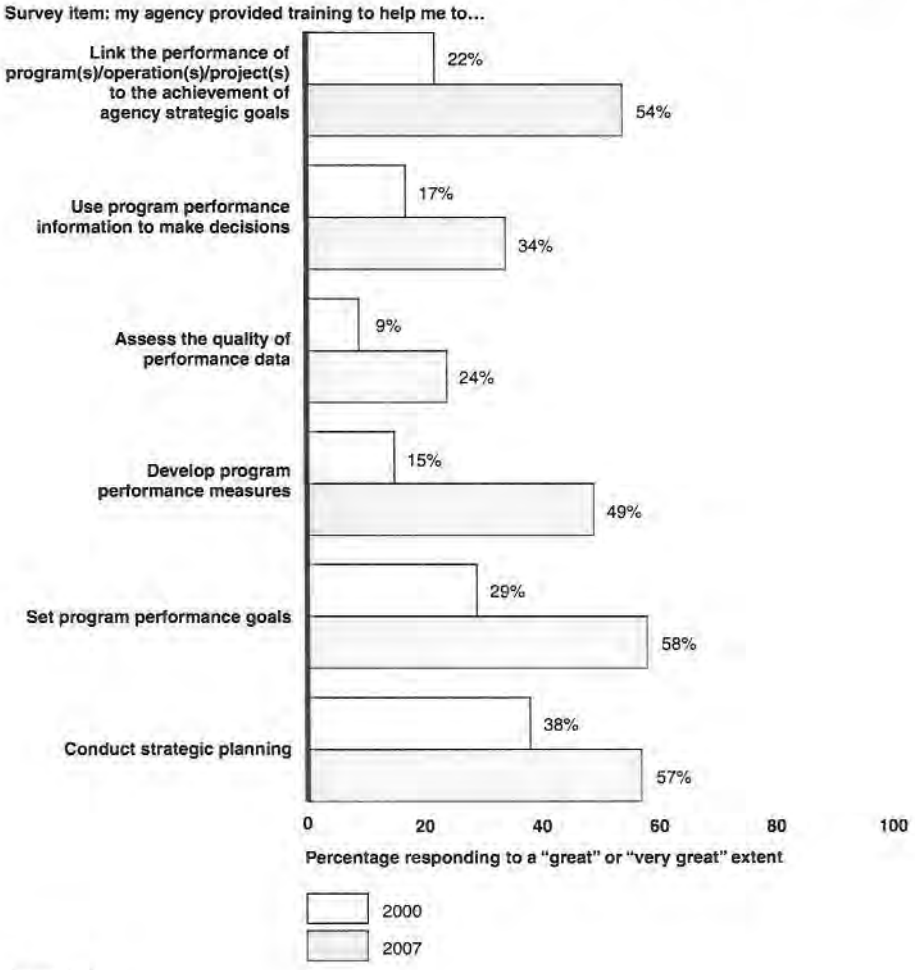
Source: GAO.

According to CMS officials, to ensure that performance information was useful to managers, they limited the number of measures for GPRA reporting purposes to the 31 that represented the agency's priorities. This official noted that it would be unmanageable to measure and report on every aspect of their programs and processes. They ultimately settled on a set of performance goals that helped managers and staff identify performance gaps and opportunities to improve performance to close the gaps.

Developing Analytic Capacity to Use Performance Information

Our survey results and interviews with several CMS officials indicate that the agency also took steps to develop their staff's capacity to use performance information, such as investing in improved data systems and offering increased training opportunities on a range of topics related to performance planning and management. Between 2000 and 2007, there was a significant positive increase on all six survey questions related to managers' access to training over the past three years on the use of performance information for various activities (see fig. 5).

Figure 5: Percentage of CMS Managers Who Reported That Training Was Provided to Help Accomplish Key Management Tasks



Source: GAO.

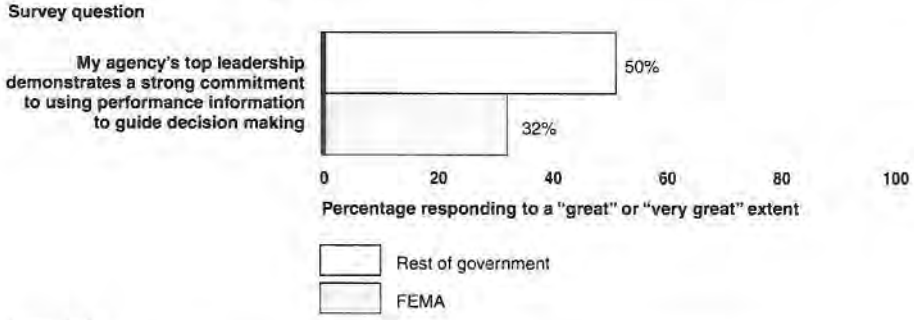
According to one official we spoke with, increasing her staff's skills in conducting analyses of performance information and presenting findings was a gradual process that required training, coaching, and guidance.

FEMA and Interior Were Hindered in Using Performance Information for Decision Making by Weak or Inconsistent Application of Key Management Practices

Just as the adoption of key management practices can facilitate greater use of information and a greater focus on results, the absence of these practices can hinder widespread use. Fewer managers at FEMA and Interior reported making extensive use of performance information for decision making compared to managers at other agencies. Survey results, interviews with senior level-officials and regional and program managers, and a review of policies and other documents related to performance planning and management at both agencies showed that inconsistent use of these practices contributed to this condition.

Our 2007 survey results indicated that, compared to the rest of government, a smaller percentage of FEMA managers agreed their top leadership demonstrated a strong commitment to using performance information to guide decision making (see fig. 6).

Figure 6: Percentage of Federal Managers Who Reported That Agency's Top Leadership Demonstrated a Strong Commitment to Using Performance Information to Guide Decision Making



Source: GAO.

Our interviews with officials at FEMA were consistent with these survey results, indicating that management commitment was demonstrated inconsistently across the program directorates and regions we reviewed. Leaders and managers we spoke to throughout the management hierarchy were clearly committed to carrying out FEMA's mission. The level of commitment to using performance information for decision making, however, appeared to vary among those we interviewed. For example, in the Disaster Assistance Directorate, one headquarters official told us that

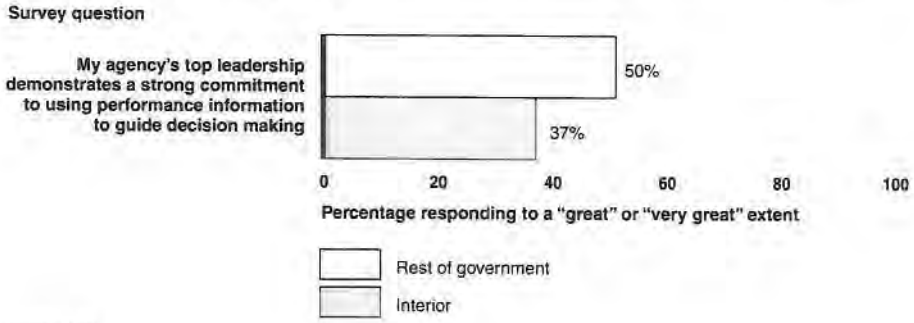
he does not need performance targets to help him determine whether his directorate is accomplishing its mission, relying instead on verbal communications with the leadership and with FEMA's regions, joint field offices, and members of Congress to identify issues to be addressed and areas that are running well.

Another headquarters official within the Disaster Assistance Directorate's Public Assistance program said he does not receive formal performance reports from regional program managers, nor are any performance reports required of him by his supervisors; rather, he said that he spoke to the regions on an ad hoc basis as performance problems arose. These officials expressed reluctance toward holding their staff accountable for meeting performance goals due to external factors, such as the unpredictability of disasters beyond their control. Further, they expressed uncertainty as to how they could use performance information in the face of uncontrollable external factors. As noted below, however, other managers in FEMA have found ways to take unpredictable occurrences into account as they monitor their progress in achieving performance goals.

FEMA faces other hurdles, including the lack of a performance-management system requiring managers to align agency goals with individual performance objectives, which makes it challenging for managers to hold individuals accountable for achieving results. The agency also lacks adequate information systems for ensuring that performance information can be easily collected, communicated, and analyzed. For example, in order to gather performance information across directorates, one official reported that it was necessary to write programs to generate specific reports for each of the systems and then manually integrate the information, making it difficult to produce repeatable and verifiable reports. Further, according to several officials we interviewed, there was a limited number of staff with the analytic skills necessary to work with performance metrics.

As with FEMA, at Interior we observed that leaders and managers at all levels conveyed a strong commitment to accomplishing the agency's mission. Interior's survey results were similar to FEMA's results on items related to managers' perceptions of their leadership's commitment to using performance information. Interior's 2007 results were also lower than those in the rest of government (see fig. 7).

Figure 7: Percentage of Federal Managers Who Reported That Agency's Top Leadership Demonstrated a Strong Commitment to Using Performance Information to Guide Decision Making



Source: GAO.

According to officials we interviewed, leaders at Interior and NPS did not effectively communicate to their staff how, if at all, they used performance information to identify performance gaps and develop strategies to better achieve results. Several NPS managers referred to the performance reporting process as "feeding the beast," because they receive little or no communication from either Interior or NPS headquarters in response to the information they are required to report, leading them to assume that no one with authority reviews or acts on this information.

Furthermore, some bureau-level managers at NPS and Reclamation said the performance measures they are required to report on were not always useful for their decision making, either because there were too many or because they were not credible. We have previously reported that to be useful and meaningful to managers and staff across an agency, performance measures should be limited at each organizational level to the vital few that provide critical insight into the agency's core mission and operations. However, in the seven years since the inception of the former

administration's Performance Assessment Rating Tool (PART) initiative,[11] Interior has expanded its performance reporting to include 440 PART program measures, in addition to the approximately 200 strategic performance measures used to track progress against its strategic and annual plans, as required by GRPA. A senior headquarters official at Interior said that the number of measures makes it difficult for senior leaders and managers to focus on priorities and easily identify performance gaps among the different program areas. At NPS alone, managers were required to report on 122 performance measures related to GPRA and PART.

Managers at both NPS and Reclamation also described performance information that lacked credibility because the measures either did not accurately define comparable elements or did not take into account different standards across bureaus or units. For example, several NPS managers noted that one of the measures on which they report, "percent of historic structures in good condition," does not differentiate between a large, culturally significant structure such as the Washington Monument and a smaller, less significant structure such as a group of headstones. Consequently, a manager could achieve a higher percentage by concentrating on improving the conditions of numerous less significant properties.

Poorly integrated performance and management information systems further hindered NPS and Reclamation managers' efforts to use performance information to inform their decision making. For example, according to some Reclamation managers we interviewed, there is no one centralized database to which a Reclamation executive can go to find out

[11]The PART was a diagnostic tool created by OMB that was intended to provide a consistent approach for evaluating federal programs as part of the executive budget formulation process during the 2004-2008 budget cycles. The tool applied 25 questions to all federal programs under four broad topics: (1) program purpose and design, (2) strategic planning, (3) program management, and (4) program results (i.e., whether a program is meeting its long-term and annual goals). Within the second topic, the first question was "Does the program have a limited number of specific, ambitious long term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?" If OMB determined that a program did not have such long term goals or existing goals were not sufficient, the program would receive a lower rating and OMB could require the development of new or revised goals. In our review of OMB's 2004 PART process, we found that, according to OMB, 115 out of 234 programs (49 percent) lacked "specific, ambitious, long-term performance goals that focus on outcomes." See GAO, *Performance Budgeting: Observations on the Use of OMB's Program Assessment Rating Tool for the Fiscal Year 2004 Budget*, GAO-04-174 (Washington, D.C.: Jan. 30, 2004).

how the bureau is doing on all of Reclamation's required performance goals. The lack of linkage among the different Reclamation systems required managers to enter the same data multiple times, which some managers said is a burden.

Despite the challenges facing FEMA and Interior, we also observed various initiatives and program areas within the agencies where leaders were committed to increasing the use of performance information; and were demonstrating that commitment by communicating the importance of using data to identify and solve problems, involving their managers in efforts to develop useful measures, and connecting individual performance with organizational results. Within FEMA, Mitigation Directorate officials we interviewed reported that they had begun to use performance information to plan for and respond to factors outside of their control, a change that they attributed in large part to the former Mitigation Administrator's commitment to performance and accountability. For example, storms and other natural events can disrupt the Mitigation Directorate's production work related to floodplain maps modernization, which is a key step in ensuring that flood-prone communities have the most reliable and current flood data available. To plan for possible disruptions, Mitigation Directorate officials said they reviewed performance information on progress toward map modernization goals on a monthly basis with their external stakeholders, including state and local governments and insurance companies and FEMA's regional management, which sent a clear signal that Mitigation's leadership was paying attention to outcomes. According to these officials, this review helped them to determine in advance if they were at risk of missing performance targets and to identify corrective actions or contingency plans in order to get back on track toward achieving their goals. Moreover, they said, they were able to meet or exceed their performance target of 93 percent of communities adopting new floodplain maps, in part, as a result of their frequent communication and review of performance information.

Mitigation Directorate officials said that developing measures and holding staff and contractors accountable for their performance was not an easy transformation. They said that one key to this culture change was for the leadership to strike an appropriate balance between holding managers accountable for agency goals and building trust among managers and staff that performance information would be used as an improvement tool, rather than as a punitive mechanism. Finally, Mitigation Directorate officials said that managers and staff became more supportive of their leadership's efforts to use performance information in their decision

making once they began to see that measuring performance could help them to improve results.

At Interior and NPS, officials were aware that managers continue to struggle with the high volume of performance information they are required to collect, and have initiated various strategies designed to improve the usefulness of performance information without adding to the existing data-collection and reporting process. For example, NPS' Core Operations Analysis is a park-level funding and staffing planning process, recently adopted by several regions, that is intended to improve the efficiency of park operations and ensure that a park's resource-allocation decisions are linked to its core mission goals. Regional-level managers who engaged in the Core Operations Analysis said it was useful in establishing goals based on the park's priorities, monitoring progress toward achieving those goals, and holding park superintendents accountable for meeting established goals.

Our report contains recommendations to the Secretary of the Department of Homeland Security (DHS) for FEMA and the Secretary of the Interior, designed to build upon the positive practices we identified within these agencies. We recommended that FEMA augment its analytic capacity to collect and analyze performance information and strengthen linkages among agency, program, and individual performance. We also recommended that Interior, NPS, and Reclamation review the usefulness of their performance measures in conjunction with OMB and refine or discontinue performance measures that are not useful for decision making. Finally, to FEMA, Interior, and NPS, we made recommendations intended to improve the visibility of agency leadership's commitment to using performance information in decision making. Both DHS and Interior generally agreed with these recommendations.

Building an Enduring Results-Oriented and Collaborative Culture Requires Demonstrated Leadership Commitment from the President and Congress

The President and OMB Can Promote Greater Use of Performance Information Governmentwide

As we have noted in the past, the President and Congress both have unique and critical roles to play in demonstrating their commitment to improving federal agency performance results. Both OMB and Congress can send strong messages to agencies that results matter by articulating expectations for individual agency performance and following up to ensure that performance goals are achieved. At the same time, they also need to address performance problems in the areas of government that require the concerted efforts of multiple agencies and programs. Increasingly, many of the outcomes we look for—such as prevention of terrorist attacks, reduction in incidence of infectious diseases, or improved response to natural disasters—go beyond the scope of any one single agency. In these cases, agencies must work closely together to achieve desired results.

The President can send a signal to federal managers that using performance information is critical for achieving results and maximizing the return on federal funds invested by selecting and focusing his attention on achieving certain critical goals, such as creating or retaining jobs through investments under the American Recovery and Reinvestment Act of 2009.[12] As a first step, OMB has begun to issue guidance to agencies on identifying a limited number of high-priority performance goals, with the explicit message that performance planning is a key element of the President's agenda to build a high-performing government.[13] With this recent guidance, OMB has also put agencies on notice that the executive-branch leadership is paying attention to their performance, by establishing regular reviews of the progress agencies are making to improve results in these high-priority areas.

As the primary focal point for overall management in the federal government, OMB can support agency efforts to use performance information by encouraging agencies to invest in training, identifying and disseminating leading practices among agency managers, and assisting agencies in adopting these practices where appropriate. As we previously reported, our survey results showed a positive relationship between

[12]Pub. L. No. 111-5, 123 Stat. 115 (Feb. 17, 2009). The Recovery Act requires recipients of Recovery Act funds to report, among other information, an estimate of the number of jobs created and number of jobs retained by projects and activities. Recovery Act, § 1512(c)(3)(D), 123 Stat. 288.

[13]M-09-20, *OMB Memorandum for the Heads of Departments and Agencies on Planning for the President's Fiscal Year 2011 Budget and Performance Plans*, June 11, 2009.

managers who reported receiving training and development on setting program performance goals and those who report using performance information when setting or revising performance goals.[14] However, as we testified in July 2008, while our survey found a significant increase in training since 1997, only about half of our survey respondents in 2007 reported receiving any training that would assist in analyzing and making use of performance information.[15] We previously recommended that OMB ensure that agencies are making adequate investments in training on performance planning and measurement, with a particular emphasis on how to use performance information to improve program performance.[16] Although the agency has not yet implemented this recommendation, an official who oversees OMB's management initiatives said that OMB has recently launched a collaborative Wiki page for federal agencies. According to this official, the Wiki is intended to provide an on-line forum for federal managers to share lessons learned and leading practices for using performance information to drive decision making.

In addition to providing support to help improve agency-level performance, OMB is uniquely positioned to facilitate collaborative, governmentwide performance toward crosscutting goals. As noted above, there are numerous performance challenges, ranging from combating terrorism to preventing the spread of infectious diseases, which transcend organization lines and require the concerted efforts of multiple agencies and programs. We have previously reported that GPRA could provide OMB, agencies, and Congress with a structured framework for addressing crosscutting program efforts.[17] OMB, for example, could use the provision of GPRA that calls for OMB to develop an annual governmentwide performance plan to integrate expected agency-level performance. Such a plan could help the executive branch and Congress address critical federal performance and management issues such as conflicting agency missions, jurisdiction issues, and incompatible procedures, data, and processes. As we pointed out in our July 2008 testimony, this provision has not been implemented fully.

[14]GAO, *Results-Oriented Government: GPRA Has Established a Solid Foundation for Achieving Greater Results*, GAO-04-38 (Washington, D.C.: Mar.10, 2004).

[15]GAO-08-1026T.

[16]GAO-04-38.

[17]GAO-04-38.

In addition to the annual performance plan, a governmentwide strategic plan could identify long-term goals and strategies to address issues that cut across federal agencies. To that end, we have also recommended that Congress consider amending GPRA to require the President to develop a governmentwide strategic plan.[18] Such a plan—supported by a set of key national outcome-based indicators of where the nation stands on a range of economic, environmental, safety and security, social, and cultural issues—could offer 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.

Ensuring Performance Information Is Useful to and Used by Congress Is Key to Success of Governmentwide Performance Initiatives

By routinely incorporating agency performance issues into its deliberations and oversight, Congress can send an unmistakable message to agencies that they are expected to manage for results. As we have noted in our earlier work, however, Congress needs to be actively involved in early conversations about what to measure and how to present this information.[19] We previously reported that the PART process used by the prior administration did not systematically incorporate a congressional perspective and promote a dialogue between Congress and the President.[20] As a result, most congressional committee staff we spoke to did not use the PART results to inform their deliberations. Although the Obama Administration intends to adopt a new performance improvement and analysis framework, any new framework should include a mechanism to consult with members of Congress and their staffs about what they consider to be the most important performance issues and program areas warranting review. Engaging Congress early in the process could help target performance improvement efforts toward those areas most likely to be on the agenda of Congress, thereby increasing the likelihood that they will use performance information in their oversight and deliberations.

Additionally, as we noted in our July 2008 testimony, Congress could consider whether a more structured oversight mechanism would be helpful in bringing about a more coordinated congressional perspective on governmentwide performance issues. Just as the executive branch needs to better address programs and challenges that span multiple departments

[18]GAO-04-38.

[19]GAO, *Performance Budgeting: OMB's Performance Rating Tool Presents Opportunities and Challenges for Evaluating Program Performance*, GAO-04-550T (Washington, D.C.: Mar. 11, 2004) and GAO-08-1026T.

[20]GAO-04-550T.

and agencies, Congress might find it useful to develop structures and processes that provide a coordinated approach to overseeing agencies where jurisdiction crosses congressional committees. We have previously suggested that one possible approach could involve developing a congressional performance resolution identifying the key oversight and performance goals that Congress wishes to set for its own committees and for the government as a whole. Such a resolution could be developed by modifying the annual congressional budget resolution, which is already organized by budget function.[21] This may involve collecting the input of authorizing and appropriations committees on priority performance issues for programs under their jurisdiction and working with crosscutting committees such as the Senate Committee on Homeland Security and Governmental Affairs, the House Committee on Oversight and Government Reform, and the House Committee on Rules.

In conclusion, while federal agencies have become better positioned to manage for results, there is still much to be done to shift the focus of federal managers from merely measuring agency performance to actively managing performance to improve results. Our work indicates that widespread adoption of the key management practices we have identified is a critical first step. At the same time, the President and Congress each have unique and critical roles to play in building a high-performing, results-oriented, and collaborative culture across the government. Beyond this, the creation of a long-term governmentwide strategic plan, informed by a set of key national indicators, and an annual governmentwide performance plan could provide important tools for integrating efforts across agencies to achieve results on the challenging issues that increasingly face our nation in the 21st century.

Mr. Chairman, this concludes my statement. I would be pleased to respond to any questions you or other members of the subcommittee may have at this time.

[21]GAO, *21st Century Challenges: How Performance Budgeting Can Help*, GAO-07-1194T (Washington, D.C.: Sept. 20, 2007).

GAO Contacts and Acknowledgments

For further information about this testimony, please contact me at (202) 512-6543 or steinhardtb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this testimony. Individuals who made key contributions to this testimony were Elizabeth Curda (Assistant Director), Jessica Nierenberg, Laura Miller Craig, Kate Hudson Walker, Karin Fangman, Melanie Papasian, A.J. Stephens, and William Trancucci.

Appendix I: Agency Ranking Based on 2007 Survey Results on Use of Performance Information

Rank	Agency/Component
1	National Aeronautics and Space Administration
2	Nuclear Regulatory Commission
3	Department of Veterans Affairs
4	Social Security Administration
5	National Science Foundation
6	General Services Administration
7	Department of Energy
8	Department of Housing and Urban Development
9	Department of Education
10	Department of the Treasury (excluding Internal Revenue Service)
11	Internal Revenue Service
12	Environmental Protection Agency
13	Small Business Administration
14	Centers for Medicare & Medicaid Services
15	Department of Commerce
16	Office of Personnel Management
17	Federal Aviation Administration
18	United States Agency for International Development
19	Department of Labor
20	Department of Agriculture (excluding Forest Service)
21	Department of Homeland Security (excluding Federal Emergency Management Agency)
22	Department of Defense
23	Department of State
24	Department of Transportation (excluding Federal Aviation Administration)
25	Department of Justice
26	Department of Health and Human Services (excluding Centers for Medicare & Medicaid Services)
27	Department of the Interior
28	Federal Emergency Management Agency
29	Forest Service

Source: GAO.

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