



Statement of

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before the

Senate Committee on Homeland Security and Governmental Affairs

**Subcommittee on Oversight of Government Management,
the Federal Workforce, and the District of Columbia**

and

**Subcommittee on Federal Financial Management,
Government Information, Federal Services, and International Security**

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Thank you for inviting me to testify this afternoon.

My name is Robert Shea and I am a Principal of Grant Thornton LLP, one of the six global audit tax and advisory organizations. I work in Grant Thornton's Global Public Sector (GPS), based in Alexandria, Virginia. Our mission is to provide responsive and innovative financial, performance management, and systems solutions to governments and international organizations. Grant Thornton GPS provides expert performance management advice to major federal departments and agencies, as well as to state and local governments.

I'm proud to talk about effective ways to implement the recently enacted Government Performance and Results Modernization Act of 2010 before the committee that enacted the first GPRA almost twenty years ago. That law laid a strong foundation for more rigorous performance management practices to take hold across government. The new law builds on progress made and enhances the tools we have to improve the government's performance. For it to be successful, though, Congress must ensure the executive branch appoints leaders who understand the power of performance information and aren't afraid to use it to transform organizations. Congress must also take an active role in ensuring the provisions of the act are implemented urgently and as intended. Agencies must be held accountable for taking the act's requirements seriously, and invest the time, effort, and resources required to make them work.

GPRA laid a foundation for outcome-oriented government

It was in this committee that government-wide efforts to improve performance management began. Enactment of GPRA in 1993 was a key milestone in the transition of government from one that measures activities or outputs to one that measures outcomes and evaluates impact. Because of the efforts of this committee, government has come a long way from satisfying ourselves with measuring the success of programs by the number of regulations issued or grants made. Today, more often than not, it is clear what outcomes agencies are trying to achieve and how they will measure success along the way.

Despite the progress made as a result of GPRA, not enough of our time in government is focused on assessing whether goals are being achieved and, if not, what to do about it. The GPRA Modernization Act provides an excellent framework for ensuring greater focus on what works, what doesn't, and what we can do to improve.

Leadership

Perhaps the most critical element in an organization's implementing the Modernization Act, and one that certainly cannot be legislated, is leadership. In a Performance Improvement Officer survey conducted jointly by Grant Thornton and the Partnership for Public Service, the quality of leadership was often cited as key to the success of an agency's performance management system:

In cases where leadership is lacking, performance improvement officers said the tendency is to go through the motions and complete required reports without actually accomplishing anything concrete. One interviewee said, "When you don't have the support of leadership, your default is compliance." Another performance improvement officer added: "Our

*leadership is used to compliance, not performance management. It needs to be in the fabric of what we do. It's a mentality."*¹

In my experience, the key difference between a successful and less-than-successful organization is the quality of its leaders. Leaders who understand the difference between what is urgent and what is important can keep organizations from getting distracted and instead keep them focused on implementing effective performance improvement strategies. Leaders can also ensure that initiatives like the GPRA Modernization Act won't become just another compliance exercise. They are in the ideal position to harness the energy and creativity of the workforce in identifying improvements.

Although the GPRA Modernization Act enumerates important qualifications for chief operating officers and performance improvement officers, it will be incumbent on the Obama Administration and Congress to ensure that the COO positions that were to be filled by the May 2nd deadline are filled with experienced individuals who have managed organizations using data to drive change and improvement. Party loyalty and policy familiarity should take a back seat to questions of managerial expertise and past success. Leaders with strong experience in managing successful organizations will either have direct experience with — or at least be able to sift through — the countless management improvement initiatives thrust on agencies. These abilities will enable them to put together accountability mechanisms that fit the environment in which they are working.

Strong leaders understand the value of honest and accurate data. There is a tendency, especially in government, not to want to report performance information if it will highlight failure or poor performance. In our political environment, the opposition to transparency is based on the fear it would put the organization or its political leadership in a negative light. But if we want to achieve important objectives, clear, outcome-oriented goals and honest, accurate, and timely data are critical. Congress should give agencies clear feedback on what goals are important and assess the timeliness, accuracy, and usefulness of publicly reported data.

GPRA Modernization Act Implementation

The GPRA Modernization Act was signed by the President more than four months ago. OMB issued guidance to agencies in April outlining the bill's new requirements. It is currently considering more detailed guidance to assist agency implementation of the new law. I hope this committee is consulting closely with OMB on what guidance agencies will receive. As it does, I hope the committee engages OMB in a constructive dialogue on just what it meant when it wrote the original law and what it expects in implementation of the GPRA Modernization Act. The Committee should also hold OMB's feet to the fire to ensure the tenets of the new law are implemented faithfully and constructively. A strong partnership between OMB and Congress is critical to the act's success. But ongoing oversight by this committee will also be required.

¹ Partnership for Public Service and Grant Thornton LLP; *A Critical Role at a Critical Time*; April 2011. (See <http://tinyurl.com/4yup8a4>.)

Agencies, Congress, and the Administration must report and use clear and candid performance information

Using performance information in decision-making does not come naturally to the federal government. Of course, there is a tendency to measure things that are easy. With budgets increasingly constrained, performance information should be used in the budget process to ensure investments have the greatest impact. Performance information should also be used in the authorization and oversight process to hold programs and agencies accountable. Further, performance information is useful in assessing and improving government contracts, grants, and personnel. There is no limit to the use of reliable performance information given that federal agencies have been collecting and reporting on some form of performance information for the better part of a decade.

The GPRA Modernization Act makes it clear that agencies are responsible for using data to manage and report in a transparent manner for public consumption. Your committee's report on the bill describes one of the relevant provisions: "This section also requires that, at each agency, the head of the agency and the agency's COO [Chief Operating Officer], with the support of the agency PIO [Performance Improvement Officer], conduct an analogous quarterly review to review priority goals with the appropriate goal leaders."² This quarterly review process can greatly improve agency attention to performance, although this simple requirement is not enough. The public website required of the Act, www.performance.gov, should include candid, actionable data on progress toward reported goals that is meaningful to the public at large.

Measuring progress toward outcomes often spans many years. The GPRA Modernization Act reminds agencies that they must clearly describe how performance goals contribute to the achievement of long-term, outcome-oriented strategic goals. The regular reporting of progress on these interim goals will give stakeholders, including Congress, a better idea of what progress is being made in the absence of more timely, outcome-oriented performance information. It is critical, however, that agencies provide the information in a form tailored to their specific stakeholders. This will require ongoing consultation between the agencies responsible for achieving the goals; their appropriations, authorizing, and oversight committees; and ultimately the public.

The executive branch shares a responsibility not only to demand clear and useful performance information, but also to ensure agencies are collaborating with their stakeholders and each other to reduce redundancies, increase efficient delivery of program outcomes, and improve their collective performance. Much attention has been focused on the President's State of the Union Address discussion of reorganizing government to eliminate program duplication. The GPRA Modernization Act includes important requirements that can improve coordination among duplicative programs.

One of the act's most exciting features is the requirement that the Federal Government Performance Plan include governmentwide goals and an inventory of the multiple agencies or

² Report of the Committee on Homeland Security and Governmental Affairs, United States Senate; *GPRA Modernization Act of 2010*; Senate Report 111-372; 111th Congress, 2nd Session; December 16, 2010; at 17. (See <http://www.gpo.gov/fdsys/pkg/CRPT-111srpt372/pdf/CRPT-111srpt372.pdf>.)

programs that contribute to their achievement. A source I hope the executive branch consults is the Commission on Key National Indicators.³ Established by Congress with an authorization of \$70 million, the Commission is another example of Congress' commitment to improving the government's performance in certain crosscutting areas. At the Commission's website, www.stateoftheusa.org, you can find an initiative that's attempting to show where the nation stands on important issues facing this country.

The Administration's administrative flexibility initiative also has great potential to improve collaboration among like programs trying to serve similar constituencies. In February, the President issued a memorandum "instructing agencies to work closely with State, local, and tribal governments to identify administrative, regulatory, and legislative barriers in Federally funded programs that currently prevent States, localities, and tribes, from efficiently using tax dollars to achieve the best results for their constituents."⁴ Just last month, OMB followed that memorandum with more detailed guidance to agencies on how they should identify and implement greater flexibility to reduce unnecessary burdens on state and local governments in order to improve the achievement of common outcomes. If implemented as intended, this initiative can vastly improve cross-agency and cross-government collaboration.

The promise of rigorous independent program evaluation

Although use of performance information in day-to-day (or quarter-to-quarter) management is important, programs sometimes require a more rigorous evaluation to ensure they are having the intended impact. To prove a program is working, rigorous, random, and controlled independent evaluations can isolate the impact a program is having from other factors. The non-profit sector has the lead in this area, but the federal government is not far behind. One of the promising initiatives led by OMB is described in a recent OMB Memorandum:

*Rigorous, independent program evaluations can be a key resource in determining whether government programs are achieving their intended outcomes as well as possible and at the lowest possible cost. Evaluations can help policymakers and agency managers strengthen the design and operation of programs. Ultimately, evaluations can help the Administration determine how to spend taxpayer dollars effectively and efficiently — investing more in what works and less in what does not.*⁵

This evaluation initiative promises to vastly expand the body of evidence we have with which to judge what works and what doesn't. Many programs, when subjected to rigorous evaluation methodologies, will not live up to their promise. Without such evidence, however, programs are implemented blindly without knowing their intended impact. Only with such evidence can you begin to adjust programs to increase their chance of success. Such evidence may also provide a more legitimate basis for eliminating those programs that aren't working. When a rigorous

³ See <http://www.stateoftheusa.org/content/commission-on-key-national-ind.php>.

⁴ Presidential Memorandum: Administrative Flexibility, Lower Costs, and Better Results for State, Local, and Tribal Governments; February 28, 2011. (See <http://www.whitehouse.gov/the-press-office/2011/02/28/presidential-memorandum-administrative-flexibility>.)

⁵ Office of Management and Budget; Memorandum for the Heads of Executive Departments and Agencies: Increased Emphasis on Program Evaluations; October 7, 2009; M-10-01. (See http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-01.pdf.)

evaluation reveals that a program is having a significant positive impact, these revelations should get your attention. Replicating that success should be a primary focus of the program, the agency, Congress, and the Obama Administration. The more evaluations we conduct, the more evidence we have of what's working. The more evidence we have of what's working, the more we can allocate tax dollars to the greatest benefit.

Conclusion

Like the performance management initiatives before them, the GPRA Modernization Act is an important milestone in our on-going quest to make government more efficient and effective. This Committee played an important role in GPRA's early success and can play an even more constructive part today. Assigning accountability for improved performance and outlining transparency requirements can go a long way toward improving program success. If Congress and the executive branch work together to provide active, persistent oversight, the potential benefits of this effort are enormous.

About Robert Shea

Robert Shea is a Principal in the Grant Thornton LLP Global Public Sector practice. He leads the firm's Cost, Budget, and Performance Management Community of Practice. Robert is a Fellow of the National Academy of Public Administration and a member of its Board of Directors.

Before joining Grant Thornton, Robert was at the U.S. Office of Management and Budget as Associate Director for Administration and Government Performance. In addition to managing OMB's internal operations, Robert led the President's Performance Improvement Initiative and administered the Program Assessment Rating Tool.

Before joining OMB, Robert served as Counsel to the Senate Committee on Governmental Affairs where, in addition to general oversight of Executive Branch management, he advised Committee leadership on the status of implementation of the statutory framework for performance-based government, including the Government Performance and Results Act and the Chief Financial Officers Act.

Robert was Legislative Director for Congressman Pete Sessions (TX) from 1997 to 1999, where he organized the Results Caucus, a group of Members of Congress dedicated to results-based management and solving many of the government's major management problems. Robert was a Professional Staff Member with the House Committee on Government Reform from 1995 through 1996. There he had responsibility for examining the economy and efficiency of government programs, and acted as liaison with the government's Inspectors General.

Robert graduated from South Texas College of Law in Houston, Texas; and received a Bachelor of Arts from Connecticut College in New London, Connecticut. Robert lives in Alexandria, Virginia with his wife, Eva, and their three girls, Haley, Hannah, and Mimi.

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