

**STATEMENT OF RHEA SUH, ASSISTANT SECRETARY FOR POLICY,
MANAGEMENT AND BUDGET, U.S. DEPARTMENT OF THE INTERIOR,
BEFORE THE SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,
GOVERNMENT INFORMATION, FEDERAL SERVICES AND INTERNATIONAL
SECURITY OF THE SENATE HOMELAND SECURITY AND GOVERNMENTAL
AFFAIRS COMMITTEE, OVERSIGHT HEARING ON GETTING TO BETTER
GOVERNMENT: FOCUSING ON PERFORMANCE**

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Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you today to discuss management at the Department of the Interior. I am joined here today by Dr. Richard Beck, Director of the Department's Office of Planning and Performance Management.

Introduction

One of my highest priorities as the Assistant Secretary of Policy, Management and Budget is to initiate a rigorous and renewed focus on management at the Department. Comprised of over 70,000 people, and organized within eight different bureaus with eight distinct missions, management of such a large organization is an enormously complex and challenging task that demands rigorous performance metrics and accountability conducted in a meaningful and efficient manner.

We welcome the review of management at our agency both by this Committee and by the Government Accountability Office (GAO). We have reviewed the GAO's study, titled "*Results-Oriented Management, Strengthening Key Practices at FEMA and Interior Could Promote Greater Use of Performance Information*" and agree in principle with its recommendations. Tracking and utilizing performance information are important elements of decision making and effective management systems; and leadership and communication by senior management on these issues is critical.

I believe that effective management begins with a clear articulation of success for the organization. It has been said that if you do not know where you are going, any road will take you there. I would like to share with you today the important steps that we are taking to strengthen management at the Department.

Strategic Plan

We are in the process of revising our integrated Department-wide Strategic Plan. The Strategic Plan establishes the Department's overarching mission, vision, and common goals.

Although the statutory mission of the Department and its bureaus has not changed, the revised Strategic Plan will reflect the priorities of President Obama and Secretary Salazar. The Strategic Plan will also identify the corresponding metrics that will be used to gauge our success, manage our budgets and define areas for improvement. In this way, the Strategic Plan will define where the Department is headed in the future.

In updating the Strategic Plan this year, we have developed a framework that provides, on a single page, a road map of proposed mission areas, goals, and areas of performance measurement. This framework introduces a hierarchical approach to aggregating details in a meaningful way, so that supporting level details may be easily retrieved and used to make Departmental decisions. We believe that this framework brings a significant amount of data together in a usable format.

We are a large and complex Department, and the Department collects a significant amount of information. As noted in the GAO report, the Department records over 600 performance measures; some are very project-specific, while others are aggregated Department-wide. It is our hope that the framework will connect information about the performance of the Department, which is essential in management, with information about implementation, which is often most relevant to employees.

We have found that performance measures that are too broadly defined are considered by local project managers to lack credibility and usefulness, while measures that are too narrowly defined become too numerous to be used effectively by decision makers at the Departmental level. Consequently, in many instances, performance information captured at one level may not be useful for decision making at another. The objective is to ensure that performance information is useful in decision making, both at the local and at the Departmental level.

Communication

We are communicating this proposed framework for a new Strategic Plan, including its goals and measures, throughout the Department. We want the actions of employees to be aligned with the direction of the Department. By making goals and measures traceable from the Secretary's priorities down to the levels of implementation, employees will be able to see where their performance contributes to the achievement of the Department's goals. Involving managers and employees in the planning process will help ensure ownership and accountability across the Department's bureaus and offices. Greater communication and input by employees and managers will also lead to the increased use of performance information across the organization, and ultimately improved effectiveness and results

On September 11, 2009, we published notice of the availability and request for comments on the Strategic Plan framework in the Federal Register. We are planning a series of town hall meetings to discuss the elements of this framework for revising the Strategic Plan. In this manner, internal and external stakeholders, the general public, and Tribal communities, among others, will have an opportunity to comment on the proposed framework. The framework is currently open for public comment until November 10, 2009.

Innovation

We recently assessed the potential for using aggregated performance information to measure the Department's overall progress against its mission level outcome goals. We started with 25 "representative performance measures", which we considered key indicators of performance across the agency, and produced a mapping of the major aspects of performance that could be used on a repeatable basis. Related program areas were added to this mapping through corresponding performance measures. The results, and a projection into the next year, were graphed for each representative performance measure. A corresponding trend in funding investment was also provided for comparison. This high level information provides the Department's decision makers with a dashboard to evaluate performance.

Both the detailed and aggregated performance information is very important for our decision making. Knowing how well or poorly a program is performing with a given budget helps resource managers make informed decisions about the allocation and reallocation of finite dollars. By tracking performance and expenditures of Interior programs, we can identify areas of challenged, sustained, or improved performance and make recommendations for increasing, decreasing, or maintaining resource levels. This assessment has been especially appropriate for those programs that take multiple years of effort and for performance to be realized.

This year we expect to expand the assessment to cover a larger percentage of our budget with similar performance/funding trends. We hope that this approach will provide a more understandable report for senior level decision making. Ultimately, we hope to make performance measures a routine part of discussion and decision making at the Department.

Developing and utilizing meaningful performance measures is a continually evolving process. As we move forward, we will continue to look to other agencies and organizations to adopt best practices.

Conclusion

I am committed providing strong agency leadership on these issues. I appreciate very much the Committee's support and encouragement for tracking and utilizing performance information. As we have described, it is a valuable tool for decision making and effective management.

This concludes my testimony. I am happy to answer any questions that you may have.