

Testimony of Michael Hettinger

before the Subcommittee on Government Management, Organization and Procurement

Committee on Oversight and Government Reform

U.S. House of Representatives

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Madam Chair and Members of the Subcommittee, thank you for the opportunity to testify today. It is an honor to appear before the Subcommittee.

From 2003 – 2006, I served as Staff Director of this Subcommittee, then known as the Subcommittee on Government Management, Finance and Accountability, under the leadership of Chairman Todd Platts of Pennsylvania. I know first-hand that the work of this Subcommittee is extremely important to the efficient and effective operation of the federal government.

I am currently a Director with Grant Thornton's Global Public Sector practice, but I am here as a witness today based on my experience in the U.S. Congress, specifically my time on this Subcommittee, as well as nearly a decade focused on issues affecting government performance, efficiency, and effectiveness. My testimony does not necessarily reflect the views of Grant Thornton LLP.

As requested in the letter of invitation, my testimony is focused on two areas of specific interest to the Subcommittee --(i) government performance and budgeting generally and (ii) H.R. 2142, the Government Efficiency, Effectiveness, and Performance Improvement Act of 2009.

GPR Act set the stage for a results-oriented government

Linking budgets to performance with the expectation of achieving better results is extremely important and something I know this Subcommittee has spent a great deal of time focusing on. When Congress passed the Government Performance and Results Act (GPRA) in 1993, it envisioned a comprehensive integration of agency annual performance plans with the annual budget process --a worthwhile goal. In 1993, GPRA offered a management vision of the future -- of a government where the effectiveness of government programs would be measured by actual results. GPRA also sought a more open, accountable and transparent government. As we sit here today, 17 years after GPRA's enactment, I believe we continue to strive to achieve that vision.

With the passage of the American Recovery and Reinvestment Act of 2009, Congress and the Obama Administration continued the push for a more open and transparent government. What that means and how we define transparency continues to be debated. In order to improve citizens' trust in government, information must be presented in a useful and understandable manner.

GPRA provided a sound baseline for linking budget and performance. Agency strategic plans as required under GPRA, along with annual performance plans, force agencies to think strategically about the implementation of their budgets and how those budget expenditures achieve results. We have seen

significant improvement as a result of GPRA, as well as annual agency Performance and Accountability Reports (PARs) and annual financial statements as required by the Chief Financial Officers Act.

When I served as Staff Director of this Subcommittee I had the opportunity to speak to many groups interested in government performance. One of the areas on which I consistently focused was the need to recognize what I called the “two budget processes”, those being, first, the process by which an agency works with the Office of Management and Budget (OMB) to formulate their annual budget request and, second the annual Congressional appropriations process which puts funding behind those budget initiatives. These two processes are in many ways linked very closely, but in other ways are two very separate and distinct efforts. GPRA is primarily a strategic part of the first process, and I believe the agency-produced GPRA strategic and annual performance plans greatly influence the development of OMB’s budget submission to the Congress. With regard to the second process, because of timing and the very nature of the appropriations process, I do not believe the GPRA plans have the same influence on Congress’s efforts. More needs to be done if there is a desire on the part of this Committee or others in the Congress to utilize GPRA or the PARs to influence the appropriations process.

Bush Administration’s PMA

Building on GPRA and prior management improvement efforts, such as President Clinton’s *Reinventing Government*, the Bush Administration implemented the *President’s Management Agenda (PMA)* to drive agencies to better performance and results. The PMA took an overall view of improved management and focused on linking budget to performance and results, as well as such key areas as financial performance, human capital management and expanded electronic government. This effort was largely successful in making agencies pay more attention to the performance of their programs, and it improved the overall efficiency of government. We still have a long way to go.

The PMA also implemented a management tool, known as the Program Assessment Rating Tool or PART. PART, over the 8 years of the Bush Administration, reviewed the performance of all government programs, 20% of all programs per year over a 5-year period, utilizing a simple questionnaire and then making that information available to the general public via Results.gov. This effort, while well-intentioned was not without controversy both at the agency level and here in Congress, in large part due to the fact that the effort was driven by OMB, as opposed to Congress or the individual agencies, as required under GPRA. In addition, many stakeholders felt that the reviews were being used for political purposes.

H.R. 2142, the Government Efficiency, Effectiveness and Performance Improvement Act of 2009

This brings me to my discussion of Representative Cuellar’s legislation, H.R. 2142 the Government Efficiency, Effectiveness and Performance Improvement Act of 2009. This legislation is very similar to legislation that Representative Platts and I developed in 2004, known as the Program Assessment and Results Act or PAR Act, introduced as H.R. 3826 in the 108th Congress and H.R. 185 in the 109th Congress. Like Representative Cuellar’s bill, this legislation sought to ensure the periodic review of government programs to measure their efficiency and effectiveness. H.R. 3826 was reported by the full Government Reform Committee but never considered by the House.

In addition to the basic requirement of this legislation that all federal programs be reviewed at least once every five years, H.R. 2142 includes a number of other key provisions that I believe are essential should this bill move forward. These include:

1. Providing for advance publication of the list of programs to be reviewed;
2. Requiring the development of a process to receive stakeholder comment;
3. Requiring the reporting of the results of the program assessments through the annual budget submission; and
4. Requiring the development of an improvement plan to address weaknesses identified through these reviews.

The bill also designates the agency Performance Improvement Officer as the key official responsible for program assessment and review – a position that did not exist when Representative Platts’s legislation was introduced.

Lessons Learned

I would like to share with the Subcommittee today the important lessons I learned from the effort to move Representative Platts’s legislation through this Committee. First and foremost, I continue to believe that the concept of reviewing federal programs for effectiveness on a regular basis is a good idea. It is only through this type of effort that we are able to determine if the programs are achieving the results we desire.

As you consider H.R. 2142, I encourage you to consider the following issues that were raised by various stakeholders during the consideration of Representative Platts’s legislation in the 108th and 109th Congresses:

1. Congressional intent must be an overriding consideration when determining the effectiveness of a program. In the vast majority of cases, there is a legislative underpinning to a federal program, and while that program may have changed and evolved over time, the intent of Congress when that legislation was passed and expressed Congressional intent as the program evolved, must be a strong factor in determining effectiveness. I encourage the Committee, when looking at this legislation, to work with your counterparts on the appropriations committee and authorization committees of jurisdiction to obtain their input on the bill.
2. Reviews must be empirical, fact-based and made without political judgment.
3. Metrics used to assess effectiveness must match the intent of the program, i.e. there must be agreement in advance on what outcome the program was intended to achieve, and it must be judged against that intended outcome.
4. Some “results” are subjective, and, therefore, it is more difficult to assess the effectiveness of certain types of programs than others. For example, a program designed to increase high school graduation rates can easily be measured by comparing the dollars invested to the direct increase in graduation rates, while a program designed simply to “improve the environment” requires a more subjective review because its results are not necessarily evident at a specific point in time.

5. Any effort to review program effectiveness must be driven at the agency level, rather than dictated from OMB. Since no one understands these programs better than the government employees implementing them on a day-to-day basis, I believe they are best positioned to drive these reviews. OMB should, however, play an active, advisory role in the review process.
6. Lastly, common sense must prevail.

I applaud the Committee for its ongoing efforts to improve the transparency, efficiency and effectiveness of the federal government. The more transparent our government is, the more I believe the citizens of this country will be able to trust that their hard-earned tax dollars are being used in a way that achieves results. I also applaud Representative Cuellar for his ongoing efforts to enhance the legislative debate that Representative Platts started 5 years ago regarding the need to review the effectiveness of government programs on a recurring basis.

Thank you again for the opportunity to appear before the Subcommittee today and I am happy to answer any questions the committee members may have.