A Challenge to the Performance Community

By John M. Kamensky

In early 2010, Professor Donald Kettl of the University of Maryland observed that a series of initiatives being pursued by the Obama administration were significantly reshaping federal governance and performance. He called it a "stealth revolution." Over the course of the following year, a number of additional initiatives and events have reinforced the revolution.

Cumulatively, these initiatives are likely to transform the governance and performance approaches traditionally used by the "performance community"—agency leaders, strategic planners, performance measurement experts, performance improvement officers, budgeters, financial managers, acquisition officers, technology executives, human capital officers, program evaluators, and program executives—in ways yet to be imagined. Fortunately, there are significant challenges and opportunities for the performance community in shaping this transformation.

Obama's Initial Performance Framework

President Obama appointed Jeffery Zients to fill the newly created position of Chief Performance Officer of the United States. He was also appointed Deputy Director for Management at the Office of Management and Budget (OMB). The latter is the traditional "management capacity building" job in the executive branch. This dual role places Zients at the apex of the performance community.

In testimony before Congress in September 2009, shortly after taking office, Zients said he would "… lead an effort to develop an improved federal performance management framework that aligns these high-priority performance goals, [Government Performance and Results Act] performance reporting, and many of the program-level performance measures developed for the [Program Assessment Review Tool]. Our government-wide performance measurement framework will be focused on outcomes, allow comparisons across programs and agencies, and show trends over time."

To date, his agenda has focused on three elements:

High-priority performance goals. Zients and OMB staff worked with the major agencies in late 2009 to identify a handful of specific, measurable, achievable goals for the subsequent 18 to 24 months. Examples include reducing the number of homeless veterans to 59,000 by 2012 and expanding the number of online filers for Social Security benefits to 50 percent. Agencies identified a total of 126 high-priority performance goals.

Data-driven reviews and public dashboards. Agencies and OMB track the progress of agency priority goals via a "performance portal" and quarterly review meetings. OMB staff methodically visit each agency to work on its progress toward their goals. In addition, OMB created an IT Spending Dashboard, which regularly posts the progress of major agency IT technology projects online. Zients said recently that OMB has worked with agencies via more than 50 "TechStat" reviews to identify $3 billion in savings and cut the delivery time of reviewed projects by half. OMB has

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developed other dashboards and review sessions for acquisition and improper payments. A more widespread adoption would be a significant step toward the use of performance information in making management decisions.

Problem-solving networks. The administration is also committed to tackling shared problems through new or existing cross-agency teams. Some of these networks will be mission-related (such as reducing obesity), some will be process-based (such as improving customer service), and some will focus on policy tools (such as block grants or evaluations). The government-wide Performance Improvement Council serves as the hub for any performance management networks. In addition, the General Services Administration (GSA) is building a government-wide technology platform to allow cross-agency collaboration and permit employees to connect with each other directly.

While these three elements have served as the baseline for the administration's performance improvement agenda, they have been supplemented by a wide array of other performance-based initiatives from both the administration and Congress. This tapestry of challenging performance improvement initiatives is presented on the following page.

Challenges to the Performance Community

Obama's evolving performance revolution (including administration and congressional initiatives) could significantly change the world of strategic planning, performance measurement, performance assessment, and reporting. It would likely change the approach executives and other decision-makers take as well.

Senator Mark Warner (D-VA) chairs the Senate Budget Committee's Task Force on Government Performance. He says of the GPRA Modernization Act: "This is the biggest little bill nobody ever heard of … if we implement this the right way…" noting that it could be one of the most significant pieces of legislation from the 111th Congress and that its successful implementation will require committed leadership.

The new law requires OMB to develop a handful of long-term, cross-agency priority goals in consultation with a dozen or more named congressional committees at least every two years. There is no precedent for this requirement. It will involve creating new institutional procedures in both OMB and Congress. Its evolution will be closely watched by those involved in performance management implementation in federal agencies and at the state and local levels. Similarly, federal agencies will need to consult with Congress as well as OMB on their priority goals.

In testimony before Senator Warner's task force, former White House Chief of Staff John Podesta said: "The new law also asks for cross-government goals, which I believe is its most important feature. President Obama should use this opportunity to communicate what his entire administration is trying to accomplish, setting no more than five goals that are presented as a contract between himself and the American people …. Former British Prime Minister Tony Blair did something similar to great effect."

The shift from a traditional performance model organized around agencies and programs to one premised on services and results will likely result in different executive and

Mark Warner

Other Performance Initiatives

Additional Obama Performance Initiatives

Implementation of Recovery Act tracking system. The Recovery Act's accountability requirements led to the creation of a government-wide, quarterly data collection and reporting system including both financial and performance information at a granular level (e.g., by subcontractor and by neighborhood). This piloted the regular creation and reporting of data from different programs in a common, reusable format.

Creation of Performance.gov. The progress toward the 126 high-priority performance goals developed by agencies is reported via a single government-wide web portal which is currently not open to the public. The new Government Performance Results Act amendment requires such a portal to be expanded to a one-stop center for all government performance plans and reports.

Commitment to reorganizing the government. President Obama, in his 2011 State of the Union Address, said "we cannot win the future with a government of the past." This led to a memo directing the delivery of a plan of action to reorganize agencies and functions associated with improving the performance of trade, exports, and competitiveness.

Cuts based on line-by-line reviews. President Obama selected programs for cuts or elimination in each of the past three fiscal years based on their relatively poor levels of performance as determined by what he called line-by-line reviews.

Support for program evaluation. While President Obama has proposed cutting poorly performing programs, he has supported investment in program evaluations to identify what works and what doesn't work, and why. He proposed an investment of $100 million in such efforts in his last two budgets.

Expansion of administrative flexibility. A February 2011 presidential memo declared "the array of rules and requirements imposed by various Federal programs and agencies may at times undermine their efforts to modernize and integrate program delivery." It directed agencies to work with states and localities to identify and streamline rules that impede improved performance.

New emphasis on customer service. President Obama signed a new executive order in April 2011 to implement best practices such as "lower-cost, self-service options accessed by the Internet or mobile phone and improved processes that deliver services faster and more responsively, reducing the overall need for customer inquiries and complaints."

Congressional Performance Initiatives

Creation of Recovery Act accountability system. The Recovery Act created the first-ever, government-wide accountability system to track $250 billion in Recovery Act grants and contracts. This new system was overseen by a board of agency inspectors general and was funded with about $84 million.

Authorization of key national indicators system. Congress included a provision in the health care reform act authorizing a third-party, neutral system to track the overall progress of the nation in economic, environmental, and social arenas. These trends could potentially inform priorities for improved performance for the country as a whole.

Senate Budget Committee's Task Force on Government Performance. The Senate created its first official group with a focus on improving government performance. This task force was a key player in developing legislation modernizing the 1993 Government Performance and Results Act (GPRA).

Passage of GPRA Modernization Act. Congress adopted amendments to GPRA that reinforce the Obama administration's efforts to set priority goals, with quarterly progress assessments based on performance data and reported via a government-wide website. It also creates a governance framework by institutionalizing the use of agency performance improvement officers, and includes opportunities for greater congressional involvement in goal-setting and performance reviews.

Focus on program overlaps and duplication. The statutory provision requiring the Government Accountability Office to report annually on programs that overlap and duplicate effort underlines a new emphasis on results, This focus is a radically different approach than Congress took to cut costs in the 1980s via across-the-board methods.

legislative branch roles and relationships. For example, a major change in the executive branch would be to create roles for individuals to serve as "boundary spanners" around cross-cutting outcomes. These boundary-spanners would be responsible for collaborative activities and accountability.

These changes in institutional governance structures will likely lead to changes in accountability structures. Again, this could occur in both the executive and legislative branches. For example, agencies are now being directed to move away from standardized, static annual performance measures such as the performance and accountability reports prepared to comply with the Chief Financial Officers Act and GPRA to near-real-time, granular performance information available to both government employees and the public. This will likely unsettle both politicians and senior career leaders by allowing independent interpretations of performance information generated directly from agency programs.

The White House

President Barack Obama signs the GPRA Modernization bill into law. With him is Chief Performance Officer/OMB Deputy Director for Management Jeff Zients and OMB Associate Director for Performance and Personnel Management, Shelley Metzenbaum.

Next Steps for the Performance Community

The Obama administration's performance initiatives have profound implications for the broader government performance community, signaling a transition from the traditional emphasis on standardized, periodic reporting models analyzed by central staff to a new, collaborative model. For example, the performance community will need to employ greater transparency, open data standards, shared data elements, and near-real-time reporting of performance information in a form readily understandable to targeted stakeholders. In some cases, these stakeholders will be specialists, and in other cases, they may be average citizens.

The performance community will also need to develop cross-agency and cross-program information gathering and reporting mechanisms. This will allow performance data to be reported according to strategic outcomes and not just by agency or program. Cross-agency reporting was done successfully in the case of the Recovery Act by using common standards and reporting methods.

This new model of real-time, cross-program transparent data also implies that the collection, analysis, and reporting of public performance information will be highly distributed across sectors without a central owner of the system. For example, health-related outcomes may rely on data drawn from federal, state, local, for-profit, and non-profit sources. To do this successfully, though, the performance community will have to find new ways to validate the quality and legitimacy of its data, even if does not reside on a government website. This also means that third parties may apply their own analytic and visualization tools for users, and "mash up" or combine government data from different sources or with data from non-government sources to aid in interpretation. For example, the "National Obesity Comparison Tool" developed by Tableau Software is based on federal data from the Centers for Disease Control and Prevention but uses its own visualization software plus mapping data from other sources to display the information.

If successfully implemented, these new ways of creating, collecting, sharing, interpreting, and reporting performance data in near-real time could become the foundation for new, results-oriented governance models of the future. The path for achieving this is unclear, and there will be a great deal of opportunity for experimentation. The good news is that the performance community will have an important role in shaping this new future. ◘