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Government Performance and Results Act: Implementation During 1997 and Issues of Possible Concern, 105th Congress, Second Session

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Summary

On September 30, 1997, federal agencies submitted to Congress strategic plans mandated by the Government Performance and Results Act of 1993, P.L. 103-62, also called the "Results Act," and GPRA. A government-wide performance plan was submitted with the President's FY1999 budget. The required performance plans and measures will be transmitted to Congress sometime after the President's FY1999 budget is submitted. Congressional hearings have been held on implementation of GPRA, and the General Accounting Office and congressional groups have assessed initial activities. Most strategic plans have been criticized for not conveying required analyses of the linkage between strategic goals and annual goals and measures, of resources needed to achieve goals, of data systems capabilities, and of interagency coordination on similar programs. Congressional attention to the Results Act has continued in the second session of the 105th Congress in response to leadership calls that committees ensure that agencies under their jurisdiction implement GPRA properly. H.R. 2883, marked-up on March 5 at the full committee level, proposes technical amendments to P.L. 103-62.

Background

The Government Performance and Results Act of 1993, P.L. 103-62, also called "the Results Act," and GPRA, encourages greater efficiency, effectiveness, and accountability in federal spending, and requires agencies to set goals and to use performance measures for management and, ultimately, for budgeting.¹ To give federal agencies time to develop implementation procedures, Congress phased in the law over a 7-year period (see the

¹ For historical information, see Congressional Research Service, *Government Performance and Results Act, PL. 103-62 Implementation Through Fall 1996 and Issues for the 105th Congress*, by Genevieve J. Knezo, Report 97-70 SPR, 24 December 1996: 93 pp; See also Congressional Research Service, *Government Performance and Results Act: Implications for Congressional Oversight*, by Frederick M. Kaiser and Virginia A. McMurtry, Report 97-382, 24 March 1997: 39 pp.

attached Timetable). Federal agencies initiated over 75 performance planning pilot projects, estimated to cover \$50 billion worth of federal programs. After analyzing problems with the pilots, the Office of Management and Budget (OMB) established interagency groups to share information and urged agencies to begin implementation as soon as possible to develop procedures needed to meet the law's mandates. OMB modified Circular A-11 to require agencies to accelerate using performance and outcome measures in budgets and to give agencies precise instructions to use when developing strategic plans and performance plans. OMB reported to Congress in May 1997 on implementation of the pilot projects, but did not recommend any changes in the statute.² In June 1997, the General Accounting Office (GAO) reported to Congress on agency readiness for full-scale implementation beyond the pilot project phase.³ It concluded that federal agencies' implementation activities varied in quality, utility, and responsiveness to the law, but that it was possible for agencies to make improvements.

During FY1997, agencies developed strategic plans and, while preparing them, were to solicit information from stakeholders and consult with Congress. Final strategic plans, that were sent to Congress on September 30, 1997, were to include

- (1) a comprehensive mission statement covering the major functions and operations of the agency;
- (2) general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the agency;
- (3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;
- (4) a description of how the performance goals included in the plan... shall be related to the general goals and objectives in the strategic plan;
- (5) an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and
- (6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

Early in the 105th Congress, the House majority leadership created an organizational structure to help Congress interact with the agencies to implement the law. To oversee the work, the leadership named the chairmen of the Appropriations Committee, the Budget Committee, and the Government Reform and Oversight Committee. Staff from those committees have met regularly with the 24 bicameral and bipartisan agency-specific congressional staff teams (based on Chief Financial Officers Act agencies) that were

² Office of Management and Budget, *The Government Performance and Results Act, Report to the President and the Congress From the Director of the Office of Management and Budget*, Washington, 19 May 1997: 31 pp., plus attachments.

³ General Accounting Office, *The Government Performance and Results Act, 1997 Government-wide Implementation Will Be Uneven*, Report to Congressional Committees, June 1997, GAO/GGD-97-109: 115 pp.

formed to consult with agencies and to review their strategic plans and other activities. P.L. 103-62 required GAO to take an active role in overseeing the implementation. The agency has produced numerous reports and testimony that deal with such issues as guidance to agencies about implementation, guidance to congressional staff about assessing agency implementation, specific reports on funding and research assessment, analyses of agencies' strategic plans, and guidance about assessing performance plans.⁴

The law required agencies to transmit to OMB annual plans and performance goals, beginning with the FY1999 budget request. OMB submitted a government-wide performance plan to Congress as part of the FY1999 budget; subsequently, individual agency plans are supposed to be delivered to Congress. In March of the year 2000, agencies will provide Congress with performance reports comparing actual performance to goals. In March 2001, OMB will report to Congress on the results of performance budgeting pilots and recommend whether or not performance budgets should be required statutorily. In May 1997, OMB told Congress that it would postpone the required performance budgeting pilots for a year (they were to begin with the FY1998 budget) because agencies were focusing on strategic and performance plans and because agency cost-accounting systems were inadequate. Now, performance budgeting pilot projects will cover FY1999 to FY2000. OMB also said it was changing the law's implementation schedule so "the required alternative budget presentation on performance budgeting would now appear in the FY2000 President's budget, rather than the FY1999 budget."⁵

Joint hearings on implementation of the Results Act were held in the 104th Congress by the Subcommittee on Government Management, Information and Technology of the House Committee on Government Reform and Oversight together with the Senate Committee on Governmental Affairs. During the 104th and 105th Congresses, hearings dealing with implementation issues or with implementation in particular agencies have been held by the House Committee on Science, the House Committee on Government Reform and Oversight, the Senate Committee on Governmental Affairs together with the Senate Appropriations Committee, and other committees. In testimony before the House Committee on Government Reform and Oversight on October 30, 1997, House Majority Leader Arney said that at least 23 hearings were held on the Results Act since February 1997. The Chief Financial Officers Council,⁶ the National Academy of Public Administration, and the Congressional Institute⁷ have produced guidance and initiated staff training programs.

⁴ Most of these reports and testimony are available on the Internet, via searches of GAO's webpage at <http://www.gao.gov/new.items/gpra/gpra.htm> and at <http://www.gao.gov/special.Pubs/publist.htm>.

⁵ Letter from Franklin D. Raines, Director, Office of Management and Budget to The Honorable Fred Thompson, Chairman, Committee on Government Affairs, U.S. Senate, May 20, 1997.

⁶ Available at <http://pula.financenet.gov:80/financenet/fed/cfo/gpra/gpra.htm>.

⁷ Available at <http://server.conginst.org/conginst/results/>.

Potential Issues of Concern During the 105th Congress, Second Session

The joint House/Senate majority leadership issued an interim report in September 1997 that assessed the quality of federal agencies' draft strategic plans.⁸ The ratings of the draft plans indicated that most did not meet the six basic statutory requirements.⁹ The draft plans received an average grade of 29.9 out of 100. In November, the congressional majority leadership released a report evaluating the final strategic plans (*The Results Act: It's the Law; the November 1997 Report*).¹⁰ The report concluded that most agencies had improved their strategic plans, with reports receiving an average grade of 46 and ranging from 28 to 75. All plans were evaluated as being minimally compliant with the Results Act, although some "just barely comply." Problems included agency data systems inadequate for evaluating outputs and outcomes, incomplete statements of resources and strategies needed to achieve goals, and insufficient coordination with other agencies engaged in similar work.

H.R. 2883, introduced in 1997, marked up in committee, and scheduled for House floor action in March 1998, amends the Results Act by, among other things, requiring departments and agencies to prepare another strategic plan by September 1998; to link goals to legal and statutory authorities; to submit separate strategic plans for component agencies; and to report on coordination activities, the full costs of programs covered by GPRA performance standards, and selective Inspector General reviews of performance data. The Administration opposes the bill.¹¹

Some believe that the act is being perceived improperly as a threat to "downsize government," and that it should be viewed instead as a tool to increase performance and accountability.¹² There is also the view that in 1998 Congress should focus on discussing the policy goals inherent in strategic goals and performance measures. In 1997 Congress

⁸ House Government Reform and Oversight Committee, *Towards a Smaller, Smarter, Common Sense Government: Results Act; It Matters Now: An Interim Report*; Issued by House Majority Leader Dick Armey; Senator Larry Craig, Chairman, Senate Republican Policy Committee; and Chairman Dan Burton, September 1997: 16 pp.

⁹ Some say the plans were unfairly judged on factors not required in the law. In the report Members and congressional staff rated the plan on 10 factors. Factors 8 and 9 were not specifically mentioned in the law or OMB circular, but appear to have been included based on GAO and majority leadership interpretation: "(1) Mission statement, (2) general (strategic) goals and objectives, (3) strategies to achieve general goals and objectives, (4) relationship between general goals and annual performance goals, (5) external factors, (6) program evaluations, (7) treatment/coordination of cross-cutting functions, (8) data capacity, 9) treatment of major management problems/high-risk areas, and (10) congressional and stakeholder consultations."

¹⁰ Issued by House Majority Leader Dick Armey, Senator Larry Craig, Chairman, Senate Republican Policy Committee, Chairman Dan Burton, House Government Reform and Oversight Committee, Chairman Bob Livingston, House Appropriations Committee, and Chairman John Kasich, House Budget Committee, available at: <http://freedom.house.gov/results>.

¹¹ See *Government Performance and Results Act: Proposed Amendments*, by Frederic A. Kaiser and Virginia McMurtry, Report 98-224 G, 6 March 1998.

¹² See for instance: Patrick Lester, "Armey Blasts Agency Results Act Implementation: Kasich Says Agency Budgets Will Be Cut," *OMB Watch*, 5 November 1997.

focused primarily on technical compliance in strategic plans. The November 1997 majority report recommended that congressional committees should take the following steps to ensure full compliance with the Results Act:

- view the submission of inadequate strategic plans by agencies as an invitation to clarify that agency's mission and goals through reauthorizations, funding and legislative efforts;
- now engage in a committee-by-committee effort to determine whether the identified goals are the appropriate function of that agency, or of the federal government generally;
- focus on some priority areas to seek improvements as expeditiously as possible, i.e. fighting a more effective war on illegal drugs, reforming the IRS, addressing the 25 GAO high risk areas for programs most apt to be vulnerable to waste, fraud and abuse, entitlement fraud, education reform, improving the coordination involved with fighting terrorism, and other priority areas;
- insert increasing numbers of performance-based measurements in their legislative efforts; and
- anticipate upcoming financial audit reports as required by the Chief Financial Officers Act of 1990 (CFO Act) and be prepared to actively demand better performance from agencies that fail their financial audits.¹³

Attention to GPRA during the second session is expected to be directed to the government-wide performance plan submitted with the budget and to the individual agency performance plans to be made available thereafter to the Congress. Some agencies may provide more detail about their strategic goals in the annual performance plans. The authorizing and appropriations committees, as well as the congressional staff teams, are likely to focus on the individual performance goals and measures in the plans. They may review the policy content of the goals and measures — i.e., do the measures coincide with strategic plan goals and does the Congress agree with what the agencies enunciate as their goals and measures? Attention might also be directed to how those measures are reflected in budget presentations and to “cross-walks” between budget function data and performance data. The chairmen of several House committees sent letters to the Administration requesting agencies to link FY1999 budget requests to the goals the agencies had identified in their strategic plans.¹⁴ The Congress might seek to ensure that OMB initiates the delayed performance budgeting pilot projects and that agencies develop cost accounting systems needed for them. Some committees may address the five recommendations for congressional action made in the joint majority leadership report on the Results Act issued in November 1997. Oversight may also focus on the costs and benefits of performance measurement systems; OMB policies about acceptable performance measurements, both quantitative and nonquantitative; efforts to link Results Act implementation to the everyday work of program managers; and steps that agencies could take to improve cross-agency coordination and utilization of similar performance measures for similar functions.

¹³ *The Results Act, It's the Law*, part 3.

¹⁴ House Science Committee, *Agencies Told to Link Budget Requests to Goals*, Press release, 14 November 1997.

Timetable for Implementation of GPRA

Inception of Pilot Projects—October 1993. At least ten agencies were to be designated as pilot projects for performance plans and reports (FY1994, 1995, and 1996). Twenty-one agencies and 53 programs were picked as first-round pilots. Six additional agencies and 18 programs were picked in a second round. After more changes beginning in January 1995, there were 75 ongoing pilot projects as of June 1995. Agencies doing pilot projects also developed performance plans for FY1995. FY1996 plans were due April 14, 1995. The last event in the performance pilot project phase — that is, submission to OMB of program performance reports for FY1996 — was due by March 31, 1997.

Managerial Waiver Pilots—October 1994. At least five agencies (selected from those with ongoing pilots) were to be designated as pilot projects for managerial accountability and flexibility waivers (FY1995 and 1996). OMB now says that those will not be conducted, since many management changes have been made already, precluding testing of waivers.

OMB Report—May 1, 1997. OMB reported to the President and Congress on the results of the pilot projects; it did not recommend changes in the law.

GAO Report—June 1, 1997. GAO reported on agency readiness to begin full implementation.

Performance Plans to OMB—September 1997. Agencies were to provide OMB with annual plans setting performance goals for FY1999. They are to be linked to strategic goals and, with some exceptions, are to be expressed in an “objective, quantifiable, and measurable” form. (Thereafter, submissions are to recur for each fiscal year.)

Strategic Plans—September 30, 1997. Each agency was to have completed a 5-year strategic plan and submitted it to OMB and Congress. Such plans required consultation with Congress and consideration of stakeholders’ views and are to be updated at least every 3 years.

Performance Budgeting Pilots—October 1997. At least five agencies were to be designated as performance budgeting pilots for FY1998 and FY1999; agencies are to present the different levels of performance that would result from different budgeted amounts. OMB wrote a letter to Congress in May 1997 requesting postponement so that the performance budgeting pilots would begin in FY1999 for FY1999 and FY2000.

Government-Wide Performance Plan—February 1998. OMB submitted to Congress a federal government-wide performance plan (based on agency plans) as part of the President’s FY1999 budget. This is to recur for each fiscal year thereafter. The legislative history (S.Rept. 103-58) instructed agencies to provide Congress and the public with copies of their annual performance plans after the government-wide performance plan is presented.

Performance Reports—March 31, 2000. Agencies are to submit annual performance reports for FY1999 to the President and Congress. These are to compare actual performance with stated goals, to explain why performance goals that were not met, and to give future plans and a schedule for meeting each goal. The submission is to recur for each fiscal year thereafter. Performance data for FY1999 are to be included. For each subsequent year, agencies are to include performance data for the year covered by the report and the three preceding years.

OMB Recommendation on Performance Budgeting—March 2001. OMB is to report to the President and Congress on the results of all the performance budgeting pilots and is to recommend whether or not performance budgeting should be required and if changes are recommended for the GPRA statute.