Divider Title: 8

FY 1997 PRIORITIES
Overview of Objectives & Tasks

STRENGTHEN BORDER FACILITATION AND CONTROL

Objective 1: Implement Attorney General Initiatives

- Task 1: Implement El Paso Crime Initiative
- Task 2: Implement McAllen Anti-Crime Initiative
- Task 3: Implement East County Initiative

Objective 2: Control Between the Ports of Entry

- Task 1: Fully Deploy and Use IDENT
- Task 2: Maintain the Table of Organization

Objective 3: Strengthen Facilitation and Enforcement Efforts at Ports-of-Entry

- Task 1: Demonstrate Results Of Business Process Reengineering Efforts
- Task 2: Implement Performance Indicator Management System (PIMS)
- Task 3: Expand the Datashare Program

Objective 4: Intelligence Program Reengineering

- Task 1: Complete a Strategic Plan for the Intelligence Program
- Task 2: Fully Implement the SOPs for Border Patrol Sectors
- Task 3: Develop SOPs for Districts (both domestic and international)
- Task 4: Develop and institutionalize academy intelligence training for district and Sector personnel

Objective 5: Improve Data Consistency, Timeliness, and Applicability

- Task 1: Address Consistency, Verification Methods, and Redundancies within Current Data Collection.
- Task 2: Develop Future Measurements of Success for Border Facilitation and Enforcement (at and Between POEs).

Objective 6: Implement '96 Act

- Task 1: Implement Expedited Exclusion
- Task 2: Develop an Automated Departure Control System
- Task 3: Develop Plan for Incorporation of Biometrics into the Border Crossing Card (BCC)

STRENGTHEN ANTI-SMUGGLING, ANTI-TERRORISM AND OVERSEAS DETERRENCE

Objective 1: Implement Attorney General Initiatives

- Task 1: Implement Puerto Rico Anti-Crime Initiative
- Task 2: Implement South Florida Anti-Smuggling Initiative
- Task 3: Implement Nigerian Anti-Crime Initiative
- Task 4: Implement Anti-Methamphetamine Initiatives in the Midwest
- Task 5: Implement Anti-Russian Organized Crime Initiatives
- Task 6: Implement Anti-Southeast Asian Organized Crime Initiatives

Objective 2: Strengthen Anti-Smuggling Efforts

- Task 1: Increase Investigative Efforts Directed Towards the "TOP TEN" or Other Identified Major Smuggling Organizations
- Task 2: Finalize National Anti-Smuggling Strategy and Operational Guidance

Objective 3: Strengthen Anti-Terrorism Efforts

- Task 1: Establish Infrastructure and Procedures for Removal Court and "Special Interest" Cases
- Task 2: Enhance INS participation in JTTF's at appropriate field locations
- Task 3: Finalize National Counter-Terrorism Strategy and Operational Guidance.

Objective 4: Overseas Enforcement/Deterrence Functions

- Task 1: Enhance INS Overseas Activity
- Task 2: Increase Interagency and International Cooperation on Migrant Trafficking and Other Enforcement Issues.
- Task 3: Enhance Training of Foreign Law Enforcement and Immigration Officials.

Objective 5: Data Integrity

- Task 1: Review Anti-Smuggling Reporting and Implement Required Changes
- Task 2: Develop a Reporting and Data Collection System for Terrorist-related Cases.
- Task 3: Review and Redesign, as required, Overseas Enforcement Activity Reporting
- Task 4: Ensure Accuracy, Consistency and Timeliness of Data Reporting for Current Operational Tasks

Objective 6: Implement '96 Act

- Task 1: Develop Plan to Establish New Preinspection Stations

INCREASE THE REMOVALS OF DEPORTABLE AND INADMISSIBLE ALIENS

Objective 1 Ensure Data Integrity

- Task 1: Improve DACS Entry and Reporting
- Task 2: Track Voluntary Returns

Objective 2: Increase Criminal Alien Removals

- Task 1: Strengthen the Institutional Hearing Program
- Task 2: Expand County Jail Programs
- Task 3: Strengthen Administrative Deportation

Objective 3: Increase the Apprehension and Removal of Absconders

Objective 4: Strengthen the Deportation Process

- Task 1: Improve Detention Resource Management
- Task 2: Assure Full Implementation of the National Transportation System and Develop the Detention and Deportation Optimization System
- Task 3: Speed the Availability of Travel Documents and Address the Problem of Unremovable Aliens

Objective 5: Implement the 1996 Act

- Task 1: Implement the Redesign of the Removal Process
- Task 2: Provide Congressionally Required Statistical Reports

REDUCE UNAUTHORIZED EMPLOYMENT AND INCREASE THE EFFECTIVENESS OF WORKSITE ENFORCEMENT

Objective 1: Increase Employer Enforcement Activity and Illegal Worker Removals

- Task 1: Target Major Employer Violators
- Task 2: Complete Cases Required for Compliance Rate Determinations (GAP)

Objective 2: Assist Employers to Comply

- Task 1: Increase Employer Information/Outreach Support
- Task 2: Facilitate the Hiring of Legal Replacement Workers

Objective 2: Refine Systems, Procedures, Policies and Documentation

- Task 1: Resolve "Evidentiary" and Fines Settlement Standards
- Task 2: Revise and Implement "Fines Tracking and Collection" Process
- Task 3: Increase "Timeliness" of Case Processing

Objective 3: Data Integrity

- Task 1: Ensure Reporting Through LYNX and PAS
- Task 2: Remove LYNX-PAS Duplications and Inconsistencies
- Task 3: Distribute Automated LYNX Capability to District Offices

Objective 4: Implement '96 Act

- Task 1: Complete Required Document Reduction Activities

IMPROVE ADJUDICATIVE SERVICES

Objective 1: Implement Phase 2 of Citizenship USA (CUSA) Initiative

- Task 1: Ensure Satisfactory Quality of Naturalization Adjudications
- Task 2: Develop and Adopt Strategic Plan for Naturalization Re-engineering
- Task 3: Maintain Case Processing Time Standard

Objective 2: Improve Adjudications Processes, Services and Integrity

- Task 1: Establish a National Customer Service Center
- Task 2: Implement Joint (INV/BEN) Application Fraud Initiative
- Task 3: Improve Clearance Procedures (FBI, etc.)

Objective 3: Data Integrity

- Task 1: Appropriate Use of NACS, PAS, and CLAIMS
- Task 2: Revise PAS, G-22 reporting
- Task 3: Ensure Support of Interim Systems in Districts

Objective 4: Implement '96 Act

- Task 1: Implement Exclusion, Parole and Waiver Provision Changes
- Task 2: Complete Foreign Student Control Pilots

CONTINUE BUILDING INS' INFRASTRUCTURE AND STRENGTHENING PROFESSIONALISM

Objective 1: Sustainment

- Task 1: Develop and Implement an INS Retention Plan
- Task 2: Provide Advanced Training for Officer Corps
- Task 3: Develop and Implement a Revised Multi-Year Vehicle Replacement Plan
- Task 4: Implement a Revised Helicopter Replacement and Maintenance Plan
- Task 5: Implement a Revised Plan for Buildings Management to Enhance Facilities Standards
- Task 6: Enhance the Environmental, Occupational Safety and Health Program (EOSH)
- Task 7: Enhance ADP Staff Support and Servicewide Training

Objective 2: Modernization

- Task 1: Implement Competency-Based Assessments for Promotion to Managerial Positions in the Border Patrol
- Task 2: Develop and Enhanced Financial Management Information System (FMIS)

Objective 3: Improve Data Integrity

- Task 1: Establish a Competency-Based Assessment Database

Objective 4: Implement '96 Act

- Task 1: Coordinate Development and Delivery of Immigration Act 1996 Training

ENHANCE INS COOPERATION AND PARTICIPATION WITH LOCAL ENFORCEMENT AUTHORITIES, STATE AND LOCAL GOVERNMENTS, AND COMMUNITIES

Objective 1: Expand INS Cooperation with Local Law Enforcement Agencies (LEAs) and Communities

- Task 1: Examine and Test Applicability of Community Policing to INS Operations
- Task 2: Expand Capacity of Field Offices to Plan Activities that Benefit LEAs and Other Agencies
- Task 3: Identify Unintended Impacts of INS Activities (e.g., at day labor sites, within public housing complexes, and other community settings) and Explore Community Oriented Approaches/Resolutions

Objective 2: Expand INS Cooperation and Interaction with Other Law Enforcement, State and Local Governments, and the Media

- Task 1: Expand Two-Way Communication with Associations Representing State and Local Officials
- Task 2: Increase the Knowledge Base of the Media re: Immigration and Immigrants

Objective 3: Ensure Data integrity

- Task 1: Identify and Develop Appropriate Indicators for Long-term Measurement and Reporting of the Impacts of Immigration-related Policies and Practices on Local Communities

Objective 4: Implement '96 Act

- Task 1: Implement Verification Requirements (including Pilot tests and Welfare Reform)
- Task 2: Develop a National Educational Initiative

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Divider Title: 10

U.S. Department of Justice
Immigration and Naturalization Service

425 Eye Street N.W.
Washington, D.C. 20536

FEB 10

Susan Martin
Executive Director
U.S. Commission on Immigration Reform
Washington, D.C. 20037

Dear Ms. Martin:

As you may know the Immigration and Naturalization Service, Office of Budget, contracted with the National Academy of Public Administration (NAPA) to perform an independent review of the INS budget process. The results of that review and NAPA's recommendations are contained in the enclosed report, "Budgeting for Performance: Strategy, Flexibility, and Accountability to meet a demanding Mission."

Also enclosed are updates on progress that has been made on some of the recommendations since NAPA completed its research. Decisions concerning recommendations to be implemented will be made in the coming months.

Jeffrey M. Weber
Assistant Commissioner
for Budget

Enclosures

nmigration and
aturalization Service

Steps taken by HQPLN since the NAPA Report

- A master planning calendar was developed and disseminated (see attachment)
    - Plan incorporated Annual Commissioner's Priorities with the Budget processes
    - Plan was distributed to HQ and Field Managers
    - Planning Conference with HQ and RO Planners covered importance of the combined processes

- The 1999 Priorities Planning Process has been initiated in conjunction with the spring plan budget process (see attachment)
    - Regional workshops conducted in December, 1996 to solicit input from senior field managers in all 3 regions
    - Issue areas have been developed in workshops to form priorities in advance of the '99 budget process
    - We have developed a survey for HQ managers which will be completed by February, 1997 to incorporate their input with the field input

- HQPLN has begun activities related to the review and revision of the INS Strategic Plan

    - Stakeholder's sessions were conducted in December, 1996 with Senior INS field managers in each of the 3 Regional Offices to
        - assess long (through the year 2005) and short range goals and
        - obtain input concerning the identification of Core Values for the Service
    - The Department of Justice's Strategic Plan will be a component of INS' planning
    - The Plan will include.
        - long term goals and objectives (through the year 2005)
        - measures for annual performance and overall performance
        - evaluation component to assess progress toward meeting these goals while also allowing the agency to incorporated revisions as required

Immigration and Naturalization Service

INS has developed and begun to implement a strategy to:

•Establish active leadership involvement to ensure an alignment of the strategic plan and system development process. The Steering Committee ensures that senior level personnel exercise assertive leadership, establish standards, achieve collective buy-in, and improve communication. The Steering Committee includes representatives from:

>Department of Justice

>Inspector General

>High level programmatic personnel

>Functional units including Budget

•Identify financial management policies, procedures, and processes for redesign, improvement, and update.

•Identify immediate, transitional, and long term strategies for a detailed development plan for the redesign, improvement and update of INS financial management policies, procedures, and processes. The plan will include:

> objectives, critical success factors, key actions and performance metrics

> critical milestones, time frame, estimated resources and dependencies

> responsible parties and interim / end products

•Address policy and procedural issues raised by conversion to the new core financial system and based on open audit corrective actions and operational problems.

•Develop new financial management handbooks for HQ Office of Finance, INS Finance/ Accounting Offices, and INS field, foreign, and HQ program offices. The handbook will include policies, roles and responsibilities, management control objectives and key control elements, and procedures.

Immigration and Naturalization Service

Subsequent to NAPA study, INS has revised its financial management system selection strategy by:

•Opting to employ the Arthur Andersen Software Selection Methodology.

•Increasing probability of adequate support for all financial management functions by:

>Expanding the available software options under consideration from one to four.

>Increasing participation of end users in determination of functional requirements and in selection of software.

•Choosing to cross service with a federal agency with a history of successful financial management system implementations as recommended by OMB and the CFO Council.

Immigration and Naturalization Service

Subsequent to NAPA research, INS' financial management system implementation strategy was refined to:

• Retaining the DBM until a reliable financial management system is in place and an acceptable substitute is in place.

•Seeking input from four different vendors and three agencies for the most appropriate system implementation transitional plan.

Immigration and Naturalization Service

INS recognizes the need to address major process problems. Subsequent to NAPA research:

•Arthur Andersen (AA) assisted in the financial management system requirements review which:

>Identified over 400 requirements. This was narrowed down to a list of 165 requirements, partially as a result of considering revised business policies and processes that INS could implement.

>Identified 119 INS unique requirements that go beyond the JFMIP core requirements.

>Identified over 40 business process and policy issues.

•At Headquarters, AA conducted business process analyses and process maps for obligation, accrual, disbursement and travel processes. Specifically, for the following:

>Obligation Recording

>Goods Acceptance

>Commercial Vendor Disbursement

>OPAC Processing

>Travel Authorizations, Advances, Imprest Funds and Vouchers

•All of the above activities provided INS the opportunity to begin prioritizing options for business process reengineering.

Immigration and Naturalization Service

IS project team representatives and AA identified the functional and technical requirements for the core and non-core financial accounting functions for the financial management system by:

•Conducting site visits to the four Administrative Centers to gather field requirements for the financial management system. Participants included:

>Over 110 personnel from the operating Regions, Service Centers, Districts, and other field locations

>Over 35 Headquarters personnel from

–Budget and Cost Management

–General Ledger

–IRM

–Payroll

–Travel

–Payment Management

–Receipt Management

–Procurement

•Establishing priorities among the Headquarters and field identified requirements in Requirements Review Sessions. Participants included Administrative Center representatives, Headquarters functional representatives, program representatives, Regions, Service Centers, Districts and other field personnel and the INS project team members.

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97-140 SPR
January 24, 1997

CRS Report for Congress

Congressional Research Service • The Library of Congress

Government Performance and Results Act: Summary of a CRS Report on Implementation Through Fall 1996 and Issues for the 105th Congress

Genevieve J. Knezo
Specialist, Science and Technology
Science Policy Research Division

SUMMARY

The Government Performance and Results Act (GPRA) of 1993, P.L. 103-62, 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] In order to give the agencies time to develop procedures, Congress phased in compliance with the law over a seven-year period. During FY 1997, pursuant to the mandates of P.L. 103-62, agencies will solicit information from stakeholders and consult with Congress to develop strategic goals and plans, which will be provided to Congress in September 1997. The General Accounting Office (GAO) and the Office of Management and Budget (OMB) will report to Congress in May and June 1997 on agency readiness for full scale implementation and will recommend changes, if any, in the statute. In addition, agencies are expected to comply with OMB's request to use more performance measures in FY 1998 budget submissions. OMB is assessing agencies' progress in developing strategic plans and performance measures and whether the plans are integrated into budget formulation procedures.

The law requires agencies to transmit to OMB annual plans and performance goals, beginning with the FY 1999 budget request. OMB will submit a government-wide performance plan to Congress as part of the FY 1999 budget request and in March 2000, agencies will provide Congress with performance reports, which compare actual performance to goals. In March 2001, the OMB will report to Congress on the results of performance budgeting pilots and whether or not performance budgets should be required statutorily. OMB modified Circular A-11 to require agencies to accelerate the use of performance and outcome measures in budgets.

[1]For a more in-depth discussion, see: *Government Performance and Results Act, P.L. 103-62 Implementation Through Fall 1996 and Issues for the 105th Congress*, by Genevieve J. Knezo, CRS report 97-70 SPR, [Washington, D.C.], December 24, 1996.

Federal agencies initiated over 75 performance planning pilot projects, estimated to cover $50 billion worth of federal programs. Based on its assessment of the relatively poor quality of GPRA pilots, OMB improved training for agency staff and established interagency groups to share information. GAO has issued several reports and guides dealing with implementation of the law. OMB is seeking to postpone for a year budget performance pilots, which were to begin for FY 1998; has sought to develop a unified performance-oriented budget; and gave budget examiners more authority over GPRA activities. The National Academy of Public Administration and the Congressional Institute began GPRA training and assessment programs for congressional staff.[2]

Joint hearings were held during 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; also, the House Committee on Science held a hearing on implementation of GPRA by the civilian science agencies.

LIKELY ISSUES OF CONCERN DURING THE 105TH CONGRESS

Congress is likely to address GPRA-related issues throughout the 105th Congress. Agencies are expected to consult with the committees as they develop their strategic plans; the Congress will receive those plans and review the reports required from GAO and OMB; and some committees have mandated agencies to use performance information for FY 1998 budget submissions. Also during FY 1997, Congress may seek to assess: how well agencies consult with Congress and solicit views of stakeholders in developing strategic goals; the costs and benefits of performance measurement systems; OMB policy to allow agencies to use narrative (as opposed to quantitative) performance measurements; attempts to link GPRA to the everyday work of program managers; cross-agency utilization of the same performance measures for similar functions; the difficulties of transistioning to performance based budgeting; and whether any agencies will seek congressional approval to change budget account categories to allow them to comply with GPRA.

[2]Source: CRS Rept. 97-70 SPR, Ibid., passim.

TIMETABLE FOR IMPLEMENTATION OF GPRA[3]

October 1993 At least ten agencies were to be designated as pilot projects for performance plans and reports (FY 1994, 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 on-going pilot projects as of June 1995. FY 1994 performance plans were assessed in 1994. Agencies doing pilot projects also developed performance plans for FY 1995, which were due on September 30, 1994. FY 1996 plans were due April 14, 1995

October 1994 At least five agencies (selected from those with on-going pilots) were to be designated as pilot projects for managerial accountability and flexibility (FY 1995 and 1996) OMB now says that these will not be conducted since many management changes have been made already, precluding testing of waivers.

May 1, 1997 OMB is to report to the President and Congress on the results of the pilot projects and changes recommended in the law; the report may be advanced to March. The last event in the pilot project phase, submission of the program performance report for FY 1996, is due to OMB during FY 1997 (by March 31, 1997).

June 1, 1997 GAO reports to Congress on agency readiness to begin full implementation; the report may be advanced to March

September 1997 Agencies are to provide to OMB annual plans setting performance goals for FY 1999 in fall 1997 Annual goals are to be linked to strategic goals, and with certain exceptions, are to be expressed in an "objective, quantifiable, and measurable" form. (Thereafter, this is to recur for each fiscal year.)

September 30, 1997 Before the beginning of FY 1998, all agencies are to have completed and submitted to OMB and to Congress a 5-year strategic plan. Such plans require consultation with Congress and consideration of stakeholders views and to are be updated at least every three years. OMB wanted agencies to submit draft plans by September 1995 for use in the FY 1998 budget.

October 1997 At least five agencies are to be designated as performance budgeting pilot for FY 1998 and 1999; agencies are to present the varying levels of performance that would result from different budgeted amounts. OMB seeks to postpone this requirement.

Early (around February) 1998 OMB is to submit to Congress a federal government- wide performance plan (based on agency plans) as part of the FY 1999 President's budget. This is to recur for each fiscal year thereafter.

March 31, 2000 Agencies are to submit annual performance reports for FY 1999 to the President and Congress These compare actual performance in relation to stated goals and, if performance goals were not met, explain why, and give the future plans and schedule for meeting a goal. This recurs for each fiscal year thereafter. Performance data for FY 1999 is to be included. For each subsequent year, agencies are to include performance data for the year covered by the report and 3 prior years.

March 2001 OMB reports to the President and Congress on the results of the all the performance budgeting pilots and recommends whether or not performance budgeting should be required and changes recommended in the GPRA statute

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[3]Source: CRS Rept. 97-70 SPR, Ibid., p. 8.

June, 1995

Summary of GAO Testimonies to House Subcommittee on Government Management, Information, and Technology

I. Introduction

The Government Performance and Results Act (GPRA) seeks to change the focus of federal management and accountability from a preoccupation with inputs and processes to an emphasis on the outcomes being achieved. It establishes a legislative framework for agencies to set strategic goals, measure performance, and report on the degree to which goals are met (GAO, June 27, Summary of Statement).

Congress realizes that implementing GPRA will take time because its requirements fundamentally change management's focus, and because many of the resources and processes needed by agencies to meet GPRA's goal-setting, performance measurement, and performance-reporting requirements need to be developed. As a result, pilot programs have been established in a number of programs and agencies (including INS) during fiscal years 1994 to 1996 (GAO, June 27, Summary of Statement).

II. Overview of GPRA Requirements (GAO, June 27, p. 2)

A. The legislative framework created by GPRA includes:

1. ***5-Year Strategic Plan*** - lays out agency mission, long-term goals & objectives, and strategies for achieving them;
2. ***Annual Program Performance Plan*** - provides direct linkage between long-term strategic goals & day-to-day managerial functions;
3. ***Annual Program Performance Report*** - provides feedback on what was accomplished during the previous fiscal year.

B. Initial GPRA Implementation Through Pilots (GAO, June 27, pp. 2-4)
Pilot implementation under GPRA includes:

1. OMB selection of at least 10 agencies to pilot GPRA performance planning and reporting requirements for one or more of the agencies' major functions and operations;
2. OMB designation of a second set of pilots that focus on managerial accountability and flexibility. Providing managers of federal programs with increased managerial flexibility through waivers for annual performance plans recognizes that managerial accountability for results is linked to managers having sufficient flexibility, discretion, and authority to accomplish those desired results; and
3. OMB designation of a third set of pilot projects to test the results of performance budgeting that links proposed spending with expected performance levels.

III. Agency Preparations for Implementing GPRA (GAO, June 27, p. 4)
GAO's initial assessments of the pilot GPRA projects suggests that because of the time needed to set strategic goals, develop outcome-oriented performance measures, and gather and use performance information, **even those agencies not participating in the pilots need to begin now to prepare for 1997 government-wide GPRA implementation**, primarily because of the long lead time that agencies need to identify stakeholders and to reach consensus on outcome-oriented goals.

IV. Implementation Challenges
The five key challenges to effectively implement GPRA governmentwide are (GAO, June 27, p. 1):

1. Developing & sustaining top management commitment to GPRA;
2. Building agency capacity to implement GPRA & use the resulting performance information;
3. Creating incentives to implement GPRA & change the focus of management & accountability;
4. Integrating GPRA into daily operations;
5. Building a more effective congressional oversight approach.

Of these five challenges, <u>developing & sustaining top management commitment</u> and <u>congressional commitment</u> are most important.

V. Addressing the Five Challenges

1. Developing & Sustaining Top Management Commitment (GAO, June 27, pp. 5-6):
-The active involvement of agencies' top officials in setting goals, measuring performance, and using performance information is critical because these officials are best positioned to address the multiple and competing stakeholder and customer demands that confront agencies.

Despite at least strong verbal support from top level managers for GPRA, two problems hinder implementation:

1. Turnover among political appointees;
2. Lack of active top manager involvement with implementing GPRA, particularly in developing goals & performance measures.

For implementation of GPRA requirements to happen most effectively, career officials must join with political appointees in assuming a leadership role, particularly to ensure that GPRA's goal-setting and performance measurement processes have *continuity* even with political turnover.

2. Building Capacity to Implement GPRA & Use Performance Information (GAO, June 27, pp. 6-8):

Two major commitments to GPRA by agency managers involve:

> 1. Ensuring the agency has the capacity (systems & processes in place) to make needed changes and to generate and use financial & program information;
> 2. Building the knowledge & skills of management & staff in performance measurement, the use of performance information, and program evaluation. OPM estimates that 300,000 federal government managers will need to be trained in GPRA.

Capacity Building:

GAO's work reveals that one critical area in need of capacity building is agency ability to conduct systematic program evaluations, which allow agencies to determine the extent to which an agency's actions caused an outcome to occur.

In a review of management reforms among leading state and foreign governments, GAO also determined that governmental agencies needed several ***years*** of experience in using performance measurement, performance information, and program evaluation methods before they felt comfortable with measuring their performance correctly and using performance information effectively (*emphasis added*).

Training:

Governments and other organizations that implemented reforms successfully made substantial investments in providing training to staff at all levels of the organization. Similarly, GPRA requires OPM to develop a strategic planning & performance measurement training component for its management training program to orient managers to use strategic planning and program performance measurement. Currently, most federal agencies have not yet developed or implemented agencywide training strategies that identify who needs to be trained, on what, how, and when.

In the face of current resource constraints, maintaining existing federal budgets is a formidable challenge, and agencies need to seek new creative, and less costly ways to build their GPRA implementation capacities.

3. Creating Incentives to Implement GPRA and to Focus on Results (GAO, June 27, p. 8):

Major Points:

1. The federal government currently has a mixed system of incentives that does not necessarily encourage agencies to set ambitious, outcome-oriented goals and to measure and report performance accurately. To achieve the congressional intent legislated through GPRA and to develop innovative ways to "do more with less," the government needs to create *internal* and *external* incentives that encourage and reinforce an outcome-based focus.

2. Developing these incentives depends most on the degree to which top management actively demonstrates support for the processes promoted by GPRA.

3. No consensus within GAO has yet been reached on the best approach for holding individuals accountable for results (accountability incentives).

4. Integrating GPRA into Daily Operations (GAO, June 27, pp. 9-10):

Main Points:
1. If planning and performance measurement are going to provide information that is both useful and *used*, it must be integrated with daily operations within agencies to identify performance gaps, set improvement targets, and improve results.

2. Agencies & managers must continuously assess their core processes to ensure that they contribute to achieving desired outcomes.

3. GAO review suggests that most federal agencies still have a long way to go; many agencies' performance goals lacked the numerical values and baselines that are important for assessing performance and for targeting those areas most in need of improvement.

5. Building a More Effective Congressional Oversight Approach (GAO, June 27, pp. 10-11):

Major Points:
1. Congress, as a prime user of performance and financial information, has a major stake in ensuring that GPRA is effectively implemented, particularly if GPRA-generated performance information is used to inform resource allocation decisions.

2. This testimony reinforces to agencies the importance that Congress places on setting outcome-oriented goals, measuring performance, and using performance for decisionmaking and accountability.

VI. The Role of Performance Measures in Implementing GPRA

A. Introduction
Many of the structures & processes used by government for years no longer allow it to respond quickly and effectively to a rapidly changing world, where resources available to for public use are being significantly reduced. GAO's reviews of managerial reform emphasize the correct identification and use of performance measures for improving program outcomes (GAO, June 20, Summary of Statement).

B. Critical Actions for Developing & Using Performance Measures (GAO, June 20, p. 1):

1. Focus on mission and desired results;
2. Involve key stakeholders in developing performance measures;
3. Develop outcome-linked performance measures that are significant, responsive to multiple priorities, & responsibility-linked;
4. Use performance information & benchmarking in selecting process improvement techniques.

The public sector faces a particular challenge in reaching consensus on mission, goals, & performance measures because it has multiple stakeholders.

C. Recommendations for Measuring Performance (GAO, June 20, pp. 2-13):

1. *Focus on mission & desired results:* agencies *must* have a clear understanding of their mission, customers, and desired results (emphasis added);
   a. expect essential changes to occur slowly, from 5 to 10 years.
2. *Stakeholder involvement is crucial:*

- a lack of agreement among stakeholders on agency goals and intended program outcomes can limit the use of performance information to improve effectiveness;
- it is important that executive and legislative stakeholders reach a consensus on the types, value, and format for presenting performance information;
- additionally, obtaining the views of agency managers and staff is essential to the development of sound performance measures (these individuals are closest to programs and customers, and are more inclined to use performance information if they are involved in its development).

3. *Successful Performance Measurement Systems incorporate the following characteristics:*
   - measures are linked to outcomes (in a cause-and effect type of relationship);
   - measures are limited to a vital few (that provide information for accountability, policymaking, and program management);
   - measures address multiple priorities (forcing a balance between competing priorities);

- measures are responsibility-linked to organizational units or individuals;
- measures are backed by credible and timely financial and performance information, from sound, well-run information technology systems (Ex.'s: 1990 Chief Financial Officers Act, 1994 Government Management Reform Act).

4. *Use performance information & benchmarking to set goals & improve processes:*

a. performance information should be used to:

1.) identify performance gaps,
2.) set improvement goals, and
3.) improve results.

b. *Benchmarking*: Comparison of performance measurement information with the performance of world-class organizations; the objective of benchmarking is to target areas most in need of improvement, and to set goals that dramatically raise the level of performance in those areas.
c. look for "stretch" goals/improvements over incremental ones;
d. remember that goal-setting is an *iterative* process (emphasis added);
e. performance measurement & benchmarking must rely on a comprehensive "improvement framework," which includes:

1.) *Continuous process improvement* (incremental changes),
2.)*Process redesign* (changing an entire process),
3.) *Business process reengineering* (changing numerous processes) Reengineering is the most frequently discussed improvement technique today; organizations that have reengineered successfully follow a set of identifiable practices:

- strong executive leadership and commitment,
- a shared recognition and willingness to change,
- a clear strategic vision of their future,
- a sound methodological approach to reengineering, and
- the ability of leadership and staff to successfully implement and manage profound and often painful changes that fundamentally alter the way business is done.

D. Conclusion
Although some federal agencies have made progress in establishing well-defined, meaningful, and sound performance measures, most agencies still have a long way to go (GAO, June 20, p. 14).

Feb 1997

HIGHLIGHTS FROM GPRA SYMPOSIUM:
DEVELOPING STRATEGIC PLANS

This document is a summary of information presented and discussed at a symposium entitled "A Practical Approach to GPRA" sponsored by the Association of Government Accountants on 2/24/97. Much of the information and discussion at the symposium focused on developing strategic plans, primarily because the development of a strategic plan is the first major requirement of GPRA.

OMB's Criteria for Evaluating Strategic Plans

According to OMB representative Walter Groszyk, OMB has already received draft strategic plans from some agencies. So far, none of these draft strategic plans has been acceptable to OMB. OMB is using the guidelines in the Act as criteria for evaluating plans. According to the Act, strategic plans are to include:

- a comprehensive mission statement;
- general goals and objectives for the agency's major functions;
- a description of how the general goals and objectives will be achieved;
- a summary of the resources, systems, and processes that are critical to achieving these goals;
- a description of how the performance goals in the annual performance plan relate to the general goals in the strategic plan;
- a description of key external factors that could affect achievement of these general goals; and
- a description of how program evaluations were used in establishing or revising the goals, along with a schedule for future program evaluations.

Mr. Groszyk of OMB added that the strategic plans should have some acknowledgment of the role and contributions made by stakeholders in preparing the plan. He said that the plan should include information about any major differences of opinion on the part of stakeholders.

Congressional Consultation in Development of Strategic Plan

GPRA requires that agencies consult with the Congress when developing their strategic plans. Most symposium participants said that agencies should communicate and coordinate with the Hill on their strategic plans sooner rather than later. All indications are that many staffers and members will be quite interested in the plans, specifically the goals presented. Panel participants also recommended that program managers be included in the consultation with the Congress. When goals and measures are discussed, Hill staffers will want to talk to agency employees who know enough about the program to state whether certain measures are possible or practical.

Most Common Problems Associated with the Draft Strategic Plans

Chris Mihm of GAO said that from the reviews GAO has done so far, the most common problems associated with the draft strategic plans have been the disconnect between (1) strategic and annual goals, and (2) department goals and measures and program goals and measures. He added that agencies also have included "professionalism"-type goals, which relate to employee satisfaction, empowerment, etc. He said that these types of goals should not be included in the strategic plan. Goals should relate to the reason for the existence of the agency.

United States General Accounting Office

GAO

Testimony

Before the Committee on Government Reform and Oversight
House of Representatives

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MANAGING FOR RESULTS

Using GPRA to Assist Congressional and Executive Branch Decisionmaking

Statement of James F. Hinchman
Acting Comptroller General of the United States

Managing for Results: Using GPRA to Assist Congressional and Executive Branch Decisionmaking

Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss how Congress can use the Government Performance and Results Act (GPRA) as it seeks to reduce the cost and improve the performance of the federal government. There is a broad consensus within the federal government, and among students of its institutions, that part of the solution to the federal government's fiscal problems must be better management of its programs and activities. The American people also are rightly demanding that government operate in a more efficient and businesslike manner. However, improving management in the federal sector will be no easy task, but GPRA can assist in accomplishing it.

As its title indicates, GPRA's focus is on results. In crafting GPRA, Congress recognized that congressional and executive branch decisionmaking had been severely handicapped by the absence in many agencies of the basic underpinnings of well-managed organizations. Our work has found numerous examples of management-related challenges stemming from unclear agency missions; the lack of results-oriented performance goals; the absence of well-conceived agency strategies to meet those goals; and the failure to gather and use accurate, reliable, and timely program performance and cost information to measure progress in achieving results.

In recent years, Congress has put in place a statutory framework for addressing these long-standing challenges and helping Congress and the executive branch make the difficult trade-offs that the current budget environment demands. This framework includes as its essential elements the Chief Financial Officers (CFO) Act; information technology reform legislation, including the Paperwork Reduction Act of 1995 and the Clinger-Cohen Act; and GPRA. The CFO Act, as expanded and amended by the Government Management Reform Act (GMRA), spelled out an ambitious and long overdue agenda to address the lack of timely, reliable, useful, and consistent financial information in the federal government. The information technology reform legislation is directed at more effective management and use of information technology to better support agencies' missions and improve program performance. GPRA—with its focus on clarifying missions, setting programmatic goals, and measuring performance towards those goals—is the centerpiece of this statutory framework.

In enacting this framework, Congress was seeking to create a more focused, results-oriented management decisionmaking process within both Congress and the executive branch. These laws each responded to a need for accurate, reliable information for executive branch and congressional decisionmaking, information that has been sadly lacking in the past, as much of our work has demonstrated. Implemented together, these laws provide a powerful framework for developing fully integrated information about agencies' missions and strategic priorities, results-oriented performance goals that flow from those priorities, performance data to show the achievement (or not) of those goals, the relationship of information technology investments to the achievement of performance goals, and accurate and audited financial information about the costs of achieving mission outcomes.

As agreed with the Committee, today I will provide an overview of the major management challenges that our work has shown agencies face. I will then discuss how GPRA can be used to address those challenges and better ensure that agencies are the focused, results-driven organizations that today's fiscal environment requires. I will conclude with some suggestions for Congress to consider about how it can use GPRA to enhance congressional oversight and decisionmaking. My statement is based on a large body of work we have done on management and operational issues across agencies and levels of government.[1] This work includes our Executive Guide: Effectively Implementing the Government Performance and Results Act, which draws on the experiences of leading public sector organizations and suggests a path that agencies can take to implement GPRA.[2] My statement is also based on the work we are completing to meet the requirement in GPRA that we report by June 1 of this year on the act's implementation and prospects for governmentwide compliance. *

GPRA seeks to shift the focus of federal management and decisionmaking from a preoccupation with the number of tasks completed or services provided to a more direct consideration of the results of programs—that is, the real differences the tasks or services provided make in people's lives. As a starting point, GPRA requires executive agencies to complete—no later than September 30 of this year—strategic plans in which they define their missions, establish results-oriented goals, and identify the strategies they will use to achieve those goals. GPRA requires

[1] Some of these products, along with other relevant GAO work, are listed in the "Related GAO Products" section at the end of this statement.

[2] Executive Guide: Effectively Implementing the Government Performance and Results Act (GAO/GGD-96-118, June 1996).

* summary attached

agencies to consult with Congress and solicit the input of others as they develop these plans. Next, beginning with fiscal year 1999, executive agencies are to use their strategic plans to prepare annual performance plans. These performance plans are to include annual goals linked to the activities displayed in budget presentations as well as the indicators the agency will use to measure performance against the results-oriented goals. Agencies are subsequently to report each year on the extent to which goals were met, provide an explanation if these goals were not met, and present the actions needed to meet any unmet goals.

Federal Effectiveness Has Been Undermined by Major Management Challenges

Under GPRA, virtually every executive agency must now ask itself some basic questions: What is our mission? What are our goals, and how can we measure our performance? How will we achieve those goals? How will we use performance information to make improvements? The questions that must be addressed to implement GPRA are directly related to the most pressing management challenges that we have identified through our work. These long-standing management challenges must be successfully addressed if the federal government is to become more effective and better managed.

Clarifying the Agency Mission

Efforts to build an effective and efficient organization must begin with a clearly defined mission—a concrete sense of why the organization exists and what it is to accomplish. Over the years, our work has identified instances where an agency's effectiveness was hampered by the lack of a clearly defined mission.

For example, our work has shown that the Department of Energy (DOE) needs to reevaluate its basic mission.[3] DOE's responsibilities and priorities have changed dramatically over time. The DOE of today is a very different organization from what it was in 1977 when as a newly created agency, its mission was to respond to a perceived national energy crisis. Thus, while energy research, conservation, and policymaking dominated early DOE priorities, national defense and environmental cleanup now overshadow those areas. Meanwhile, new mission areas in science and industrial competitiveness have emerged and are pressing for priority attention. With each new phase, DOE leadership brought a vastly different agenda concerning DOE's basic responsibilities and how the agency should be managed. These shifts have contributed to uneven performance in many

[3] Managing for Results: Key Steps and Challenges In Implementing GPRA In Science Agencies (GAO/T-GGD/RCED-96-214, July 10, 1996).

mission areas. For example, during the time that DOE emphasized nuclear weapons production, it gave little attention to the environmental consequences. In part as a result, environmental cleanup will now cost between $189 and $265 billion by DOE's estimate.

DOE is undertaking strategic planning efforts intended, among other things, to ensure that it is identifying and addressing its critical mission areas and setting priorities for its efforts. Sustained congressional involvement in DOE's planning efforts, and in the similar efforts under way at other agencies, is vital both to ensure that missions are based in statute and to identify cases where statutory requirements need to be modified or clarified.

While progress is needed in better defining the missions of individual agencies, it is equally important to manage and coordinate federal program efforts that cut across several agencies. Our work has shown that program area after program area—such as federal land management, food safety, and early childhood development—suffers from fragmented and overlapping initiatives.[4] Such unfocused efforts waste scarce funds, confuse and frustrate program customers, and limit the overall effectiveness of the federal effort. As Congress provides input to agencies' strategic plans, it can insist that agencies show how their programs are aligned with related efforts in other agencies. Congress can also use the planning process to seek opportunities to streamline government by comparing the effectiveness of similar program efforts carried out by different agencies.

Establishing Results-Oriented Performance Goals

As successful organizations define their missions, they also establish results-oriented performance goals that can be used to assess whether they are fulfilling their missions. We are finding that many agencies have a difficult time moving from measuring program activities to establishing results-oriented goals and managing to achieve those results.

The Small Business Administration (SBA) offers an example of goal-setting and performance measurement efforts that could be better focused on mission. SBA was created to help small businesses and strengthen the overall economy by increasing business and job opportunities. However, it had no results-oriented performance goals for its section 8(a) Minority

[4]See, for example, Federal Land Management: Streamlining and Reorganization Issues (GAO/T-RCED-96-209, June 27, 1996); Food Safety: A Unified, Risk-Based Food Safety System Needed (GAO/T-RCED-94-223, May 25, 1994); and Early Childhood Programs: Multiple Programs and Overlapping Target Groups (GAO/HEHS-95-4FS, Oct. 31, 1994).

Enterprise Development Program, even though Congress defined the success of this program in its enabling legislation. This legislation defined success as "the number of competitive firms that exit the program without being unreasonably reliant on section 8(a) contracts and that are able to compete on an equal basis in the mainstream of the American economy."[5] We and SBA's Inspector General have pointed to the need for SBA to measure the success of the program as defined by Congress.[6] SBA officials are now committed to gathering the information to track how many firms leaving the program are not reliant on section 8(a) contracts—a major first step in determining whether the program is helping small businesses as intended.

The fundamental reason that establishing results-oriented goals is so difficult is that, to set such goals, agencies must move beyond what they control—that is, their activities—to focus on what they merely influence—their results. Many federal services are delivered through third parties, such as states and nonprofit organizations, that may have goals that differ from those of the federal government. Moreover, in some program areas, such as basic scientific research, it can take years before the results, if any, of the federal effort become apparent. And even then, it can be very difficult to identify the extent to which the federal effort led to a given result. The consultation process is a vehicle for Congress and agencies to use to reach an understanding of the challenges confronting particular programs and agreement on what goals are appropriate given those challenges.

Designing Strategies to Meet Results-Oriented Goals

Congress rightfully expects that each agency's plans and programs will make efficient use of budgetary resources and that, if reductions need to be made, those resources will be used in a way that maintains, to the fullest extent possible, the agency's ability to carry out its mission. Our work has shown that many agencies are currently struggling to develop coherent strategies for restructuring their organizations, workforces, and operations to meet results-oriented goals.

This need for a coherent strategy is particularly true in the area of information technology. The sound application and management of information technology to support strategic goals must be an important part of any serious attempt to improve agency mission performance, cut

[5] 102 Stat. 3856, Nov. 15, 1988.

[6] Small Business: SBA Cannot Assess the Success of Its Minority Business Development Program (GAO/T-RCED-94-278, July 27, 1994) and 8(a) Competitive Business Mix Requirements (SBA OIG Audit Report No. 5-3-E-101-021, Sept. 29, 1995).

costs, and enhance responsiveness to the public. The successful implementation of information technology reform legislation—which among other things, requires that agencies have a strategy that links technology investments to achieving programmatic results—is critical to ensuring the wise use of the billions of dollars the government is investing in information systems.

More generally, we have found that agencies need to do a better job of designing mission-based strategies to improve efficiency and reduce costs. For example, we recently reported that the Department of State does not have a comprehensive strategy to restructure its operations to adjust to today's needs.[7] State's vast network of embassies and consulates, together with the way they are configured and operated, has remained largely unchanged despite communications and transportation advances, geopolitical changes, and new budget realities. State has not been able to make hard choices about resource priorities for its wide range of locations and functions, or to fundamentally rethink the way that it does business, in order to reduce its operating costs.

Generating Program Performance and Cost Information

Conclusions about what the government is accomplishing with the taxpayers' money cannot be drawn without adequate program performance and cost information. Viewing program performance in light of program costs as envisioned by GPRA—for instance, by establishing the unit cost per output or outcome achieved—can help Congress make informed decisions. Unfortunately, program and cost information has not always been present or reliable enough either to use in decisionmaking or to provide the requisite public accountability for the use of taxpayers' money. With successful implementation, the audited financial statements required by the CFO Act, as expanded by GMRA, will provide congressional and executive branch decisionmakers with the financial and program cost information that they have not previously had. This information is to be provided to decisionmakers in results-oriented reports on the government's program results and financial condition that, for the first time, integrate budget, financial, and program information. These reports are also to include cost information that enables users to relate costs to outputs and outcomes.

The Department of Defense (DOD) provides an example of persistent management problems—among the most severe in government—that

[7] State Department: Options for Addressing Possible Budget Reductions (GAO/NSIAD-96-124, Aug. 29, 1996).

leave an agency without the most basic financial information.[8] Without this information, DOD is unable to properly manage its vast resources, including a budget of over $250 billion in fiscal year 1996 and over $1 trillion in assets worldwide. For example, critical cost data is absent for almost all of DOD's noncash assets, such as inventories, equipment, aircraft, and missiles. The DOD's financial management problems are the products of years of neglect, and building a workable financial management structure in DOD is a correspondingly long-term project. These problems have been candidly acknowledged by the Chief Financial Officer and other DOD leaders. As part of their implementation of the requirements of the CFO Act, they are taking some encouraging steps toward addressing DOD's financial management deficiencies.

Leading Organizations Provide a Roadmap for Effective Implementation of GPRA

When it passed GPRA, Congress clearly understood that most agencies would need to make fundamental management changes to properly implement this law and that these changes would not come quickly or easily. As a result, Congress included a pilot phase in GPRA for fiscal years 1994 through 1996. During this phase, selected agencies were to gain experience in the annual goal-setting and performance measurement requirements of the act and provide lessons for other agencies. About 70 federal organizations, including components of most cabinet departments and major independent agencies, participated in this pilot phase.

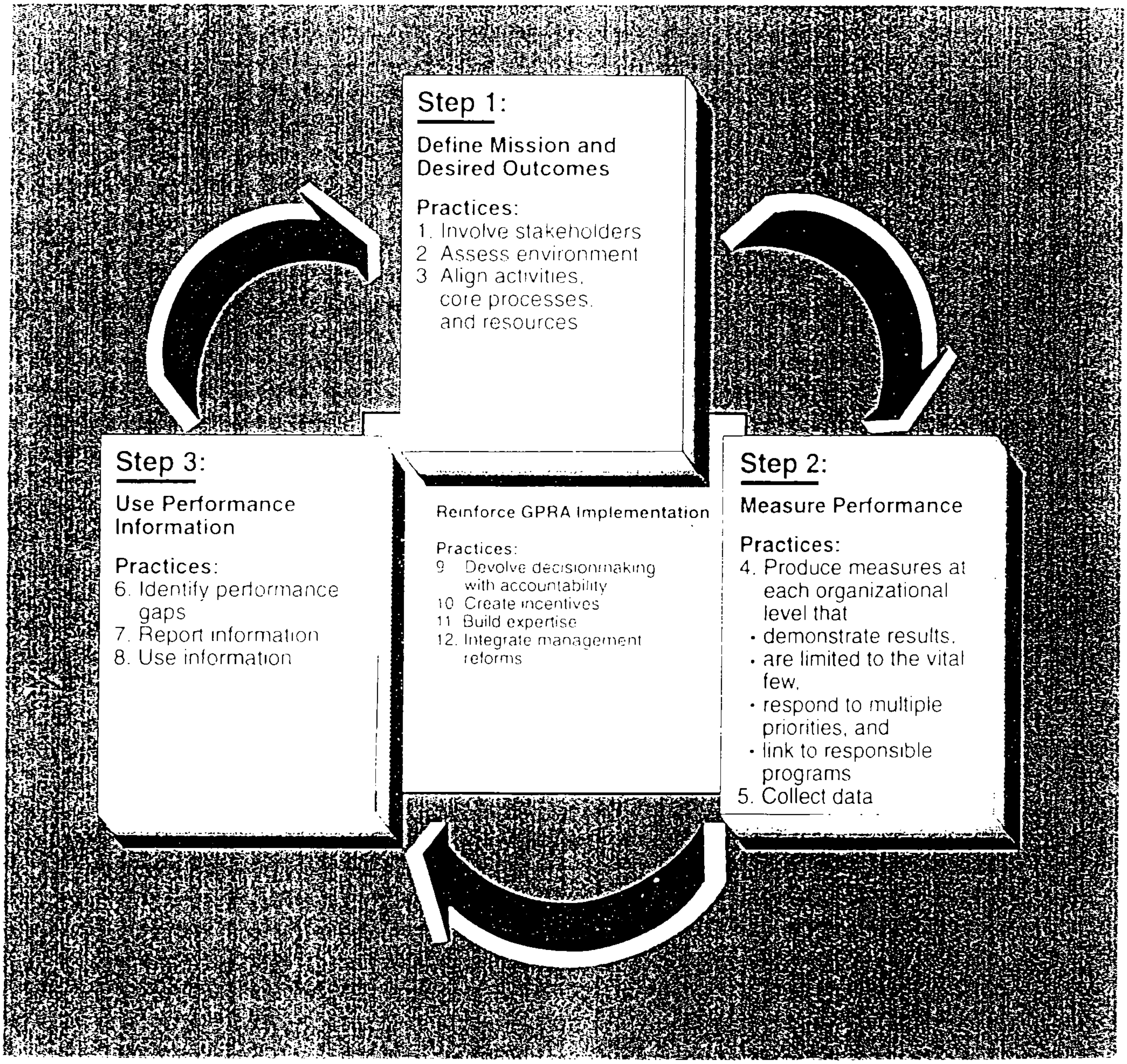
In addition, at the request of this Committee and the Senate Governmental Affairs Committee, we undertook a number of studies intended to help agencies implement GPRA. For example, we were asked to study leading foreign and state governments that were successfully pursuing management reform initiatives consistent with GPRA and thereby becoming more results-oriented.[9] We further were asked whether the experiences of these and other public sector organizations could yield worthwhile lessons for agencies as they attempt to implement GPRA. Our June 1996 Executive Guide is our response to that request. The Executive Guide identifies a set of key steps and associated practices that leading federal and other public sector organizations have used to successfully implement reform efforts consistent with GPRA. Accompanying the discussion of each practice is a case illustration of a federal agency that has made progress in incorporating that practice into its operations.

[8]See, for example, DOD Accounting Systems: Efforts to Improve System for Navy Need Overall Structure (GAO/AIMD-96-99, Sept. 30, 1996).

[9]Managing for Results: Experiences Abroad Suggest Insights for Federal Management Reforms (GAO/GGD-95-120, May 2, 1995) and Managing for Results: State Experiences Provide Insights for Federal Management Reforms (GAO/GGD-95-22, Dec. 21, 1994).

Taken together, the key steps and practices drawn from the organizations we studied provide a useful framework to assist Congress and the executive branch as they work to implement GPRA. Although each of the leading organizations we studied set its agenda for management reform according to its own environment, needs, and capabilities, they all commonly took three key steps. These steps were to (1) define mission and desired outcomes or results, (2) measure performance to gauge progress, and (3) use performance information as a basis for decisionmaking. In taking these steps, leading organizations also found that certain leadership practices, such as devolving operational authority and creating incentives for managers and staff to focus on results, were central to making the changes needed for the organizations to become more results-oriented. The key steps and associated practices are illustrated in the following figure.

Figure 1: Key Steps and Critical Practices for Implementing GPRA



Source: Executive Guide: Effectively Implementing the Government Performance and Results Act (GAO/GGD-96-118, June 1996)

The experiences of public sector organizations that have implemented public management reforms consistent with GPRA show that, while performance improvements are possible, it takes time for agencies to discard old approaches to management and accountability that focus on activities and to make the transition to a broader focus on results. In fact, at this early stage in the implementation process, we are finding that the agencies making the most progress in implementing GPRA are those that recognize they still have many implementation challenges to solve, while those making the least progress tend to see little difference between the requirements of GPRA and the way they have traditionally done business.

Successful organizations generally find that the significant improvements in performance envisioned by GPRA require major changes in how they do business, including adjustments in policies, organizational structures, program content, and core business processes. Our Executive Guide provides some illustrations. The Federal Emergency Management Agency (FEMA) traditionally carried out its mission by concentrating its efforts on post-natural-disaster assistance. However, spurred by intense external criticism, FEMA stepped back and asked itself the fundamental mission question: What is our purpose? FEMA concluded that its mission was to help to mitigate the effects of disasters before they take place rather than just respond to a disaster after it occurs. As a result, FEMA expanded its efforts. For example, it now works with local governments to strengthen building codes so that buildings are better able to withstand disasters, and it has launched an effort to increase the number of flood insurance policyholders to help individuals recover from disasters.

The experiences of the GPRA pilot agencies and other federal efforts consistent with GPRA show that improvements in performance—sometimes substantial ones—are possible when an organization adopts a disciplined approach to defining its mission and desired results, measuring its performance, and using information to make decisions. For example, as highlighted in our Executive Guide, the Veterans Health Administration improved services to veterans by more rigorously assessing the results of the medical care it provides to the nation's veterans. In particular, the Veterans Health Administration reported that it used performance information to target the most important improvement opportunities and thereby lowered the mortality rate for cardiac procedures by an average 13 percent over the last 8 years. As another example of reexamining a mission, the Coast Guard shifted the focus of its marine safety program from regulation to one that includes education. This change contributed to a significant decline in the towing industry fatality rate—from 91 per 100,000 industry employees in 1990 to 27 per 100,000 in 1995.

GPRA Can Assist Congressional Decisionmaking

Congress can use GPRA as the centerpiece of a statutory framework to provide the vital information it needs to better make decisions. The congressional consultations on agencies' strategic plans—which in many cases are beginning now—provide an important opportunity for Congress and the executive branch to work together to ensure that missions are focused, goals are results-oriented and clearly established, and strategies and funding expectations are appropriate and reasonable. The experience of leading organizations suggest that planning efforts that have such characteristics can become driving forces in improving the effectiveness and efficiency of program operations. The GPRA strategic planning process thus provides Congress with a potentially powerful vehicle for clarifying its expectations for agencies and expanding the focus on results expected from funding decisions.

In testimony before this Committee and the Senate Governmental Affairs Committee last March, the former Comptroller General suggested several key GPRA-related questions that Congress could ask agencies to help support congressional decisionmaking. These questions centered on determining how well agencies are measuring outcomes and how GPRA performance goals and information are being used to drive daily operations.[10] These and similar questions directly related to the management challenges that I have discussed today can elicit important information needed for the making of more informed congressional decisions. The key steps and practices for effective implementation of GPRA identified in our Executive Guide suggest additional topics for Congress to pursue to ensure that agencies become results-oriented organizations that generate the information Congress and citizens need to assess whether the results are satisfactory.

Over the longer term, we have advocated that congressional committees of jurisdiction hold annual or at least biennial comprehensive oversight on each department and major independent agency. The plans and reports that agencies are to develop under GPRA and the audited financial statements that are to be prepared under the CFO Act, as expanded by GMRA, should serve as the basis for those hearings. In addition, broad accountability reports, which for the first time would present in one place

[10]Managing for Results: Achieving GPRA's Objectives Requires Strong Congressional Role (GAO/T-GGD-96-79, Mar. 6, 1996).

a full range of financial, program performance, and management information, could be used to shape those hearings.

Consistent with GMRA, the Office of Management and Budget (OMB) worked with six agencies to pilot the development of consolidated accountability reports for fiscal year 1995. By integrating the separate reporting requirements of GPRA, the CFO Act, and other specified acts, the accountability reports are intended to show the degree to which an agency met its goals, at what cost, and whether the agency was well run. We have endorsed the concept of an integrated accountability report and are pleased that OMB has expanded the pilot efforts to allow additional agencies to produce reports for fiscal year 1996. These reports have the potential to provide Congress with comprehensive "report cards" on the degree to which agencies are making wise and effective use of tax dollars.

In summary, Mr. Chairman, GPRA, the CFO Act, and the information technology reform legislation can be extremely valuable tools to help Congress and agencies address long-standing managerial problems that have been a source of frustration to everyone. Sustained congressional attention to this statutory framework, in a variety of formal and informal settings, is needed to underscore for agencies the importance that Congress places on the successful implementation of these laws. In particular, Congress needs to continue to send the unmistakable message that it is serious about GPRA, intends to use it as a basis for decisionmaking, and looks forward to being actively involved in the consultation process. Strong bipartisan support will enhance that message. Both Congress and the executive branch have a vested interest in successfully implementing GPRA. Successful implementation will provide Congress and the agencies with the management framework and the information needed to focus on program results, make the hard financial decisions dictated by the current fiscal environment, and improve the capability of the federal government to deliver services with the effectiveness and the efficiency the American people deserve and rightly demand.

This concludes my prepared statement. I would be pleased to respond to any questions you or other Members of the Committee may have.

United States General Accounting Office

GAO

Comptroller General of the United States

June 1996

Executive Guide

Effectively Implementing the Government Performance and Results Act

G A O

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GAO/GGD-96-118

Preface

In recent years, an understanding has emerged that the federal government needs to be run in a more businesslike manner than in the past. As companies are accountable to shareholders, the federal government is accountable to taxpayers, and taxpayers are demanding as never before that the dollars they invest in their government be managed and spent responsibly.

As countless studies by GAO have long noted, federal agencies often fail to appropriately manage their finances, identify clearly what they intend to accomplish, or get the job done effectively and with a minimum of waste. After decades of seeing these problems recur in agency after agency, Congress moved to address this endemic situation on a governmentwide basis. Major statutes now in their first years of implementation hold substantial promise for creating a more accountable and effective federal government.

The Chief Financial Officers (CFO) Act of 1990 provided for chief financial officer positions in 24 major agencies and required annual reports on the financial condition of government entities and the status of management controls. Under the CFO Act, federal agencies will be subject to the same kinds of financial reporting that have long been required in the private sector and by state and local governments.

The Information Technology Management Reform Act of 1996 requires, among other things, that agencies set goals, measure performance, and report on progress in improving the efficiency and effectiveness of operations through the use of information technology.

And, most fundamentally, under the Government Performance and Results Act of 1993 (GPRA), every major federal agency must now ask itself some basic questions: What is our mission? What are our goals and how will we achieve them? How can we measure our performance? How will we use that information to make improvements? GPRA forces a shift in the focus of federal agencies—away from such traditional concerns as staffing and activity levels and toward a single overriding issue: results. GPRA requires agencies to set goals, measure performance, and report on their accomplishments.

This will not be an easy transition, nor will it be quick. And for some agencies, GPRA will be difficult to apply. But GPRA has the potential for adding greatly to government performance—a particularly vital goal at a time when resources are limited and public demands are high. To help

Congress and federal managers put GPRA into effect, we have identified key steps that agencies need to take toward its implementation, along with a set of practices that can help make that implementation a success. We learned of these practices from organizations that successfully have taken initiatives similar to the ones required by the act. Several federal agencies that have already put these practices to use are represented in the case illustrations that are part of this guide.

This guide is a companion to our Executive Guide: Improving Mission Performance Through Strategic Information Management and Technology, which outlined a number of information management approaches that federal agencies can take to improve their overall performance. Improving the management of federal agencies will require responsible actions in several areas at once. Success will demand concerted effort and long-term commitment, but the returns should be considerable. And American taxpayers deserve no less for their investment.

Charles A. Bowsher

Charles A. Bowsher
Comptroller General of the United States

Introduction

A Changing Environment Demands Federal Management Reform

Over the past several years, Congress has taken steps to fundamentally change the way federal agencies go about their work. Congress took these steps in response to management problems so common among federal agencies that they demanded governmentwide solutions. In addition, two contemporary forces converged to spur congressional action: year-in, year-out budget deficits that had to be brought down and a public now demanding not only that federal agencies do their jobs more effectively, but that they do so with fewer people and at lower cost.

This was—and remains—an enormous challenge. For one thing, many of the largest federal agencies find themselves encumbered with structures and processes rooted in the past, aimed at the demands of earlier times, and designed before modern information and communications technology came into being. These agencies are poorly positioned to meet the demands of the 1990s.[1] Moreover, many of these agencies find themselves without a clear understanding of who they are or where they are headed. Over the years, as new social or economic problems emerged, Congress assigned many agencies new and unanticipated program responsibilities. These additions may have made sense when they were made, but their cumulative effect has been to create a government in which many agencies cannot say just what business they are in.

In some cases, agencies' legislative mandates have grown so muddled that Congress, the executive branch, and other agency stakeholders and customers cannot agree on program goals, worthwhile strategies, or appropriate measures of success. Our work has shown that the effectiveness of federal program areas as diverse as employment assistance and training, rural development, early childhood development, and food safety has been plagued by fragmented or overlapping efforts.[2] A frequently cited example of overlap and ineffectiveness is the federal food safety system, which took shape under as many as 35 laws and was administered by 12 different agencies yet had not effectively protected the public from major foodborne illnesses.[3]

Traditionally, federal agencies have used the amount of money directed toward their programs, or the level of staff deployed, or even the number of tasks completed as some of the measures of their performance. But at a

[1] Improving Government: Need to Reexamine Organization and Performance (GAO/T-GGD-93-9, Mar. 11, 1993).

[2] Government Reorganization: Issues and Principles (GAO/T-GGD/AIMD-95-166, May 17, 1995).

[3] Food Safety: A Unified, Risk-Based Safety System Needed to Enhance Food Safety (GAO/T-RCED-94-71, Nov. 4, 1993).

time when the value of many federal programs is undergoing intense public scrutiny, an agency that reports only these measures has not answered the defining question of whether these programs have produced real results. Today's environment is results-oriented. Congress, the executive branch, and the public are beginning to hold agencies accountable less for inputs and outputs than for outcomes, by which is meant the results of government programs as measured by the differences they make, for example, in the economy or program participants' lives. A federal employment training program can report on the number of participants. That number is an output. Or it can report on the changes in the real wages of its graduates. That number is an outcome. The difference between the two measures is the key to understanding government performance in a results-oriented environment.

Legislative Requirements Support Managing for Results

Congress' determination to make agencies accountable for their performance lay at the heart of two landmark reforms of the 1990s: the Chief Financial Officers (CFO) Act of 1990 and the Government Performance and Results Act of 1993 (GPRA). With these two laws, Congress imposed on federal agencies a new and more businesslike framework for management and accountability. In addition, GPRA created requirements for agencies to generate the information congressional and executive branch decisionmakers need in considering measures to improve government performance and reduce costs.

The CFO Act was designed to remedy decades of serious neglect in federal financial management operations and reporting. It provided for chief financial officers in the 24 largest federal departments and agencies, which together account for about 98 percent of the government's gross budget authority. In 1994, Congress followed up on the CFO Act with the Government Management Reform Act of 1994. The latter extended to all 24 CFO Act agencies the requirement, beginning with fiscal year 1996, to prepare and have audited financial statements for their entire operations.

While the CFO Act established the foundation for improving management and financial accountability among the agencies, GPRA is aimed more directly at improving their program performance. GPRA requires first that agencies consult with Congress and other stakeholders to clearly define their missions. It requires that they establish long-term strategic goals, as well as annual goals that are linked to them. They must then measure their performance against the goals they have set and report publicly on how well they are doing.[4] Federal agencies also are to apply these principles—goal setting, performance measurement, and reporting—to their information technology efforts, under the Information Technology Management Reform Act of 1996. For example, agencies are to establish performance measures to gauge how well their information technology supports their program efforts.

Experiences of Leading Organizations Show a Way

At the request of Congress, we studied a number of leading public sector organizations that were successfully pursuing management reform initiatives and becoming more results-oriented.[5] We studied state governments, such as Florida, Oregon, Minnesota, North Carolina, Texas, and Virginia; and foreign governments, such as Australia, Canada, New Zealand, and the United Kingdom. Many of these organizations found themselves in an environment similar to the one confronting federal managers today—one in which they were called upon to improve performance while simultaneously reducing costs. Congress asked whether the experiences of these organizations could yield worthwhile lessons for federal agencies as they attempt to implement GPRA.

Each of the organizations we studied set its agenda for management reform according to its own environment, needs, and capabilities. Yet despite their differing approaches to reform, all these organizations were seeking to become more result-oriented, and they commonly took three key steps. These were to (1) define clear missions and desired outcomes, (2) measure performance to gauge progress, and (3) use performance information as a basis for decisionmaking. Although the organizations we studied were not acting under GPRA, their three key steps were consistent with GPRA's requirements. That is, the first step—define mission and desired outcomes—corresponds to the requirement in GPRA for federal agencies to develop strategic plans containing mission statements and outcome-related strategic goals; the second step—measure performance—corresponds to the GPRA requirement for federal agencies to develop annual performance plans with annual performance goals and indicators to measure performance; and the third step—use performance

[4]For a more detailed description of GPRA's requirements, see appendix I

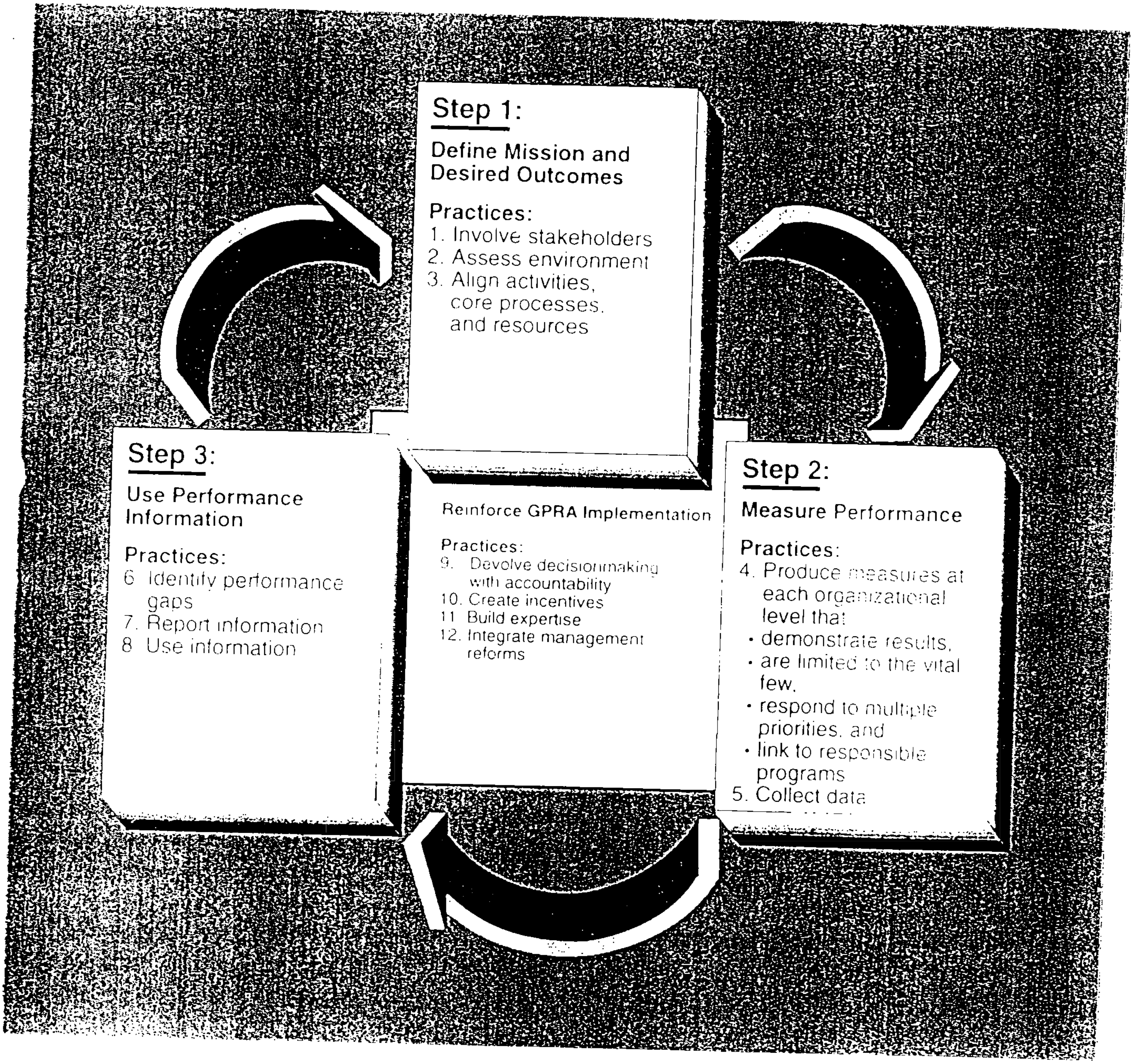
[5]See, for example, Transforming the Civil Service: Building the Workforce of The Future, Results Of A GAO-Sponsored Symposium (GAO/GGD-96-35, Dec. 26, 1995); Managing for Results: Experiences Abroad Suggest Insights for Federal Management Reform (GAO/GGD-95-120, May 2, 1995); Managing For Results: State Experiences Provide Insights for Federal Management Reforms (GAO/GGD-95-22, Dec. 21, 1994); Government Reform: Goal-Setting and Performance (GAO/AIMD/GGD-95-130R, Mar. 27, 1995); Executive Guide: Improving Mission Performance Through Strategic Information Management and Technology (GAO/AIMD-94-115, May 1994). Also see our reports and testimonies included as footnotes and the Related GAO Products section of this guide.

information—although much broader, includes the requirement in GPRA for federal agencies to prepare annual performance reports with information on the extent to which the agency has met its annual performance goals

Along with each step, certain practices proved especially important to the success of their efforts. In addition to these steps, these organizations also found that certain top leadership practices were central to making the changes needed for the organizations to become more results-oriented.

Taken together, the key steps and practices drawn from the organizations we studied provide a useful framework for federal agencies working to implement GPRA. The key steps and practices are shown in figure 1.

Figure 1: Implementing GPRA: Key Steps and Critical Practices



In this executive guide, we discuss the three key steps and their relationship to GPRA, along with the practices associated with each step.[6] In the final section of this executive guide, we discuss the role of top leadership and the practices it can follow if it hopes to make GPRA a driving force in an organization. Accompanying the discussion of each practice is a case illustration involving a federal agency that has made progress in incorporating the practice into its operations. The fact that an organization is profiled for a particular practice is not meant to imply success or lack of success in other dimensions. Moreover, underscoring the fact that implementing management changes required by GPRA will not come quickly, most of the agencies profiled began their results-oriented management before GPRA was enacted.

The experiences of leading organizations suggest that the successful implementation of GPRA may be as difficult as it is important. For example, obtaining agreement among often competing stakeholders is never easy, particularly in an environment where available resources are declining. In addition, measuring the federal contribution to outcomes that require the coordinated effort of numerous public and private entities—such as improvements in education, employment, or health—can require sophisticated and costly program evaluations.

To help ensure the success of GPRA, the CFO Council, which the CFO Act created to provide the leadership foundation necessary to effectively carry out the Chief Financial Officers' responsibilities, established a GPRA Implementation Committee. The Committee is providing guidance and information to Chief Financial Officers and managers in the 24 agencies covered by the CFO Act. The Committee recognized that uncertainty or fear of failure may immobilize an agency's efforts to implement GPRA and that its implementation is evolutionary in that proficiency comes with time and experience. To assist federal managers, the Committee published guiding principles and key issues for implementing GPRA.[7] Our guide is intended to complement the Committee's work in assisting managers as they implement GPRA. Our work has shown that although the steps and practices discussed in this guide don't come quickly or easily, they can serve as the fundamental building blocks to creating a results-oriented organization.

[6]For a detailed discussion of our objectives, scope, and methodology, see appendix II.

[7]Implementation of the Government Performance and Results Act (GPRA), A Report on the Chief Financial Officer's Role and Other Issues Critical to the Governmentwide Success of GPRA, Chief Financial Officers Council, GPRA Implementation Committee, May 1995.

related items

- Read the full text of the Government Performance and Results Act of 1993.
- Read President Clinton's remarks at the bill signing of the GPRA.
- Get a staff assessment of past GPRA pilot project performance plans.
- Access the five-year plans of specific agencies.
- Get a primer on performance measurement for the Results Act and an overview of implementation criteria.

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Congress Seeks Seat at the Table

By Stephen Barr
Washington Post Staff Writer
Friday, March 7, 1997; Page A19

Republican leaders, in a letter * almost certain to get the attention of the Cabinet and federal agency heads, have put the Clinton administration on notice that they expect to play a central role in a new, multiyear strategic planning effort to improve government performance.

The ambitious undertaking is required under a little-known law -- the 1993 Government Performance and Results Act, known as GPRA by the administration and called "the Results Act" on the Hill. The act, which kicks in this year, requires agencies to file five-year strategic plans with Congress and the Office of Management and Budget (OMB) in September.

The GOP letter, sent to OMB last week, describes what Congress thinks agency strategic plans should contain and says agencies should complete consultations on their plans with congressional committees before members leave for the August recess.

Among the GOP leaders signing the letter were House Speaker Newt Gingrich (Ga.), House Majority Leader Richard K. Armey (Tex.), Senate Majority Leader Trent Lott (Miss.) and the chairmen of the House and Senate Appropriations, Budget and Government Operations committees.

In previous eras, Congress largely stayed out of the mechanics of implementing such laws. The Results Act involves arcane issues, such as performance measurement and benchmarking to track progress, and likely will not provide any significant insight for four or five years into how agencies do their work or at what cost.

But that has not deterred House and Senate leaders this year. What's different is that the Results Act implementation comes at a time when Congress and the administration are promising to balance the federal budget. And as they do it, they need new ways to reassure voters about the quality of the services they receive for their tax dollars.

The GOP leaders, in particular, want to be assured that they have a voice in the drafting of the strategic plans. The Results Act stipulates that agencies "must consult with Congress" but does not say specifically what that means.

* = attached

Last November, an OMB memo urged federal agencies to meet with congressional committees on the Results Act and "to make consultations as useful as possible." But the memo also said that "all substantive documents related to strategic plans should be provided to OMB beforehand."

That instruction apparently raised some concerns in Congress. In the letter addressed to OMB Director Franklin D. Raines, Republican leaders wrote:

"We hope that you will make it clear to agencies that OMB does not intend to establish a strict 'clearance' process for any draft strategic plans meant to be used for discussions with Congress."

The draft strategic plans will serve as "the starting point" for discussions, the letter said.

The plans should contain "a clear and concise mission statement based on statute" and "tangible outcome goals for attaining the agency's mission."

The letter listed a series of issues that agencies should be prepared to discuss with committees, including how they will coordinate their activities with other agencies engaged in similar work. Armey, for example, indicated earlier this month that the Results Act could be used to improve coordination of education, food safety, drug treatment, rural water treatment and job training programs. All involve multiple laws and are administered by dozens of different agencies.

In one instance, the letter suggests that agencies do more than merely consult with Congress. Agencies should be prepared to "come to a reasonable degree of agreement with the committees as to what performance measures will be used to gauge program success," it said.

To speed the handling of draft strategic plans, the GOP leaders said they "will attempt to coordinate all relevant committees with jurisdiction over each department" to "reduce the duplication and overlap that congressional committees can add to the process."

That would be welcomed by some federal agencies, which hope the consultations will bring together members of appropriating and oversight committees so that long-term strategic goals can be linked more closely to short-term spending plans.

Asked about the GOP letter, OMB's deputy director for management, John A. Koskinen, said, "I don't think this is a major stumbling block. It is important to have an understanding about how to have this consultation, and we're moving in that direction without a lot of difficulty."

But he indicated that OMB will still want to see draft strategic plans before it goes to Congress. A "spring assessment" of agencies is underway at OMB, where program specialists are reviewing the strategic drafts, Koskinen said. Once OMB has made suggestions on the drafts, he said, agencies can then share them with congressional committees. In Koskinen's view, agencies should consult with committees this spring and not wait until summer.

"It's now a productive time for agencies to have discussions about their drafts," he said.

Congress of the United States
Washington, DC 20515

FEB 26

February 25, 1997

Franklin D. Raines, Director
Office of Management and Budget
17th and Pennsylvania Ave., NW
Washington, D.C. 20503

Dear Director Raines:

This year implementation of the Government Performance and Results Act goes government-wide, as agencies are required to submit Strategic Plans to Congress by September 30, 1997. We have reviewed the requirements of this important act and would like to comment on the importance of agency consultations with Congress.

According to the Results Act, "when developing a strategic plan, the agency shall consult with Congress." Because the act does not completely specify what constitutes consultations, we strongly encourage that OMB, in issuing further Results Act guidance to agencies, ensure that agencies are clear on what Congress expects during the coming year by way of these consultations.

In a November 12, 1996 OMB memo to the agencies on Results Act consultations, you stated: *"To make consultations as useful as possible...all substantive documents related to strategic plans should be provided to OMB beforehand, and OMB comments ensuring consistency with national program and budget policies should be incorporated before the documents are given to Congress."*

We hope that you will make it clear to agencies that OMB does not intend to establish a strict "clearance" process for any draft strategic plans meant to be used for discussions with Congress. Such a requirement would not only make the consultation process cumbersome, but does not reflect the iterative nature of government planning as envisioned by the Results Act.

As a result, agencies--and in many cases bureaus within each agency--should begin consultations with Congress as soon as possible and should try to complete the process before Congress' August recess. We believe such a time line will allow Congress sufficient time to have productive discussions with the agencies and give your office time to ensure the final versions of the Strategic Plans are consistent with national program and budget policies.

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While each committee has the full discretion to handle consultations in a manner with which it is most comfortable, we believe the following guidelines will make the consultation process most productive:

Once they have their mission, long-term goals and strategies roughed out, agencies should submit a draft plan to the Chairman and Ranking Member of all major authorizing, appropriating, oversight and budget committees in the House and Senate with jurisdiction over their programs in advance of any consultations, allowing the draft document to serve as the starting point for discussions. The draft Strategic Plans should contain:

- A clear and concise mission statement based on statute;
- Tangible **outcome** goals for attaining the agency's mission;
- A coherent presentation and justification of the various strategies the agency plans to pursue to achieve each goal;
- An outline of various outcome-related performance measures that will be used to track goal and mission attainment;
- A description of how the activities of the agency relate to the activities of other agencies with similar programs, including specific plans for how such programs will be coordinated; and
- Indications of how the mission, goals, strategies, and performance measures will be represented in the agency's annual performance plans and reports.

Along with the submission of the draft Strategic Plans, agencies should request a meeting for consultation at a time convenient for each committee. To the maximum extent possible, we will attempt to coordinate all relevant committees with jurisdiction over each Department or agency so as to assist in the implementation of the Results Act and reduce the duplication and overlap that congressional committees can add to the process. However, at any time, agencies should be prepared to be called upon by a congressional committee to begin consultations.

Among other issues that may be raised during consultations, agencies should be prepared to:

- Discuss agency consultations with other committees, and the nature of comments received on the plan;
- Identify what stakeholders were consulted and what views they had on the Strategic Plan;
- Detail how the agency will coordinate its activities (especially for cross-cutting programs) with other federal agencies working in similar activities;
- Provide an overview of key strategic issues/challenges facing their programs and to what extent the strategic plan addresses them;
- State the priorities of the agency and identify where they are reflected in the Strategic Plan and to what extent they reflect the priorities of Congress;
- State what their "value" is to the American people and where and how it is

articulated in the plan;

- Discuss how their use of regulations or their reliance on tax expenditures will be used to achieve certain goals in the Strategic Plan;
- Come to a reasonable degree of agreement with the committees as to what performance measures will be used to gauge program success–especially outcome measures (In addition to a discussion of performance measures, agencies should recognize that outcome goals should be stated in a manner that allows for determination to be made whether the goal was achieved or not.);
- Identify to what extent the recognized end-outcomes of the agency can be attributed to agency activities and how external factors could impact performance;
- Explain how what the agency does is unique from activities of other federal agencies, state and/or local governments, and private or social-sector entities working in the same areas;
- Clearly outline the logic and thinking behind the goals and strategies laid out in the plan;
- Discuss areas where the agency is asking for increased flexibility to "break the mold" and pursue an "outside the box" strategy to meet a goal or execute a strategy;
- Discuss what type of formats for Strategic Plans, Performance Plans, and Performance Reports best meet the information needs of Congress, federal line managers, and the general public;
- Explain how plans and reports prepared under the Results Act will be used in the day-to-day management of the agency; and
- Detail how the goals, strategies, and performance measures will be linked to the annual budget request of the agency.

Agencies should modify their strategic plans throughout the consultation process, taking into account the comments received from the various congressional committees. As a result, agencies should continually work with relevant congressional committees on updated versions of the draft strategic plans.

Finally, as previously specified in OMB guidance, agencies should send final versions of their Strategic Plans to both the Speaker of the House and President Pro Tempore of the Senate, in addition to the others specified in the Act, on or before September 30, 1997. In the transmittal letter, it would be helpful if agencies would note which committees were consulted. In addition, in an addendum, the agency should note what views or modifications suggested were not included in the final version of the plan, along with the rationale for not including them.

It is our hope that we have been able to provide additional clarity to the issue of Results Act "consultations" with Congress. We appreciate the work OMB has been doing to see that the implementation of the Results Act goes smoothly. For our part, we plan to encourage all House and Senate Committees to take an active role in consultations on agency Strategic Plans and continue to use general oversight hearings throughout the year to monitor progress on the Results Act within the agencies.

Thank you again for your work on implementation of the Results Act.

Sincerely,

Newt Gingrich
Speaker of the House

Trent Lott
Senate Majority Leader

Richard Armey
House Majority Leader

Larry Craig
Chairman, Senate Republican Policy Committee

Dan Burton
Chairman, House Government Reform and Oversight Committee

Fred Thompson
Chairman, Senate Governmental Affairs Committee

John Kasich
Chairman, House Budget Committee

Pete Domenici
Chairman, Senate Budget Committee

Bob Livingston
Chairman, House Appropriations Committee

Ted Stevens
Chairman, Senate Appropriations Committee

cc: President and Vice President
House Democrat and Republican Leadership, all House Committee Chairmen and Ranking Members
Senate Democrat and Republican Leadership, all Senate Committee Chairmen and Ranking Members
Cabinet Secretaries and Department heads