Improving Government Performance in the U.S.

Betsy Newcomer
Office of Management and Budget
Executive Office of the President
Our Office’s Mission

Lead the Federal government’s efforts to improve outcomes and productivity.

1. **Deliver targeted improvements:** Lead change on high-priority, cross-government initiatives (i.e., infrastructure permitting, GAO duplication and high risk items, security clearance reform).

2. **Strengthen government-wide management processes:** Establish useful government-wide management and decision making processes that promote long-term improvements in outcomes.

3. **Spread adoption of effective practices at agencies:** Spread the adoption of effective, evidence-based performance and personnel management practices.
Overview of the GPRA Modernization Act (GPRAMA)

- **Established Performance Improvement Roles and Responsibilities**
  - Established roles for OMB Director, COO (usually Deputy), Performance Improvement Officer (PIO), Goal Leaders, Performance Improvement Council (PIC)

- **Established Goal Framework and Performance Reviews**
  - **Goals**
    - **Federal Cross-Agency Priority (CAP) Goals**
      - Every 4 years (next in Feb 2018)
      - Quarterly reviews by OMB Director/PIC
    - **Agency Priority Goals (APGs)**
      - Every 2 years (next in Feb 2016)
      - Quarterly reviews by agency COO/PIO
    - **Strategic Goals and Objectives**
      - Every 4 years (next in Feb 2018)
      - Annual strategic reviews by agencies and OMB

- **Modernized Performance Reporting**
  - Established Performance.gov as the central source for performance reporting
  - Required government-wide list of programs, updated annually
Performance Framework

1. Cross-Agency Priority Goals
   - Mission-focused
   - Management

2. Strategic Objectives

3. Agency Priority Goals (APGs)
   - Performance Goals

---

**Planning**
- Every 4 yrs.
- Annually
- Quarterly

**Review Based on Evidence, Data and Analysis**
- Annually
- Quarterly

**Reporting**
- Annually
- Quarterly

---

**Agency Strategic Plan**
- CAP Goals (15)
- Annual Performance Plan including Agency Priority Goals (96) and Strategic Objectives (303)
- APG Action Plan Updates to OMB

**Strategic Objective Annual Review**
- COO Led APG Quarterly Reviews (Internal)

**Annual Performance Report ((public))**
- CAP Goal Progress Updates (Public)

---

**Decision-making and Learning to Improve Outcomes and Productivity**
Operational, policy, and budget decisions; and updates to plans including milestones and improvement actions
Impact: identify areas where mission support and program outputs/activities are not leading to improved outcomes

---

**Management feedback**

**Stakeholder feedback**
The Federal Government’s Bottom Line

• 15 Cross Agency Priority Goals
• 96 Agency Priority Goals
• 303 Strategic Objectives (comprehensive of government outcomes)
I. Cross-Agency Priority Goals (CAP Goals)

What are CAP Goals?

- Established by the GPRA Modernization Act of 2010
- Increase coordination on outcomes that cut across multiple agencies
- Focus on impact through improved *implementation* (not primarily policy, budget, legislation)
- CAP Goals will not reflect every priority
- Interim CAP Goals were set with FY 2013 Budget

With the FY 2015 Budget:

- Established 15 new mission- and management-focused CAP Goals
- Assigned goal leaders from both EOP and agencies responsible for driving progress
- Action plans posted on Performance.gov in June
- Each quarter, will review progress and provide updates on Performance.gov (next on September 4).
Designing and Executing President’s Management Agenda

**EFFECTIVENESS**  
*Deliver world-class services to citizens and businesses*

- Improve Customer Service
- Smarter IT Delivery

**ECONOMIC GROWTH**  
*Open government assets as a platform for innovation, job creation, and economic growth*

- Turbocharge Open Data
- Accelerate Lab-to-Market

**EFFICIENCY/VALUE**  
*Increase the value and quality of core operations*

- Expand Strategic Sourcing
- Drive Productivity & Cost Savings including Benchmarking
- Enhance Shared Services

**PEOPLE & CULTURE**  
*Unlock the talent of the workforce we have and build the one we need for tomorrow*

- Create a culture of excellence and engagement to enable higher performance
- Build a world-class Federal management team, starting with the SES
- Enable agencies to hire the best talent from all segments of society
II. Agency Priority Goals (APGs)

What are Agency Priority Goals?

• Established by the GPRA Modernization Act of 2010
• Established by agency leadership to drive progress on near-term, implementation-focused priorities
• Will not reflect every priority, but will complement the broader set of goals included in the Agency Strategic Plan
• First set in 2009, and have demonstrated notable results

With the FY 2015 Budget:

• Established 96 new APGs
• Agency leadership has assigned Goal Leaders
• Agency Chief Operating Officers (Deputy-level) will run quarterly, data-driven reviews
• Action plans are included on Performance.gov, including indicators and milestones, and will be updated quarterly
Example APGs

• In partnership, the Department of Housing and Urban Development and the Department of Veteran Affairs (VA) aim to reduce the number of Veterans living on the streets, experiencing homelessness to zero by FY 2015.

• By September 30, 2015, the Department of Education strives to decrease the number of high schools with low graduation rates by 5%.

• The Small Business Administration is working to expand small business access to export financing by increasing the number of lenders to providing export financing solutions from 430 to 555 and the number of small business exporters receiving financing through SBA loan programs from 1,346 to 1,480 by FY2015.

• USDA will develop, demonstrate, and implement science-based practices to improve soil health and sustainability that, nationwide, will reduce carbon loss on cropland by over 75,000 tons per year and increase corn and soybean production by over 5 percent on those fields implementing soil health practices by the end of FY 2015.

• State and USAID have set a goal to reduce under-five mortality in 24 maternal and child health U.S. Government-priority countries by 4 deaths per 1,000 live births.
The power of senior-led, data-driven performance reviews

Treasury Department Agency Priority Goal and power of COO-led Treasury Stat Stat Reviews

Actual Number of Paper Benefit Payments Issued

- Actual performance after becoming a priority goal
- Probable trajectory without intervention

Delta = Savings of more than $100M annually from Treasury’s paperless imitative
Information on Performance.gov for each Priority Goal

Goal Leader Photo

Overview & Strategies

Summary of Progress & Major Upcoming Milestones

Contributing programs

Historical data and recent results

Indicator Detail & Targets
III. Strategic Objectives & Reviews

The Strategic Reviews are:

• An annual assessment which synthesizes available performance information and evidence to inform budget, legislative, and management decisions

• Conducted by agencies for each “Strategic Objective” in an agency Strategic Plan, with OMB review

The Strategic Reviews will:

• Help meet the needs of leadership in identifying opportunities for reform proposals, executive actions, communications opportunities, etc.

• Synthesize a broad evidence and information base (indicators, evaluations, risk management, partner contributions, external factors, research, etc.) and prioritize findings for decision-making

• Make meaningful distinctions in performance, such as identifying areas of noteworthy progress and significant challenges

• Incentivize organizations to develop a culture focused on learning and improving performance
Government-Wide Performance Illustration

Mission: Create strong, sustainable, inclusive communities and quality affordable homes for all.

Strategic Goal: Strengthen the Nation’s housing market

Strategic Objective: Stem the foreclosure crisis in the U.S.

Performance Goal: By September 30, 2013, reduce average residential vacancy rates in 70% of NSP-2 neighborhoods (those hardest hit by the crisis) to comparable areas.

Performance Indicator: Vacancy rates
- Target: 70% reduction
- Timeframe: September 30, 2013
- Historical Trend: Vacancy rates began to rise in 2006 when the market started to decline. This trend continued through 2011.

Agency Priority Goal: By September 30, 2013, assist 700,000 homeowners who are at risk of losing their homes due to foreclosure.

Performance Indicator: Number of homeowners provided assistance
- Target: 700,000
- Timeframe: September 30, 2013
- Historical Trend: 900,000 homeowners were given assistance between 2011 and 2012.

Outcome indicator: Vacancy rates in NSP-2 neighborhoods

Output indicator: NSP-2 units of service [housing produced by agency effort (remodel, etc)]

Input indicator: Number of borrowers assisted by Federal Housing programs

Contextual indicator: Change in home prices

Efficiency indicator: Average number of days needed to list an FHA property

Note: All data is illustrative only. Information was modified for illustrative purposes and does not represent a real agency example.
Example Strategic Objective Illustration

What does the evidence say about the following questions? What evidence is lacking? What conclusions can we draw about progress?

1. **Agency Programs, Activities, Management Etc...**
   - **Strategy 1**
   - **Strategy 2**

2. **Inputs**
   - Budget, human capital, etc.
   - Do we have adequate capabilities, resources, and support?

3. **Federal Partners**

4. **External Delivery Partners**

5. **Outputs**
   - Did we achieve our expected outputs?

6. **Impact, Outcomes, Customers**
   - Are we having the intended impact?
   - Are other Federal programs contributing as expected?
   - Are non-Federal programs contributing as expected?

7. **Anticipated changes in the environment, external factors, and potential risks**
   - Are there anticipated changes in the external environment, identified risks, or other factors likely to impact progress?
For each strategic objective agencies will synthesize available evidence to answer key questions in four areas:

<table>
<thead>
<tr>
<th>Performance, Results &amp; Evaluations</th>
<th>What was achieved? What was the program’s impact? How efficiently did we deliver these results?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning &amp; Innovation</td>
<td>What worked, lessons learned, and successful innovations? What don’t we know?</td>
</tr>
<tr>
<td>Planning and Foresight</td>
<td>What future opportunities, risks, or challenges may affect outcomes?</td>
</tr>
<tr>
<td>Actions and Next Steps</td>
<td>What actions and decisions are needed to improve performance? What are the key next steps? By whom?</td>
</tr>
</tbody>
</table>
Overall Lessons Learned

• **Breaking Down Silos**: many agencies reported that the Strategic Review was the first time certain programs met to discuss cross-cutting, strategic issues.

• **Identifying Evidence Gaps**: agencies were able to identify strategic objectives with relatively weak evidence and thus identify areas for improving metrics.

• **Aligning Activities to the Strategic Plan**: agencies were able to begin aligning activities directly with strategic goals and objectives.

• **Engagement**: most agencies’ performance staffs were interested and engaged in finding value from strategic reviews.
  
  – Over 100 agency staff attended strategic planning summit in March 2013
  
  – Over 100 agency staff attended strategic review summits in both February 2014 and July 2014
  
  – One PIO stated ‘it was the first time in 20 years that their program staff had asked to participate in a performance management effort at the agency.’
There will likely be maturation as agencies become more adept at synthesizing many sources of performance information and conducting analysis.
Agency Guidance (OMB Circular A-11 Part 6 Sections 200-290 and Section 51)
http://www.whitehouse.gov/omb/circulars_a11_current_year_a11_toc

Agency Progress
www.performance.gov

Questions?