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MEASURING GPRA'S RESULTS

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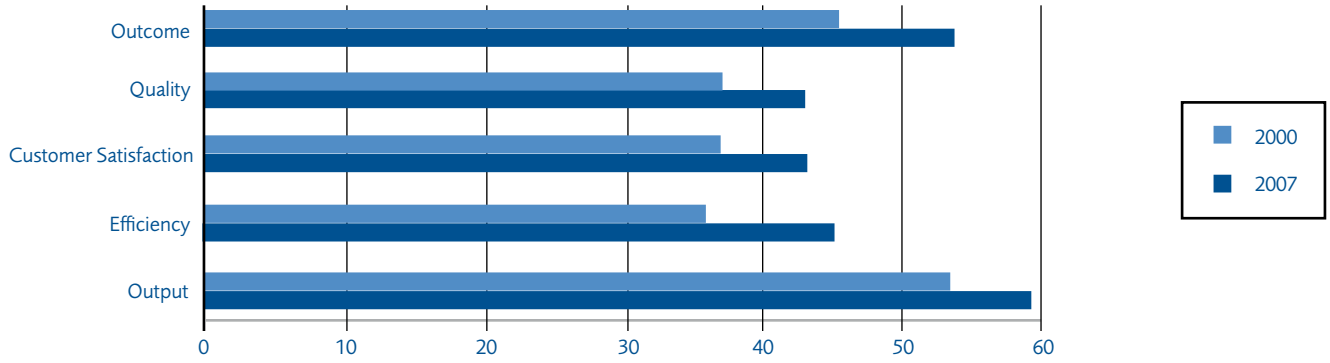
The Government Performance and Results Act of 1993 (GPRA) requires federal agencies to explain the concrete public benefits they seek to produce and report annually on their progress toward these outcomes. GPRA mandates tracking of outcomes, as well as activities, to ensure that agencies focus on producing end results that citizens value. Annual performance reporting under GPRA started in fiscal year 1999.[1] If GPRA works the way it is intended to work, then ultimately we should observe that funding for programs is closely related to the ability of those programs to achieve outcomes. At a minimum, we should observe federal managers using GPRA goals to manage programs for results.

Congress enacted GPRA in part because "federal managers are seriously disadvantaged in their efforts to improve program efficiency and effectiveness, because of insufficient articulation of program goals and inadequate information on program performance."[2] GPRA's underlying logic suggests that programs should be evaluated based on empirical evidence that they actually produce the intended outcomes. A recent Mercatus Center working paper applies this same logic to GPRA itself, assessing whether GPRA has in fact improved the availability and use of performance information in federal agencies.[3]

THE DATA

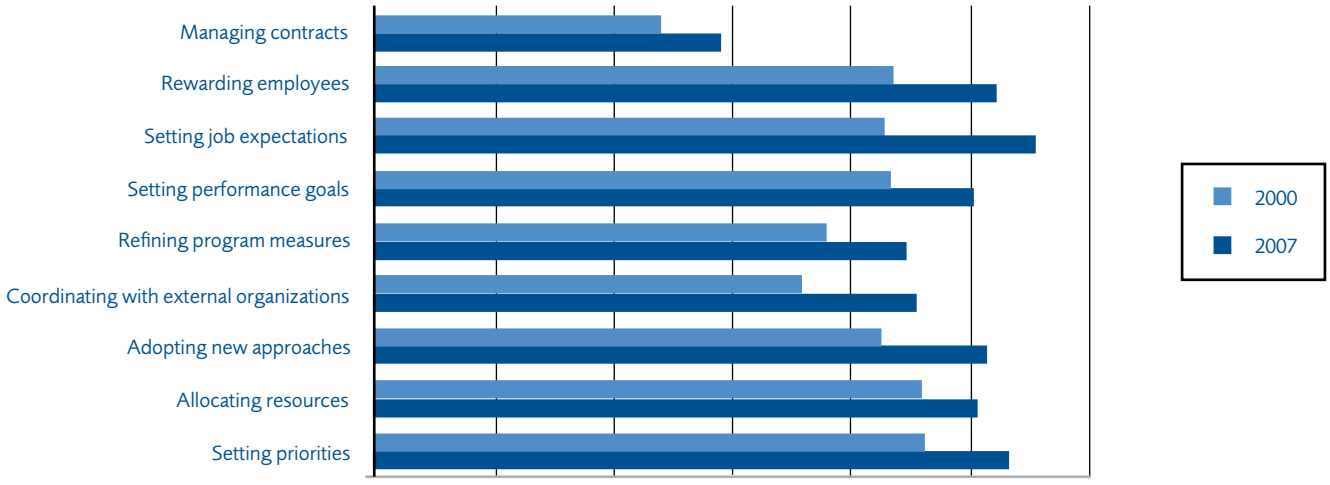
Periodic Government Accountability Office (GAO) surveys track the percentage of federal managers who say they have or use various kinds of performance information in their programs or activities.[4] In 2000 and 2007, GAO surveyed a large enough sample of managers to calculate valid averages for each agency. The survey covers the 24 federal agencies subject to the Chief Financial Officers Act, which accounts for the vast majority of all federal spending.[5]

FIGURE 1: AVERAGE % OF MANAGERS WITH VARIOUS TYPES OF PERFORMANCE MEASURES



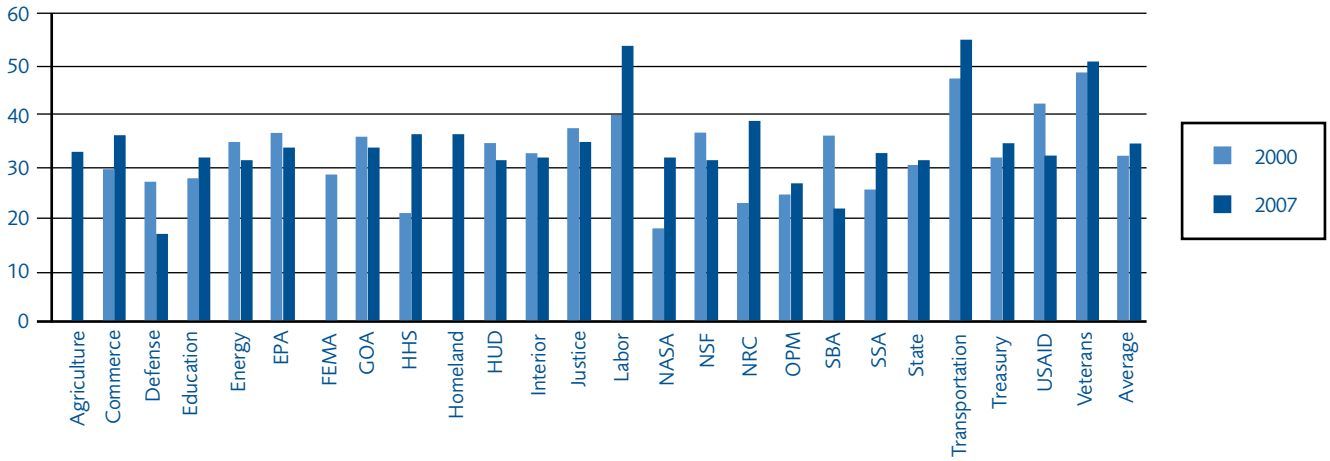
Source: Author's calculations based on GAO survey data.

FIGURE 2: AVERAGE % OF MANAGERS WHO USE PERFORMANCE INFORMATION FOR THESE PURPOSES



Source: Author's calculations based on GAO survey data.

FIGURE 3: MERCATUS SCORECARD SCORES



Source: Maurice McTigue, Henry Wray, and Jerry Ellig, 9th Annual Performance Report Scorecard (Arlington, VA: Mercatus Center at George Mason University, 2008), http://www.mercatus.org/PublicationDetails.aspx?id=16102; Maurice McTigue, Jerry Ellig, and Steve Richardson, 2nd Annual Performance Report Scorecard (Arlington, VA: Mercatus Center at George Mason University, 2001), http://www.mercatus.org/PublicationDetails.aspx?id=17550.

Figure 1 shows the average percentage of managers across agencies who reported that they have various types of performance measures "to a great extent" or "to a very great extent." All averages increased between 2000 and 2007. The increase was especially large for outcome measures (8.4 percentage points) and efficiency measures (9 percentage points).[6]

Use of performance information also increased, as figure 2 shows. This figure graphs the average percentage of managers across agencies who reported that they use performance information "to a great extent" or "to a very great extent." The largest increases were for "Setting job expectations for employees I manage" (12.3 percentage points), "Rewarding employees I manage or supervise" (9.1 percentage points), and "Coordinating with external organizations" (9.7 percentage points).[7]

These figures show that the availability and use of performance information has increased since agencies started producing annual GPRA performance reports. But this improvement may be due to unrelated reasons. If managers with better GPRA initiatives are more likely to report that they have and use the types of performance measures envisioned by GPRA, then we can be more confident that GPRA contributed to the improvement in availability and use of performance information.

Each year, the Mercatus Center produces a Performance Report Scorecard that evaluates the quality of agencies' annual GPRA reports. Like the GAO surveys, the Scorecard covers the 24 agencies subject to the Chief Financial Officers' Act. An expert team evaluates each report on 12 criteria—four each for transparency, public benefits, and leadership. On each criterion, the report receives a score that can range from 1 (no useful content) to 5 (best practice that other agencies should adopt). The maximum possible score is 60, with a minimum of 12. Figure 3 shows each agency's score on the Mercatus Scorecard in 2000 and 2007.[8]

The Mercatus working paper uses econometric regression analysis to see how the GAO survey results are correlated with agencies' scores on the Scorecard along with several other control variables that might affect the survey results. All results are statistically significant at the 90 percent level or higher, meaning that there is a 90 percent or better likelihood that the correlations are not the result of mere chance.

KEY FINDINGS

GPRA increased availability of performance information.

Agency Scorecard scores are correlated with the percentage of managers stating that they have various performance measures for their programs or activities. The average agency Scorecard score was 34 for the years covered in the study. The correlations imply that an agency producing a GPRA report with an average score of 34 would have about 10 percent more managers reporting that they have outcome, output, or efficiency measures, compared to an agency that produced no GPRA report.[9] Since 40–60 percent of managers said they had outcome, output, or efficiency measures, the quality of GPRA reports seems to explain a noticeable portion of the positive response.[10]

GPRA increased use of performance information.

Scorecard scores are also correlated with the percentage of managers saying they use performance information for the purposes listed in figure 2. In most cases, an agency producing a GPRA report with an average score of 34 would have between 7 and 14 percent more managers reporting that they use performance information for the various purposes enumerated in the GAO survey. Since 25–50 percent of managers said they use performance information for various purposes, the quality of agencies' GPRA reports seems to explain a noticeable portion of the positive response.[11]

Leadership makes a big difference.

In addition to surveying managers on the availability and use of performance information, GAO asked a series of questions about the agency's environment that might have an effect on performance management. One question asked managers whether they agree that their "agency's top leadership demonstrates a strong commitment to achieving results." The percent of managers who agreed to a great or very great extent was strongly correlated with the percent of managers reporting that they have or use performance information in their programs.[12] GAO reports similar findings in its own analysis of the survey data.[13]

A one-percentage-point change in affirmative responses to the leadership question is associated with between one-half and four-fifths of a percentage point increase in the number of managers who have or use performance information.[14] Affirmative responses to the leadership question ranged between 39 and 89 percent, with most agencies above 50 percent in 2000 and above 70 percent in 2007. Clearly, leadership from top management makes a big difference in driving the development and use of performance measures.

Program type affects performance management.

The regressions included control variables measuring the percent of each agency's budget devoted to competitive grants, block grants, regulation, or research and development. In some cases, the types of programs an agency administers affected the percent of managers saying they have or use performance information:[15]

- Agencies with a higher percentage of their budgets devoted to competitive grants have a higher percentage of managers who say they have outcome measures. They appear more likely to use performance information to coordinate with external parties, develop measures, and set goals.

- Agencies with a higher percentage of block grants have lower percentages of managers claiming they have efficiency measures.

- Agencies with a higher percentage of their budgets devoted to regulation have lower percentages of managers that say they have outcome measures or use performance information to allocate resources.

- Agencies with more of a research and development focus have lower percentages of managers reporting they have output and efficiency measures. The percent of agency budget spent on research and development is negatively correlated with use of performance information to set priorities, change programs or work processes, coordinate with external parties, develop goals and measures, establish job expectations, or reward employees.

CONCLUSION

Federal management reforms usually begin with a burst of enthusiasm and then die, leaving disappointment and cynicism in their wake. GPRA has the potential to be different because unlike prior management initiatives, it is written into federal law. The research findings reported here suggest that GPRA has had measurable success in improving the availability and use of performance information in federal agencies.

Despite GPRA's effects, agencies with a heavy regulatory or research-and-development focus seem less likely to have or use certain types of performance information. Assisting these agencies should be a high priority for the Office of Management and Budget. Congressional oversight and appropriations committees might also prompt progress by insisting that these types of agencies show outcome and output measures and, ultimately, use those results for budgeting purposes.

Finally, leadership clearly has a large effect on performance management. Commitment to GPRA principles—and performance management generally—should be the key component in the performance plans of all senior federal managers, both appointees and career civil servants.

ENDNOTES

1. For a brief account of the evolution of federal performance reporting and the laws that influenced it, see Maurice McTigue, Henry Wray, and Jerry Ellig, *7th Annual Performance Report Scorecard: Which Federal Agencies Best Inform the Public?* (Arlington, VA: Mercatus Center at George Mason University, 2006), 21–22, http://www.mercatus.org/PublicationDetails.aspx?id=17780.

2. GPRA sec 2(a).

3. Jerry Ellig, "Has GPRA Increased the Availability and Use of Performance Information?," (working paper 09-03, Mercatus Center at George Mason University, March 2009, http://www.mercatus.org/PublicationDetails.aspx?id=26478.

4. The most recent results were presented to Congress in Bernice Steinhardt, *Government Performance: Lessons Learned for the Next Administration on Using Performance Information to Improve Results*, GAO-08-1026T (July 2008).

5. The principal parts of government not included in these 24 agencies are the judiciary, the legislature, the executive office of the president, and the independent agencies not among the 24 CFO Act agencies.

6. Differences for efficiency and outcome measures are statistically significant at the 99 percent level, and others are statistically significant at the 90 percent level.

7. Differences for all measures are statistically significant at the 99 percent level, with two exceptions: allocating resources is statistically significant at the 90 percent level and managing contracts is not statistically significant at all.

8. The Department of Agriculture did not produce a report in time to be included in the 2000 Scorecard. The Department of Homeland Security did not exist in 2000, and the Federal Emergency Management Agency was included in the Homeland Security GPRA report in 2007.

9. See Ellig, "Has GPRA Increased the Availability and Use of Performance Information?," tables 3 and 6.

10. Ibid, table 9.

11. Ibid.

12. Ibid, tables 3 and 4.

13. Steinhardt, Government Performance, 9–11.

14. Ellig, "Has GPRA Increased the Availability and Use of Performance Information?," tables 3 and 4.

15. Results in the following bulleted list are from Ellig, "Has GPRA Increased the Availability and Use of Performance Information?," 15, 17, and 19.

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