

THE PERFORMANCE AND ACCOUNTABILITY TOOLKIT

by Jerry Ellig, Jason J. Fichtner, and Maurice McTigue

INTRODUCTION

Congress should conduct rigorous oversight of federal agencies and programs not just to prevent waste, fraud, and abuse, but also because current levels of spending are unsustainable, making spending cuts inevitable. A large part of Congress's job is to decide how funds get spent, and Congress must make difficult choices as to which programs and agency budgets it should cut. Congress needs to conduct this process in an apolitical, productive manner. Thorough oversight is key to that process.

Performance information is crucial for smart decisions about realigning programs, cutting budgets for specific programs, and eliminating duplicative programs. This toolkit is designed to assist congressional staff with oversight and appropriations decisions for federal agencies and programs.

PRODUCTIVE OVERSIGHT

In the past, congressional oversight has often consisted of “gotcha” hearings intended merely to embarrass political opponents. In contrast, productive congressional oversight that would help address the overspending problem would emphasize several key recommendations:

1. *Base budget decisions on evidence.* Congress should compare costs with evidence of actual results the program produces or is likely to produce for the public.
2. *Avoid basing budget decisions on faith.* Congress should not assume that a program accomplishes the hoped-for results merely because the intentions sound good. Good intentions are not enough to justify expenditures.
3. *Insist on outcome-oriented goals and measures.* Hold agencies accountable for meeting those goals.
4. *Find out why programs fail to meet expectations.* Congress should not allow any agency to make an unsupported claim that despite lack of previous success, more money would guarantee future results.

5. *Expect agencies to become more productive each year.* The Office of Management and Budget (OMB) requires agencies to submit a “Congressional Justification” report to Congress. In this report, OMB requires agencies to specify their funding requests within the context of offsetting productivity savings. Given technology improvements, economies of scale, and other factors, agencies may be able to achieve the same results (or outcomes) as in the previous year with fewer employees (full-time equivalents, or FTEs, in human-resource language). A productivity gain of 2 percent, for example, implies that given the same level of activity of the previous year, the agency should be able to do 2 percent more work at the same funding level (Office of Management and Budget, [Circular A-11](#), 2015). It is important that congressional staff inquire with individual agencies about how the various productivity assumptions affect the budget request and program administration.
6. *Conduct oversight and make budget decisions by comparing the results of all programs, regulations, and tax breaks that aim to achieve similar results.* This recommendation is consistent with the requirements of the GPRA Modernization Act of 2010. It would give committees greater knowledge about which approaches are more effective and which ones are less effective and can be discontinued.

AVAILABLE OVERSIGHT RESOURCES

Congress requires agencies to submit many types of information; unfortunately, Congress does not use much of it. Here are available resources that could provide congressional staffers the information they need to urge agencies toward achieving better management, better program design, and better spending and budget decisions.

[The Government Performance and Results Act of 1993](#)

This legislation requires federal agencies to develop strategic plans with outcome-based goals, identify performance measures to track progress, and report annually on their performances. (Reports are available online at respective agency homepages.) Agency strategic plans and performance reports should be posted on agency websites or available through data.gov.

[The GPRA Modernization Act of 2010](#)

This legislation requires OMB and federal agencies to identify high-priority government-wide and agency goals; identify all programs, regulations, and tax expenditures that contribute toward each goal; and periodically review performance.

See also [Title 5 U.S.C. chapter 3](#) and [Title 31 U.S.C. chapter 11](#).

Agency Reports

1. Most agencies must submit to OMB and periodically revise a “Strategic Plan” that includes goals and describes how the agency measures its performance. The agencies should have their strategic plans posted on their websites.

For example: [Social Security Administration](#), [Department of Defense](#), [Department of Health and Human Services](#)

GPRA also requires agencies to produce an annual report on their actual performance relative to their goals. In some years, these were called “Performance and Accountability Reports;” in more recent years, agencies had the option of producing a shorter “Citizens’ Report” that summarized key performance information. The GPRA Modernization Act of 2010 replaced the required performance report document with a requirement that agencies must make specified performance information available on the web.

Examples of agency performance reports: [Department of Transportation](#), [Department of Labor](#), and [Department of Veterans Affairs](#)

2. Each agency has a [performance improvement officer \(PIO\)](#)—that is, a senior executive-service employee responsible for the agency’s plan and metrics.
3. The US [Government Accountability Office](#) (GAO) reviews and reports on the GPRA reports of the individual agencies. GAO has also published [a guide for congressional use of government performance information](#).

CONDUCTING OVERSIGHT

Now that you know where to find existing information, how can you learn more about what agencies are doing?

- Read through the agency’s strategic plan and document its mission, goals, and metrics. Then read its annual performance report to see if the agency presents evidence on its metrics that show progress in achieving its goals. Do the agency’s goals/metrics measure outcomes that are of direct and obvious value to the public, or do they measure outputs, activities, or processes? Does the agency have a clear plan to achieve its goals/objectives? What performance data show whether the agency is making any headway in achieving its goals/objectives? Follow up directly with the agency’s legislative affairs office or the performance improvement officer to get specific data that indicate whether the agency is meeting its stated goals and performance metrics.
- Contact the Inspectors General (IGs). Each agency has an Office of the Inspector General, an independent office within the agency charged with investigating fraud, waste, abuse, and management issues. Many IG offices have conducted audits or reports of their agency’s performance plans or metrics. IGs must also identify the agency’s major management challenges, and agencies must include the IG’s report in their annual performance reports. Each IG office should have a congressional affairs liaison. It is worth contacting the IG to discuss what audits/reports the IG

has conducted. Agency IG reports are available online and can provide questions to ask agencies about on performance, duplication of efforts, etc. At the request of a member, the IG can also conduct an audit of an agency's programs or overall performance metrics.

- Use performance data to identify and evaluate the outcomes (i.e., progress toward goals/objectives) achieved by government spending on specific programs. Think of outcomes in government as identifying what public benefit results from this expenditure. If there is no public benefit, cancel the expenditure. Quantity of activity is not an outcome.
- The key here is “learn.” Congressional personal office staffers can seek outside help and assistance professional staff on congressional committees, leadership offices, or external organizations, including the Mercatus Center. Additionally, the IG offices and their auditing powers can be of use.
- Request that agencies provide important information that is missing from current agency or program performance reports. For example:
 - What is the core statutory mission for the agency?
 - How many goals/objectives is the agency responsible for pursuing in accordance with that mission?
 - A list of individual programs, tax expenditures, and regulations that are supposed to contribute toward each of the agency's high-priority goals. This is required by the GPRA Modernization Act but may not happen unless Congress shows interest in receiving this information.
- Prepare statements and questions for members of Congress that highlight and probe the performance records of individual agencies, specific programs, and programs that seek to achieve the same outcome (e.g., literacy, job training).
- The agency strategic plan is a good starting point for asking agencies to provide data supporting their performance metrics and stated goals. Always check GAO's High-Risk List to see what programs this agency administers that are deemed high risk for waste, fraud, abuse, mismanagement, or in need of broad reform. Also check to see how long they have been considered high risk.
- Use gathered information to pinpoint those programs that should be downsized or eliminated because of ineffectiveness, duplicative/overlapping missions, or cost inefficiency. Check how many programs provided by different agencies address a particular outcome. Keep the programs that produce the best results and eliminate the rest.
- The key here is “use gathered information to pinpoint those programs.” Analysis of these data most often needs to be taught or learned through instruction and experience. Seek outside help and assistance from professional staff on congressional committees or leadership offices, the

GAO, or organizations such as the Mercatus Center. IG offices and their abilities to audit can help identify programs that are duplicative in nature or have overlapping functions. Congress must recommend the cuts, but these recommendations can be supported with information from GAO, the Congressional Research Service, the IG, Mercatus, and committee staff.

Some specific oversight questions to consider asking agencies:

- If you were in charge, which of your agency’s current activities would you eliminate?
- Which of your agency’s current activities is the lowest priority?
- Has your strategic plan changed this year? Are the goals specific and quantifiable (e.g., improve the number of students that can read at a certain level), or are the goals “soft” (e.g., improve consumer confidence)?
- What progress have you made on your goals in the last year? What progress have you made on your goals in the last several years? What evidence (measures) do you have to demonstrate this progress?
- How much progress on each outcome did your programs, regulations, and related tax expenditures produce last year? In each of the past several years?
- What is the evidence that the progress on your goals was a result of your agency’s actions, rather than outside factors beyond your control (such as the state of the economy or demographic shifts)?
- What has been the cost of each of your programs, regulations, and related tax expenditures last year? For the last several years?
- For each program, regulation, or tax expenditure, what is the average cost of producing one unit of successful outcome (e.g., the cost of teaching one child to read, getting one unemployed person trained and into gainful employment)?
- How much more of the intended outcome could each program or related tax expenditure produce if it had a 10 percent larger budget? How much less would it produce if it had a budget 10 percent lower? What evidence supports these claims?
- Some agencies take on tasks or programs that appear to be outside the scope of their original mission. This is called “mission creep.” It’s important to refer back to the agency’s authorizing statute or act and ask if the original statute authorizes the goals in the agency’s strategic plans. (If these programs or goals do not have a basis in the original statute, they should be ceased immediately.)
- What specific actions did you take to meet your goals last year?
- What other agencies have the same goals that you do? Why should we continue to fund your agency instead of giving them your job?

- Are you doing anything at the behest of members of Congress that falls outside of your strategic goals?
- For each year over the past five years and for the entire five-year period, how much has the agency's budget increased?
- How much has the agency's FTE/staffing authority increased or decreased over the past five years? Each year and over a five-year period.
- If the agency is seeking a larger budget or greater regulatory authority to cope with failure to achieve goals, what is the evidence that doing more of the same thing will actually allow the agency to achieve goals it has so far failed to achieve?
- Has your agency IG offered any reports or suggestions on how you can improve your management/performance metrics?
- Has OMB provided guidance or suggestions on how you can improve your performance metrics and data collection?
- Has GAO recommended any specific improvements to your program/agency over the past 10 years? What were they? How have you responded?
- Please describe the role your agency's PIO has in the agency. How are the PIO's recommendations acted upon?
- Are there any functions that would be better contracted out to the private sector (printing functions, guard services, etc.) to save costs or improve performance?

ADDITIONAL RESOURCES

[Data.gov](https://www.data.gov)

Find additional agency performance data at www.data.gov/metric.

[USASpending.gov](https://www.usaspending.gov) and [Recovery.gov](https://www.recovery.gov)

Agencies must submit their grants and contracts spending data directly to [USASpending.gov](https://www.usaspending.gov), which provides information on agencies' spending on grants and contracts. [Recovery.gov](https://www.recovery.gov) provides information on stimulus funding, relying on direct reporting by grantees and contractors instead of agency reporting. [USA Spending.gov](https://www.usaspending.gov) and [Recovery.gov](https://www.recovery.gov) offer many ways to search and compare spending data. Staffers can use these resources to look for patterns suggesting inefficiency, waste, and possible favoritism.

[The Sunlight Foundation](https://www.sunlightfoundation.com)

The Sunlight Foundation's agency data accuracy scorecard can help identify inaccuracies with agency reporting.

POINT OF CONTACT



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Maurice McTigue is director of the Government Accountability Project at the Mercatus Center. He shares lessons of his practical experience as a New Zealand MP, cabinet minister, and ambassador. He works with officials in the administration, members of Congress, officials from more than 23 federal agencies, and state governments on applying the principles of transparency and accountability in the public sector.

KEY MERCATUS RESEARCH FINDINGS

- Jerry Ellig, Maurice McTigue, and Henry Wray, *Government Performance and Results: An Evaluation of GPRA's First Decade* (Boca Raton: CRC Press/Taylor & Francis, 2012). This book reports the results of the Mercatus Center's 10-year research project on the Government Performance and Results Act. The following paper summarizes the main findings: Jerry Ellig, "[Ten Years of Results from the Results Act](#)" (Working Paper, Mercatus Center at George Mason University, Arlington, VA, 2010). <http://mercatus.org/publication/ten-years-results-results-act>.
- Jerry Ellig and Jerry Brito, "[Toward a More Perfect Union: Regulatory Analysis and Performance Management](#)," *Florida State University Business Review* 8, no. 1. (Spring/Summer 2009), 1–55, <http://mercatus.org/publication/toward-more-perfect-union-regulatory-analysis-and-performance-management>.
- Jerry Ellig, "[Measuring GPRA's Results](#)" (Mercatus on Policy, Mercatus Center at George Mason University, Arlington, VA, 2009), <http://mercatus.org/publication/measuring-gpras-results>.
- Jerry Ellig, Maurice McTigue, and Steve Richardson, "[Putting a Price on Performance: A Demonstration Study of Outcome-Based Scrutiny](#)" (Working Paper, Mercatus Center at George Mason University, Arlington, VA, 2000), <http://mercatus.org/publication/putting-price-performance-demonstration-study-outcome-based-scrutiny>.
- Mercatus Center Performance Report Scorecard, <http://mercatus.org/search/node/performance%20report%20scorecard>. From fiscal year 1999 through fiscal year 2008, this project evaluated the quality of GPRA performance reports produced by the 24 federal agencies covered by the Chief Financial Officers' Act.

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