Oral Testimony of Jeffrey D. Zients Deputy Director for Management of the Office of Management and Budget Before the Committee on Homeland Security and Governmental Affairs Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security United States Senate September 24, 2009

Chairman Carper, Ranking Member McCain, and Members of the Subcommittee:

I appreciate the opportunity to come before you today to discuss our shared objective – increasing the effectiveness, efficiency, and transparency of government. Today, I want to address my remarks to your questions about Federal agency use of performance information for decision-making and resource allocation.

The current fiscal challenge makes it more important than ever to maximize the effectiveness of every tax dollar we spend. We need to search, continually, for increasingly effective and efficient ways to get the job done. To accomplish this, it is not enough for Federal agencies to produce performance information. The ultimate test of our performance management efforts is whether or not the information is used – not just by government agencies, but also by Congress, the public, our service delivery partners, and others.

Across twenty years in the private sector as a CEO and advisor to CEOs, I found that leadership, measurement, and a motivated workforce create the foundation for good performance. I am confident that the same is true in government.

It is my initial sense after three months on the job that important groundwork for governmentwide performance management has been laid both by Congress and previous Administrations, including the Clinton Administration's implementation of the Government Performance and Results Act (GPRA) and the Bush Administration's implementation of the Performance Assessment Rating Tool (PART). But too much emphasis was placed on producing performance information for the purpose of complying with reporting requirements, and too little attention paid to analyzing and acting on this information.

It is time to pay far more attention to the use of Federal performance information as a powerful performance-improving tool – useful for communicating priorities, progress, and raising issues; for illuminating what works and should be continued and what does not work that needs attention; for motivating the best from our workforce and our service delivery partners; and for allocating scarce resources wisely.

Many public and private organizations have developed successful models for increasing the use of performance information. My intention is to look for the best examples of what works – in other governments, the private sector, and in recent Federal efforts – and apply these practices to the Federal government. The first key step in taking on this challenge is putting in place the right leadership team.

I am pleased to announce a new key member of my leadership team, Shelley Metzenbaum. Shelley is a leading expert in performance management, with both a distinguished academic career and a wealth of government experience. She has authored numerous articles on practical, effective ways to use performance goals and measurement in government, and served in key leadership positions at the U.S. Environmental Protection Agency and the State of Massachusetts.

Our performance management agenda is already moving forward. In this year's spring budget guidance to agencies, OMB Director Orszag asked all major Federal agencies to identify a limited number of high-priority performance goals reflecting the near-term implementation priorities of each agency's senior managers. These goals communicate the priority targets that each agency's leadership wants to achieve over the next 12 to 24 months. Once this list is final, we will regularly review with agencies the progress they are making and the problems they are encountering. We will expect each agency to reach beyond their own organizational boundaries to get feedback about priorities and strategies and to enlist expertise and assistance to reach their targets. Improving the performance of our Federal programs will require cooperation and contributions from many places.

Shelley and I will also lead an effort to develop an improved Federal performance management framework that aligns these high-priority performance goals, GPRA performance reporting, and many of the program-level performance measures developed for the PART. Our government-wide performance measurement framework will be focused on outcomes, allow comparisons across programs and agencies, and show trends over time. We will use new information technologies to make this more feasible, less cumbersome, and far more useful than past alignment efforts. In addition, the Administration is proposing significant investments in rigorous, independent program evaluations, and we will integrate these efforts with our performance management work.

I am confident we will develop a Federal performance management framework that better serves the needs of agency managers as well as the public and Congress' need for Federal performance transparency. These steps will go a long way toward helping us all improve the effectiveness, efficiency, and transparency of government. This is a cornerstone of my agenda and one of my highest priority goals.

I thank the Subcommittee for holding this hearing and for your belief in improving Federal performance. I look forward to working with you, with the other members of this panel; with Federal employees across the Nation; and with our service delivery partners to accomplish this objective. Mr. Chairman and Members of the Subcommittee, I would be pleased to answer any questions you may have.