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United States Government Accountability Office  
Washington, DC 20548

December 9, 2011

The Honorable Daniel K. Akaka  
Chairman  
Subcommittee on Oversight of Government Management, the Federal Workforce,  
and the District of Columbia  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Thomas R. Carper  
Chairman  
Subcommittee on Federal Financial Management, Government Information,  
Federal Services, and International Security  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Mark R. Warner  
Chairman  
Task Force on Government Performance  
Committee on the Budget  
United States Senate

Subject: *Managing for Results: Opportunities for Congress to Address Government Performance Issues*

Many federal program efforts, such as those related to ensuring food safety, providing homeland security, monitoring incidence of infectious diseases, or improving response to natural disasters, generally require the effective collaboration of more than one agency. As we have recently testified before each of your subcommittees and the task force, the Government Performance and Results Act (GPRA) Modernization Act of 2010 (GPRAMA)<sup>1</sup> calls for a more coordinated and

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<sup>1</sup> Pub. L. No. 111-352, 124 Stat. 3866 (2011). GPRAMA amends the Government Performance and Results Act of 1993, Pub. L. No. 103-62, 107 Stat. 285 (1993).

crosscutting approach to achieve meaningful results.<sup>2</sup> Indeed, we have noted for many years the central role that GPRA could play in identifying and fostering improved coordination across related federal program efforts.<sup>3</sup> Effective GPRAMA implementation provides opportunities to identify the various agencies and federal activities—including spending programs, regulations, and tax expenditures—that contribute to crosscutting programs and to ensure that coordination mechanisms are in place. Our recent report on potential duplication, overlap, and fragmentation highlights a number of areas where a more crosscutting approach is needed—both across agencies and within a specific agency.<sup>4</sup> GPRAMA provides a powerful opportunity for agencies to collect and report more timely and useful performance information on crosscutting programs.

This performance information can play an important role in existing congressional decision making. Recognizing this, you requested that we undertake work to support congressional use of performance information. As a first step, we developed briefing materials focused on how Congress can use such information to address challenges facing the federal government. This report formally transmits the information shared during a briefing we gave on September 8, 2011, to your staff (see enc. I). As discussed with your staff, we are available to provide these briefings to Members of Congress and their staff as requested.

The objectives of the briefing were to (1) describe provisions of GPRAMA that provide Congress with opportunities for involvement in agency performance planning and (2) illustrate instances of Congress's use of agency performance information in its decision making. To identify provisions of GPRAMA that provide Congress with opportunities for involvement in performance planning, we reviewed GPRAMA, related congressional committee reports, and Office of Management and Budget (OMB) guidance on GPRAMA implementation. To illustrate how Congress has used agency performance information in its decision making, we selected three case studies from our prior work that demonstrate how congressional use of performance information has led to improved performance and efficiency. The case studies we selected are the 2002 reauthorization of Department of Education's Elementary and Secondary Education Act of 1965 programs, the Department of Defense's (DOD)

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<sup>2</sup> GAO, *Managing for Results: GPRA Modernization Act Implementation Provides Important Opportunities to Address Government Challenges*, GAO-11-617T (Washington, D.C.: May 10, 2011), and *Government Performance: GPRA Modernization Act Provides Opportunities to Help Address Fiscal, Performance, and Management Challenges*, GAO-11-466T (Washington, D.C.: Mar. 16, 2011).

<sup>3</sup> GAO, *The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven*, GAO/GGD-97-109 (Washington, D.C.: June 2, 1997); *Managing for Results: Using the Results Act to Address Mission Fragmentation and Program Overlap*, GAO/AIMD-97-146 (Washington, D.C.: Aug. 29, 1997); *Results-Oriented Government: Using GPRA to Address 21st Century Challenges*, GAO-03-1166T (Washington, D.C.: Sept. 18, 2003); and *Government Performance: Lessons Learned for the Next Administration on Using Performance Information to Improve Results*, GAO-08-1026T (Washington, D.C.: July 24, 2008).

<sup>4</sup> GAO, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, D.C.: Mar. 1, 2011).

Personnel Security Clearance Program, and the Internal Revenue Service's electronic filing initiative. In compiling the case studies, we reviewed legislation, related congressional documents, and our prior reports. For our full objectives, scope, and methodology, see enclosure II.

We conducted our work from June 2011 to December 2011 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to meet our stated objectives and discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions in this product.

## Summary

GPRAMA provides Congress with opportunities for involvement in agency performance planning by significantly enhancing requirements for agencies to consult with Congress when establishing or adjusting governmentwide and agency goals.<sup>5</sup> These consultations provide an important opportunity for Congress to provide input on what results agencies should seek to achieve; how those results will be achieved, including how an agency's efforts are aligned and coordinated with other related efforts; how to measure progress given the complexity of federal programs; and how to report on results. They also provide an opportunity for Congress to better understand challenges confronting particular programs and the broader context of how agency performance, budget, and financial information fit together.

Beyond providing input to the agencies and OMB during the consultations to shape their performance goals, Congress can foster results-oriented cultures in the federal government by using performance information in its decision-making processes. For example, Congress can use agency performance information to inform its various legislative responsibilities, including when authorizing or reauthorizing federal programs, and other activities; amending the tax code; appropriating funds; and developing budget resolutions. Congress can also focus agency attention on addressing performance issues through myriad oversight activities, such as oversight agendas, hearings, letters to agencies, and formal and informal meetings with agency officials. The three case studies we selected demonstrate how Congress has used performance information in its legislative and oversight activities to focus agency attention on improving performance. For example, in the DOD personnel security clearance program, which we placed on our high-risk list in 2005,<sup>6</sup> congressional activities included (1) passing two pieces of legislation that collectively established a goal related to the timeliness of issuance of personnel

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<sup>5</sup> Under GPRAMA, OMB and agencies are required to consult with relevant congressional committees, obtaining majority and minority views, about proposed goals at least once every 2 years and publicly report on how they incorporated congressional input provided during consultations. 5 U.S.C. § 306(d); 31 U.S.C. §§ 1120(a)(3), (b)(1)(A).

<sup>6</sup> GAO, *High-Risk Series: An Update*, GAO-05-207 (Washington, D.C.: January 2005).

security clearances, specified performance measures, and required annual reports to Congress; (2) holding over 14 oversight hearings; and (3) requesting that agencies work with us to identify performance measures for investigative quality. Sustained congressional attention helped the agencies reduce the amount of time security clearances took from an average of over 300 days following the terrorist attacks of 2001 to almost 60 days on average in fiscal year 2010 for industry personnel. As a result of the progress that was made, we removed the DOD personnel security clearance program from our high-risk list in February 2011.<sup>7</sup>

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We are sending copies of this report to the Director of the Office of Management and Budget and interested congressional committees. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-6806 or [mihmj@gao.gov](mailto:mihmj@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in enclosure III.

A handwritten signature in black ink, appearing to read "J. Christopher Mihm". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

J. Christopher Mihm  
Managing Director, Strategic Issues

Enclosures - 3

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<sup>7</sup> GAO, *High-Risk Series: An Update*, GAO-11-278 (Washington, D.C.: February 2011).



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# Updated Performance Management Framework Provides Opportunities for Congress to Address Government Performance Issues

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## Overview of Federal Performance Management Framework

- Congress recently updated the statutory framework for performance management, which is intended to improve the efficiency and effectiveness of federal programs.<sup>1</sup>
- Congress has often been the institutional champion for federal results-oriented management initiatives.
- Congress needs pertinent and reliable information to adequately assess agencies' progress and to ensure accountability for results.
  - Agencies are required to produce performance information on a regular basis (quarterly for select goals; annually for all goals).
  - Similarly, the Office of Management and Budget (OMB) is now required to produce such information for a limited number of cross-agency goals.

<sup>1</sup> This framework was established by the Government Performance and Results Act of 1993 (GPRA), Pub. L. No. 103-62, 107 Stat. 285 (1993), which was recently amended and expanded by the GPRA Modernization Act of 2010, Pub. L. No. 111-352, 124 Stat. 3866 (2011).

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## Overview of Federal Performance Management Framework (cont'd.)

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- If the updated framework is effectively implemented, Congress will have
  - more direct input on the executive branch's goals and
  - more timely and useful information on
    - results that are being achieved with the funds provided,
    - performance gaps and plans for improvements, and
    - managerial weaknesses and inefficiencies in agencies and progress in addressing them.
- **For more information on the updated federal government performance planning and reporting requirements, see Appendix I.**

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## Overview of Federal Performance Management Framework (cont'd.)

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- Performance information can include the following:
    - The direct products and services delivered by a program (**outputs**).
      - For example, an output measure for an employment training program could be the number of people attending the program.
    - The results of products and services delivered by a program (**outcomes**).
      - For example, for the same employment training program, an outcome measure could be the proportion of program participants that found employment.
    - Other important dimensions, such as the **efficiency, quality and timeliness** of the products or services provided, and the **satisfaction of customers**.
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## Overview of Federal Performance Management Framework (cont'd.)

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- An emphasis on outcome-oriented goals highlights opportunities to
  - better understand relationships across agencies and programs and how they are (or should be) coordinated to achieve a common result;
  - facilitate future actions to identify and reduce unnecessary duplication, overlap, and fragmentation; and
  - coordinate congressional efforts (e.g., joint oversight hearings) to ensure that executive branch efforts are mutually reinforcing.

## Overview of Federal Performance Management Framework (cont'd.)

- For example, 15 agencies collectively administer at least 30 food-related laws.
  - Several recent actions have been aimed at enhancing interagency collaboration to improve the safety of our nation's food supply:
    - Interagency Food Safety Working Group established by the President.
    - Passage of the Food and Drug Administration Food Safety Modernization Act<sup>2</sup> with provisions requiring interagency collaboration.
  - However, GAO has recently recommended that OMB, in consultation with the federal food safety agencies, develop a governmentwide performance plan for food safety that includes results oriented goals and performance measures for oversight, as well as a discussion about strategies and resources.

<sup>2</sup> Pub. L. No. 111-353, 124 Stat. 3885 (2011).

## Upcoming Consultations Provide Opportunities for Congress to Influence Executive Branch Results

- The recent statutory changes significantly enhance requirements for agencies to consult with Congress when establishing or adjusting governmentwide and agency goals.
- OMB and agencies are required to consult with relevant committees, obtaining majority and minority views, about proposed goals at least once every 2 years.
  - OMB is to consult with relevant committees with broad jurisdiction on crosscutting priority goals.<sup>3</sup>
  - Agencies are to consult with relevant appropriation, authorization, and oversight committees on their strategic plans and agency priority goals.
- OMB on a governmentwide website and agencies, in their strategic plans, are required to describe how they incorporated congressional input provided during consultations.

<sup>3</sup> For a list of these committees see appendix I.

## Consultations Provide Congress an Opportunity to Address Government Performance and Management Issues

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- Consultations provide an opportunity for Congress to influence
  - what results agencies should seek to achieve (**goals**);
  - how those results will be achieved, including how an agency's efforts are aligned and coordinated with other related efforts (**strategies**);
  - how to measure progress given the complexity of federal programs (**performance measures**); and
  - how to report on results (**reporting**).
- Consultations also provide an opportunity for Congress to better understand:
  - challenges confronting particular programs and
  - the broader context of how agency performance, budget, and financial information fits together.
- **See appendix II for illustrative key questions Congress can ask during consultations.**

## Approaches for Successful Congressional Consultations

- GAO interviewed congressional and agency staff involved in prior congressional consultations and found that certain approaches contributed to greater success.<sup>4</sup>
  - **Create shared expectations:** Prior to meeting, congressional staff and agency officials indicate what they plan to discuss and what they expect to achieve from their discussions.
  - **Engage the right people:** Involve agency officials with direct knowledge of program goals and operations and the ability to make decisions about strategy and influence performance. Consultations to the extent feasible should be bipartisan, bicameral, and held jointly with the **relevant** authorizing, budget, tax, oversight, and appropriating committees.
  - **Establish a consultation process that is iterative:** Consultations are not necessarily one-time events, rather they can be ongoing dialogues about performance issues. Congress can be proactive in reaching out to agencies to provide its input.

<sup>4</sup> GAO, *Managing for Results: Enhancing the Usefulness of GPRA Consultations Between the Executive Branch and Congress*, GAO/T-GGD-97-56 (Washington, D.C.: Mar. 10, 1997).

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## Providing Oversight of Performance

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- Beyond providing input to OMB and agencies during the consultations to shape their goals, Congress can play a decisive role in fostering results-oriented cultures in the federal government by using information on agency goals and results as it carries out its legislative responsibilities.
- Congress has often focused agency attention on addressing performance issues through consistent oversight.
- For example, Congress can use agency performance information (e.g., progress in achieving goals) to assist in its oversight activities, including
  - establishing oversight agendas;
  - holding hearings;
  - writing letters to agencies; and
  - holding formal and informal meetings with agency officials.
- Frequent communication with agencies within a committee's jurisdiction, both formal and informal, can contribute to successful oversight.

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## Congress Uses Performance Information to Inform Its Decision Making

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- Performance information can inform various types of congressional decision making, including
  - authorizing or reauthorizing federal programs, provisions in the tax code, and other activities;
  - appropriating funds; and
  - developing budget resolutions.

## Case Study: Reauthorization of the Elementary and Secondary Education Act of 1965 (ESEA)

- **Background on congressional interest:** ESEA authorizes programs to help improve the educational opportunities of economically disadvantaged children and raise teacher and principal qualifications.
  - In 2001, GAO reported on similarities among four bilingual education programs, which were authorized by ESEA and received \$163 million in federal funding for fiscal year 2000.
  - If such programs are designed to achieve similar outcomes for the same target group and are not well coordinated, the potential exists for ineffective service delivery and administrative inefficiencies.
- **Oversight activities for ESEA programs:** Congressional oversight activities included the following:
  - Congress examined coordination and duplication issues in education programs through a series of hearings in 1999;
  - In 2001, in response to a request from Congress, GAO reported information about the duplication in the four bilingual education programs, including that they shared the same performance goals and measures, used similar eligibility criteria, and allowed for similar uses of program funds.

## Case Study: Reauthorization of the Elementary and Secondary Education Act of 1965 (ESEA) (cont'd.)

- **2002 reauthorization of ESEA:** Congress passed the most recent reauthorization of ESEA in 2002,<sup>5</sup> which among other things:
  - **Consolidated duplicative bilingual education programs:** Anticipated to provide small cost savings by reducing the administrative burden associated with operating redundant programs.
  - **Required performance reporting:** The act requires state educational agencies receiving family literacy grants to develop specific output and outcome performance measures to monitor, evaluate, and improve the program. The performance measures are to address the following areas:
    - Achievement in the areas of reading, writing, English-language acquisition, problem solving, and numeracy.
    - Receipt of a diploma (secondary school or general equivalency).
    - Grade retention and promotion.
    - School attendance.
    - Entry into a postsecondary school, job retraining program, or employment or career advancement.
    - Improvement in ability to read on grade level or reading readiness.

<sup>5</sup>Pub. L. No. 107-110, 115 Stat. 1425 (2002), commonly known as the No Child Left Behind Act of 2001.

## Case Study: Reauthorization of the Elementary and Secondary Education Act of 1965 (ESEA) (cont'd.)

- **Oversight activities following the 2002 reauthorization:** Congress has done the following:
  - Held at least 55 hearings from 2002 through 2011 on a range of topics related to K-12 education.<sup>6</sup>
  - Held bicameral meetings with congressional leaders and the Secretary of Education on education issues.
- **Upcoming ESEA reauthorization:** Congress has an opportunity to further address potential overlap and duplication in education programs that share similar performance goals, through the pending ESEA reauthorization.
  - For ESEA reauthorization and its 2012 budget, the Department of Education has proposed consolidating 38 programs into 11 programs.
  - The proposed consolidation is intended to focus more on using performance information to fund programs that achieve intended results.

<sup>6</sup> For a list of key committees involved in oversight activities see appendix III.

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## Key Takeaways from the ESEA Reauthorization Case Study

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- In the 2002 ESEA reauthorization Congress
  - examined crosscutting programs that shared the same performance goals;
  - consolidated duplicative programs to make delivery of services more efficient and effective; and
  - required performance measures to monitor, evaluate, and improve certain literacy programs.

## Case Study: Personnel Security Clearance Reform

- **Background on congressional interest:** Following the terrorist attacks on September 11, 2001, there was an increased demand for security clearances, with an average processing time of over 300 days for industry personnel. GAO added the Department of Defense's (DOD) personnel security clearance program to its high-risk list in 2005 and continued that designation in 2007 and 2009 because of delays and problems with quality of investigations and adjudications.
- **Initial Legislation:** Congress identified the issues surrounding the personnel security clearance process and legislated objectives and reporting requirements related to timeliness.
  - Intelligence Reform and Terrorism Prevention Act of 2004<sup>7</sup>
    - Established the objective of making a determination on the fastest 90 percent<sup>8</sup> of personnel security clearance applications within an average of 60 days.
    - Established requirements for improving the clearance process.
    - Required annual reports to Congress on progress made during the preceding year toward meeting the 60-day goal.

<sup>7</sup> Pub. L. No. 108-458, 118 Stat. 3638 (2004).

<sup>8</sup> The executive branch can exclude the slowest 10 percent, and then report on an average of the remaining clearances.

## Case Study: Personnel Security Clearance Reform (cont'd.)

- **Congressional oversight:** Subsequently, Congress conducted a number of oversight activities.<sup>9</sup> These activities included
  - Holding over 14 oversight hearings since GAO first designated DOD's personnel security program as high risk; and
  - Committee members made a bipartisan request to agencies to work with GAO to identify metrics for investigative quality.
- **Additional Legislative Action:** Following 5 years of oversight activities, Congress passed legislation requiring reporting on additional performance measures for intelligence agencies.
  - Intelligence Authorization Act for Fiscal Year 2010.<sup>10</sup>
    - Required annual reports on the number of contractors and government employees with security clearances, the amount of time it takes to make a security clearance determination, and metrics for investigative and adjudicative quality.

<sup>9</sup> For a list of key committees involved in oversight activities see appendix III.

<sup>10</sup> Pub. L. No. 111-259, § 367, 124 Stat. 2654, 2703-2704 (2010)

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## Case Study: Personnel Security Clearance Reform (cont'd.)

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- **Results:** Sustained congressional attention helped the agencies improve the personnel security clearance process.
  - The amount of time security clearances took was reduced from over 300 days to almost 60 days in fiscal year 2010 for industry personnel.
  - DOD has also developed and is implementing quality assessment tools for investigations and adjudications.
  - DOD's personnel security clearance program was removed from GAO's high risk list in 2011.

## Case Study: Internal Revenue Service (IRS) E-Filing

- **Background on congressional interest:** E-filing allows taxpayers to receive refunds faster, is less prone to transcription and other errors, and provides IRS significant cost savings.
  - As of 1998, only 20 percent of returns were filed electronically.
  - IRS estimated that processing a paper return in 2010 cost \$3.66 per return whereas an e-filed return only cost 17 cents.
- **Initial Legislation:** Congress passed the Internal Revenue Service Restructuring and Reform Act of 1998.<sup>11</sup> The act established the following:
  - A performance goal of having 80 percent of individual tax returns e-filed by 2007.
  - The IRS Oversight Board to oversee IRS's administration and management – including reviewing and approving strategic plans –which in part deals with IRS's performance goal on e-filing.

<sup>11</sup> Pub. L. No. 105-206, 112 Stat. 685 (1998).

## Case Study: Internal Revenue Service (IRS) E-Filing (cont'd.)

- **Congressional oversight:** Congress' oversight of IRS performance on tax filing seasons has included<sup>12</sup>
  - monitoring IRS's progress in meeting the established goal for e-filings;
  - holding 22 hearings related to IRS filing seasons and e-filing since 1998; and
  - requesting annual GAO reports to Congress on filing season performance, including e-filing.
- In 2006, GAO suggested to Congress that IRS mandate e-filing by paid preparers.
- In 2007, the IRS Oversight Board recommended extending the deadline for having 80 percent of tax returns e-filed to 2012 and expanded the scope to apply to each major type of tax return.

<sup>12</sup>For a list of key committees involved in oversight activities see appendix III.

## Case Study: Internal Revenue Service (IRS) E-Filing (cont'd.)

- **Additional legislation:** Subsequently, Congress saw the need for further actions to help IRS achieve the e-filing goal of 80 percent.
  - The Worker, Homeownership and Business Assistance Act of 2009<sup>13</sup> requires tax return preparers who file more than 10 returns per year to do so electronically.
- **Results:** Although IRS did not meet the 80 percent e-filing target by 2007 (58 percent were e-filed), increased use of e-filing has substantially reduced IRS's cost to process returns, reducing required staff years for processing filings by about 2,000 through 2008.<sup>14</sup>
  - The percentage of tax returns filed electronically increased from 20 percent in 1998 to 79 percent as of July 2011.

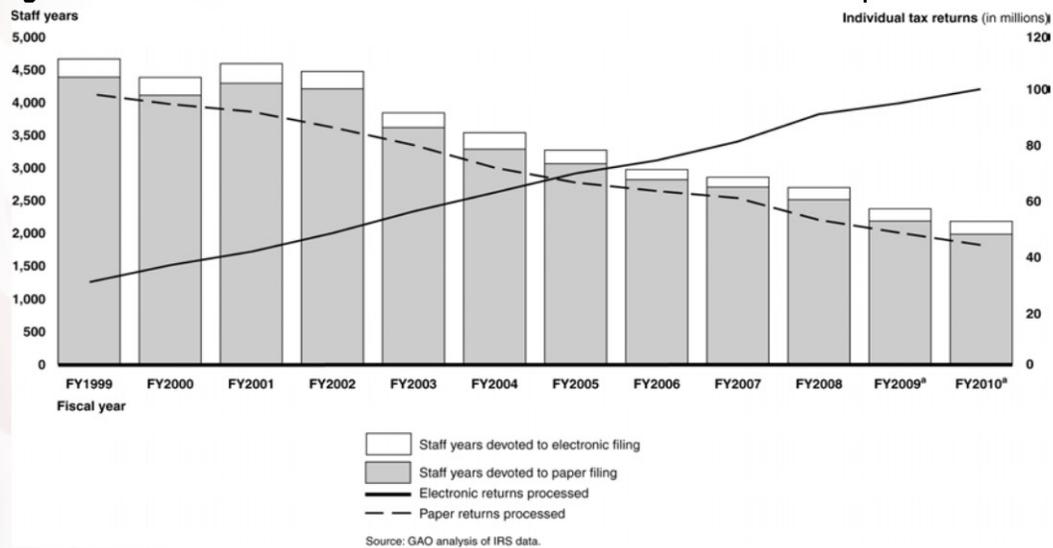
<sup>13</sup> Pub. L. No. 111-92, § 17, 123 Stat. 2984, 2996 (2009).

<sup>14</sup> IRS has projected that staff years for processing returns will be reduced by about 2,500 through 2010.

# Case Study: Internal Revenue Service (IRS) E-Filing (cont'd.)

- **Results Continued:** Figure 1 shows how the number of IRS staff years for processing has declined as e-filing increased and paper processing decreased.

**Figure 1: Number of Individual Returns and IRS Staff Years for Individual Paper and Electronic Processing**



\*Fiscal years 2009 and 2010 are IRS projections.

## Key Takeaways from the Personnel Security Clearance Reform and IRS E-Filing Case Studies

- In both the Personnel Security Clearance Reform and IRS E-filing case studies, Congress
  - set clear expectations for agency performance;
  - provided consistent oversight of the programs over a sustained period of time; and
  - required routine reporting to Congress on progress towards meeting performance goals.
- When IRS did not meet its performance goal in 2007, Congress provided IRS with additional authority to expand e-filing requirements.

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## GAO Will Continue to Support Congressional Consultations and Use of Performance Information

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- Website on government performance requirements and leading practices
  - **Main product features:** Statutory requirements and related leading practices in the federal government
  - **Anticipated publication date:** February 2012
- Guide Supporting Congressional Use of Performance Information
  - **Main product features:** Examples of how Congress has used and could use performance information in its decision making and key questions for congressional consultations.
  - **Anticipated publication date:** Spring 2012

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# Questions?

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# Appendix I: Federal Government Performance Planning and Reporting Requirements

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## Federal Government Performance Planning and Reporting Requirements

- The Government Performance and Results Act (GPRA) Modernization Act of 2010<sup>1</sup> updates and enhances the planning and reporting framework created by the Government Performance and Results Act of 1993.
- Among other provisions, the act:
  - Creates a governmentwide planning and reporting framework, including federal government priority goals, performance plans, quarterly priority progress reviews, and a governmentwide performance website.
  - Amends the agency-level framework by revising requirements for strategic plans, performance plans, and performance reporting, and adding requirements for agency priority goals and quarterly priority progress reviews.
  - Requires leadership involvement and accountability for results.

<sup>1</sup>Pub. L. No. 111-352, 124 Stat. 3866 (2011).

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## Federal Government Priority Goals

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- OMB is to coordinate with agencies to develop priority goals for the federal government. At least every 4 years—published concurrently with the President’s Budget in the second year of the presidential term—OMB is to update or revise the federal government priority goals.
- These long-term goals are to include
  - outcome-oriented goals for a limited number of crosscutting policy areas and
  - goals for management improvements needed across the government.
- OMB may make adjustments to the goals to reflect significant changes in the federal government’s operating environment, with appropriate notification of Congress.

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## Federal Government Priority Goals (cont'd.)

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- When developing or making adjustments to the federal government priority goals, OMB is to obtain majority and minority views from specified Congressional committees:
  - the Senate and House Committees on Appropriations;
  - the Senate and House Committees on the Budget;
  - the Senate Committee on Homeland Security and Governmental Affairs;
  - the House Committee on Oversight and Government Reform;
  - the Senate Committee on Finance;
  - the House Committee on Ways and Means; and
  - any other committees as determined appropriate.
  
- At least every 2 years, OMB is to consult with the appropriate committees of Congress.

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## Federal Government Performance Plans

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- This annual plan is to be developed by OMB in coordination with agencies and published concurrent with the President's Budget.
- The performance plan is to include
  - annual federal government performance goals to define the level of performance to be achieved during the current and following years;
  - for each performance goal, an identification of
    - federal agencies, organizations, program activities, regulations, tax expenditures, policies and other activities contributing to the goal and
    - a lead government official responsible for coordinating efforts to achieve the goal;
  - common crosscutting performance measures;
  - quarterly performance targets and milestones; and
  - plans to address crosscutting major management challenges, including relevant performance goals, performance measures, and milestones.

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## Federal Government Quarterly Priority Progress Reviews

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- At least quarterly, OMB—supported by the Performance Improvement Council—is to review with lead government officials the progress made toward achieving each federal government priority goal.
- The reviews are to involve officials from the federal agencies, organizations, and program activities that contribute to achieving each goal.
- At these reviews, OMB is to
  - assess whether relevant federal agencies, organizations, program activities, regulations, tax expenditures, policies and other activities are contributing to achieving each goal;
  - categorize goals by their risk of not being achieved; and
  - for those at greatest risk, identify strategies to improve performance, including any changes needed to agencies, organizations, program activities, regulations, tax expenditures, policies, or other activities.

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## Federal Government Performance Website

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- OMB is to ensure the effective operation of a single website that presents a cohesive picture of
  - **all federal programs**, with each agency sharing information about each of its programs, including how it defines “program,” the purposes of each program, how it contributes to the agency’s mission, and recent funding information;
  - **governmentwide performance** by presenting information about the federal government priority goals, performance plans, and quarterly review results; and
  - **individual agency performance** by publishing information from each agency’s performance plans and reports, priority goals and quarterly review results.

## Agency Strategic Planning Process

- At least every 4 years each agency is required to issue a strategic plan concurrent with the President's Budget in the second year of a presidential term.<sup>2</sup>
- The agency is to make the plan available on its website, and notify the President and Congress of its availability.
- The strategic plan covers at least a 4-year period. As needed, the agency may make adjustments to the strategic plan to reflect significant changes in its operating environment, with appropriate notification of Congress.

<sup>2</sup>The Act defines "agency" as an Executive agency defined under 5 U.S.C. § 105, excluding the Central Intelligence Agency, the Government Accountability Office, the United States Postal Service, and the Postal Regulatory Commission.

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## Agency Strategic Planning Process (cont'd.)

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- At least every 2 years, including when developing or making adjustments to a strategic plan, the agency is to consult with Congress, including obtaining majority and minority views from the appropriate authorizing, appropriations, and oversight committees.
- The agency is also to solicit and consider the views and suggestions of its stakeholders when developing or making adjustments to a strategic plan.

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## Agency Strategic Plan Contents

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- The strategic plan is to contain
    - a comprehensive mission statement;
    - general goals and objectives, also known as strategic goals, covering the agency's major functions and operations;
    - a description of how any strategic goals contribute to the federal government's priority goals;
    - a description of how the agency is working with other agencies to achieve its strategic goals and relevant federal government priority goals;
    - the strategies to be used and resources needed to achieve the strategic goals;
    - a description of how the strategic goals incorporated any input obtained from congressional consultations;
    - a description of how the agency's performance goals—including any priority goals if applicable—contribute to the strategic goals;
    - external factors that could significantly affect the agency's ability to achieve its strategic goals; and
    - a description of how program evaluations were used to inform the development or revision of the agency's strategic goals.
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## Agency Performance Planning Process

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- Each year, published concurrently with the President's Budget, the agency is to update its performance plan to show the expected level of performance to be achieved in the current and next fiscal years.
- The agency is to make the plan available on its website and notify the President and Congress of its availability.
- The performance plan is to be consistent with the agency's strategic plan.
- The agency may not submit a performance plan for a fiscal year not covered by a current strategic plan.

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## Agency Performance Plan Contents

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- The performance plan is to cover each program activity set forth in the agency's budget and contain
  - objective, quantifiable, and measurable performance goals (unless otherwise authorized);
  - a description of how the performance goals contribute to the agency's strategic goals and any relevant federal government performance goals;
  - an identification of the agency's priority goals, if applicable;
  - the strategies and resources needed to achieve the performance goals;
  - clearly defined milestones;
  - an identification of the federal organizations, program activities, regulations, policies, and other activities that contribute to each goal, both within and external to the agency;
  - a description of how the agency is working with other agencies to achieve its goals and relevant federal government performance goals;
  - an identification of the agency officials responsible for achieving each performance goal, known as goal leaders;
  - a basis for comparing actual results with the established goals;

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## Agency Performance Plan Contents (cont'd.)

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- a balanced set of performance indicators to measure or assess progress toward each goal, including, as appropriate, customer service, efficiency, output, and outcome indicators;
- a description of how the agency will ensure the accuracy and reliability of its performance data, including an identification of
  - the means used to verify and validate measured values,
  - the sources for the data,
  - the level of accuracy required for the intended use of the data,
  - any limitations to the data at the required level of accuracy, and
  - how the agency will compensate for such limitations;
- a description of the agency's major management challenges, as well as
  - plans to address such challenges,
  - performance goals, performance indicators, and milestones to measure progress toward resolving such challenges, and
  - the agency official responsible for resolving such challenges; and
- an identification of low-priority programs based on their contribution to the agency's missions and goals, and an evidence-based justification for designating a program as low priority.

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## Agency Performance Reporting Process

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- Each year, no later than 150 days after the end of the fiscal year, the agency is to provide an update on its performance, by comparing actual performance achieved against the performance goals established in its performance plan.
- The agency is to provide more frequent updates of actual performance for indicators that provide data of significant value to the federal government, Congress, or program partners—at a reasonable level of administrative burden.
- The agency is to make the performance update available on its website and to OMB.

## Agency Performance Reporting Contents

- The agency's performance update is to contain
  - a review of the agency's success in achieving its performance goals;
  - results for at least the preceding 5 fiscal years;
  - an evaluation of the agency's current performance plan relative to performance achieved under the period covered by the update;
  - when a performance goal was not met, a description of
    - why the goal was not met,
    - plans and schedules for achieving the established goal, and
    - if the goal is impractical or infeasible, why that is the case and recommended actions;
  - a description of how the agency ensures the accuracy and reliability of its performance data, including an identification of
    - the means used to verify and validate measured values,
    - the sources for the data,
    - the level of accuracy required for the intended use of the data,
    - any limitations to the data at the required level of accuracy, and
    - how the agency will compensate for such limitations; and
  - a summary of program evaluation findings from the period of the update.

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## Agency Priority Goals

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- Every 2 years, OMB determines the total number of agency priority goals across the government and how they are divided among agencies.
  - If selected to develop such goals, the agency is to identify priority goals from among its performance goals.
  - The agency priority goals are to
    - reflect the agency's highest priorities, as determined by the agency head;
    - be informed by the federal government priority goals and the consultations with Congress and stakeholders required for the strategic planning process;
    - have ambitious targets that can be achieved within 2 years;
    - have a goal leader responsible for achieving each goal;

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## Agency Priority Goals (cont'd.)

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- have interim quarterly performance targets if more frequent updates of actual performance for indicators that provide data of significant value to the federal government, Congress, or program partners at a reasonable level of administrative burden; and
- have quarterly milestones.

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## Agency Quarterly Priority Progress Reviews

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- At least quarterly—for agencies selected to develop agency priority goals—the agency head and chief operating officer (COO), with the support of the agency performance improvement officer, are to review with goal leaders the progress made toward achieving each priority goal.
- The reviews are to involve officials from programs and activities that contribute to achieving the goal, both within and from outside the agency.
- At these reviews, the agency head and COO are to
  - assess whether relevant federal organizations, program activities, regulations, policies, and other activities are contributing to achieving each goal;
  - categorize goals by their risk of not being achieved; and
  - for those at greatest risk, identify strategies to improve performance, including any changes needed to program activities, regulations, policies, or other activities.

## Implementation of the GPRA Modernization Act of 2010's Planning and Reporting Requirements

- **June 30, 2011 – Quarterly agency progress reviews**, consistent with the act, begin for the agency priority goals listed in the President's Budget for fiscal year 2011.
- **February 6, 2012 –**
  - OMB publishes interim **federal government priority goals** and prepares **federal government performance plans**, consistent with the act.
  - Agencies adjust their current **strategic plans**, prepare **performance plans**, and identify new or update existing **agency priority goals** to make them consistent with the act.
- No later than **February 27, 2012 – Agencies make performance reporting updates** on fiscal year 2011 performance consistent with the act.

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## Implementation of the GPRA Modernization Act of 2010's Planning and Reporting Requirements (cont'd.)

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- **June 30, 2012** – Quarterly federal government progress reviews begin.
- No later than **October 1, 2012** – OMB launches the **governmentwide performance website**.
- **February 3, 2014** – Full Implementation with a new strategic planning cycle.

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## Governmentwide Leadership Involvement and Accountability

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- The **Director of OMB** has responsibilities for carrying out the governmentwide planning and reporting requirements.
- The **Performance Improvement Council (PIC)** is an interagency council, chaired by the OMB Deputy Director for Management and composed of various agency performance improvement officers. The PIC has responsibility for improving the management and performance of the federal government and assisting OMB with implementing the governmentwide planning and reporting requirements.
- For each Federal Government performance goal, a **lead government official** is responsible for coordinating efforts to achieve the goal.

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## Agency Leadership Involvement and Accountability

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- The **head of agency** has responsibility for carrying out the agency planning and reporting requirements.
- The **COO**, the deputy head of agency or equivalent, has responsibility to improve the management and performance of the agency.
- The **performance improvement officer (PIO)**, an agency senior executive chosen by the head of agency and COO, has responsibilities to assist in implementing the agency planning and reporting requirements.
- For each agency performance goal, including any priority goals, the **goal leader** is the agency official responsible for achieving the goal.



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# **Appendix II: Illustrative Key Questions Congress Can Ask during Consultations**

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## Illustrative Key Questions to Guide Congressional Consultations

- **Examples of questions on the content of strategic and performance plans:**
  - Is the mission statement in the agency's strategic plan consistent with statutory authority? If not, are there developments that suggest that the mission and corresponding legislation need to be revised or updated?
  - Has the agency identified other agencies with similar goals, programs, or activities in their plans? If so, how does the agency plan to ensure that such efforts are complementary, appropriate in scope, and not unnecessarily duplicative?
  - Does the plan reflect coordination or strategies for working with other agencies as appropriate?
  - Are the agency's goals and priorities consistent with those of Congress? If not, why do the differences exist and can they be resolved?
  - Are strategies clearly linked to the agency's goals? Are the outlined strategies the most effective and efficient approaches?

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## Illustrative Key Questions to Guide Congressional Consultations (cont'd.)

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- How does or will the agency measure progress toward goals?
- Has the agency been meeting established performance targets? If not, are the targets realistic and what actions are being taken to meet future targets?
- Do the performance measures provide information that supports Congress's information needs for its oversight and decision making?

**Sources:**

- GAO, *Congressional Oversight: FAA Case Study Shows How Agency Performance, Budgeting, and Financial Information Could Enhance Oversight*, GAO-06-378 (Washington, D.C.: Mar. 8, 2006);
- GAO, *21st Century Challenges: Reexamining the Base of the Federal Government*, GAO-05-325SP (Washington, D.C.: Feb. 1, 2005);
- GAO, *Agencies' Strategic Plans Under GPRA: Key Questions to Facilitate Congressional Review*, GAO/GGD-10.1.16 (Washington, D.C.: May 1, 1997); and
- National Conference of State Legislatures and the Urban Institute, *Legislating for Results*, Action Brief 9, 2003.

# Appendix III: Key Committees Involved in Oversight for Selected Case Studies

## Reauthorization of the Elementary and Secondary Education Act of 1965 (ESEA) Case Study

- The key committees involved in oversight activities for ESEA programs from 1999 to 2011 include the following
  - Senate Committee on Health, Education, Labor, and Pensions
  - Senate Committee on Governmental Affairs
    - Subcommittee on Oversight of Government Management, Restructuring, and the District of Columbia<sup>1</sup>
  - House Committee on the Budget
  - House Committee on Education and the Workforce
    - Subcommittee on 21<sup>st</sup> Century Competitiveness
    - Subcommittee on Education Reform
  - House Committee on Education and Labor<sup>2</sup>
    - Subcommittee on Early Childhood, Elementary, and Secondary Education
    - Subcommittee on Higher Education, Lifelong Learning, and Competitiveness

<sup>1</sup> The Senate Committee on Governmental Affairs is now named the Senate Committee on Homeland Security and Governmental Affairs.

<sup>2</sup> The House Committee on Education and Labor is now named the House Committee on Education and the Workforce.

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## Personnel Security Clearance Reform Case Study

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- The key committees involved in oversight activities for personnel security clearance reform from 2005 to 2011 include the following
  - Senate Committee on Homeland Security and Governmental Affairs
    - Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia
  - House Permanent Select Committee on Intelligence
    - Subcommittee on Intelligence Community Management
  - House Committee on Oversight and Government Reform
    - Subcommittee on Government Management, Organization, and Procurement
  - House Committee on Armed Services
    - Subcommittee on Readiness

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## Internal Revenue Service (IRS) E-Filing Case Study

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- The key committees involved in oversight activities for the IRS e-filing program from 1998 to 2010 include the following
  - Senate Committee on Finance
  - Senate Committee on Appropriations
    - Subcommittee on Treasury and General Government
  - House Committee on Ways and Means
    - Subcommittee on Oversight
  - House Committee on the Budget
  - House Committee on Government Reform
    - Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Relations
    - Subcommittee on Energy Policy, Natural Resources, and Regulatory Affairs
    - Subcommittee on Regulatory Affairs

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## Enclosure II: Objectives, Scope, and Methodology

The objectives of the briefing were to (1) describe the provisions of the Government Performance and Results Act Modernization Act of 2010 (GPRAMA) that provide Congress with opportunities for involvement in agency performance planning and (2) illustrate instances of Congress's use of agency performance information in its decision making.

To identify provisions of GPRAMA that provide Congress with opportunities for involvement in performance planning, we reviewed GPRAMA, related congressional committee reports, and Office of Management and Budget (OMB) guidance on the implementation of GPRAMA. Using this information, we identified the requirements for OMB and agencies to consult with Congress on the development of strategic plans, priority goals, and other performance information. We also reviewed past GAO work on approaches that contribute to successful consultations between Congress and the executive branch on performance information. Additionally, we reviewed other GAO reports and the National Conference of State Legislators and the Urban Institute's *Legislating for Results* to develop a list of illustrative key questions that congressional staff can ask agencies during consultations.

To illustrate how Congress has used agency performance information in its decision making, we selected three case studies from our prior work that demonstrate how congressional use of performance information has led to improved performance and efficiency. The case studies we selected are the 2002 reauthorization of Department of Education's Elementary and Secondary Education Act of 1965 programs, the Department of Defense's Personnel Security Clearance Program, and the Internal Revenue Service's electronic filing initiative. In compiling the case studies, we reviewed legislation, related congressional documents, and our prior reports. These selections were based on agency efforts in which (1) we had recently reported on the use of performance information to review agency performance and (2) Congress had played an active role in contributing to and overseeing agency efforts to improve performance. The case studies are based on publicly available information and are not intended to represent a complete list of all oversight activities conducted by Congress, but rather illustrate the types of oversight activities that Congress has engaged in when using performance information.

We conducted our work from June 2011 to December 2011 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions in this product.

## **Enclosure III: GAO Contact and Staff Acknowledgments**

### **GAO Contact**

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### **Staff Acknowledgments**

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