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Report to Congressional Committees and Subcommittees

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DISTRICT OF COLUMBIA GOVERNMENT

Performance Report's Adherence to Statutory Requirements

GAO

Accountability * Integrity * Reliability

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Congressional Committees

After holding hearings on the District of Columbia government's performance in serving its residents, Congress enacted a law in 1994 that was intended to provide a disciplined approach to improving the District's performance. This law, which was amended in 1997, requires the Mayor to issue no later than March 1 of each year (a) a performance accountability plan with goals for the next fiscal year and (b) a performance accountability report on the performance achieved the previous fiscal year compared to the planned performance in that year's plan.[1]

Under the law as amended, the first performance accountability plan was required no later than March 1, 1998; and the first performance accountability report was required no later than March 1, 1999. However, for reasons explained below, the District government's first performance report based on a performance plan was not issued until March 2000.

Although it was originally contemplated that the Mayor would have both planning and reporting responsibility, Congress transferred this responsibility in 1997 to the Financial Responsibility and Management Assistance Authority.[2] The Authority issued the fiscal year 1999 plan on September 30, 1998—7 months later than the March 1 date required by the law as amended.

In November 1999, Congress returned this planning and reporting responsibility to the Mayor.[3] However, because of the 1997 temporary transfer, the Mayor's performance report for fiscal year 1999 was required to be based on goals that the Authority—not the Mayor—had established. Rather than report on all of the Authority's goals, the Mayor chose to focus his report mainly on short-term goals that he had established after taking office in January 1999.

[1] Public Law No. 103-373.

[2] Public Law No. 105-100. The Authority is also referred to as the Control Board.

[3] Public Law No. 106-113.

Under the law as amended, each report for a fiscal year is to include the following:

- for each goal contained in the performance accountability plan for the year, a statement of the actual level of performance achieved compared to the stated goal for an acceptable level of performance and the goal for a superior level of performance;
- the title of the District of Columbia management employee most directly responsible for the achievement of each goal and the title of the employee's immediate supervisor or superior; and
- a statement of the status of any court orders applicable to the government of the District of Columbia during the year and the steps taken by the government to comply with such orders.

The law requires us to evaluate each of the annual performance reports and provide comments to your Committees no later than April 15. Our evaluation focused on whether the report contains all of the information required by law and, if not, why. This report transmits our comments on the Mayor's performance report for fiscal year 1999, which was due on March 1, 2000, but was issued on March 7, 2000.

Results in Brief

The Mayor's performance report does not contain the following required information for any of the 542 agency goals that we identified in the plan: (1) actual performance compared with two levels of planned performance, and (2) titles of the management employee and immediate supervisor most responsible for achieving each goal.

The Mayor could not comply with the requirement to compare actual performance with two levels of planned performance because the Authority's plan did not provide the two levels. However, for 82 of the 542 goals, the Mayor's report does compare performance during the year with the one level of planned performance described in the Authority's plan. Of those 82 goals from the plan, the Mayor's report shows that 51 (62 percent) were met. The report does not contain actual performance data for the remaining 460 goals.

Finally, the report does not describe, as required, the status of, or the steps taken to comply with, any of the court orders pertaining to the 12 civil actions concerning activities of the District government during fiscal year 1999.

Given the serious performance problems facing the District when the Mayor took office in January 1999, it is reasonable to expect that several

cycles of planning and reporting will be needed to achieve all of the benefits that Congress envisioned when it passed this important law. The law's general approach requiring the District government to establish performance goals and then report on actual performance, if followed, can provide the District government with a disciplined foundation for improving its performance over time. We have endorsed this general approach in the Government Performance and Results Act of 1993 (GPRA), which applies to federal executive branch agencies.

We make recommendations to the Mayor to help ensure that future performance plans and reports comply with the law.

Background

Hearings held in 1994 showed the District government faced serious financial and management challenges. For example, the District's corrections facilities and the juvenile rehabilitation, child welfare, and mental health systems were all subject to court orders. Courts had imposed millions of dollars in fines for noncompliance with the orders. School repairs were estimated to cost over $500 million. Environmental Protection Agency regulations would require additional sewage facilities costing $350 million. District officials estimated that other water and sewer facilities would cost an additional $326 million.

In 1994, Congress passed legislation requiring the Mayor to develop and submit to your Committees no later than March 1 of each year, beginning in 1995, a performance accountability plan for all departments, agencies, and programs of the government for the subsequent fiscal year. The legislation also required the Mayor to submit no later than March 1 of each year, beginning in 1997, a performance accountability report on activities of the government during the fiscal year ending on the previous September 30. Congress amended these provisions in 1997 to change the date by which the first performance accountability plan was due to no later than March 1, 1998, and the date by which the first performance accountability report was due to no later than March 1, 1999. The first report that the District government issued under this law that was based on a performance plan was dated March 7, 2000 (for fiscal year 1999).

The law requires each plan for a fiscal year to include the following:

- a statement of measurable, objective performance goals established for all significant activities of the District government during the fiscal year that describes an acceptable level of performance by the government and a superior level of performance by the government;

- a description of the performance measures, including program outcome and results, to be used in determining whether the government has met these goals;
- the title of the District of Columbia management employee most directly responsible for the achievement of each goal and the title of the employee's immediate supervisor or superior; and
- a description of the activities of the District government that are subject to a court order and the requirements placed on such activities by the court order.

As discussed previously, the law requires each report for a fiscal year to include the following:

- for each goal contained in the performance accountability plan for the year, a statement of the actual level of performance achieved compared to the stated goal for an acceptable level of performance and the goal for a superior level of performance;
- the title of the District of Columbia management employee most directly responsible for the achievement of each goal and the title of the employee's immediate supervisor or superior; and
- a statement of the status of any court orders applicable to the government of the District of Columbia during the year and the steps taken by the government to comply with such orders.

This law's general approach requiring the District government to establish performance goals and then report on actual performance is similar to the approach in GPRA that we have endorsed. GPRA is aimed at improving the performance of federal government programs by requiring federal executive branch agencies to clarify their missions, establish goals and strategies for reaching them, measure performance, and report on their accomplishments. However, GPRA does not require agencies to report the (1) titles of management employees responsible for each goal, (2) two levels of planned performance, or (3) status of and actions taken to comply with court orders.

The Mayor faced serious challenges after taking office in January 1999. For example, the Mayor's 1999 Year End Management Report refers to the need for high-quality performance and accountability as a tool to rebuild "a broken government—a workforce rarely held accountable in a consistent manner, an organizational culture resistant to change, a government devastated by years of deferred maintenance, and a lack of adequate technology." In addition, the report cites an entrenched bureaucracy and

poor performance resulting from years of mismanagement and neglect in the Mental Retardation Developmental Disabilities Administration.

The law requires us, in consultation with the Director of the Office of Management and Budget (OMB), to evaluate each of the annual performance reports and provide comments to your Committees no later than April 15. This report is our response to that requirement.

Objectives, Scope, and Methodology

The overall objective of our review was to determine if the Mayor's performance report for fiscal year 1999 contained all of the information required by law and, if not, why. Our specific objectives were to determine if the report (1) compared actual performance with the two levels of planned performance for each goal in the plan, (2) showed the titles of the District management employee and supervisor responsible for each goal, and (3) described the status of any court orders that apply to the District government and the steps taken to comply with those orders.

To determine if the report compared actual performance with two levels of performance for each goal in the plan, we first attempted to identify the number of goals in the plan. However, the plan did not clearly identify goals—in fact, the word "goal" does not appear anywhere in the Authority's plan. Therefore, we had to read the different segments of the plan and use our judgement to identify a list of 542 potential goals for all agencies in the plan. We identified as potential goals those parts of the plan labeled as an "intended outcome," "planned accomplishment," or "performance measure."

For the 17 agencies that the Mayor designated as having a "high impact" on services provided to residents, we asked officials at the Authority to review our list and suggest any changes. The Authority suggested minor word changes to clarify a few of the goals (which we incorporated). We did not ask the Authority to review any of the goals for the over 40 agencies that were not high impact because the Mayor's office told us that their report would not contain performance data on most of these agencies.

To determine if the report compared actual performance with planned performance for the same goals, we counted the goals in the report that matched the 542 goals in the plan. For the 82 goals that matched, we determined whether the report included performance data that indicated if the goal was met or not met.

To determine if the report contained the titles of the District management employee and supervisor most directly responsible for each goal in the plan, we reviewed the section of the report in which each goal appeared.

To determine if the report contained a statement of the status of court orders and any actions taken to comply with those orders, we asked the District's Office of the Corporation Counsel to identify all court orders that applied to the District government in fiscal year 1999. The Corporation Counsel provided us with information on 12 civil actions for which court orders were issued concerning District government activities. Then we compared this information with the report to determine if the required information was provided.

Because the law requires us to consult with the Director of OMB on our review and evaluation of the report, we discussed our methodology for evaluating the report with OMB, and OMB officials agreed with our approach. We also discussed whether the report was in compliance with the law.

Because the law provides only a 45-day period for us to complete and issue our review of the report, and we were not able to review any information in it before the report's public release a week into this period, we did not verify the accuracy or reliability of any of the performance data in the Mayor's report. It should be noted that according to the Mayor's report, the performance data in the report were not audited.

We conducted our work between September 1999[4] and March 2000 at the Office of the Mayor of the District of Columbia, Washington, D.C., in accordance with generally accepted government auditing standards. We provided a draft of this report to the Mayor of the District of Columbia and the Chairperson of the Authority for review and comment. Their comments are reflected in the agency comments section of this report.

The Performance Report Does Not Contain Required Information for Any Goal in the Plan

The fiscal year 1999 report does not compare actual performance with two levels of planned performance for any of the 542 goals in the plan as required. The Mayor could not comply with this requirement because the Authority's plan—issued September 30, 1998—did not provide two levels of planned performance for any of the plan goals. However, for 82 of the 542 goals, the report does compare performance during the year with the one level of planned performance from the plan. Of those 82 goals from the

[4] We began this assignment in September because the performance report was initially to be issued on September 30, 1999, 1 year after the date of the Authority's FY 1999 Performance Plan.

plan, the Mayor's report shows that 51 (62 percent) were met. For example, the plan contained a goal for the Department of Human Services to increase by 10 percent the number of children in childcare (from 6,000 to 6,600). The report indicated that this goal was met, with 7,117 children in childcare. The report does not contain actual performance data for the remaining 460 goals. Performance goal information is shown below for each of the District's agencies discussed in the plan.

Table 1: Performance Goals by Agency

Agency	Number of goals in plan	Number of goals in report where actual performance data are compared to one level of planned performance	Number of goals in plan that were met
Office of the Mayor	5	0	0
Office of the Chief Management Officer[a]	8	0	0
Office of the Secretary	14	0	0
Board of Real Property Assessments and Appeal	9	0	0
Office of Policy and Evaluation	3	0	0
Board of Appeals and Review	6	0	0
Office of Latino Affairs	4	0	0
Commission on Arts and Humanities	7	0	0
Office of Communications	3	0	0
Office of Intergovernmental Relations	3	0	0
Office of the City Administrator	10	0	0
Office of the District of Columbia Auditor	8	3	3
Office on Aging	4	0	0
Office of Personnel[b]	14	0	0
Contract Appeals Board	5	2	2
Department of Property Management	6	0	0
Office of Finance and Resource Management	9	0	0
Office of Campaign Finance	6	1	1
District of Columbia Board of Elections & Ethics	5	2	1
Office of Employee Appeals	5	3	1
Public Employees Relations Board	11	4	3
Office of the Inspector General	5	3	3

Agency	Number of goals in plan	Number of goals in report where actual performance data are compared to one level of planned performance	Number of goals in plan that were met
Office of the Chief Financial Officer	13	0	0
Office of Contracts and Procurement	5	0	0
Office of the Chief Technology Officer[c]	6	3	3
Office of Local Business Development	11	3	2
Office of Economic Development	9	0	0
Office of Planning[c]	13	2	2
Housing and Community Development	7	4	2
Office of Zoning	5	0	0
Department of Employment Services	10	4	0
Department of Consumer & Regulatory Affairs	7	3	3
Office of Labor Relations and Collective Bargaining	6	0	0
Office of Banking and Financial Institutions	9	0	0
Metropolitan Police Department	10	2	2
Fire and Emergency Medical Services	13	4	0
Office of the Corporation Counsel	13	0	0
Department of Corrections[c]	12	2	2
District of Columbia National Guard	7	3	1
Office of Emergency Preparedness	11	0	0
D.C. Public Schools	13	0	0
D.C. Public Library	11	0	0
Public Charter School Board	4	0	0
University of the District of Columbia	12	0	0
Department of Human Services	17	5	4
Department of Health	14	0	0
Department of Recreation and Parks	8	0	0
Department of Human Rights	11	0	0

Agency	Number of goals in plan	Number of goals in report where actual performance data are compared to one level of planned performance	Number of goals in plan that were met
Department of Public Works	16	4	0
DC Taxicab Commission	7	3	1
Water and Sewer Authority	18	8	6
Office of Cable Television & Telecommunications	13	0	0
Public Service Commission	13	5	1
Office of the People's Counsel	9	0	0
D. C. Retirement Board	2	2	2
D.C. Health and Hospitals Public Benefit Corporation	13	0	0
Washington Convention Center Authority	9	0	0
D.C. Sports Commission	9	3	2
Commission on Mental Health Services[d]	13	2	2
Child and Family Services Agency[d]	13	2	2
Total	542	82	51

[a]This office no longer exists.

[b]Those agencies that the Mayor designated as having a high impact on serving District residents are shown in bold type. Only 16 agencies are in bold type because the 17th agency (Department of Motor Vehicles) was part of the Department of Public Works when the plan was issued.

[c]Although the report excludes a table of performance measures for this agency, the narrative section of the report discusses and provides data for some goals from the plan.

[d]This agency is in receivership and under the jurisdiction of the courts.

Source: GAO analysis of FY 1999 Performance Accountability Plan and 1999 Year End Management Report.

The report gives various reasons for not including performance data for most of the goals in the plan, such as (1) financial data were not available until after the fiscal year 1999 audit, (2) data were not tracked, (3) no response was made to the Mayor's data request, and (4) new office directors made significant revisions to the 1999 goals.

There are other reasons the Mayor's office gave for the report's noncompliance with the law. Although it was originally contemplated that the Mayor would have both planning and reporting responsibility, Congress enacted legislation that transferred this responsibility in 1997 to the Authority. The Authority issued the fiscal year 1999 plan on September 30, 1998—7 months later than the March 1 date required by law.

In November 1999, Congress enacted legislation that returned this planning and reporting responsibility to the Mayor. However, because of the 1997 temporary transfer, the Mayor's performance report for fiscal year 1999 was required to be based on goals that the Authority—not the Mayor—had established. This was an unusual—and temporary—separation of responsibility for planning from reporting.

An official in the Mayor's office said that the report would not discuss some goals from the Authority's plan that were not at an appropriate level of significance. Rather, the Mayor chose to focus his report mainly on short-term goals that he had established after taking office in January 1999, as well as some goals for some of the 17 District agencies that have a high impact on services to residents. However, the report states that the District government will expand performance management to address all District agencies that report directly to the Mayor. Accordingly, the fiscal year 2000 budget, issued June 1, 1999, shows goals for many other agencies. The Mayor's office stated that this budget would also serve as his performance plan. The law requires the Mayor to issue his plan no later than March 1 of each year. Accordingly, we note that the Mayor's plan was issued 3 months later than required by law. The Mayor's office stated that it informed congressional staff on both the House and Senate Appropriations Committees about its intention to submit the performance plans with the Mayor's budget to the City Council in mid-March and with the consensus budget to Congress in June. The Mayor's office also stated its intent to seek legislation to reconcile the March 1 date for the plan with the June 1 date for the budget cycle.

The Mayor could not comply with the requirement to compare actual performance with two levels of planned performance because the Authority's plan for fiscal year 1999 provided only one level. We note that the Mayor's fiscal year 2000 budget also contains goals with only one level of planned performance rather than the two levels that the law requires. The Mayor will continue to be in noncompliance with the law in the future unless an additional level of performance is added to the plan.

The Report Does Not Show Required Titles of Responsible District Officials

The report does not contain the title of the District management employee most directly responsible for the achievement of any of the 542 goals in the plan, nor does it contain the title of that employee's immediate supervisor, both of which are required by law. This contrasts with the Authority's plan, which showed the titles of responsible management employees who could be held accountable for many of the 542 goals.

An official from the Mayor's office said that the titles of the management employees are missing from the report because the Mayor's administration was not executing the Authority's plan. However, the Mayor's report states that he has a performance contract with each agency director, and those contracts require the directors to develop performance plans with staff at all levels. The official also said that the fiscal year 2001 budget would include the required information on managers' titles for each goal.

The Report Does Not Provide Required Information On Court Orders

The report does not describe the status of any part of most of the court orders pertaining to the 12 civil actions concerning activities of the District government during fiscal year 1999, nor does it describe the steps taken to comply with any of the court orders. These court orders are described in the table below.

Table 2: Court Orders in Effect During FY 1999

Civil action[a]	Summary of order(s)	Is status of order(s) discussed in the report?	Are steps taken to comply discussed in the report?
John Doe v. DC (Civil Action No 79-1726)	Affects the operation of the Dept. of Correction's (DOC) Maximum Security Facility.	No	No
Twelve John Does v. DC (Civil Action No. 80-2136)	Affects the operation of DOC's Central Facility.	No	No
Joy Evans v. DC (Civil Action No. 76-0293)	Requires the District to improve the habitation, care, and treatment for mentally retarded residents and to more promptly pay vendors.	No	No
Mikeisha Blackman v. DC (Civil Action No 97-1629) consolidated with James Jones v. DC (Civil Action No. 97-2402)	Requires the DC Public Schools to eliminate its backlog of fair hearing requests pursuant to the Individuals with Disabilities Act and cases in which administrative placement decisions have not been implemented.	No	No

Civil action[a]	Summary of order(s)	Is status of order(s) discussed in the report?	Are steps taken to comply discussed in the report?
Nikita Petties v. DC (Civil Action No. 95-0148)	Relates to DC Public Schools transportation services to special education students and the timely payment of tuition and related services to schools and service providers.	No	No
Bessye Neal v. Dir., DC DOC (Civil Action No. 93-2420)	Requires a Special Inspector to investigate claims of sexual harassment and retaliation in DOC.	No	No
Oscar Salazar v. DC (Civil Action No. 93-0452)	Relates to timely processing of Medicaid applications and recertifications for Medicaid care by the Department of Human Services.	No	No
LaShawn A. v. D. C. (Civil Action No. 89-1754)	Appoints a receiver to administer the District's Child and Family Services Agency.	No	No
Dixon v. Williams (Civil Action No. 74-285)	Appoints a receiver to administer the District's Commission on Mental Health Services.	No	No
Campbell v. McGruder/Inmates of D. C. Jail v. Jackson (Civil Action Nos.1462-71, 75-1668)	Appoints a receiver to administer medical and mental health services. Other orders have been entered that relate to environment, sanitation, and security issues at the jail.	No; however, the reports states that the District has initiated capital improvements at the D.C. Jail to bring it into compliance with court orders.	No

Civil action[a]	Summary of order(s)	Is status of order(s) discussed in the report?	Are steps taken to comply discussed in the report?
Pearson v. Williams (Civil Action No. 92-14030)	Appoints a receiver to administer the District's Housing Authority.	No	No
Jerry M. v. D.C. (Civil Action No. 1519-85)	Appoints receivers to administer educational services at Oak Hill Youth Center. Other orders have been entered that relate to conditions and practices at the Center.	No; however, the report states that the District is in compliance with one central issue of the court order—overcrowding at the Oak Hill facility.	No

[a]All of the actions listed below were brought in the U.S. District Court for the District of Columbia except for Pearson v. Williams and Jerry M. v. D.C. which were brought in the Superior Court of the District of Columbia.

Source: District of Columbia Office of the Corporation Counsel.

An official from the Mayor's office said that the report did not contain the required information on court orders because of an oversight. He said the Mayor's office would issue an addendum to the report that will contain the required information on court orders.

Conclusions

The Mayor's report does not contain the information required by law on (1) actual performance for each goal from the plan compared with two levels of planned performance, (2) the titles of the management employees responsible for each goal, and (3) the status of or the steps taken to comply with court orders. However, it does report on performance associated with 82 goals and indicates that 51 of those goals were met.

The Mayor's performance report for fiscal year 1999 was required to be based on goals that the Authority—not the Mayor—had established. The Mayor's office cited this temporary separation of responsibility for planning from reporting as one reason for the report's lack of compliance with the law. In addition, an official in the Mayor's office said that the report does not discuss some goals from the Authority's plan that were not at an appropriate level of significance.

The absence of required performance data for most of the 542 goals makes it clear that the Mayor's administration has more work to do to gain the full benefits of performance management. In particular, unless future plans

and reports that the Mayor issues include goals and performance data for all significant activities of the District government (not mostly high-impact agencies), the agencies will not benefit from the discipline inherent in this process. This general approach, if followed, can provide the District government with a road map for improving its performance. We have endorsed this same general approach in GPRA. The Mayor's report states that goals will be established for all agencies that report to the Mayor in future cycles, and his fiscal year 2000 budget shows this is happening. However, the law requires that the Mayor's plans and reports include goals for all agencies—not just those that report to him.

The Mayor could not comply with the requirement to compare actual performance with two levels of planned performance because the Authority's plan did not contain two levels. However, the Mayor's fiscal year 2000 budget, which is to also serve as his performance plan, contains goals with only one level of planned performance rather than the two levels required by law. If future plans do not include two levels of planned performance, they will also not conform to the law; reporting on performance achieved against only one level of planned performance will also not be in compliance with the law.

With respect to not providing the titles of management employees and information on court orders, an official in the Mayor's office acknowledged that this information was missing and said it would be provided in the future.

Finally, the District's performance plans for fiscal years 1999 and 2000 were issued months after the March 1 date required by law. If future plans are not issued on or before the specified date, they will not conform to the law. The Mayor's office stated that it informed congressional staff on both the House and Senate Appropriations Committees about its intention to submit the performance plans with the Mayor's budget to the City Council in mid-March and with the consensus budget to Congress in June. The Mayor's office also stated its intent to seek legislation to reconcile the March 1 date for the plan with the June 1 date for the budget cycle.

Given the serious performance problems facing the Mayor when he took office in January 1999, it is reasonable to expect that several cycles of planning and reporting will be needed to achieve all of the benefits that Congress envisioned when it passed this important law. We believe the law's general approach requiring the District to establish performance goals and then report on actual performance, if followed, can provide the

District government with a disciplined foundation for improving its performance over time.

Recommendations

The Mayor of the District of Columbia needs to take the actions necessary to ensure that:

- future performance plans include goals with two levels of planned performance for all District agencies and are issued no later than the law requires; and
- future performance reports comply with the law's provisions to (1) address each goal in the performance plan; (2) compare actual performance with two levels of planned performance; (3) provide the titles of responsible management employees; and (4) describe the status of, and actions taken to comply with, court orders applicable to the District government.

The necessary actions could include requesting that Congress amend the law to reconcile the law and the Mayor's performance planning and reporting strategy. However, until amendments to the law are enacted, the Mayor would still be required to meet the current legal requirements.

Agency Comments and Our Evaluation

On April 5, 2000, the Deputy Mayor for Operations provided written comments on our draft report. He stated that Mayor Williams' administration is using performance management as an essential tool for driving meaningful and lasting change throughout the District government. He stated that for the first time in the history of the District government, linkages are being made between strategic planning, budgeting, and performance management and that this process provides clear standards by which residents of the District will be able to judge the administration's success.

He also stated that our emphasis on a plan prepared by a prior administration obscures the accomplishments of the Williams administration in its first year. Following the return of agency management by the Authority to the Mayor, the Williams administration established its own plan and short-term actions upon entering office that superseded the 1999 performance plan prepared by the Authority. For example, he cited the reopening of the Thomas Circle Underpass. He said that it is important that our report note the substantial development of the District's performance management system during the administration's first year.

We recognize that the Mayor has placed new and welcome emphasis on accountability for city performance. Nonetheless, we are directed by the

law as enacted to conduct the evaluation we report here. Our scope did not permit a review of the accomplishment of any goals that the Williams administration established after taking office that were not in the Authority's plan. However, our draft report did acknowledge (1) the reasons the Mayor gave for focusing his report mainly on new short-term goals and goals for some high-impact agencies rather than the goals in the Authority's plan, and (2) that the District government has stated its plans to expand performance management to address all District agencies that report directly to the Mayor.

The Deputy Mayor for Operations also stated that the District government chose not to identify the supervisors and managers responsible for executing their plans because of the new administration's substantial changes to each agency's leadership and responsible managers. However, he stated that the District intends to provide this information in subsequent plans and reports and has already done so in the FY 2001 Proposed Operating Budget and Financial Plan submitted to the Council of the District of Columbia on March 13, 2000. In addition, the District's fiscal year 2000 performance report will identify the agency directors and the most senior managers responsible for implementing the objectives when it is published in March 2001.

He stated that the Office of the Corporation Counsel is preparing an addendum to the Mayor's fiscal year 1999 performance report to provide the status of, and actions taken to comply with, the court orders applicable to 12 major civil actions concerning the activities of the District government during fiscal year 1999. In addition, the Mayor's fiscal year 2001 plan to be submitted to Congress on June 1, 2000, will contain similar information on these court orders.

The Deputy Mayor for Operations stated that the District addresses at an aggregate level within each agency director's performance contract the law's requirement for identifying levels of superior and acceptable performance. These performance contracts establish three levels of performance with regard to executing the entire agency plan: exceeds expectations, meets expectations, and below expectations. These performance levels are replicated in senior manager performance agreements.

We do not believe that setting levels of performance at an aggregate level within each agency Director's performance contract will satisfy the current requirement in the law that each goal have two planned performance levels—acceptable and superior. Unless future performance plans

establish two planned levels of performance for each goal, it will be impossible for the performance report to provide a comparison of actual performance with two levels of planned performance, as the law requires. Although the performance rating system that has been established for senior managers may be needed, it does not satisfy the law's requirements for two planned performance levels for each goal.

Finally, the Deputy Mayor stated that Mayor Williams is committed to responsive, accountable government for residents of the District. He said the performance management strategy showed promising results in the first year of the Williams administration and will continue to drive change in years ahead.

On March 31, 2000, the Authority's Executive Director provided written comments on our draft report. He stated that the Authority agrees with our conclusions that the performance report is not in compliance with the law and that several cycles of planning and reporting will be needed to achieve all of the benefits that Congress envisioned when it passed this important law.

The Executive Director also stated that by having the Mayor prepare both the plan and report, many of the problems identified in the draft report would be addressed. He stated that the Authority believes that under the leadership of the Mayor and other stakeholders, the quality of the goals and performance measures will improve, and those who are accountable for achieving results will be identified. The Executive Director stated that the Authority would work with the Mayor to ensure that the issues we identified in the draft report are addressed.

The Executive Director made three additional specific comments. First, he stated that we should amend our conclusions to make clear that the performance plans and reports must include goals for all significant activities of the District government—not just goals for those agencies that report to the Mayor. Although our draft report's conclusions stated the importance of all District agencies setting goals, to clarify this point, we added a sentence and a related recommendation.

Second, the Executive Director observed that the Mayor's intent to have the fiscal year 2001 budget (to be issued in June 2000) serve as the performance plan may have the effect of issuing the plan after March 1, which is the issue date required by law. He noted that there is a chance that the resource levels of some agencies may change during the various iterations of the budget, and that may affect the performance levels that

can be achieved. Therefore, the Executive Director stated that the Authority believes that consideration should be given to either changing the law's issuance date for the plan or clarifying in the law that the performance plan can be amended if the plan is integrated into the budget process.

The Mayor's office intends to seek legislation to reconcile the different timetables for planning versus budgeting. However, until a change is made, we believe that the Mayor should comply with the law's requirement to issue annual performance plans no later than March 1, and we have added a recommendation in our final report to that effect.

Third, the Executive Director noted that on page 5 of our draft report, in describing our methodology, "an attempt was made to modify goals in the FY 1999 Performance Plan to facilitate comparison with the Mayor's FY 1999 Performance Report." He asked that we eliminate the discussion of this "clerical exercise" from the final report because there is no benefit, at this time, from changing goals in the plan to "make them fit" the goals in the Mayor's report.

Our only purpose in asking that the Authority review our list of potential goals was to confirm the accuracy of our judgement in identifying the goals in its plan. As noted in our draft report, the word "goal" does not appear anywhere in the Authority's plan. The Mayor's report was not issued at the time of our request to the Authority. In order to have an accurate description of how we conducted this work, we have not deleted this discussion from the scope and methodology section of the final report.

We are sending copies of this report to the Honorable Anthony A. Williams, Mayor of the District of Columbia; and the Honorable Alice M. Rivlin, Chairperson of the District of Columbia Financial Responsibility and Management Assistance Authority. We will make copies available to others upon request.

Key contributors to this report were Theresa Roberson, Jim Rebbe, and Al Stapleton. If you have any questions about this report or would like to discuss it further, please contact Michael Brostek or Al Stapleton on (202) 512-8676.

Nancy Kingsbury
Acting Assistant Comptroller General

List of Requesters

The Honorable Kay Bailey Hutchinson
Chairman
The Honorable Richard J. Durbin
Ranking Minority Member
Subcommittee on the District of Columbia
Committee on Appropriations
United States Senate

The Honorable Ernest J. Istook, Jr.
Chairman
The Honorable James P. Moran
Ranking Minority Member
Subcommittee on the District of Columbia
Committee on Appropriations
House of Representatives

The Honorable George Voinovich
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The Honorable Richard J. Durbin
Ranking Minority Member
Subcommittee on Oversight of Government Management, Restructuring, and the District of Columbia
Committee on Governmental Affairs
United States Senate

The Honorable Thomas M. Davis III
Chairman
The Honorable Eleanor Holmes Norton
Ranking Minority Member
Subcommittee on District of Columbia
Committee on Government Reform
House of Representatives

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Comments From the D.C. Financial Responsibility and Management Assistance Authority

Note: We reconsidered this title from our draft report and changed it to be more descriptive.

District of Columbia Financial Responsibility
and Management Assistance Authority
Washington, D.C.

March 31, 2000

Mr. Michael Brostek
Associate Director, Federal Management
and Workforce Issues
United State General Accounting Office
Washington, D.C. 29548

Dear Mr. Brostek:

In your letter of March 29, 2000, you requested comments from the District of Columbia Financial Responsibility and Management Assistance Authority ("Authority") on the draft report, "District of Columbia Government: Performance Report Does Not Meet Requirements." The Authority appreciates the opportunity to provide comments on your draft report.

Draft Report Conclusion

The Authority agrees with your conclusion that the Performance Report is not in strict compliance with all the requirements of Public Law No. 103-373. In supporting your conclusion, you specifically found that the Mayor's FY 1999 Performance Report does not provide two levels of performance against each goal, does not show required titles of responsible District official, and does not provide required information on court orders. We also concur in your conclusion that it is reasonable to expect that several cycles of planning and reporting will be needed to achieve all the benefits that Congress envisioned when it passed this important law.

The Authority also believes that by having the Mayor prepare both the Performance Plan and the Performance Report, many of the problems identified in the draft report will be addressed. Comparing the performance of an administration against goals that it did not develop is an inherent problem that is not so easily remedied. The Authority believes that under the leadership of the Mayor and other stakeholders, the quality of the goals and performance measures will improve and those who are accountable for achieving results will be identified. We also believe that the Mayor, given his program emphasis to address court orders and receiverships, will adequately address the status of actions to comply with court orders in future performance plans and performance reports.

The Authority does recommend that the conclusion be revised to make clear the requirement that the performance plan and performance report must include goals for significant activities of the government of the District of Columbia, not

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just those goals of agencies that report to the Mayor. Although you correctly make the point that all agencies can benefit from the discipline inherent in this process, it is also important that it be said that the performance plan and performance reports are vehicles for reporting performance for the entire government to its citizens.

Draft Report Recommendations

The Authority concurs with your recommendation that the Mayor of the District of Columbia needs to take the actions necessary to ensure that future reports comply with the provisions of the law. The Authority observes that the Mayor's intent to have the "2001 budget" serve as the performance plan may have the unintended effect of submitting the performance plan after March 1st, when it is required under the law. The Authority is unclear whether the above "2001 budget" refers to the proposed budget, the Council of the District of Columbia approved budget, or the Congressionally adopted budget. As you know, there is a chance that the resource levels of some agencies may change during the various iterations of the budget and therefore will effect the performance levels that can be achieved. The Authority therefore believes that the consideration should be given to changing the submission date for the performance plan or clarifying in the law that the performance plan can be amended if the development of the performance plan is to be integrated into the budget process.

Objectives, Scope and Methodology

The Authority notes that on page 5 of the draft report an attempt was made to modify goals in the FY 1999 Performance Plan to facilitate comparison with the Mayor's FY 1999 Performance Report. The Authority requests that the discussion of this clerical exercise be eliminated from the final report. The Authority, at this time, does not see the benefit of changing goals in the FY 1999 Performance Plan to make them fit the goals in the Mayor's FY 1999 Performance Report.

The Authority will work with the Mayor to ensure that the issues identified in the draft report are addressed.

Sincerely,

Francis S. Smith
Executive Director

Comments From the Executive Office of the D.C. Government

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE

OFFICE OF THE CITY ADMINISTRATOR
DEPUTY MAYOR FOR OPERATIONS

April 5, 2000

Michael Brostek
Associate Director, Federal Management
and Workforce Issues
U.S. General Accounting Office
441 G Street, NW, Suite 2908
Washington, DC 20548

Dear Mr. Brostek:

This letter is in response to the draft report by the General Accounting Office (GAO) on the level of compliance of the *District of Columbia's 1999 Year-end Management Report* with the requirements for the Performance Accountability Report established in the *Federal Payment Reauthorization Act of 1994* (PL 103-373).

We recognize that the scope of your office's analysis is simply the extent to which the Year-end Management Report conforms to PL 103-373 and aligns to the *FY 1999 Performance Accountability Plan*. However, limiting your analysis to those areas obscures the many accomplishments of the Williams Administration in establishing a performance management system that will hold agency directors accountable, drive lasting change in District agencies and provide the level of service and quality of life that District residents demand and deserve.

As with any transition among administrations, the Williams Administration established its own plans upon entering office that superceded the *1999 Performance Accountability Plan* prepared by the District of Columbia Financial Responsibility and Management Assistance Authority ("the Authority"). This transition was more pronounced due to the return of agency management by the Authority to the Office of the Mayor.

To position the District to make lasting change, the Williams Administration also focused on building a new cabinet team. Several new agency directors were appointed to affect change immediately in their agency. Many of these new directors were brought into agencies that were fundamentally broken and could not begin the process of strategic management without changes in leadership.

With such ongoing change in the Williams Administration's first year in each agency's leadership, the development of new strategic plans and the standards to which agency directors and their senior staff were being held, we believe it is important that your report note the substantial development of the District's performance management system during that time.

Michael Brostek
April 5, 2000
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Performance Management in the District of Columbia
The Williams' Administration is using performance management as an essential tool for driving meaningful and lasting change throughout the government. Doing this right requires that we link strategic planning, budgeting, and performance management, which we are now doing for the first time in the history of the District government. This process provides clear standards by which residents of the District will be able to judge our success.

Short-Term Actions: In January 1999, Mayor Williams' first priority was to restore faith in government by demonstrating rapid, visible improvements in basic services. The Mayor set an aggressive agenda of Short-term Actions that agencies would accomplish within one year or less. Examples included reopening the Thomas Circle Underpass within a month after a delay of more than a year, establishing "One-Number" (727-1000) for service requests and targeting open-air drug markets in six communities. By December 1999, 38 of 42 Short-term Actions were complete or well under way—a 90 percent success rate.

Agency Strategic Plans and Performance Contracts: To capitalize on short-term successes and to institute long-term systemic changes, agency directors developed strategic plans evaluating existing practices and proposing comprehensive improvements. Directors then signed performance contracts with Mayor Williams with measurable goals and specific deadlines for each of their strategic plan initiatives. Senior managers are also required to develop performance plans relating their objectives to the director's objectives. This process cascades down each agency until every employee has a performance plan aligned to the agency and citywide strategic plans.

A Citywide Strategic Plan: The Mayor then began establishing citywide goals for his administration. Two principles shaped the Mayor's thinking about strategic planning:

- Government must be a reliable partner for citizens. It must deliver the efficient, effective services that residents expect and deserve.
- Government must do big and bold things, but government can't solve every problem. The business community, the faith community, foundations, non-profits, universities, government, and citizens themselves must come together around one vision for the city and work together to make that shared vision a reality.

As part of Mayor Williams' *Neighborhood Action* initiative, more than 3,000 residents came together at a Citizen Summit to review and comment on the Mayor's Draft City-Wide Strategic Plan. Nearly 1,000 district managerial and non-managerial employees also reviewed the plan in a series of employee briefings hosted by the Mayor in late January. Based on this input, the Mayor's cabinet revised the City-Wide Strategic Plan into five strategic priorities to align the District government with the priorities of our people:

- Building and Sustaining Healthy Neighborhoods
- Safe Passages: Healthy Families, Children, Youth and Individuals
- Economic Development
- Making Government Work
- Unity of Purpose and Democracy

Michael Brostek
April 5, 2000
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These priorities will serve as a blueprint for future initiatives and will be a standard against which citizens can evaluate the Mayor's performance. They have already served as the organizing framework for the Mayor's review of agency FY 2001 budget requests.

Responses to GAO Findings

Alignment with the Performance Accountability Plan: The *District of Columbia 1999 Year-end Management Report* addresses the performance objectives set by the Williams Administration in its first year and agencies' success in meeting those objectives. In setting the objectives for the District, Mayor Williams tasked agency directors with developing both short-term action agendas and long-term strategic plans. While many directors drew on initiatives within their agency's section of the Authority's Plan, they were free to develop wholly new strategic plans and most did. Moreover, our emphasis was on identifying and reporting against fewer, more meaningful performance measures that truly reflected our strategic direction, rather than dozens and dozens of performance measures established in a prior administration, many of which did little to gauge how well our government was performing.

Identification of Supervisors and Managers: Your report also notes that the District did not identify Supervisors and Managers for each goal. Upon assuming office, Mayor Williams retained some incumbent agency directors, immediately appointed new directors and made additional cabinet appointments throughout the year. As each new director came on board, they were tasked with establishing a strategic plan for their agency and made personnel changes to support and execute their plans. With such substantial changes in each agency's leadership and the managers responsible for executing those strategic plans, the District elected to not identify the supervisors and managers in the 1999 Year-end Report. We fully intend to provide this information in subsequent reports and plans and have already done so in the FY 2001 Performance Plans included in the *FY 2001 Proposed Operating Budget and Financial Plan* submitted to the Council of the District of Columbia on **March 13, 2000**.

Two Levels of Performance: As your own report notes, the FY 1999 Performance Accountability Plan does not provide two levels of performance for Acceptable and Superior Performance, so the District was unable to report against two levels of performance.

Status of Civil Actions: The Office of Corporation Counsel is preparing an addendum to the 1999 Year-end Management Report to provide the status and actions taken to comply with 12 major civil actions concerning the activities of the District government during fiscal year 1999. The addendum will be available the **second week of April 2000**. Information on how those cases will be addressed or disposed going forward will be included in FY 2001 Performance Plans that will be updated for inclusion in the FY 2001 Operating Budget and Financial Plan due to be submitted to Congress on **June 1, 2000**.

Compliance Going Forward

Your report provides several specific recommendations to bring the District's performance plans and reports into compliance with PL 103-373. The District has already taken some steps to ensure compliance in future reports and plans and we will take your additional recommendations into consideration.

Michael Brostek
April 5, 2000
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FY 2000 Performance Report: The performance measures published in the FY 2000 Operating Budget and Financial Plan do not comply with the requirements for identification of supervisors and managers or providing two levels of performance. However, the District's FY 2000 Performance Report will identify the agency directors and the senior most managers responsible for implementing the objectives when it is published in **March 2001**. That report will address progress against agencies' full strategic plans—not just the measures published in June 1999.

FY 2001 Performance Plans: The FY 2001 Performance Plans were incorporated directly into agency budget chapters in the *FY 2001 Proposed Operating Budget and Financial Plan*, submitted to the Council of the District of Columbia on **March 13, 2000**. These plans are structured around agency director performance contracts and identify both the agency directors by title and name and the senior-most staff responsible for each major initiative by title.

We consulted with congressional staff on both the House and Senate Appropriations Committees about our intentions to submit the performance plans with the Mayor's budget to the Council in mid-March and with the consensus budget to Congress in early June. We will pursue reconciling deadlines in legislation with the District's budget cycle for future submissions.

Two Levels of Performance: The District addresses the requirement for identifying levels of superior and acceptable performance at an aggregate level within each agency director's performance contract. The performance contracts establish three levels of performance with regards to executing the entire agency plan: Exceeds Expectations, Meets Expectations and Below Expectations. These performance levels are replicated in senior manager performance agreements, and senior managers' success in meeting their objectives is one of the factors on which agency directors will be evaluated at the end of each fiscal year.

In directing agencies to set individual performance measures, Mayor Williams emphasized establishing ambitious yet attainable targets. If the existing individual performance targets are labeled superior performance, we invite agencies to pull back from their ambitious targets and to only seek to achieve acceptable performance levels; performance less than the commitments the agencies and Mayor have made to the District's residents.

Mayor Williams is committed to responsive, accountable government for residents of the District of Columbia. His performance management strategy showed promising results in the first year of the Williams Administration and will continue to drive change in years ahead. We are confident this approach will lead to a government that works better, costs less, and, most importantly, will significantly improve the quality of life for the residents of the District of Columbia—goals I believe that we all share.

Sincerely,

Norman S. Dong
Deputy Mayor for Operations/City Administrator

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