

Government Reform:

From the National Performance Review to the President's Management Agenda

College of William and Mary
February 2006

Overview

- Government Reform in the US in the Past Decade
- The National Performance Review
- The National Partnership for Reinventing Government
- The President's Management Agenda
- Contrasts Between NPR and PMA
- What's Next?
- Resources

Federal Government Reform Efforts

- ❑ There were eleven government-wide management reform efforts during the 20th Century
- ❑ Congress passed a series of cross-cutting management laws in the 1990s
 - ❑ Chief Financial Officers Act of 1990
 - ❑ Government Performance and Results Act of 1993
 - ❑ Procurement Reform laws in 1994 and 1995
 - ❑ Clinger-Cohen technology investment law in 1996
- ❑ All recent Presidents have had a management reform agenda
 - ❑ Reagan – Reform '88
 - ❑ Bush I – High Risk Areas, SWAT teams
 - ❑ Clinton – Priority Management Objectives, Reinventing Government
 - ❑ Bush II – President's Management Agenda

Context

- **US Federal Government Spending:**
\$2,800 Billion
- **Federal Employment:** 1,800,000 civilians
- **Organization:** 15 Departments, 130 other independent Agencies
- **Legislature:** Congress has 200 active committees

The National Performance Review

- Started 6 weeks into Clinton Presidency
- Based on set of principles, guidelines
- Staff of 250 civil servants at White House, plus teams in every agency
- Advice from business leaders: focus on customers and listen to workers
- 1,200 recommendations -- reduce “overhead” by 252,000, fix systems, and save \$108 billion



How We Set Up NPR

- Articulated our principles and an inspiring vision
- Set ambitious deadlines
- Created teams of civil servants
- Facilitated a consensus-building “tollgate” process
- Personally involved the Vice President

NPR Principles

Put customers first ... Set 4,000 customer service standards, measured progress, Conversations with America

Empower employees ...Reduced overhead, created 850 partnership councils, created 350 reinvention laboratories, front-line recognition: 1,400 Hammers

Cut red tape ...eliminated 640,000 pages of internal rules, procurement cards, travel reform

Create partnerships ...Environmental, worker and food safety agencies now partner with business

NPR Implementation Approaches

- Change the culture by changing the conversation:
 - *Create a government that is results-oriented, performance-based, and customer-driven*
- Workers know work better than managers or politicians
- Customers know what they want better than anybody else
- People are capable of things they (and you) never dreamed of

Implementation Approaches (continued)

- Go around bureaucracy to deliver message
- Work with those who want to help
- Use inspiration, not perspiration
- Recognize success -- Hammer Awards
- Create Reinvention Labs
- Track agency progress
- Communicate via Web, interagency networks

National Partnership for Reinventing Government – 1998 -2001

- Refined NPR Vision: *America@OurBest*
- GOAL OF REINVENTION:
Restore Trust in America's Government
- MISSION OF NPR:
In time for the 21st century, reinvent government to work better, cost less, and get results Americans care about.

NPR's Revised Goal

Restore trust in America's government by providing--

- Best value for each taxpayer dollar
- Best service for each customer and regulated business
- Best workplace for its employees
- Best legacy for our future

How We Measured It

Best Value

- Savings in dollars
- Reductions in employment
- Increased efficiency

Best Service

- Customer surveys

Best Workplace

- Employee surveys

Best Legacy

- High impact agencies' goals met or exceeded
- NPR meets or exceeds its cross-agency goals
- Forever change the way government works

Shift in Focus

- Focused on changing culture in key agencies that touch public and business (*High Impact Agencies*)
 - Balanced Scorecard: customers, employees, mission results
- Dramatically increased use of technology
 - e-filing of taxes, nursing home info, etc
- Focused on cross-cutting results, not programs
 - gun violence, 21st century jobs, afterschool

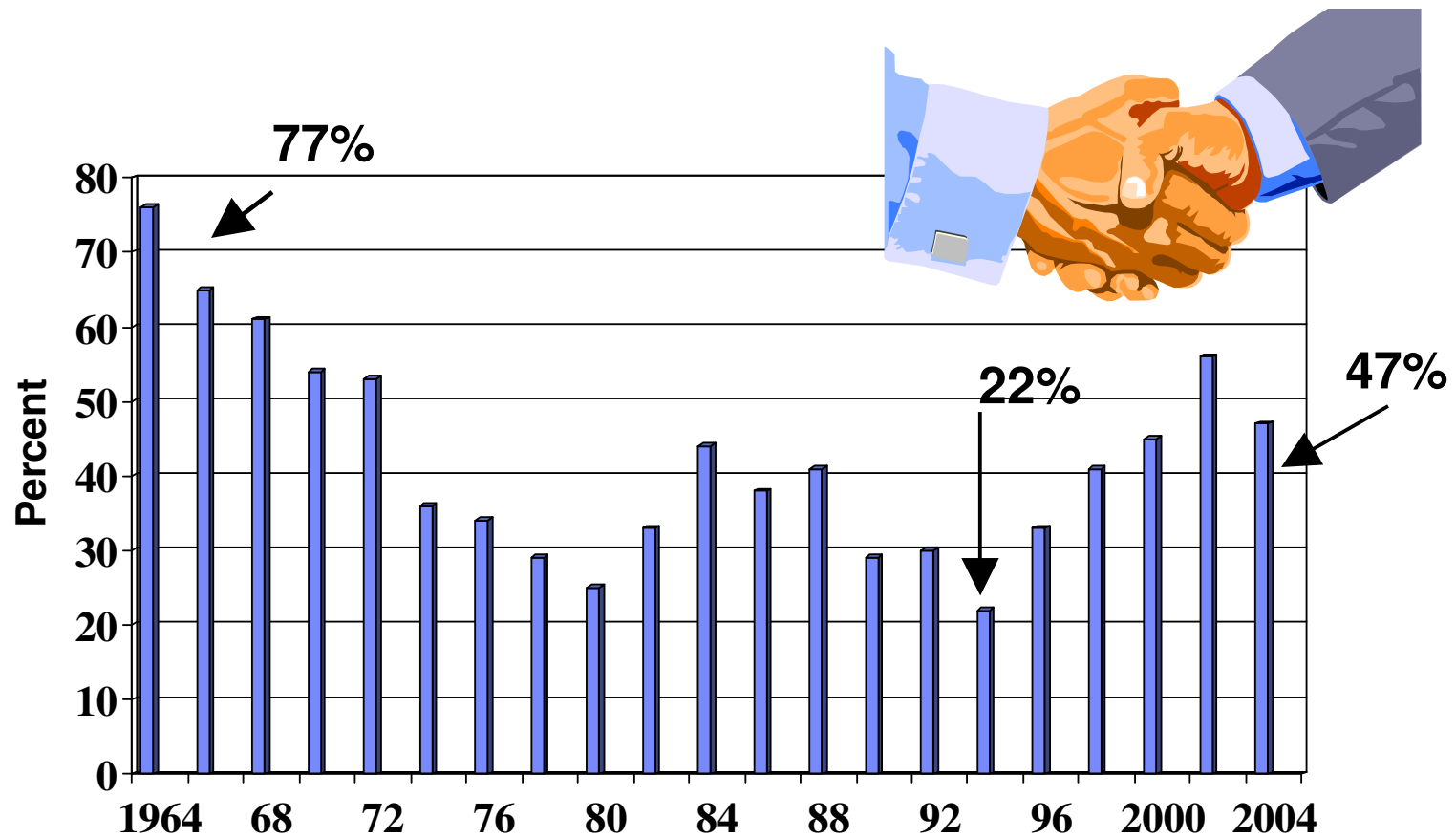
Progress Over 8 Years

- Saved \$136 Billion – cut 250 programs or agencies
- Workforce Cut by 426,000 – 78,000 managers
- Customer Standards Set, Annual Survey
- Results Act in Place
- 16,000 Pages of Regulations Cut, re-wrote 31,000 pages
- Implemented Majority of Recommendations
- Employee focus:
 - 1,380 Hammer Awards, saving \$53 billion
 - 350 Reinvention Labs
 - Annual Survey

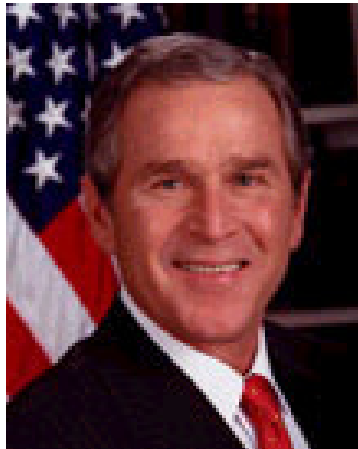
Government Culture Began to Change

- **Federal Employees see it day-to-day**
 - 84 percent satisfied if in reinvented organizations
- **Program Customers see the difference**
 - 60 percent saw improvements between 1999 and 2000
- **Results are beginning to focus attention**
 - first Results Act reports show shift in strategies

Restoring Trust in Government



President George W. Bush



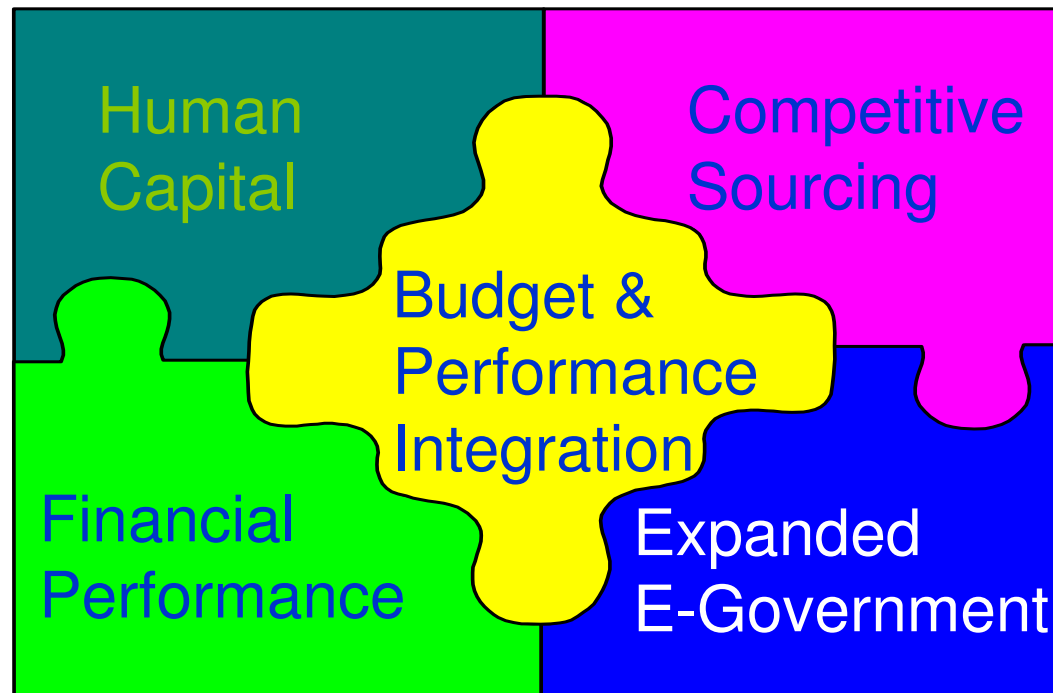
The President's Management Agenda (PMA)

2001-present

Focus Different Than NPR

- ❑ Current Agenda has roots in the 2000 campaign
 - ❑ Citizen-centered
 - ❑ Results-oriented
 - ❑ Market-based
- ❑ In August 2001, President issued his Management Agenda
 - ❑ Project was staffed by OMB, not outside or agency employees
- ❑ Strong focus on initiatives that could be completed by 2004.
- ❑ Strong focus on accountability for progress on Agenda
 - ❑ In February 2002, President scored agencies for first time in the budget against his Agenda

The PMA Has Five Priority Areas



Added in 2004:

- **Capital Asset Management**
- **Erroneous Payment Reduction**

Implementation Approach

□ White House

- White House is orienting all new political appointees on the Agenda.
- President is reinforcing message in one-on-one meetings with Agency Heads

□ OMB Role

- OMB is in charge. Clay Johnson is the Deputy Director for Management and in charge of Agenda implementation.

OMB developed criteria to assess the 26 major agencies.

- OMB is issuing “red-yellow-green” Scorecards on each agency and updates them quarterly for Presidential review.
- OMB is actively using the Agenda in making budget decisions in the FY2005 budget process; agencies submitted their requests on September 8th
- Interim goals set to be met by July 1, 2004.
- After election, re-enforced and expanded goals, dropped some agencies’ scores on scorecard.

Implementation Approach (continued)

❑ Agency Roles

- ❑ President's Management Council re-organized around the goals
- ❑ Many agencies have internal teams focusing on the goals

❑ Congressional Role

- ❑ OMB sent some legislation to Congress in November 2001 for selected reforms; not key to the success of most of the Agenda.
- ❑ Some oversight on the scorecard

❑ Next Steps

- ❑ The first Scorecards were issued in February 2002 in conjunction with the President's FY 2003 budget submission to Congress. All but one agency (NSF) failed. OMB has added a new element – the Program Assessment Rating Tool (PART)
- ❑ OMB also assessed how committed agencies are to improving.
- ❑ OMB's scorecard went to the President along with agency budget requests in December. Agencies, after 4 ½ years, achieved 43 of 130 possible "greens"

Scores for Major Agencies – December 2005

	Current Status as of December 31, 2005					Progress in Implementing the President's Management Agenda				
	Human Capital	Competitive Sourcing	Financial Mgmt.	E-Gov	Budget/ Perf. Integration	Human Capital	Competitive Sourcing	Financial Mgmt	E-Gov	Budget/ Perf. Integration
AGRICULTURE	●	●	●	●	●	●	●	●	●	●
COMMERCE	●	●	●	●	●	●	●	●	●	●
DEFENSE	●	●	●	●↑	●	●	●	●	●	●
EDUCATION	●	●	●	●	●	●	●	●	●	●
ENERGY	●	●↓	●↓↓	●	●	●	●	●	●	●
EPA	●	●	●	●↑	●	●	●	●	●	●
HHS	●	●	●	●	●	●	●	●	●	●
DHS	●	●	●	●	●	●	●	●	●	●
HUD	●	●	●	●↑	●	●	●	●	●	●
INTERIOR	●	●	●	●	●	●	●	●	●	●
JUSTICE	●	●	●	●↑	●	●	●	●	●	●
LABOR	●	●	●	●	●	●	●	●	●	●
STATE	●	●	●	●	●	●	●	●	●	●

Arrows indicate change in status since September 30, 2005.

Scores (continued) — December 2005

	Current Status as of December 31, 2005					Progress in Implementing the President's Management Agenda				
	Human Capital	Competitive Sourcing	Financial Perf.	E-Gov	Budget/ Perf. Integration	Human Capital	Competitive Sourcing	Financial Perf.	E-Gov	Budget/ Perf. Integration
DOT	●	●	●	●↓	●	●	●	●	●	●
TREASURY	●↑	●	●	●↑	●	●	●	●	●	●
VA	●	●	●	●	●	●	●	●	●	●
AID	●	●	●	●↑	●↑	●	●	●	●	●
CORPS	●	●	●	●	●	●	●	●	●	●
GSA	●	●	●↓↓	●	●	●	●	●	●	●
NASA	●	●	●	●↑	●	●	●	●	●	●
NSF	●	●	●	●	●	●	●	●	●	●
OMB	●	●	●	●	●	●	●	●	●	●
OPM	●	●	●↑	●	●	●	●	●	●	●
SBA	●	●	●	●	●	●	●	●	●	●
SMITHSONIAN	●↑	●	●↑↑	●↑	●	●	●	●	●	●
SSA	●	●	●	●	●	●	●	●	●	●

Arrows indicate change in status since September 30, 2005.

Strategic Management of Human Capital

- **Highlights**

- Implement a comprehensive human capital plan
- Identify ways to redeploy and delayer to achieve optimal organizational structures from a service and cost perspective
- Develop succession strategies and reduce skill gaps in mission critical areas
- Create performance appraisal plans for Senior Executives and managers that link to agency mission, goals, and outcomes. Make meaningful distinctions in performance and consequences. Cascade to 60 percent of the agency

- **Progress to Date**

Competitive Sourcing

- **Highlights**

- Complete at least 10 competitions since January 2001.
- In the past year, complete 90 percent of standard competitions within 12 months.
- In the past year, cancel fewer than 10 percent of publicly announced competitions.
- All categories of activities exempt from competition approved by OMB.
- Have an OMB-approved competition plan

- **Progress to Date**

Improving Financial Performance

■ Highlights

- Unqualified audit opinion on annual financial statement.
- Meet financial statement reporting deadlines.
- Produce accurate financial information on demand.
- Use financial and performance information in day-to-day decisions.
- No material internal control weaknesses

- Reduce erroneous payments
- Develop capital assess management plan

■ Progress to Date

Expanding E-Government

- **Highlights**

- Blueprint focuses IT investments on important agency functions
- All major systems investments have acceptable business case
- Cost and schedule overruns average less than 10 percent and performance shortfalls average less than 10 percent
- 90 percent of operational major IT systems secured
- Contributes to, and participates in, 3 of the 4 categories of E-government initiatives; no redundant or agency-unique projects in these areas

- **Progress to Date**

Budget and Performance Integration

■ Highlights

- Senior managers meet quarterly to examine integrated financial and performance information covering major departmental responsibilities; use to make decisions
- Performance appraisals for 60 percent of agency positions link to agency mission, goals, and outcomes. Individual performance rewards tied to agency performance.
- Full cost of achieving performance goals reported in budget and performance documents; marginal cost of changing performance can be accurately estimated
- All programs have at least one efficiency measure
- PART evaluations direct program improvements, used to justify funding requests

■ Progress to Date

Contrasts Between NPR and PMA

■ Similarities

- Focus on citizen-customers and electronic government
- Focus on performance and results
- Common recommendations in finance, human capital, budget
- Challenges in explaining results, value to public

Contrasts (continued)

■ Differences

- NPR attempted to go around central control agencies; PMA uses them heavily
- NPR relied on temporary, dedicated staffing; PMA relied on permanent staff, as supplemental task
- NPR attempted to engage front line; PMA attempting to engage agency political leaders
- NPR focused on recognizing success; PMA focuses on scorecards of all
- NPR engaged unions; PMA attempting to reduce their role and shift services to private sector delivery

What's Next? New Imperatives for Performance

Recent prominent failures of government action suggest that management capacity isn't enough. The landscape is changing because of new imperatives:

- A policy agenda that focuses more on problems than on structure
- Political accountability that works more through results than on processes
- Public administration that functions more through networks than through hierarchies
- Political leadership that works more by leveraging action than simply making decisions
- Citizenship that works more through engagement than remoteness

-- *Dr. Donald Kettl, U. of Pennsylvania*

What's Next? (continued)

New challenges facing government leaders:

- How do you use networks to organize for routine and non-routine problems?
- How do you use “center-edge” approaches to govern through a network of networks?
- How do you engage citizens in new roles to help solve public problems?

Reform Resources

- ❑ President's Management Agenda Webpage
 - ❑ www.results.gov
- ❑ *Government Executive* Magazine on the Web
 - ❑ www.govexec.com
- ❑ NPR Archive
 - ❑ govinfo.library.unt.edu/npr/index.htm
- ❑ IBM Center for The Business of Government
 - ❑ www.businessofgovernment.org
- ❑ John Kamensky, 202-515-4102; john.kamensky@us.ibm.com