



GPRA Modernization Act Implementation Provides Important Opportunities to Address Government Challenges

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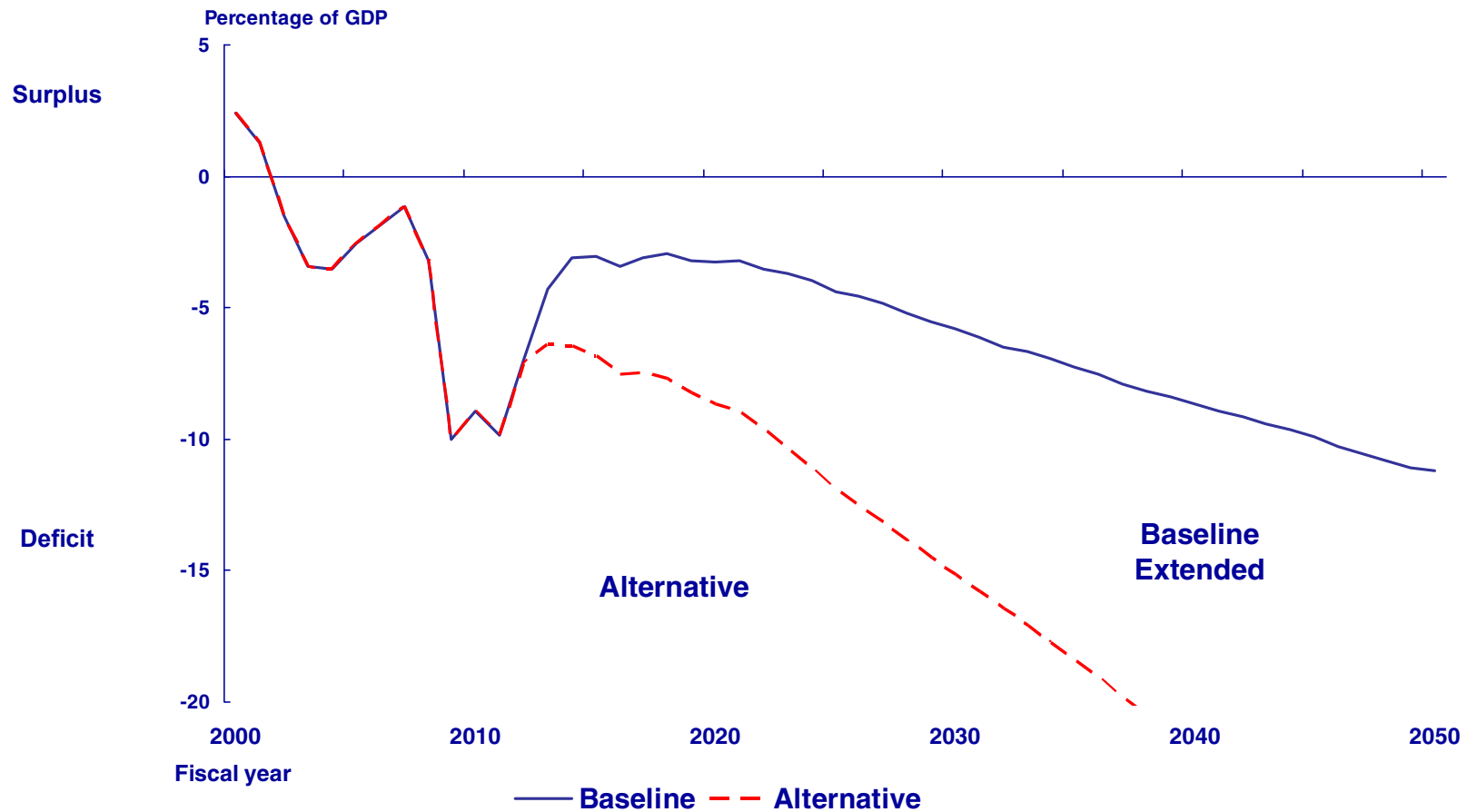
Overview

- Long Term Fiscal Simulations
 - Federal Budget
 - State and Local Operating Balance
- GPRA Modernization Act Goals
 - Five Areas That Can Help Address Government Challenges
 - GAO's Role in Evaluating Implementation



Long Term Fiscal Simulations

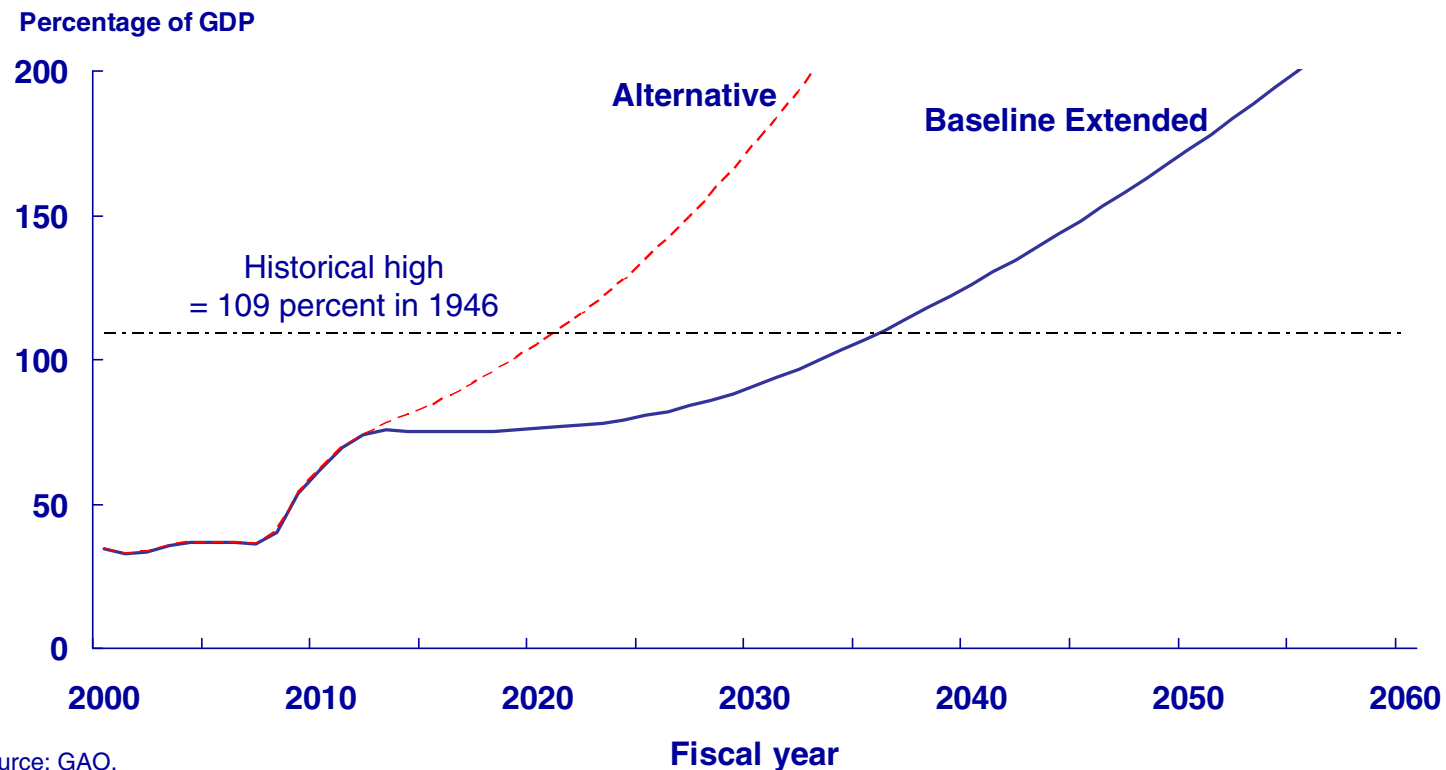
Federal Budget Surpluses and Deficits under Different Fiscal Policy Simulations



Source: GAO.

Note: Data are from GAO's January 2011 simulations based on the Trustees' assumptions for Social Security and the Trustees' and CMS Actuary's assumptions for Medicare.

Debt Held by the Public under Two Fiscal Policy Simulations

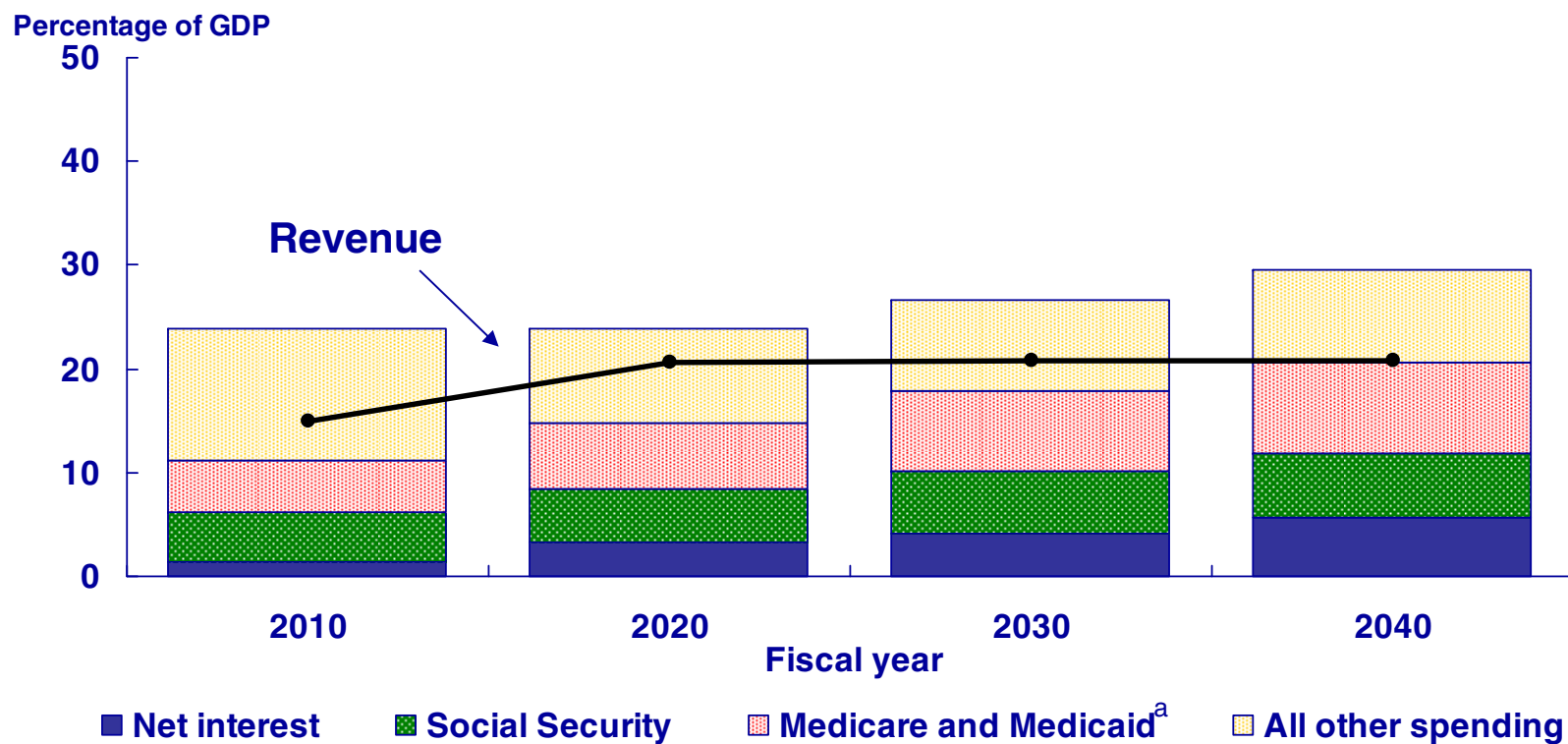


Source: GAO.

Note: Data are from GAO's January 2011 simulations based on the Trustees' assumptions for Social Security and the Trustees' and CMS Actuary's alternative assumptions for Medicare.

Potential Fiscal Outcomes

Revenues and Composition of Spending under Baseline Extended Simulation



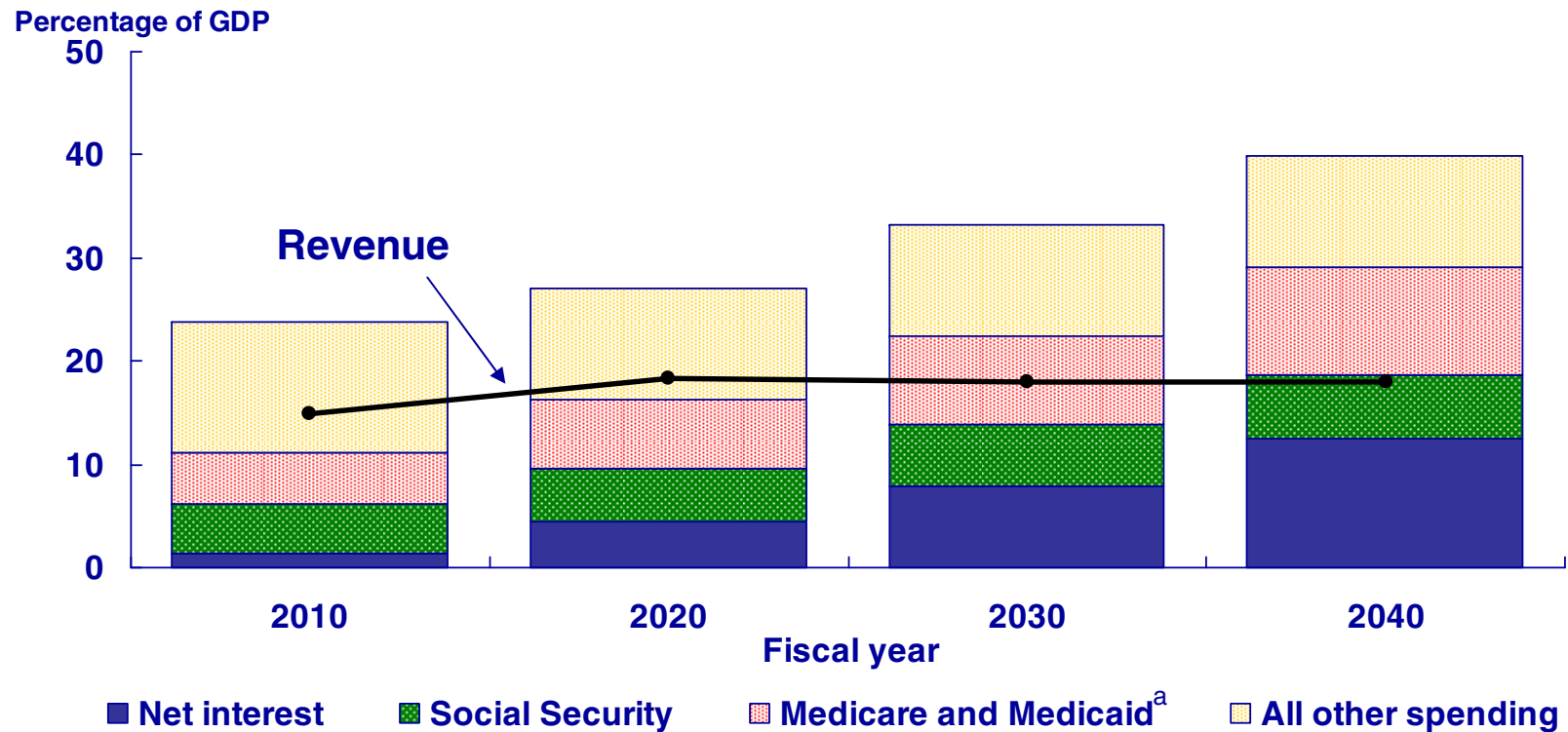
Source: GAO.

Note: Data are from GAO's January 2011 simulations based on the Trustees' assumptions for Social Security and Medicare.

^aThis also includes spending for insurance exchange subsidies and CHIP.

Potential Fiscal Outcomes

Revenues and Composition of Spending under Alternative Simulation

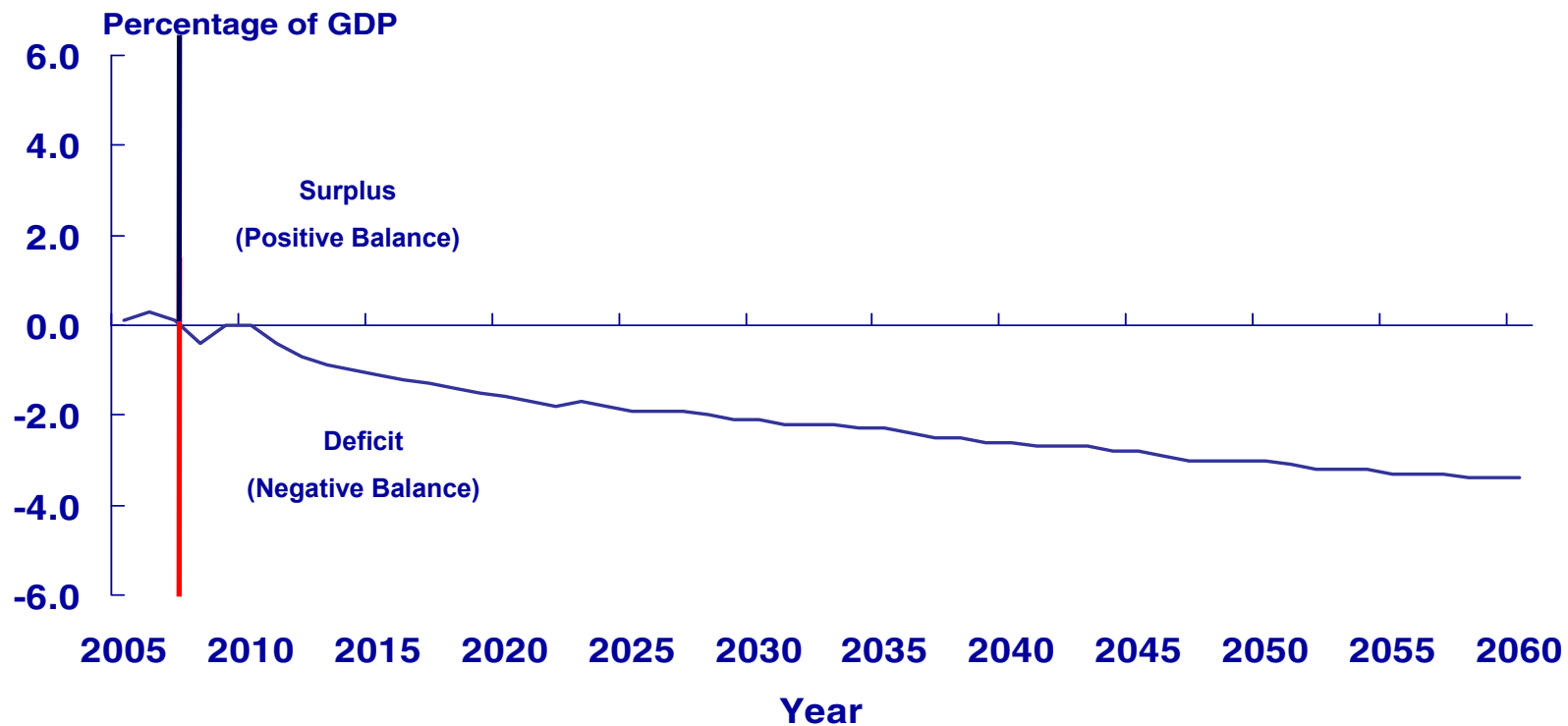


Source: GAO.

Note: Data are from GAO's January 2011 simulations based on the Trustees' assumptions for Social Security and CMS Actuary's alternative assumption for Medicare.

^aThis also includes spending for insurance exchange subsidies and CHIP.

State and Local Operating Balance Measure, as a Percentage of Gross Domestic Product



Source: GAO simulations, updated April 2011.

Note: Historical data are from the Bureau of Economic Analysis's National Income and Product Accounts from 1980 to 2009. Data in 2010 are GAO estimates aligned with published data where available. GAO simulations are from 2011 to 2060, using many Congressional Budget Office projections and assumptions, particularly for the next 10 years. Simulations are based on current policy.



GPRA Modernization Act Goals

GPRA Modernization Act Goals

- Adopting a more coordinated and crosscutting approach to achieving common goals
- Addressing weaknesses in major management functions
- Ensuring performance information is both useful and used in decision making
- Instilling sustained leadership commitment and accountability for achieving results
- Engaging Congress in identifying management and performance issues to address

Coordinated and Crosscutting Approaches to Achieve Common Goals

- The act requires OMB, in coordination with agencies, to:
 - Develop long-term, outcome-oriented goals for a limited number of crosscutting policy areas
 - Provide information annually on how these crosscutting goals will be achieved
- Effective implementation of these requirements could help inform reexamination or restructuring efforts.

Coordinated and Crosscutting Approaches to Achieve Common Goals

- GAO's recent report on duplication, overlap, and fragmentation highlight areas where such an approach is needed. For example:
 - Teacher quality programs
 - Military health system
 - Employment and training programs
 - Surface transportation
 - Economic development programs

Addressing Weaknesses in Major Management Functions

- Agencies need more effective management capabilities to better implement programs and policies.
- The act requires OMB to develop goals to improve management functions across the government, including in the following areas:
 - Financial management
 - Human capital
 - Information technology
 - Procurement and acquisition
 - Real property

Addressing Weaknesses in Major Management Functions

- GAO recently identified cost-savings or revenue enhancement opportunities that touch on needed improvements to management functions. These opportunities include:
 - Medicaid and Medicare improper payments
 - Tax expenditures
 - Data centers
 - Real property
 - Noncompetitive contracts
 - Undisbursed grant balances

Ensuring Performance Information is Useful and Used

- To ensure performance information will be both useful and used, it must meet various users needs for completeness, accuracy, validity, timeliness, and ease of use.
- The act has several requirements that could help meet these needs:
 - Agencies to disclose more information on the accuracy and validity of their performance data, such as data sources
 - Quarterly, rather than annual, reporting for priority goals
 - Information to be posted on a governmentwide website

Ensuring Performance Information is Useful and Used

- To ensure that federal officials have the knowledge and skills necessary to use the information they are gathering, the act requires OPM to:
 - Identify key skills and competencies needed to carry out performance management activities
 - Incorporate those skills and competencies into relevant position classifications and agency training

The Need for Reliable Cost Information

- Greater need than ever for timely and accurate information about costs of specific programs and services for use in performance metrics.
- Reliable cost information can help :
 - Provide accurate comparisons on costs/benefits
 - Inform budgets and proposals for reorganization/consolidation
 - Identify potential cost control, efficiencies, and waste
 - Benchmark programs and activities
 - Set appropriate fees to recover the costs of services
 - Measure program and managers' performance

Sustained Leadership Commitment and Accountability for Results

- The act creates several new leadership structures and responsibilities aimed at sustaining attention on improvement efforts:
 - At the agency level, a Chief Operating Officer and Performance Improvement Officer at each agency
 - A governmentwide Performance Improvement Council to assist in carrying out the governmentwide performance and reporting requirements of the act
 - Quarterly reviews for the governmentwide and agency priority goals that involve top leadership

Sustained Leadership Commitment and Accountability for Results

- The act also creates individual and organization accountability provisions that have the potential to keep attention focused on achieving results.
 - A lead government official—responsible for coordinating efforts across agencies—is to be designated for each governmentwide performance goal
 - Similarly, at the agency level, a goal leader will be responsible for achieving each of an agency's performance goals
 - OMB is required to report on unmet agency goals each year, and where a goal has been unmet for 3 years, OMB can propose the program for termination or restructuring, among other actions

Engaging Congress

- The act significantly enhances requirements for agencies to consult with Congress when establishing or adjusting governmentwide and agency goals.
 - OMB and agencies are to consult with relevant committees, obtaining majority and minority views, about proposed goals at least once every 2 years
 - In addition, OMB and agencies are to describe how they incorporated congressional input into their goals

Engaging Congress

- Congress can play a decisive role in fostering results-oriented cultures by using information on goals and results as it carries out its legislative responsibilities.
- Congressional use of agency goals and performance information in its decision making will send an unmistakable message to agencies that Congress considers agency performance a priority.
- In addition, congressional oversight will be essential to ensure further improvement in the performance of federal programs and operations.

GAO's Role in Evaluating Implementation of the GPRA Modernization Act

- The act includes provisions requiring GAO to evaluate implementation over time:
 - By June 2013, GAO is to report on implementation of the act's planning and reporting requirements at both the governmentwide and agency levels
 - By September 2015 and 2017, GAO is to evaluate how performance management is being used by federal agencies to improve their results
 - Also by September 2015 and 2017—and every 4 years thereafter—GAO is to evaluate implementation of the federal government priority goals and performance plans, and related reporting requirements

GAO's Role in Evaluating High Risks and Other Major Government Challenges

- A number of other recurrent GAO reports will help to further inform Congress about government management and performance. For example:
 - GAO has an ongoing statutory requirement to report each year on federal programs, agencies, offices, and initiatives which have duplicative goals or activities
 - Each year, GAO reports on its audit of the consolidated financial statements of the U.S. government and the condition of federal financial management systems
 - GAO reports to each new Congress on government operations that it identifies as high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement, or the need for broad-based transformation to address economy, efficiency, or effectiveness challenges

Closing Thoughts

- Given the Federal Government's long-term fiscal challenges all areas should be reexamined in light of the contributions they make to achieving outcomes for the American public.
- The act provides the administration and Congress with new tools to identify strategies that are achieving results as well as those that are ineffective, duplicative, or wasteful that could be eliminated.
- The outcome of the act hinges on effective implementation by the administration and Congress.

GPRA Modernization Act Implementation Timelines

- **June 30, 2011 – Quarterly agency priority progress reviews**, consistent with the Act, begin for the goals listed in the FY11 Budget
- **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 FY2011 performance consistent with the Act
- **June 30, 2012 – Quarterly federal government priority progress reviews** begin
- No later than **October 1, 2012 – Governmentwide performance website** launched
- **February 3, 2014 – Full Implementation** with a new strategic planning cycle

References

- *GPRA Modernization Act Implementation Provides Important Opportunities to Address Government Challenges*, GAO-11-617T (Washington, D.C.: May 10, 2011).
- *Government Performance: GPRA Modernization Act Provides Opportunities to Help Address Fiscal, Performance, and Management Challenges*, GAO-11-466T (Washington, D.C.: Mar. 16, 2011).
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- *High-Risk Series: An Update*, GAO-11-278 (Washington, D.C.: Feb. 16, 2011).



On the Web

Web site: <http://www.gao.gov/>

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