Chairman's Statement
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Autopilot Budgeting: Will Congress Ever Respond to
Government Performance Data?
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Americans have a crazy idea: they should get something for their money, even when

the money is spent by government. It's a simple concept – in policy-speak, we call it

"performance-based budgeting." I know I'm new in the Senate, but I'm still

surprised by how much resistance there is in Washington to performance-based

budgeting.

Now, to be fair, taking a multi-trillion dollar government and imposing some sort of

standardized outcome evaluation on it is difficult at best. So I concede that any

instrument we use will be a blunt instrument. But I want to commend President Bush

for being the first to try.

The Performance Assessment Rating Tool (or PART) was first introduced by the

President four years ago as a tool to review the strengths and weaknesses of

government programs to influence funding and programmatic decisions.

The annual PART reports offer needed sunshine in government and provide good

data for government managers to improve their programs. To date, the Office of

Management and Budget has reviewed 793 programs which account for $1.47 trillion

in taxpayer money. **Almost a third of these programs have proven either totally ineffective or are not demonstrating results. One-third of $1.5 trillion is** *$500 billion***.**

Maybe this is why the PART scores have created a stir – not only among the agencies, but among the Members of Congress who make budgeting decisions. Some Members of Congress want to stick their head in the sand and keep funding their pet programs, as if on autopilot, year after year.

Just last week the House Appropriations subcommittee that funds the Departments of Labor, Education and Health and Human Services passed language *prohibiting* the use of PART assessments on those agencies. They may not like PART's message, but they shouldn't shoot the messenger. This sort of Orwellian immunization against any hint that our favorite programs may not be performing up to the idealized utopian goals of their Congressional champions is why Americans are mad at Congress. The approval ratings for Congress are in the tank, and this prohibition of accountability for failing government is why the voters who fork over their hard-earned dollars every year may just have something to say come November.

I'm not sure why some of my colleagues are so afraid of PART. As part of our investigation for this hearing, we learned that low PART ratings don't always mean that OMB will recommend a budget cut or put the program on the Terminations List. In some cases, programs rated "ineffective" had budget reductions, but in other cases their budgets increased. Each program is unique and I don't know that a PART score should be the last word, but I do know that the PART is something every member of a Congressional authorizing or appropriations committee should be reading and using to inform their oversight work.

You see, Congress consistently neglects the duty to conduct oversight of federal programs and spending. Instead, we spend most of the time passing spending bills that ignore PART ratings, the President's terminations list and any other performance data. It is as if we're spending on "auto pilot" – Congress might as well just write a blank check.

By 2008, OMB will have applied PART to the entire government. In the last 4 years OMB has scored 793 government programs. Here are the results: Just fifteen percent were found to be "effective"; Twenty-nine percent were rated "moderately effective"; Twenty-eight percent were rated "adequate"; four percent were found to be

"ineffective"; and Twenty-four percent cannot demonstrate results to even *get* a rating and were labeled "results not demonstrated"! Don't believe the spin that "results not demonstrated" could mean that the program is either good or bad, we just don't have enough information to tell. On the contrary - the "results not demonstrated" designation is a red flag marking a program so poorly conceived or directionless that ***unaccountability*** seems to have been built into it by design.

Programs rated "ineffective" or "results not demonstrated" account for $152 billion in budget authority. Imagine what we could do with $152 billion.

Outside of Washington DC, any business or family with finite resources sets priorities and creates a budget based on the *actual* amount of bang they get for their hard-earned buck. It is only inside the beltway where that kind of information isn't considered relevant and in fact, some are trying hard to ***ban the collection*** of such information. But then, it's only in Washington where you never have to declare bankruptcy and debt is allowed to grow on the backs of future generations with impunity.

Let me give you one case study. We held a hearing last year on the Advanced Technology Program. The program was created by Congress in 1988 to subsidize high-risk research and development. The program cannot demonstrate results. It is corporate welfare. The 2002 PART reported that the majority of ATP grants go to multimillion dollar corporations and that the GAO has found that ATP projects are very similar to private sector R&D undertaken without a government subsidy. An amendment to eliminate funding for ATP that I offered last year was voted down in the Senate 68-29. In the end, Congress wasted another $79 million last year for the program. The 2007 Senate budget resolution promises to fund the program at almost twice that amount.

It would be one thing if we were operating in a surplus. Then we could have a legitimate debate about whether to keep funding failing programs hoping they will improve or to give that surplus back to the taxpayers. But that's not where we are today, with a debt burden of $25,000 per man, woman and child in America. We simply cannot afford to keep funding programs that cannot prove their worth.

Nondefense discretionary spending has increased over 45% since 2001. The President has requested a $2.8 trillion budget and that doesn't include any so called

"emergency" supplemental spending bills in our future, nor does it include the late-night pork-barrel frenzy each time Congress schedules an Appropriations bill vote. Entitlement spending will tank our economy if we don't do something to get spending under control.

The question remains, how do we get Congress to act? I would like to see OMB sell their PART and Terminations List more aggressively:

- ☑ Forcefully sell these reforms and savings to Congress.

- ☑ Fight for these cuts, by taking the terminations list to the American people with the power of the bully pulpit.

- ☑ The President should veto spending bills that continue to issue blank checks to failing programs.

There's a bit of hope on the horizon – I was encouraged to see that the House Appropriations Committee wrote in their 2006 Budget Savings report[1] that "the only way to establish accountability in the budget process is to stop spending on programs that have outlived their usefulness or could be delivered more effectively at the state or local level." I'll believe it when I see it, but I welcome any help we can get.

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[1] "On Time and Under Budget," House of Representatives Committee on Appropriations, December 14, 2005. http://appropriations.house.gov/_files/OnTimeUnderBudget.pdf

The best place to start is by immediately defunding all programs on the Terminations List and adopting the other PART reduction recommendations. Granted, the list only cuts $20.4 billion from a $2.8 trillion budget, but we've got to start somewhere. What's more, we should suspend the creation of any new program until further notice. We need "sunset" legislation that would phase out every single government agency, department or program after a certain deadline if the Congress fails to act or if the program consistently performs poorly. These are challenging times and we can no longer budget on cruise control.

I want to thank our witnesses for being here today and for the time they spent preparing testimony.

http://coburn.senate.gov/ffm