



Highlights of [GAO-05-709T](#), a testimony before the Chairman, Subcommittee on Federal Financial Management, Government Information, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

As part of its work to improve the management and performance of the federal government, GAO monitors progress and continuing challenges in performance budgeting and the Administration's related initiatives, such as the Program Assessment Rating Tool (PART). In light of the nation's long-term fiscal imbalance and other emerging 21st century challenges, we have also reported that performance budgeting can help facilitate a needed reexamination of what the federal government does, how it does it, who does it, and how it is financed in the future. GAO remains committed to working with Congress and the Administration to help address these important and complex issues.

What GAO Recommends

GAO is not making new recommendations in this testimony. However, as we have reported, governmentwide strategic and performance plans could provide a framework for reexamining existing federal programs and policies. This could help decision makers articulate the role, goals, objectives, and effectiveness of the federal government. Obtaining congressional buy-in on what to measure is important given Congress's constitutional budgeting role. GAO has also suggested that Congress consider the need to develop a more systematic vehicle for communicating its top performance concerns.

www.gao.gov/cgi-bin/getrpt?GAO-05-709T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Paul L. Posner at (202) 512-9573 or posnerp@gao.gov.

21ST CENTURY CHALLENGES

Performance Budgeting Could Help Promote Necessary Reexamination

What GAO Found

The federal government is in a period of profound transition and faces an array of challenges and opportunities to enhance performance, ensure accountability, and position the nation for the future. A number of overarching trends—including the nation's long-term fiscal imbalance—drive the need to reexamine what the federal government does, how it does it, who does it, and how it gets financed. This will mean bringing a variety of tools and approaches to bear on the situation.

Performance budgeting holds promise as a means for facilitating a reexamination effort. It can help enhance the government's capacity to assess competing claims for federal dollars by arming decision makers with better information both on the results of individual programs as well as on entire portfolios of tools and programs addressing common goals. However, it is important to remember that in a political process, performance information should be one, but will not be the only, factor in decision making.

Existing performance budgeting efforts, such as PART, provide a means for facilitating a baseline review of certain federal policies, programs, functions, and activities. Successful application of these initiatives in this reexamination process rests on

- building a supply of credible and reliable performance information,
- encouraging demand for that information by garnering congressional buy-in on what is measured and how it is presented, and
- developing a comprehensive and crosscutting approach to assessing the performance of all major federal programs and policies encompassing spending, tax expenditures, and regulatory actions.

Through the President's Management Agenda and its related initiatives, including PART, the Administration has taken important steps in the right direction by calling attention to successes and needed improvements in federal management and performance. However, it is not clear that PART has had any significant impact on authorization, appropriations, and oversight activities to date. It will only be through the continued attention of the executive branch and Congress that progress can be accelerated and sustained. Such an effort can strengthen the budget process itself and provide a valuable tool to facilitate a fundamental reexamination of the base of government. We recognize that this process will not be easy. Furthermore, given the wide range of programs and issues covered, the process of rethinking government programs and activities could take a generation or more to complete.