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RESULTS ACT

Using Agency Performance Plans to Oversee Early Childhood Programs

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Results Act: Using Agency Performance Plans to Oversee Early Childhood Programs

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to begin a series of discussions on how the Congress can use the Government Performance and Results Act of 1993 (Results Act) to oversee the work of federal agencies and, in particular, how the performance plans required under the act can address the issue of multiple early childhood programs.

Almost \$14 billion dollars in federal funds was available to support early childhood activities in fiscal year 1997, yet the large number of programs through which such funds are made available creates the potential for inefficient service as well as difficulty for those trying to access the most appropriate services and funding sources.¹ In fiscal years 1992 and 1993, 11 federal agencies administered more than 90 programs that could fund early childhood services, and we determined that education or child care was key to the mission of 34 of the programs.² A disadvantaged child could potentially have been eligible for as many as 13 programs, although many programs reported serving only a portion of their target populations and maintaining long waiting lists. We have reported that programs sometimes overlap in the services they provide, regardless of how their primary mission is described. For example, child care programs designed primarily to meet the needs of parents so that they can work or be trained for work may also have an educational component. At the same time, programs like Head Start that operate as part-day programs to serve the developmental needs of children also allow parents to work during the hours in which children are in the program.

The Results Act is intended to improve the management of federal programs by shifting the focus of accountability for federal programs from a preoccupation with staffing and activity levels to outcomes. It can provide a new and structured framework for addressing multiple and overlapping programs. This should lead to new information on multiple programs, including those that cut across agency lines but share common goals.

My testimony today will focus on two main topics: (1) how the Results Act can assist in management and congressional oversight, especially in areas where there are multiple programs, and (2) how the Department of Education and the Department of Health and Human Services' (HHS)

¹Child Care: Federal Funding for Fiscal Year 1997 (GAO/HEHS-98-70R, Jan. 23, 1998).

²Early Childhood Programs: Multiple Programs and Overlapping Target Groups (GAO/HEHS-95-4FS, Oct. 31, 1994).

Administration for Children and Families (ACF)—which together administer more than half of the federal early childhood program funds—addressed early childhood programs in their strategic and fiscal year 1999 and 2000 performance plans and the extent to which recent plans show progress in coordinating early childhood programs.

In summary, the Congress can use the Results Act to improve its oversight of crosscutting issues because the act requires agencies to develop strategic and annual performance plans that clearly specify goals, objectives, and measures for their programs. The Office of Management and Budget (OMB) has issued guidance saying that for crosscutting issues, agencies should describe efforts to coordinate so that goals are consistent and program efforts are mutually reinforcing. When we looked at the plans of Education and ACF, we found that the plans are not, however, living up to their potential as expected from the Results Act. More specifically, while the fiscal year 1999 and 2000 plans to some extent addressed coordination, the departments have not yet described in detail how they will coordinate their efforts. Therefore, the potential for addressing fragmentation and duplication has not been realized, and we cannot assess whether the agencies are effectively working together on crosscutting issues.

Background

Early childhood is a key period of development in a child's life and an emphasized age group for which services are likely to have long-term benefits. Recent research has underscored the need to focus on this period to improve children's intellectual development, language development, and school readiness.³

Early childhood programs serve children from infancy through age 5.⁴ The range of services includes education and child development, child care, referral for health care or social services, and speech or hearing assessment as well as many other kinds of services or activities.

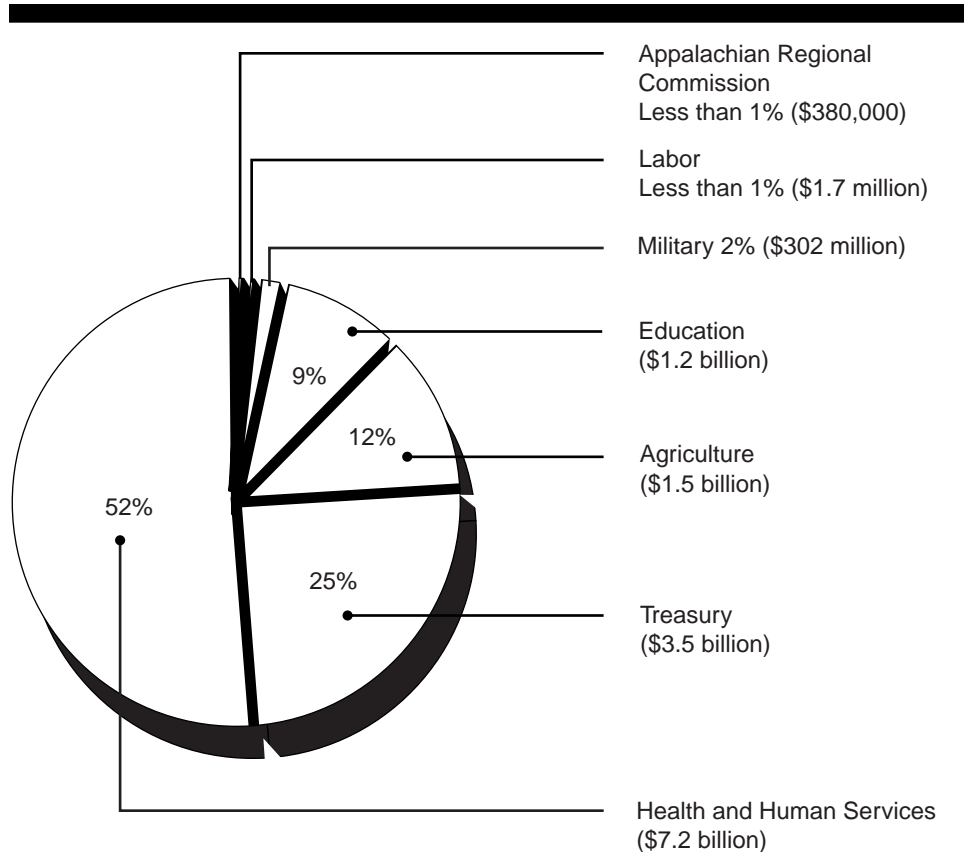
Education and ACF administer about 60 percent of the federal early childhood program funds. The biggest early childhood programs in fiscal year 1997 for these departments were Head Start (approximately

³"Brain Research Has Implications for Education" in the Education Commission of the States' State Education Leader, Vol. 15, No. 1 (Winter 1997).

⁴At least half of the child care for infants and toddlers of working mothers is done through providers caring for children other than their own rather than through organized facilities such as a child care center. When we talk about early childhood programs, we are discussing only these organized facilities.

\$4 billion), administered by HHS, and Special Education programs (approximately \$1 billion), administered by Education. Head Start provides education and developmental services to young children, and the Special Education-Preschool Grants and Infants and Families program provides preschool education and services to young children with disabilities. Although these programs target different populations, use different eligibility criteria, and provide a different mix of services to children and families, there are many similarities in the services they provide. Figure 1 illustrates the federal agencies responsible for federal early childhood funding.

Figure 1: Early Childhood Funding by Federal Agency, 1997



Note: The Department of the Treasury portion consists of the Child and Dependent Care Tax Credit and the Exclusion of Employer Provided Child Care. These represent estimates of revenue loss prepared by Treasury based upon tax law enacted as of December 31, 1996. The Department of Agriculture portion is the Child and Adult Food Care Program.

Early childhood programs were included in the list of more than 30 programs our governmentwide performance and accountability report cited to illustrate the problem of fragmentation and program overlap.⁵ Virtually all the results that the government strives to achieve require the concerted and coordinated efforts of two or more agencies. However, mission fragmentation and program overlap are widespread, and programs are not always well coordinated. This wastes scarce funds, frustrates taxpayers, and limits overall program effectiveness.

The Results Act Helps the Congress and Agencies Oversee Programs and Address Crosscutting Issues

The Results Act is intended to improve the management of federal programs by shifting the focus of decision-making and accountability from the number of grants and inspection made to the results of federal programs. The act requires executive agencies, in consultation with the Congress and other stakeholders, to prepare strategic plans that include mission statements and goals. Each strategic plan covers a period of at least 5 years forward from the fiscal year in which the plan is submitted. It must include the following six key elements:

- a comprehensive mission statement covering the major functions and operations of the agency,
- a description of general goals and objectives for the major functions and operations of the agency,
- a discussion of how these goals and objectives will be achieved and the resources that will be needed,
- a description of the relationship between performance goals in the annual performance plan and general goals and objectives in the strategic plan,
- a discussion of key factors external to the agency that could affect significantly the achievement of the general goals and objectives, and
- a description of program evaluations used to develop the plan and a schedule for future evaluations.

Agencies must also prepare annual performance plans that establish the connections between the long-term strategic goals outlined in the strategic plans and the day-to-day activities of program managers and staff. While the Results Act does not require a specific format for the annual performance plans, it requires a plan to

- identify annual goals and measures covering each of its program activities,
- discuss the strategies and resources needed to achieve annual goals, and

⁵Government Management: Addressing High Risks and Improving Performance and Accountability (GAO/T-OCG-99-23, Feb. 10, 1999).

- describe the means the agency will use to verify and validate its performance data.

The act also requires that each agency report annually on the extent to which it is meeting its annual performance goals and the actions needed to achieve or modify goals that have not been met. The first report, due by March 31, 2000, will describe the agencies' fiscal year 1999 performance.

The Results Act provides a valuable tool to address mission fragmentation and program overlap. The act's emphasis on results implies that federal programs contributing to the same or similar outcomes are expected to be closely coordinated, consolidated, or streamlined, as appropriate, to ensure that goals are consistent and that program efforts are mutually reinforcing.⁶ As noted in OMB guidance and in our recent reports on the act, agencies should identify multiple programs within or outside the agency that contribute to the same or similar goals and describe their efforts to coordinate. Just as importantly, the Results Act's requirement that agencies define their mission and desired outcomes, measure performance, and use performance information provides multiple opportunities for the Congress to intervene in ways that could address mission fragmentation.

- As missions and desired outcomes are determined, instances of fragmentation and overlap can be identified and appropriate responses can be defined. For example, by emphasizing the intended outcomes of related federal programs, the plans might allow identification of legislative changes needed to clarify congressional intent and expectations or to address changing conditions.
- As performance measures are developed, the extent to which agency goals are complementary and the need for common performance measures to allow for crossagency evaluations can be considered. For example, common measures of outcomes from job training programs could permit comparisons of programs' results and the tools used to achieve those results.
- As continued budget pressures prompt decisionmakers to weigh trade-offs inherent in resource allocation and restructuring decisions, the Results Act can provide the framework to integrate and compare the performance of related programs to better inform choices among competing budgetary claims.

⁶Managing for Results: Using the Results Act to Address Mission Fragmentation and Program Overlap (GAO/AIMD-97-146, Aug. 29, 1997).

The outcome of using the Results Act in these ways might be consolidation that would reduce the number of multiple programs, but it might also be a streamlining of program delivery or improved coordination among existing programs. Where multiple programs remain, coordination and streamlining would be especially important. Multiple programs might be appropriate because a certain amount of redundancy in providing services and targeting recipients is understandable and can be beneficial if it occurs by design as part of a management strategy. Such a strategy might be chosen, for example, because it fosters competition, provides better service delivery to customer groups, or provides emergency backup.

Two Agencies' Plans Address Early Childhood Programs but Lack Important Detail on Coordination

Education and HHS's ACF—the two agencies that are responsible for the majority of early childhood program funds—addressed early childhood programs in their strategic and 1999 performance plans. Although both agencies' plans generally addressed the required elements for strategic and performance plans, Education's plans provided more detailed information about performance measures and coordination strategies. The agencies in their 2000 plans similarly addressed the required elements for performance plans. However, strategies and activities that relate to coordination were not well defined. Although agencies state that some coordination occurs, they have not yet fully described how they will coordinate their efforts. The Education plan provided a more detailed description of coordination strategies and activities for early childhood programs than the ACF plan, including some performance measures that may cut across programs. The ACF plan described in general terms the agency's plans to coordinate with external and internal programs dealing with early childhood goals. Yet the information presented in the plans did not provide the level of detail, definition, and identification of complementary measures that would facilitate comparisons of early childhood programs.

Department of Education's Plans

Education's strategic plan for 1998-2002 highlighted early childhood programs as a major area of departmental concern. In establishing the importance of early childhood education, the strategic plan said that

- the extent of early learning opportunities for children has consequences for long-term success;

- research on early brain development reveals that if some learning experiences are not introduced to children at an early age, the children will find learning more difficult later;
- children who enter school ready to learn are more likely to achieve high standards than children who are inadequately prepared; and
- high-quality preschool and child care are integral in preparing children adequately for school.

Early childhood issues were discussed in the plan’s goal to “build a solid foundation for learning for all children” and in one objective and two performance indicators (see table 1).

Table 1: Department of Education’s Strategic Plan Framework for Early Childhood Programs

Goal	Objective and performance indicators
Build a solid foundation for learning for all children.	<p>All children enter school ready to learn.</p> <p>—The disparity in preschool participation rates between children of high-income families and children of low-income families will become increasingly smaller.</p> <p>—The percentage of 3-to-5-year-olds whose parents read to them or tell them stories regularly will continuously increase</p>

The 1999 performance plan, Education’s first performance plan, followed from the strategic plan. It clearly identified programs contributing to Education’s early childhood objective and set individual performance goals for each of its programs. Paralleling the strategic plan, the performance plan specified the core strategies Education intended to use to achieve its early childhood goal and objective. Among these were interagency coordination, particularly with HHS’s Head Start program. According to Education’s strategic plan, this coordination was intended to ensure that children’s needs are met and that the burden on families and schools working with multiple providers is reduced. The performance plan also said that Education would work with HHS and other organizations to incorporate some common indicators of young children’s school readiness into their programs. It would also work with HHS more closely to align indicators of progress and quality between HHS’s Head Start program and its Even Start Family Literacy program—which has as part of its goal the integration of early childhood education, adult literacy or adult basic education, and parenting education.

In our examination of Education’s 1999 performance plan, we reported that one of the plan’s strengths was its recognition that coordination with

other federal agencies enables it to better serve program participants and reduce inefficiencies in service delivery.⁷ We said that although this first plan included a great deal of valuable information, it did not provide sufficient details, such as

- a more complete picture of intended performance across the department,
- a fuller portrayal of how its strategies and resources would help achieve the plan's performance goals, and
- better identification of significant data limitations and their implications for assessing the achievement of performance goals.

These observations apply to the early childhood programs as well. Without this additional detail, policymakers are limited in their ability to make decisions about programs and resource allocation within the department and across agencies. Education's 2000 performance plan continues to demonstrate the department's commitment to the coordination of its early childhood programs. Like the 1999 performance plan, the sections on early childhood programs clearly identified programs contributing to its childhood program objectives. It also contained new material highlighting the importance of the coordination of early childhood programs as a crosscutting issue, particularly with HHS. To facilitate collaboration, the department added a strategy to work with the states to encourage interagency agreements at the state level. It also added using the Federal Interagency Coordinating Council to coordinate strategies for children with disabilities and their families. At the same time, the department still needs to better define its objectives and performance measures for crosscutting issues. Unless the purpose of coordination activities is clearly defined and results in measurable outcomes, it will be difficult to make progress in the coordination of programs across agencies.

ACF's Plan

In its revised 1999 performance plan, ACF recognized the importance of investment in sound growth and development for children, particularly those in low-income families.⁸ It said that programs such as Early Head Start, Head Start, and quality child care programs are essential to good health, early development, and school readiness. The ACF plan reflected early childhood programs in two strategic goals—"increase economic independence and productivity for families" and "improve healthy

⁷The Results Act: Observations on the Department of Education's Fiscal Year 1999 Annual Performance Plan ([GAO/HEHS-98-172R](#), June 8, 1998).

⁸ACF has its own performance plan, which is referred to in the HHS performance plan.

development, safety, and well-being of children and youth”—and three objectives (see table 2).

Table 2: ACF Framework for Early Childhood Programs

Goal	Objectives and selected performance indicators
Increase economic independence and productivity for families.	<p>Increase affordable child care. —Increase the number of children receiving subsidized child care from the 1997 baseline average of 1.25 million served per month.</p>
Improve healthy development, safety, and well-being of children and youth.	<p>Increase the quality of child care to promote childhood development. —Children demonstrate emergent literacy, numeracy, and language skills. —Children demonstrate improved general cognitive skills. —Children demonstrate improved gross and fine motor skills.</p>
	<p>Improve the health status of children. —Increase from 75% to 81% the percentage of Head Start children who receive necessary treatment for emotional or behavioral problems after being identified as needing such treatment.</p>

The ACF plan, however, did not always give a clear picture of intended performance of its programs and often failed to identify the strategies the agency would use to achieve its performance goals. ACF programs that contribute to each early childhood objective were identified, and several of these programs had individual performance goals. However, without a clear picture of intended program goals and performance measures for crosscutting early childhood programs, it will be difficult to compare programs across agencies and assess the federal government’s overall efficacy in fostering early childhood development.

In our preliminary review of ACF’s plan for fiscal year 2000, we found some mention of the need to encourage collaboration in addressing ACF’s crosscutting program goals. The plan also acknowledged and discussed the key roles of states and localities in administering ACF’s programs and achieving performance goals. However, internal and external coordination issues as they relate to early childhood programs were not fully addressed. ACF’s discussion of coordination, consultation, and partnerships primarily remained a general description of what has happened in the past. For example, the plan stated as one of its strategic objectives to “increase the quality of childcare to promote childhood development.” To support this objective, ACF identified the need to coordinate with the Department of Education concerning the Head Start program along with other internal

and external stakeholders in this area. However, it did not define how this coordination will be accomplished or the means by which the crosscutting results will be measured.

Agency officials are able to describe numerous activities that demonstrate collaboration within the agency and with Education. The absence of that discussion in the plan, however, limits the value the Results Act could have to both improving agency management and assisting the Congress in its oversight role.

Progress in coordinating crosscutting programs is still in its infancy, although agencies are recognizing its importance. Agency performance plans provide the building blocks for recognizing crosscutting efforts. Because of the iterative nature of performance-based management, however, more than one cycle of performance plans will probably be required in the difficult process of resolving program fragmentation and overlap.

Mr. Chairman, this concludes my prepared statement. We would be happy to answer any questions that you or Members of the Subcommittee may have.

Related GAO Products

Government Management: Addressing High Risks and Improving Performance and Accountability ([GAO/T-OCG-99-23](#), Feb. 10, 1999).

Head Start: Challenges Faced in Demonstrating Program Results and Responding to Societal Changes ([GAO/T-HEHS-98-183](#), June 9, 1998).

The Results Act: Observations on the Department of Education's Fiscal Year 1999 Annual Performance Plan ([GAO/HEHS-98-172R](#), June 8, 1998).

The Results Act: An Evaluator's Guide to Assessing Agency Annual Performance Plans ([GAO/GGD-10.1.20](#), Apr. 1, 1998).

Managing for Results: Observations on Agencies' Strategic Plans ([GAO/T-GGD-98-66](#), Feb. 12, 1998).

Managing for Results: Agencies' Annual Performance Plans Can Help Address Strategic Planning Challenges ([GAO/GGD-98-44](#), Jan. 30, 1998).

Child Care: Federal Funding for Fiscal Year 1997 ([GAO/HEHS-98-70R](#), Jan. 23, 1998).

Federal Education Funding: Multiple Programs and Lack of Data Raise Efficiency and Effectiveness Concerns ([GAO/T-HEHS-98-46](#), Nov. 6, 1997).

At-Risk and Delinquent Youth: Multiple Programs Lack Coordinated Federal Effort ([GAO/T-HEHS-98-38](#), Nov. 5, 1997).

Managing for Results: Using the Results Act to Address Mission Fragmentation and Program Overlap ([GAO/AIMD-97-146](#), Aug. 29, 1997).

The Results Act: Observations on the Department of Education's June 1997 Draft Strategic Plan ([GAO/HEHS-97-176R](#), July 18, 1997).

The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven ([GAO/GGD-97-109](#), June 2, 1997).

Early Childhood Programs: Multiple Programs and Overlapping Target Groups ([GAO/HEHS-95-4FS](#), Oct. 31, 1994).

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