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Statement of the Honorable Clay Johnson III  
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before the

Subcommittee on Oversight of Government Management,  
the Federal Workforce, and the District of Columbia

of the

Senate Committee on Governmental Affairs

May 6, 2004

Thank you for asking me to testify before you this morning. I applaud this Subcommittee's focus on the results the Federal Government's agencies and programs are achieving on behalf of the American people.

The Federal Government is results oriented. Our citizens expect it of us. So we ask ourselves if we're accomplishing the desired result, at an acceptable cost, and if the answer is "no" to either question, we figure out what to do about it.

We hold our managers accountable for program costs and results. We make sure they have timely and accurate performance and financial information with which to make sound decisions, and the people, skills and systems to execute those decisions and programs well. And where we don't yet, we have plans to do so. This sounds pretty basic, but it entails departments:

- Getting unqualified audit opinions, several agencies for the first time, ever;
- Closing their financial books within 45 days of year-end, unheard of for the Federal Government several years ago;
- Evaluating the performance and cost of all federal programs, in a consistent manner, which has never been done before;
- Eliminating improper payments, which are estimated to be at least \$35+ billion per year;

- Determining the most competitive, fiscally responsible way to accomplish their commercial activities;
- Investing in and developing non-duplicative information technologies that significantly improve our ability to accomplish our goals;
- Hiring/training managers to manage for performance, clarify expectations, set appropriate goals, provide constructive feedback and motivate; and
- Working with other departments to provide our citizen, business and government “customers” high levels of service, with the focus on their need for ease of access.

Departments and agencies are making these changes. They are driving the focus on results, one reason being that employees would rather work for an agency that’s really results oriented than for one that’s not.

The Administration is interested in doing everything possible to ensure this focus on results becomes a habit, what the Federal government is all about, and irreversible. Requiring by statute that program performance and cost be systematically assessed would help accomplish this.

By the end of this fiscal year departments will have assessed the performance and cost of 60% of their programs, with plans to evaluate the remaining 40% over the next two years. They ask the same questions about each program; so the answers and “scores” can be compared to each other. We refer to the collection of questions as the Program Assessment Rating Tool, or the PART.

With the help of the assessments done to date, we have identified the need for better performance and cost measures, structural changes, management changes, additional funding, and/or reduced funding. For your reference, I have included with my testimony a table that lists the approximately 400 programs assessed to date by their ratings and the corresponding budget recommendations. From the list, you can see the breadth and diversity of programs examined, and why it is necessary to take a consistent approach to assessing their management and performance. We should be asking basic questions of all of these programs:

- Is their purpose clear and are they well designed to achieve their objectives?
- Do they plan well and set outcome-oriented goals?
- Are they well managed? and
- Do they achieve measurable results?

As you can also see from the list, many programs – 40 percent – are unable to demonstrate their results. There is a need to identify those programs that can't demonstrate their results and then figure out the best way to measure their

performance. Coming up with better ways to measure results is just one of the steps we take to improve the performance of the programs we assess.

The purpose of the assessments is to improve results. The guiding principles we have found most effective in the implementation and use of these assessments are as follow:

- The goal is to have programs produce the desired result at an acceptable cost.
- Nothing happens automatically because a program is rated ineffective or effective, or something in-between. Current program performance and cost should be an integral, but not the only, part of any discussion about program funding, structure and management.
- The difficulty of measuring program performance, or differences of opinion about what a program's goals should be, should not prevent us from developing and using the best measures possible.
- The assessment process should be focused on the facts.

I recommend that these principles be incorporated into any statute calling for the systematic assessment by Congress and the Executive Branch of program performance and cost.

I look forward to working with this Subcommittee and other Members to craft a sensible approach to ensure that a focus on results becomes a habit, what the Federal government is all about, and irreversible.

Thank you.