Performance Management @ EPA

Working to Optimize the System

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Overview of Presentation

- Background/Key Drivers
  - GPRA
  - PART
  - Deputy Administrator
- Current "System"
  - The "Swirl" & "Build-A-Bear"
  - A Look at Measures Review & The QMR
- Lessons Learned/Future Directions
  - Incremental Progress + Additional Work
  - Institutionalize & Harmonize

Key Driver: GPRA (aka Results Act)

Government Performance and Results Act of 1993 provided the foundation.

- Basic Theory: Performance of gov't can be measured & measures are essential to improve gov't effectiveness.
    - Clearly define organizational goals in terms of outcomes
    - Establish metrics & measure performance
    - Improve decision making & accountability for achieving results

- Basic Components:
    - Strategic Plan (minimum 5 year time horizon)
    - Annual Performance Plan (budget) w/measures
    - Performance & Accountability Report

- Website: http://www.whitehouse.gov/omb/mgmt-gpra/gplaw2m.html

Key Driver: PART

Program Assessment Rating Tool (2002): Evaluation tool used by Administration (OMB) to assess and improve program performance.

- <u>Basic Theory</u>: PART review helps identify a program's strengths & weaknesses to inform funding & management decisions.
    - Annual process done in conjunction with Agency budget development
    - Heavy emphasis on measurement (performance & efficiency)

- <u>Basic Structure</u>: Consistent series of analytical questions, which enable programs to show improvement over time & allow for comparison of similar programs.   25 Core Questions in 4 weighted areas:
    - Program Purpose, Design (20%)
    - Strategic Planning (10%)
    - Program Management (20%)
    - Program Results (50%)

- Websites:
    - http://www.whitehouse.gov/omb/part/
    - www.Expectmore.gov

Key Driver: Deputy Administrator

Marcus Peacock, Chief Operating Officer @ EPA w/tremendous interest in performance management and accountability.

- <u>Vision</u>: "A limited set of measures are regularly used to manage programs and make decisions."

- <u>Key Initiatives</u>:
  - State Reporting Burden Reduction
  - Measures Streamlining
  - Quarterly Management Report
  - Regular Senior Management Discussions on EPA Performance

PMA

GPRA   **PART**

**Performance &
Accountability
Report**   **ACS**

                                EPA Strategic Plan

Ann. Perf. Plan   **Senior Mgmt
                                Discussions**

Qrtly Mgt Report

                                **Internal Budget
                                Hearings**

**State Grant
Templates**

                                Org Assessment

Regional Priorities

          **Performance
          Mgmt Tools**

The Swirl

Is there a method to the madness?

EPA's Performance Measures Framework

Measures Review and Streamlining and Burden Reduction

Planning, Budgeting, and Accountability

Report on the Environment (RoE)

Environmental Indicators

Strategic Plan

Goal Objectives

Subobjectives/ Strategic Targets

Annual Planning & Budgeting

APGs, PMs

Annual Commitment Process

Performance and Accountability Report (PAR)

Quarterly Management Report

Organizational Assessment

Informs

Select Regional Priorities

Annual Commitment System & Measures

Regional Priority Measures

State Grants Performance Measures

RoE-Strategic Planning Pilots

OMB's PART
Annual, Efficiency, and Long-Term Measures

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Performance Management Tools (EcoStat)

Measures Review & Streamlining Initiative

Launched by Deputy Administrator in 2006 along with State Reporting Burden Reduction initiative.
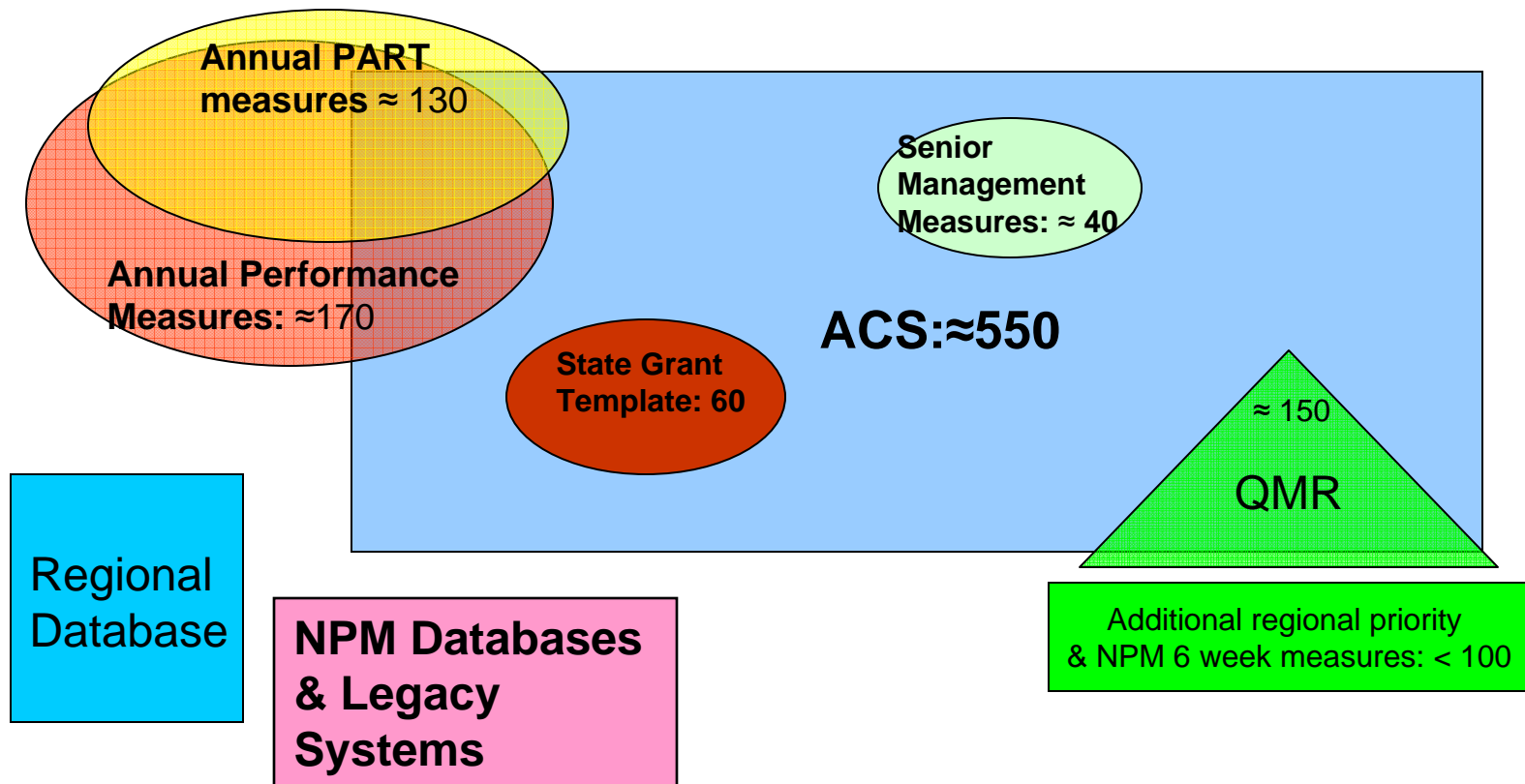
- <u>Purpose:</u> Assess and adjust/streamline performance measures & engage States & Regions in process.

- <u>Year 1 Results</u>:
  - -~15% net reduction in FY 2008 HQ/Reg'l measures
  - -Reductions offset by place-based additions
  - -Better set of measures
  - -Improved transparency
  - -Some burden reduction possible in a few areas
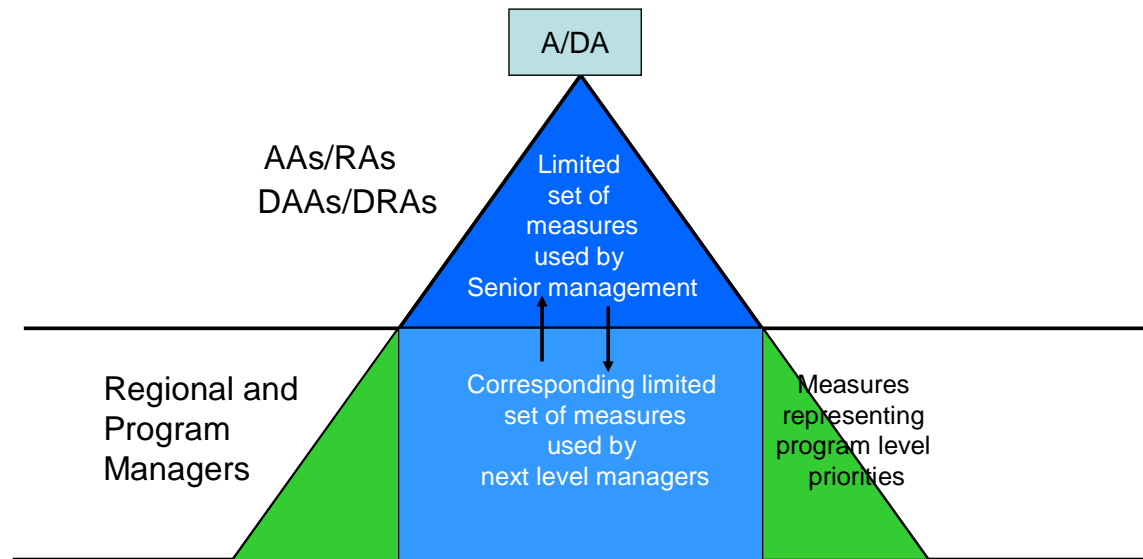
Measures Review & Streamlining Initiative

- Year 1 Lessons Learned:
  -Too much attention paid to gross count of measures
  -Perverse incentives to "delete," but continue to track
  -States unclear on EPA measures framework & process

- Year 2 Approach: "Align & Streamline for '09"
  -Examine broader universe of measures
  -Utilize Agency workgroup of NPMs & Regions
  -Targeted State & Tribal engagement
  -Reduction in measures still possible

Relationship between Measure Sets/Systems
FY 2007 (as of June)

EPA is moving toward "Measures Central": a single repository for Agency performance data

Annual PART measures ≈ 130

Annual Performance Measures: ≈170

Senior Management Measures: ≈ 40

ACS:≈550

State Grant Template: 60

≈ 150

QMR

Regional Database

NPM Databases & Legacy Systems

Additional regional priority & NPM 6 week measures: < 100

A Different Way of Looking at the Universe of Measures

A/DA

AAs/RAs
DAAs/DRAs

Limited set of measures used by Senior management

Regional and Program Managers

Corresponding limited set of measures used by next level managers

Measures representing program level priorities

All of these measures will be housed in a central repository (BAS/ACS)

Quarterly Management Report

A performance mgmt tool w/fresh & frequent data used to help monitor and improve results.

- Efforts Underway to Institutionalize & Improve QMR:
    - Moving QMR data collection to EPA's "Measures Central"
    - Developing formal Change Control process
    - Adding context & improving presentation
    - Aligning data collection periods
    - Accelerating document development & production
    - Gathering requirements for mgmt dashboard

- Website: http://epa.gov/ocfo/qmr/

Lessons Learned

- Organizational culture change is difficult & progress is incremental.
- Measuring the right things isn't always easy or cost effective.
- Need to balance # of measures w/burden on Agency & State & Tribal partners.
- Leadership is key—the person at the top largely determines success.
- External factors (e.g., OMB, Congress, less $) can be great motivators.
- Working w/partners & stakeholders <u>early</u> is critical.
- Linking budget w/Strategic Plan presented challenges.
- Transparency & Accountability have increased.
- Awareness has greatly increased @ EPA & w/State & Tribal partners.

Future Directions

More work to be done to:

- Better link cost and performance.
- Find the right measures, which are cost-effective.
- Institutionalize EPA's performance management system.
- Harmonize and streamline "The Swirl"/system.
- Make performance info more accessible to managers (e.g., dashboard application).
- Continue to improve transparency.
- Effectively engage w/partners & stakeholders.
- Increase dialogue w/external parties on the issue of EPA's effectiveness and efficiency.

Contact Info + Add'l EPA Websites

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Additional Websites
- Nat'l Program Manager Guidance to EPA Regions (w/measures)

  http://www.epa.gov/ocfo/npmguidance/
- State Reporting Burden Reduction

  http://www.epa.gov/ocir/nepps/burden.htm
- Performance and Accountability Report

  http://epa.gov/ocfo/finstatement/apr.htm
- 2006-2011 Strategic Plan

  http://epa.gov/ocfo/plan/plan.htm