



# U.S. ARMY COMBAT CAPABILITIES DEVELOPMENT COMMAND – CHEMICAL BIOLOGICAL CENTER

## Overview of US Public-Sector Performance Measurement: 100 Years of Policy, Practice, & Progress

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## INTRODUCTION



### Dipping my toe into the waters:

#### **Head coach of middle school track and cross country teams (Kentucky, 2008-2009)**

- What team and individual outcomes did I hope to achieve?
- What behavior did I want to promote to achieve these outcomes?
- What metrics would promote those behaviors?
- Was data available, reliable, and easily compiled?
- What are the risks associated with using the system?

### Track & Field: Most valuable player (MVP) points system

Athletes were allowed to participate in up to 5 events per meet. Scores were aggregated over the course of the season.

Finding a way to contribute: 1 to 5 points for being in the top 5 for our team

Improvement: 1 point for a personal best

Excellence: any points (1 to 10) that you scored in the event

### Cross Country: “Thoroughbred Club”

T-shirt and end-of-season recognition for those who achieved age-specific race times.

Top 50% in state finals race: official race times (compared to goal)

### Ten years later...

- Leading Lean Six Sigma in an Army research and development (R&D) laboratory
- Doctoral student at New England College of Business

***Generating and using meaningful performance information to guide managerial decision-making is difficult for any organization and seems particularly challenging in the public sector.***

***Where are we, how did we get here, and what's ahead?***



# FEDERAL LEGISLATION & EXECUTIVE INITIATIVES



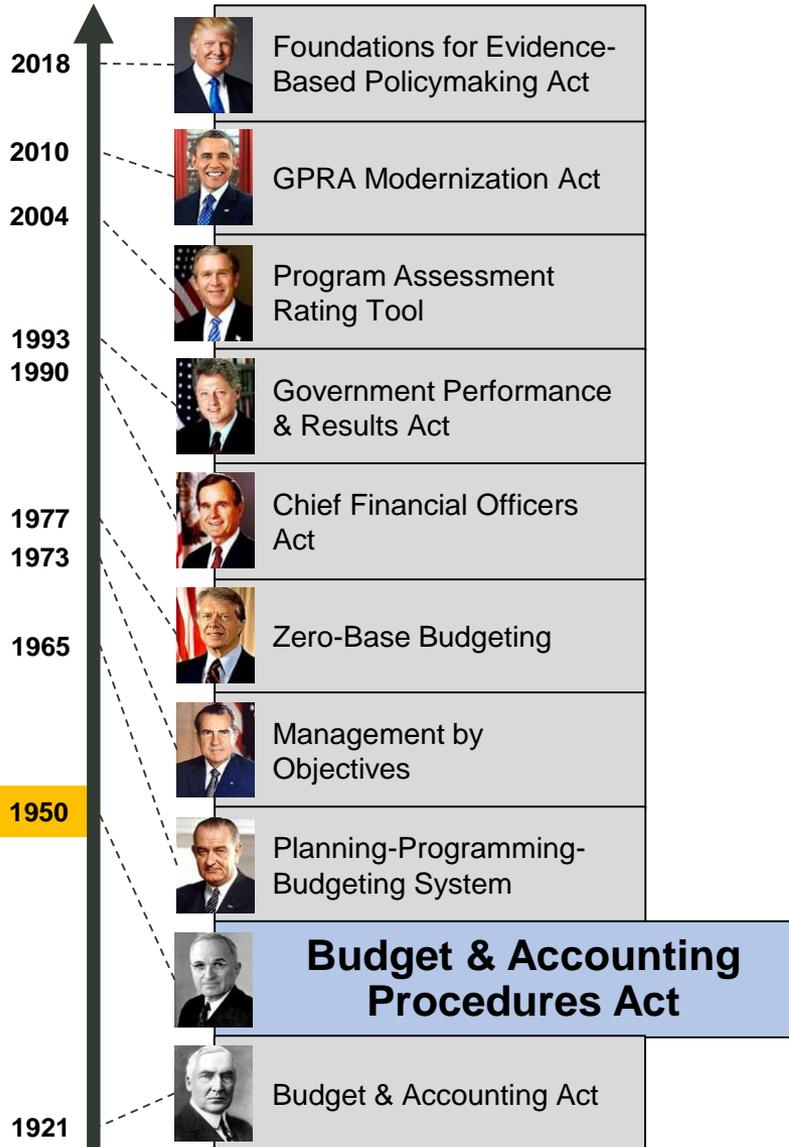
- **Objectives:**
  - Centralize budgeting to increase transparency and control in wake of increased spending post-World War 1.
- **Strengths:**
  - Aggregation: all agencies' budgets in a single, comprehensive request.
- **Weaknesses:**
  - Budget reporting was inconsistent and often focused on inputs (e.g., lists of civilian positions).
- **Legacy:**
  - Institute for Government Research (1922): The Act "installs the President into the new position of general manager of the government as a business organization."
  - Created what is now called the Office of Management and Budget.
  - Created the Government Accountability Office.
  - Calendar-driven annual budget submission.

For more information:

- GAO Report No. GAO/AIMD-97-46.
- Martin, E. (n.d.) Why all these rules? A history of budget and accounting.
- OMB Circular A-11 (2018).
- Tarbert, J. (2019).



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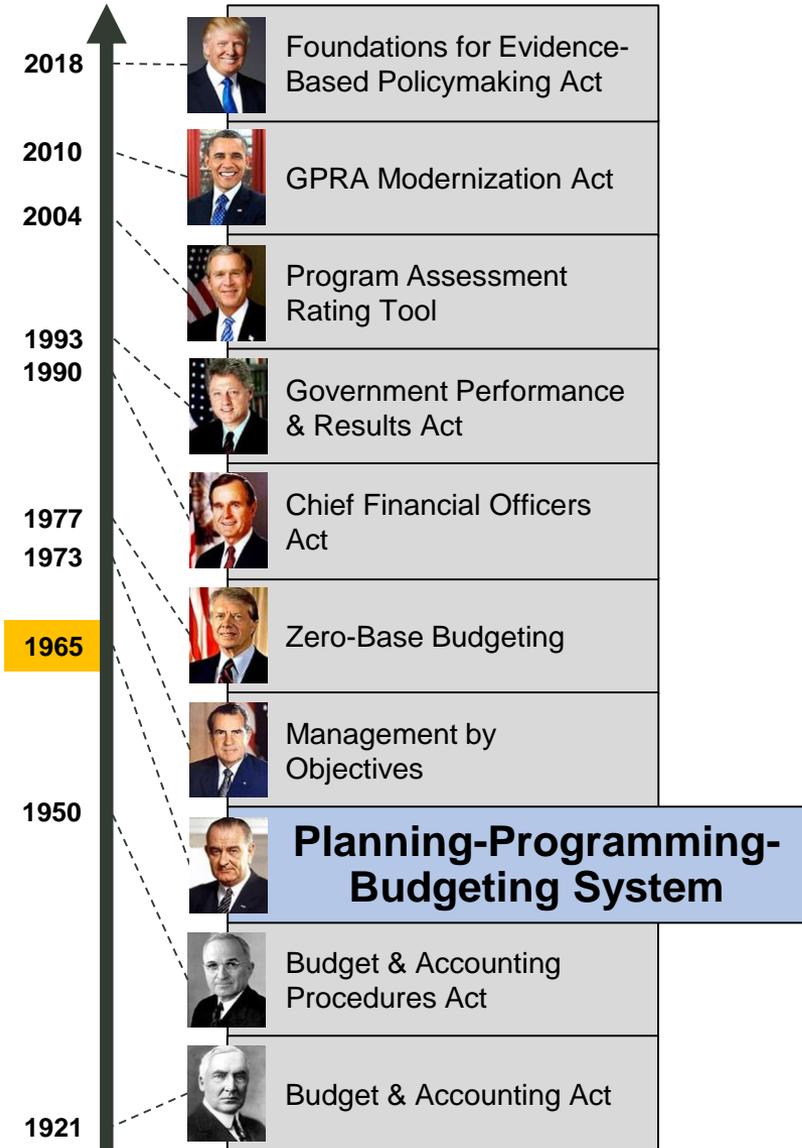
- Objectives:
  - Establishment of 2<sup>nd</sup> Hoover Commission in wake of increased spending post-World War 2: “Should the Government be performing this activity or service, and if so to what extent?”
- Strengths:
  - Required President’s budget to include costs by activity.
- Weaknesses:
  - Confusion regarding how to consistently define agency and program activities.
  - Did not require consideration of outcomes or results, although it did increase reporting of outputs.
  - Assumed that stronger ‘performance-budgeting’ language wasn’t needed due to Presidential actions already happening.
- Legacy:
  - Sub-account level details: *Obligations by activities* is what we now call *program activities*.

For more information:

- Schones, T. (2004).
- GAO Report No. GAOAIMD-97-46.



# FEDERAL LEGISLATION & EXECUTIVE INITIATIVES



Planning: requirements  
 Programming: activities several years out  
 Budgeting: annual funding

- Objectives:
  - Achieve superior government results at lower costs by goal-setting and analyzing program costs / benefits.
- Strengths:
  - Linked goals and output-oriented measures.
  - PPBS reports were synchronized with annual budget submission.
- Weaknesses:
  - Hurried implementation (<6 months), whereas DoD required >10 years to develop their system.
  - Absence of needed information systems.
  - Difficulties with measures, analysis, and use in decision-making.
  - Increased reporting burden: separate from annual budget submissions.
- Legacy:
  - Resulted in standard interest rates and discounting procedures.
  - DoD continues their use; all others discontinued use in 1971.

For more information:

- GAO Report No. GAO/AIMD-97-46.



# FEDERAL LEGISLATION & EXECUTIVE INITIATIVES



## Management by Objectives

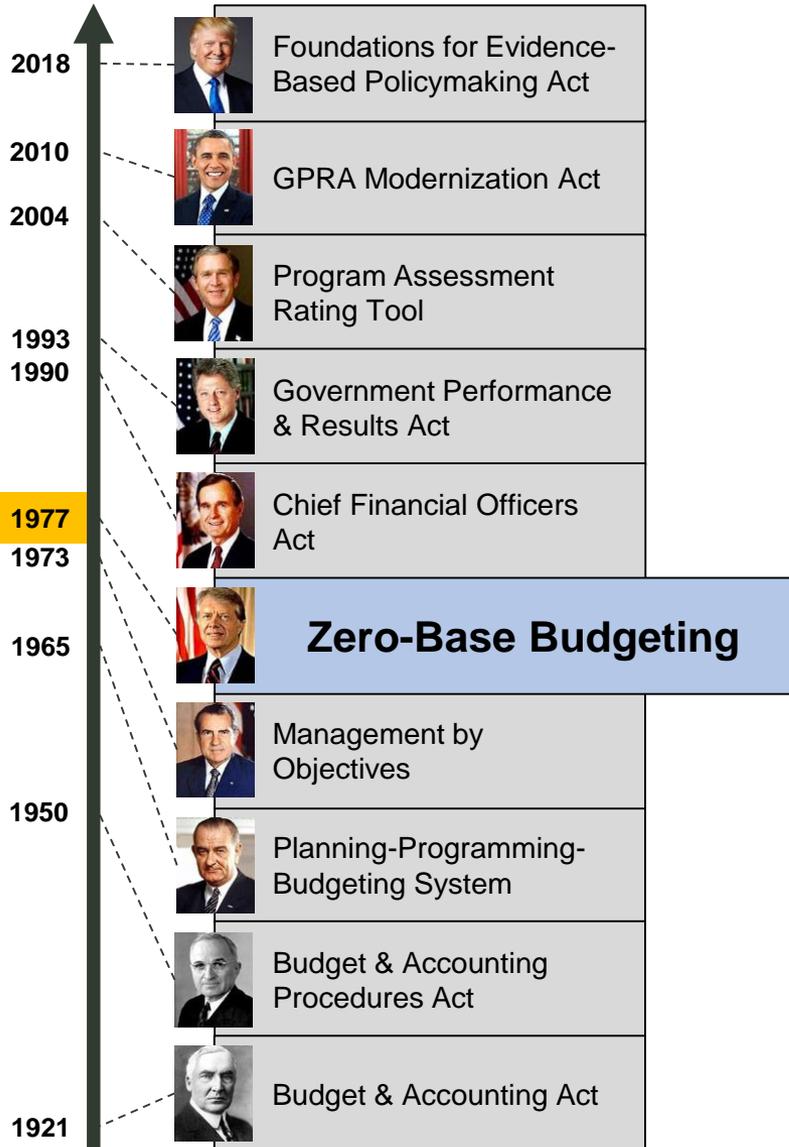
- Objectives:
  - In response to Heineman Task Force's critique that government was unable to ensure coordination and effectiveness of Johnson's new Great Society programs: Manage for results via centralized goal-setting and decentralized plan formulation.
- Strengths:
  - Focused on accountability (measurement & evaluation).
  - Sought to minimize reporting burden.
- Weaknesses:
  - 1-year goals often incompatible with outcomes that are slow and difficult to measure and control.
- Legacy:
  - Canceled shortly after Pres. Nixon's resignation.

For more information:

- GAO Report No. GAO/AIMD-97-46.
- Radin & Hawley. (1988).



# FEDERAL LEGISLATION & EXECUTIVE INITIATIVES



## Zero-Base Budgeting

- Objectives:
  - In response to unprecedented budget deficits, Pres. Carter promised to balance the budget by scrutinizing every dollar spent and examining trade-offs between results and budget.
- Strengths:
  - Sought to balance competing needs of programs and agencies, given limited resources.
  - Allowed use of indirect / proxy measures.
- Weaknesses:
  - Heavy reporting burden
- Legacy:
  - Rescinded shortly after Pres. Carter left office.

For more information:

- GAO Report No. GAO/AIMD-97-46.



# FEDERAL LEGISLATION & EXECUTIVE INITIATIVES



## Chief Financial Officers Act:

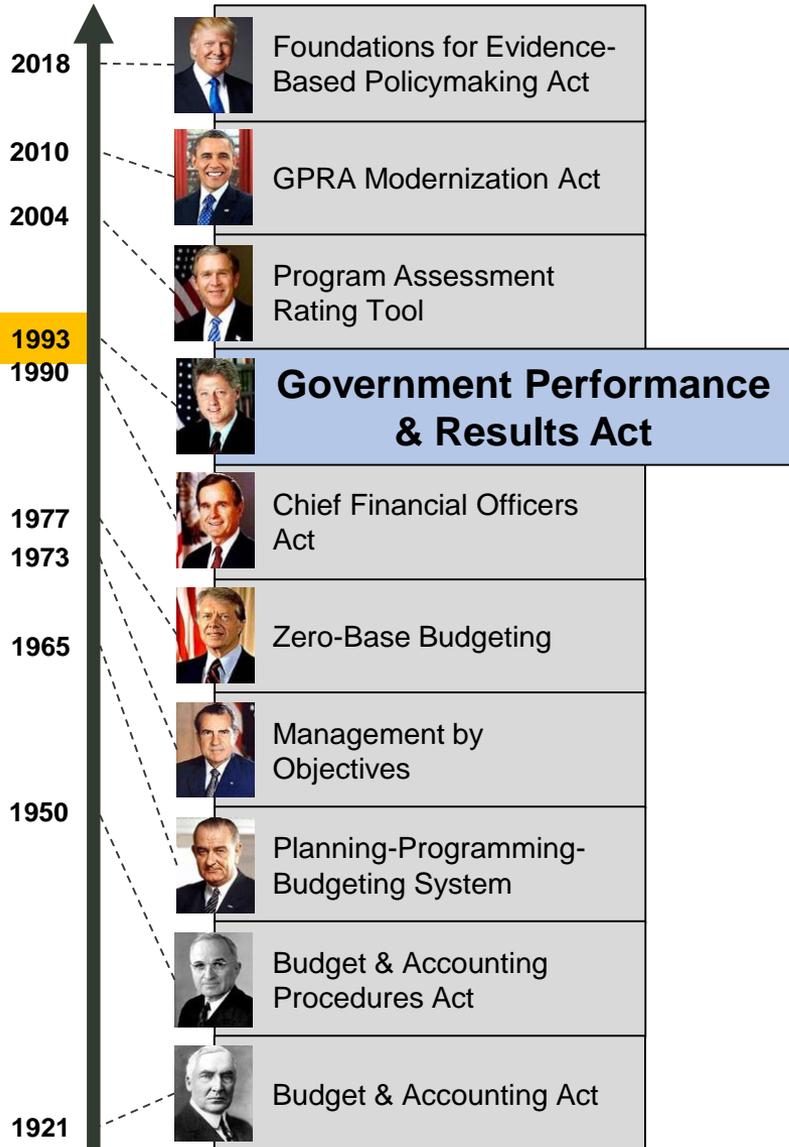
- Objectives:
  - Combat widespread fraud, waste, abuse, and mismanagement at federal level.
  - Respond at the federal level to successes demonstrated at the state level.
- Strengths:
  - Increased quality of financial data.
  - Linked reporting of agency finances and performance.
- Weaknesses:
  - Slow development and integration of financial systems.
  - Enduring problems with auditability.
- Legacy:
  - Jeffrey C. Steinhoff (GAO, to Congress): “If I were to summarize in just a few words the environment in 2005 as compared to 1990, financial management has gone from the backroom to the boardroom.”
  - Catalyst and foundation for the modern era of general and performance management of federal agencies.
  - Established generally accepted accounting standards for federal entities.

For more information:

- GAO Report GAO/AFMD-12.19.4
- GAO Report GAO-06-242T
- GAO Report GAO-18-316R



# FEDERAL LEGISLATION & EXECUTIVE INITIATIVES



## Government Performance & Results Act (GPRA)

- Objectives:
  - PL 103-62: “To provide for the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes.”
  - Combat waste/inefficiency; enable federal managers (goals & performance information); enable Congressional policymaking (performance and results)
- Strengths:
  - Seven-year lead-up to implementation with numerous pilot studies across federal government
  - Increased generation of performance information: output, efficiency, customer service, quality, outcome
- Weaknesses:
  - Failed to increase use in decisions.
  - 5-year plans mismatched with presidential cycles.
- Legacy:
  - Reflections on 1993-2003: “There is no parallel period of such fundamental, comprehensive, and concentrated administrative reform in American history” (Rosenbloom & Piotrowski, 2007).

For more information:

- GAO-04-38.
- Moynihan (2013).
- Piotrowski & Rosenbloom (2007)
- Schones, T. (2004).



# FEDERAL LEGISLATION & EXECUTIVE INITIATIVES



## Program Assessment Rating Tool:

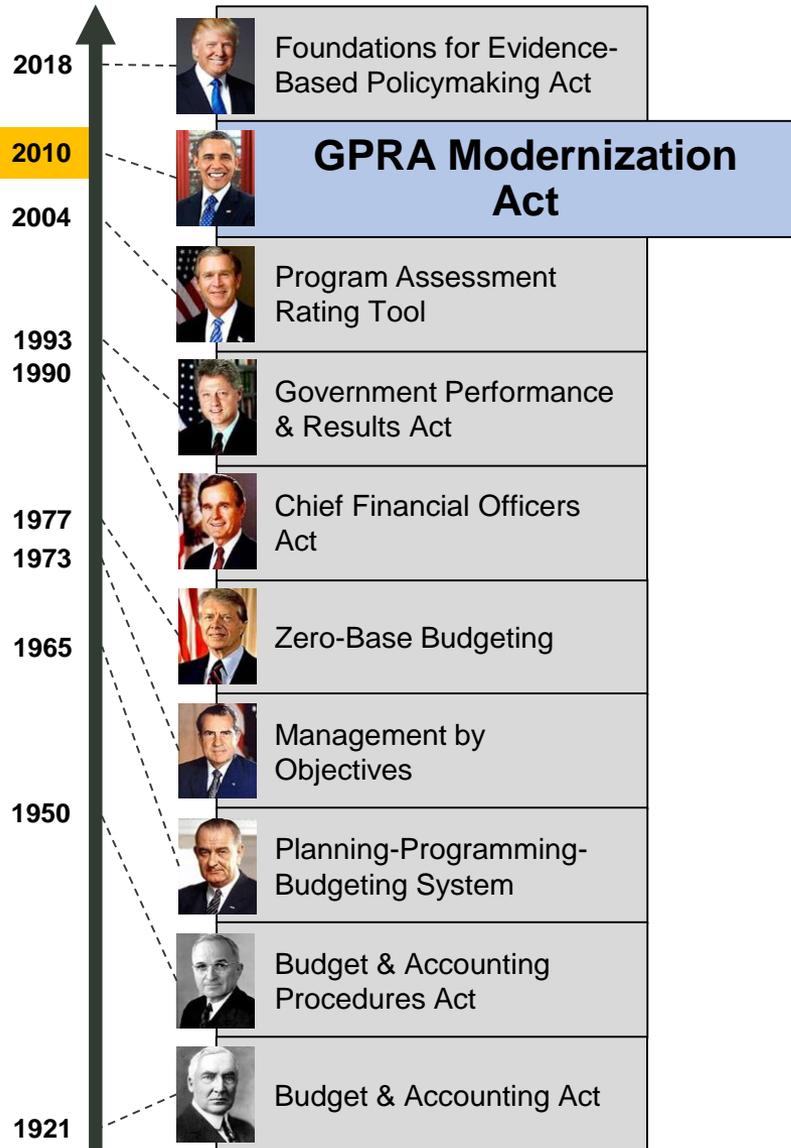
- Objectives:
  - Increase performance information use.
  - Explicit integration of performance and budgeting.
- Strengths:
  - Custom rating systems for different program types.
- Weaknesses:
  - Resulted in passive compliance with reporting requirements.
  - May have influenced the President's budget, but not Congress' appropriations or managers' execution of the budget.
- Legacy:
  - Terminated after Pres. Bush left office; largely ignored by Congress.
  - Published all scores online, enabling research.

For more information:

- Moynihan (2013).
- Moynihan (2013b).



# FEDERAL LEGISLATION & EXECUTIVE INITIATIVES



## GPRM Modernization Act

- Objectives:
  - Increase performance information use.
- Strengths:
  - Aligned planning with presidential cycles.
  - Required prioritization of short-term goals and long-term objectives.
  - Focused on eliminating unneeded reporting requirements.
- Weaknesses:
  - Evidence that processes can improve use, but use of the processes is sporadic.
- Legacy:
  - Institutionalized roles (COO, PIO) and processes.
  - Reporting via performance.gov.

For more information:

- GAO Report No. GAO-17-775.
- Moynihan (2013).



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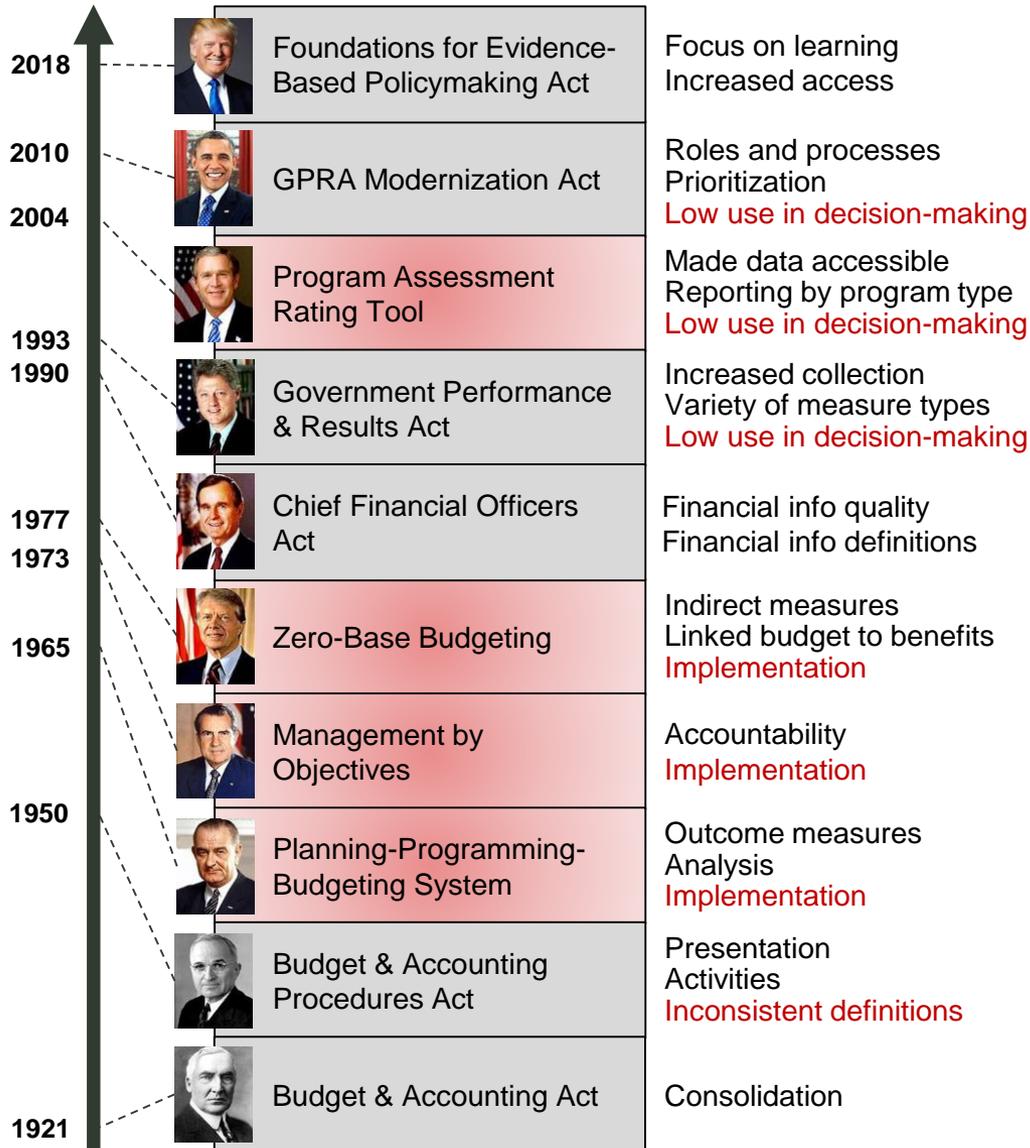
- Objectives:
  - Strengthen privacy, increase data access for research, and enhance evidence-building capacity
- Strengths:
  - Institutionalizes roles: agency chief data officers and councils, chief evaluation officers
  - Requires agency learning agendas (continued shift from accountability to decision-making)
- Weaknesses:
  - Plans and access to data  $\neq$  use of data.
- Legacy:
  - It's up to us!

For more information:

- Hart & Shaw, (2018).



# PAST, PRESENT, & FUTURE



## Shifts:

- More information → Right information
- Inputs → Outputs/outcomes
- One-size-fits-all → Customization
- Planning → Results
- Collection → Use
- Accountability → Decision-making
- Budgeting → Learning
- Control of data → Sharing
- Short-term → Patience

## Future of Measurement:

- Context-specific interplay between metric selection, use, misuse, benefits, and risks
- Increased use of data analytics to enable managerial decision-making.
- Focusing on measurement system design and use at the front lines (bottom-up approach).
- Using performance measures primarily as a tool for learning to drive improvement



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