

# CRS Report for Congress

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## Government Performance and Results Act: Brief History and Implementation Activities

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### Summary

This report discusses implementation of the Government Performance and Results Act (GPRA), P.L. 103-62 (107 Stat. 285). General Accounting Office reports, congressional reviews, and Office of Management and Budget documents indicate that while agencies are making progress in implementing the law, they encounter difficulties when trying to use results-oriented goals, measures, and data. Interest is growing in using results-oriented information in authorizations, oversight, and funding decisions. The Bush Administration identifies budget and performance integration as one of five government-wide initiatives to improve management. S. 837, H.R. 1227, H.R. 3826, and S. 1668/H.R. 3213 would require use of performance measures. This report will not be updated. For updated information see *Federal Program Performance Review: Some Recent Developments*, CRS Report RL32671; *Performance Management and Budgeting in the Federal Government: Brief History and Recent Developments*, CRS Report RL32164; and *A Sunset Commission for the Federal Government*, CRS Report RS22181.

**Background.** The Government Performance and Results Act of 1993, P.L. 103-62, also called “the Results Act,” or GPRA, encourages greater efficiency, effectiveness, and accountability in federal spending, and requires agencies to set goals and to use performance measures for management and, ultimately, for budgeting.<sup>1</sup> To facilitate implementation, Congress phased in the law over seven years. Since 1997 agencies have transmitted long-range strategic plans to the Office of Management and Budget (OMB) and to Congress; these are to be updated every three years. Annual performance plans have been required since preparation of FY1999 budgets. Federal agencies’ performance reports, comparing actual performance to goals, have been submitted annually since 2000 (for FY1999). In statutorily required reports, OMB did not recommend changes to the law, and the General Accounting Office (GAO) reported that agency implementation

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<sup>1</sup> CRS Report 97-70, *Government Performance and Results Act, P.L. 103-62 Implementation Through 1996 and Issues for the 105<sup>th</sup> Congress*, by G. Knezo; CRS Report 97-382, *Government Performance and Results Act: Implications for Congressional Oversight*, by F. Kaiser and V.A. McMurtry (available from authors).

varied in quality, utility, and responsiveness, but that improvements could be made.<sup>2</sup> The policy research community is involved in assessing GPRA. The National Academy of Public Administration's Center for Improving Government Performance produced guidance and *OMBWatch* has a performance website.<sup>3</sup> OMB, GAO, and others have discussed the difficulty of developing performance measures and data. (See below.)

**The "Results Act" in the 105<sup>th</sup> Congress.** (See also CRS Report 97-1028, *Government Performance and Results Act: Implementation and Issues of Possible Concern, 105<sup>th</sup> Congress*, available on request from the author.) The agencies' first five-year strategic plans, which were to be sent to Congress by September 30, 1997 and updated every three years, were to include a mission statement, general goals and objectives, a description of the resources needed to achieve the goals, the relationship between the performance goals and general goals, key factors external to the agency that could significantly affect the achievement of the goals, a description of program evaluations used, and a schedule for future evaluations. A congressional majority leadership report identified problems, including data systems inadequate for evaluating outputs and outcomes, incomplete statements of resources and strategies needed to achieve goals, and insufficient coordination with other agencies. It recommended that committees assess agency goals in relation to policy objectives, specify performance measurement requirements in legislation, and monitor how agencies measure performance.<sup>4</sup> According to GAO, "progress is needed in how agencies...set...a strategic direction, coordinat[e]...crosscutting programs, and ensur[e]...the capacity to gather and use performance and cost data." The chairmen of several House committees sought to have agencies link FY1999 budget requests to goals in strategic plans.<sup>5</sup> The agencies' first annual performance plans were sent to Congress with FY1999 budgets. They were to establish performance goals; describe goals in an objective, quantifiable, and measurable form, in an alternative descriptive form, or to include a statement that it is infeasible to express such goals; describe the resources required to meet goals; establish performance indicators to measure outputs or outcomes; provide a basis for comparing actual program results with performance goals; and describe how measures would be verified and validated. Congressional expectations for performance plans were outlined in a joint House/Senate majority leadership letter to OMB, December 17, 1997. In 1998, the House majority leadership reported that the plans were "disappointing"; agencies did not deal with major management problems, lacked reliable data to verify and validate performance, did not link performance measures to day-to-day activities, and did not coordinate across agencies. Effective implementation, it said, required a "culture change"; congressional oversight and OMB leadership were crucial; committee chairmen

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<sup>2</sup> OMB, *The Government Performance and Results Act, Report to the President and the Congress*, May 1997, 31 pp. and GAO, *The Government Performance and Results Act, 1997 Government-wide Implementation Will Be Uneven*, June 1997, GGD-97-109, 115 pp.

<sup>3</sup> See [<http://www.opm.gov/perform>]; [<http://www.performance.napawash.org>]; and [<http://www.ombwatch.org/gpra>].

<sup>4</sup> *The Results Act: It's the Law, the November 1997 Report*, by House Majority Leader Dick Armey, Sen. Larry Craig, Chairman Dan Burton, Chairman Bob Livingston, and Chairman John Kasich.

<sup>5</sup> GAO, *Managing for Results. Agencies' Annual Performance Plans Can Help Address Strategic Planning Challenges*, GGD-98-44, 1998, and House Science Committee, *Agencies Told to Link Budget Requests to Goals*, Nov. 14, 1997.

recommended corrective action to OMB.<sup>6</sup> H.R. 2883 called for an annual integrated government performance plan and linking of goals to statutory authorities. The House passed the bill, the Administration opposed it, and no action occurred in the Senate. The 105<sup>th</sup> Congress included performance measure provisions in at least 45 public laws (counting separately the nine bills in P.L. 105-277) and in 78 legislative reports.<sup>7</sup>

**The “Results Act” in the 106<sup>th</sup> Congress.** Following congressional evaluation of FY2000 and FY2001 performance plans, in March 1999, the chairmen of the House Government Reform Committee and of the House Appropriations Committee urged agency heads to develop “measurable annual performance targets” for management and to address these issues in appropriations hearings.<sup>8</sup> In May 1999, the chairman of the Senate Committee on Governmental Affairs wrote to Senate Committee, Subcommittee, and House Committee chairmen, transmitting *Agency Performance Plans: Examples of Practices That Can Improve Usefulness to Decision-makers* (GGD/AIMD-99-69), and suggested that “agencies [be] accountable for their proposed ‘results.’ ” GAO’s report, *Managing for Results: Opportunities for Continued Improvements in Agencies’ Performance Plans*, (GGD/AIMD-99-215), found that 60% of 35 FY1999 performance plans did not explain how funding would be allocated to achieve performance goals and recommended that “OMB...clarify the relationship between budgetary resources and results.”<sup>9</sup> In a joint May 1999 letter, the chairmen of the Senate Governmental Affairs Committee and Appropriations Committees asked the heads of 24 major agencies “to...achieve a closer linkage between funding and performance goals...” OMB’s Bulletin, *Integrating the Performance Plan and Budget*, June 6, 2000, instructed agencies to align budget resources, outlay estimates, and performance results for their FY2002 budgets. In July 2000, the Senate Appropriations Committee issued *Special Report on the Government Performance and Results Act of 1993*, S.Rept. 106-347, which addressed the quality of GPRA implementation and its utility to appropriations subcommittees. Testimony at the July 2000 Subcommittee on Government Management, Information and Technology’s hearing on “Seven Years of GPRA, Has the Results Act Provided Results?” addressed using performance-related information in budgeting and appropriations. A March 2000 House Rules Committee hearing examined the impact of GPRA on the legislative process. The agencies’ first performance reports, for FY1999, were to describe results relative to goals and actions an agency would take to achieve unmet goals. Chairman Fred Thompson of the Governmental Affairs Committee reported that most of the reports did not “inform Congress and the public about what agencies are doing and how well they are doing it.”<sup>10</sup> In October 2000, Senator Thompson recommended how

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<sup>6</sup> *Towards a Smaller, Smarter, Common Sense Government: Seeking Honest Information for Better Decisions*, *Agency Performance Plans*, Letter, June 9, 1998.

<sup>7</sup> CRS Report 97-1059, *Government Performance and Results Act: Performance-related Requirements Included in Laws and in Committee Report Language During the 104th Congress*, by G. Knezo and W. Heniff; “Performance Measure Provisions in the 105<sup>th</sup> Congress,” by G. J. Knezo and V. A. McMurtry, Jan. 7, 1999, 49 p. (CRS general distribution memo).

<sup>8</sup> K. Saldarini, “House Chairs: Waste Not, Want Not,” *Government Executive Daily*, Mar. 11, 1999.

<sup>9</sup> *Performance Budgeting: Initial Experiences Under the Results Act in Linking Plans With Budgets*, AIMD/GGD-99-67, p. 3.

<sup>10</sup> *Report of Senator Fred Thompson, Chairman of the Governmental Affairs Committee on Major Management Challenges Facing Federal Departments and Agencies*, Oct. 2000.

the new Presidential administration should use GPRA to improve governance.<sup>11</sup> The Mercatus Center has critiqued performance reports beginning with FY1999 and GAO has assessed individual agency performance plans and reports.<sup>12</sup> P.L. 106-531, the “Reports Consolidation Act of 2000,” permitted agencies to combine annual performance reports with financial reports required under the Chief Financial Officers (CFO) Act, with the due date to coincide with congressional consideration of agency budgets. It also required assessment of the completeness and reliability of performance data agencies use (S.Rept. 106-337). P.L. 106-107, the “Federal Financial Assistance Management Improvement Act of 1999,” required federal agencies and non-federal entities that are recipients of federal financial assistance to set annual goals and to measure compliance relating to efficiency and coordination, delivery of services, and simplification of processing as part of the agency’s compliance with GPRA. The “Federal Research Investment Act,” (which passed the Senate in 1998 as S. 2217; in 1999, as S. 296; and in 2000, as part of S. 2046) would have mandated the Office of Science and Technology Policy (OSTP) to fund a National Academy of Sciences (NAS) study on R&D performance reporting processes and procedures used to terminate R&D programs rated unsuccessful and to work with OMB on implementation. In 1998, P.L. 105-276 had permitted the OMB and OSTP to fund an NAS study, but did not appropriate funds for it. The House Subcommittee on Basic Research held a hearing on October 4, 2000 on “Benchmarking U.S. Science: What Can It Tell Us?” A 1999 NAS report, *Evaluating Federal Research Programs*, listed performance principles for basic research.

Debate continued about the quality of OMB leadership in guiding agencies’ GPRA responses and whether GPRA reports would influence budgets and policy.<sup>13</sup> Agencies’ implementation strategies ranged from “a narrow compliance approach” to broader responses. Some saw GPRA as a way to “downsize government,”<sup>14</sup> others as a tool to increase performance and accountability.<sup>15</sup> Recommendations to improve implementation were made in *Transitioning to Performance-based Government: Bipartisan Observations and Recommendations to the New Administration and Congress from 140 Current and Former Federal Officials*, by the Reason Public Policy Institute and other professional groups. Fifty enacted measures from the 106<sup>th</sup> Congress included GPRA-related provisions, an increase over the two previous Congresses. (See CRS Report RL31678, *Government Performance and Results Act: Overview of Associated Provisions in the 106th Congress*.)

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<sup>11</sup> *Report of Senator Fred Thompson...on Management Challenges Facing the New Administration*, 106<sup>th</sup> Cong., 2nd sess., S. Print. 106-62, Pt. 3, “Results-oriented Governance.”

<sup>12</sup> J. Ellig, *Performance Report Scorecard: Which Federal Agencies Inform the Public?*, May 3, 2000, Mercatus Center; [<http://www.gao.gov/>]; *Managing for Results: Using GPRA to Help Congressional Decisionmaking and Strengthen Oversight*, testimony before the Rules and Organization Subcommittee, House Committee on Rules, Mar. 22, 2000; and *Continuing Challenges to Effective GPRA Implementation*, before the Subcommittee on Government Management, Information and Technology, July 20, 2000.

<sup>13</sup> B. A. Radin, “The Government Performance and Results Act: Hydra-headed Monster or Flexible Management Tool?,” *Public Administration Review*, July-Aug., 1998; T.G. McSweeney, “Moving From GPRA Outputs to GPRA Outcomes,” *The Public Manager: The New Bureaucrat*, Fall 1998; V. L. Thomas, *Restoring Government Integrity Through Performance, Results, and Accountability*, Heritage Foundation Backgrounder, June 26, 2000, and A. J. Beltz, *The Role of the U.S. Congress in Implementing the Government Performance and Results Act*, Boston College MA Thesis, May 1999.

<sup>14</sup> See A. Antonelli at [<http://www://heritage.org/heritage/library/backgrounder/>] and “U.S. Budget: Domenici Proposes \$13.1 Billion Cut in Taxes ...” *Daily Report for Executives*, Mar.17, 1999.

<sup>15</sup> P. Lester, “Armed Blasts Agency Results Act Implementation: Kasich Says Agency Budgets Will Be Cut,” *OMB Watch*, Nov. 5, 1997.

**The “Results Act” in the 107<sup>th</sup> Congress.** On January 17, 2001, leaders of the Senate Committee on Governmental Affairs and the GAO released the 21 reports in the “GAO Performance and Accountability Series and High Risk Update.” Senators Thompson and Voinovich called on agencies to develop performance goals to resolve problems that were observed.<sup>16</sup> The House adopted a rule requiring that “committee reports include a statement of general performance goals and objectives, including outcome-related goals and objectives for which the measure authorizes funding.”<sup>17</sup> In a letter to Congress, January 18, 2001, reporting as mandated by P.L. 103-62, OMB declined to recommend to Congress that performance budgeting be required statutorily.<sup>18</sup> The Clinton OMB also questioned the feasibility of performance budgeting, saying that many agencies had not adequately defined goals, measures, and outcomes, or developed cost accounting structures for performance budgeting that were acceptable to Congress and the appropriations process.<sup>19</sup> During May 2001, GAO reported that most federal managers largely ignore performance information when allocating resources. The House Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations held a hearing on “The Results Act: Has It Met Congressional Expectations?” June 19, 2001. Compliance with GPRA was identified as a major management challenge in *Government at the Brink, Urgent Federal Government Management Problems Facing the Bush Administration*, released by Senator Fred Thompson, June 2001.

The Bush Administration has emphasized integrating performance results, management, and budgeting.<sup>20</sup> The FY2002 budget stipulated that agencies should submit performance-based budgets for selected programs in the FY2003 budget process, forcing them to link spending decisions to performance goals (see pages 11-18). In a July 11, 2001 memo, the Administration charged agency deputy secretaries, as chief operating officers, with responsibility for measuring results. *The President’s Management Agenda*, announced in August 2001,<sup>21</sup> stressed results-oriented management and included budget and performance integration as one of five government-wide initiatives. The *Agenda* also contained specific program activities, including outlines of performance goals, for example, for Department of Energy applied R&D, U.S. overseas employee presence, and food aid programs. *Implementing the Government Performance and Results Act for Research: A Status Report*, May 2001, a follow-up to the NAS’s 1999 study, recommended improvements by both federal agencies and users of research-related performance documents. A January 2002 GAO report, *Managing for Results: Agency Progress in Linking Performance Plans With Budgets and Financial Statements*, said that 3/4 of federal agencies were connecting performance planning, budgeting and financial reporting at aggregated goal levels, but that more links were required at specific program levels to assist in internal management and congressional decisionmaking. Performance was an important theme in the FY2003 budget request. Agencies were scored (with red, green, and yellow “traffic light” marks) on the five government-wide management initiatives: human capital, e-government, competitive sourcing, improving financial

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<sup>16</sup> J. Peckenpaugh, “Senators to Bush: Get Tough on High-risk Problems,” *Gov Exec.com*, Apr. 3, 2001.

<sup>17</sup> H.Res. 5 re: Rule XII, clause 3(c), [[http://www.house.gov/rules/107rules\\_secsum.htm](http://www.house.gov/rules/107rules_secsum.htm)].

<sup>18</sup> OMB, Report to the Hon. J. Dennis Hastert, from Jacob J. Lew, Jan. 18, 2001, np. and CRS Report RS20938, *Performance Management and Budgeting: Benchmarks and Recent Developments*, by (name redacted).

<sup>19</sup> Conversation with OMB official, May 2001.

<sup>20</sup> See “Governing With Accountability,” *FY2003 Budget*.

<sup>21</sup> *The President's Management Agenda: A Brief Introduction*, by V.A. McMurtry, CRS Report RS21416.

management, and integrating budget and performance. The Administration used performance analyses to make funding decisions for over 100 federal programs across all agencies. Performance criteria for basic and applied research investments were refined.<sup>22</sup> During the hearing of the House Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations, February 15, 2002, GAO stressed the need for congressional oversight of performance. *OMB Circular A-11* (Part 6, June 2002) required that agency annual plans include performance goals used in assessments of program effectiveness, that agencies restructure their budget accounts and substitute outputs and outcomes for the current lists of program activities in program and financing schedules, and that agencies integrate performance and budget in performance plans. The Administration developed a formal program assessment rating tool (PART) to evaluate performance. This was intended, in part, to "...inform and improve agency GPRA plans and reports, and establish a meaningful, systematic link between GPRA and the budget process."<sup>23</sup> Subcommittees of the House Government Reform and Rules committees held a hearing, "Linking Program Funding to Performance Results," on September 19, 2002.

**The "Results Act" in the 108<sup>th</sup> Congress.** The Administration is continuing to focus on developing appropriate performance measures and data. *OMB Circular A-11*, issued July 25, 2003, integrates GPRA reporting and PART reporting and requires that agencies submit a performance budget, if possible (Parts 26, 51, and 220). As it did for the FY2004 budget, the FY2005 budget request includes separate information on managing for results and performance and management assessment. The Administration reported it has now conducted PART evaluations for 400 programs, estimated at 40% of federal programs (*Analytical Perspectives, FY2005 Budget*, p. 9) and expects to have evaluated 100% of federal programs this way by FY2008. It is continuing to work to ensure consistency among assessments and to help agencies define goals and measures. Some budget decisions were based on PART performance measures. Some say that the "subjectiveness" of performance measures may mislead budget decision processes.<sup>24</sup> A hearing on "Performance, Results, and Budget Decisions" was held by the House Subcommittee on Government Efficiency and Financial Management on April 1, 2003.

Several bills would statutorily require use of performance measures in an attempt to use such information to make decisions regarding streamlining or eliminating ineffective programs. H.R. 1227, "Abolishment of Obsolete Agencies and Federal Sunset Act of 2003,"<sup>25</sup> was introduced March 12, 2003. S. 1668/H.R. 3213, "Commission on the Accountability and Review of Federal Agencies Act," would among other things establish a commission to review performance. The "Program Assessment and Rating Act," H.R. 3826, would require OMB to evaluate federal programs at least once every five years; the Committee on Government Reform approved it by voice vote on June 3, 2004. Some critics allege this requirement could dilute congressional authority and enlarge OMB's control of federal programs.<sup>26</sup>

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<sup>22</sup> "Rigorous OMB Performance Measures Will Be Used To Frame Agency Budget Proposals for FY2004," *Washington Fax*, Jan. 23, 2002; and OMB/OSTP, "FY2004 Interagency Research and Development Priorities," May 30, 2002, [<http://www.ostp.gov/html/ombguidmemo.pdf>].

<sup>23</sup> See OMB Memorandum M-02-10, July 16, 2002. This was applicable to FY2004 budgets.

<sup>24</sup> S. Haley, "OMB Performance Pressures May Divert Agencies From Important Priorities, House Science Committee Minority Asserts," *Washington Fax*, Mar. 7, 2003.

<sup>25</sup> See CRS Report RL31455, *Federal Sunset Proposals: Developments in the 94th to 107th Congresses*.

<sup>26</sup> Spencer Rich, "Panel OKs OMB Review of Federal Programs Every Five Years, *Govt. Exec.com*, June 4, 2004.

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