Statement of

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before the

Committee on House Oversight and Government Reform
United States House of Representatives

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Thank you, Mr. Chairman, Ranking Member Cummings, and Members of the Committee. I am honored to testify before you today on the subject of government reorganization.

My name is Robert Shea. I am a Fellow of the National Academy of Public Administration and a Principal of Grant Thornton LLP, which provides personalized attention and the highest quality service to public and private clients in more than 100 countries. Grant Thornton LLP is the U.S. member firm of Grant Thornton International Ltd, a global audit, tax and advisory organization. I work in Grant Thornton's Global Public Sector, based in Alexandria, Virginia. The Global Public Sector mission is to provide responsive and innovative financial, performance management, and systems solutions to international, federal, state, and local governments.

Reorganization and consolidation offer many opportunities to improve government's performance, but they take time. Faster results will come from greater collaboration among government programs and a more focused assessment of their relative cost effectiveness. The Federal Government has grappled with reorganization almost since its inception. For example, during the Truman Administration, former President Herbert Hoover led the Commission on Organization of the Executive Branch of the Government, referred to as the Hoover Commission. When he signed the Reorganization Act of 1949, President Truman wrote:

> The approval of a reorganization plan or the enactment of a statute dealing with organizational and administrative arrangements does not automatically produce efficiency and economy or reduce expenditures. Only the curtailment or abolition of Government programs can be expected to result in substantial immediate savings. The significance of reorganization plans or legislation is that they make it possible to work out improvements in administration which will increase efficiency and reduce expenditures over a period of time*. Thus, they provide a necessary basis for increased economy and efficiency*.

I wonder what Presidents Hoover and Truman would say about the extent of duplication and overlap that plagues government today? There are hundreds of government programs, some aimed at the same problem but often from different organizations throughout the Executive Branch:

- 15 agencies involved in food safety

- 80 programs aimed at economic development
- 17 emergency management programs
- 18 programs aimed at domestic food assistance
- 20 programs fighting homelessness
- 44 employment and training programs
- 82 teacher quality programs
- 56 programs to improve financial literacy

These are but a handful of the 34 areas of potential overlap and duplication culled from the Government Accountability Office's (GAO) annual report, *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*. As GAO reports, "Reducing or eliminating duplication, overlap, or fragmentation could potentially save billions of tax dollars annually and help agencies provide more efficient and effective services."

If Congress or the Executive Branch were to undertake a substantial reorganization to eliminate or reduce duplication and overlap, where would they start? How would we know which programs to keep, consolidate or terminate?

Past efforts have made a dent, but have not yet provided policymakers with sufficient information with which to make decisions.

The Government Performance and Results Act of 1993

In 1993, Congress enacted the Government Performance and Results Act (GPRA). This important law required agencies, for the first time, to set long term goals and identify the strategies they would employ to achieve important outcomes. More important, GPRA required agencies to report annually on their success in achieving annual goals. One of the law's purposes was to "…improve congressional decision-making by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending."

As a result, agencies started to set goals and report annually on their progress. This set the expectation that they would report performance data regularly and transparently. While none were perfect in this regard, many agencies made great strides in understanding the performance of their programs.

Unfortunately, agencies, the administration and Congress gave insufficient attention to GPRA implementation, so the law was not successful in getting agencies to:

- Set clear, outcome-oriented goals,
- Collaborate with crosscutting programs,
- Link budgets to results, or
- Enhance the use of performance information in decision-making.

The President's Management Agenda

In 2001, OMB launched the President's Management Agenda (PMA) to address these and other weaknesses. OMB designed the PMA to address what GAO and Inspectors General agreed were government's greatest challenges:

- Financial management,
- Human capital management,
- Information technology management,
- Acquisition management, and
- Performance management.

OMB established clear criteria for each challenge and used them to assess agency improvement efforts. The Administration used the Executive Branch Management Scorecard to grade agency progress and posted the results on the Internet.

In the area of performance improvement, the scorecard measured whether:

- Agency leadership met regularly to analyze performance information and used the information it to enhance decision-making,
- Plans included a limited number of outcome-oriented goals and objectives,
- Agencies appraised employees based on their contribution to agency goals,
- Reports included the cost of achieving targets or improving performance, and
- Programs could demonstrate that they achieved quantifiable results.

As part of this initiative, OMB developed the Program Assessment Rating Tool (PART) to inventory the government's programs and assess their relative performance. Career staff in agencies and OMB applied the tool to ask basic questions about program management and performance:

- Did the program have a clear purpose and was it well designed to achieve its objectives?
- Did the program set clear, long- and short-term outcome goals?
- Was the program well managed?
- Did the program achieve its goals?

After five years of implementation, OMB and agencies assessed nearly 1,000 programs, consisting of approximately 100% of the federal government spending. They assigned each program a rating of effective, moderately effective, adequate, ineffective, or results not demonstrated. Summary and detailed assessments were posted on www.ExpectMore.gov and are still there today. At the time, it was the first-ever inventory of federal programs and the most comprehensive source of program performance information.

On ExpectMore.gov, you can see programs listed by broad topic, type or Agency. For instance, the topic will list agriculture or foreign affairs programs and the type will list credit or grant programs.

Getting more comparable units of analysis proved more difficult. But a number of efforts to improve the performance of duplicative programs resulted from PART assessments. The Administration used assessment results as one factor in its decision to consolidate 17 community and economic development programs. It used the PART process to arrive at a common set of outcome measures with which to measure the government's job training

programs. The difficulty we had with these efforts underscores the challenge of bringing like programs together, either in one organization or just in common measurement.
For a variety of reasons, the Obama Administration is no longer using this tool to assess and improve programs. So, what tools exist to enhance the government's performance and efficiency?

The Prospect for Improving Collaboration among Programs

Using today's authorities, we can do a lot more to ensure agencies are collaborating with their stakeholders and each other to reduce redundancies, increase efficient delivery of program outcomes, and improve their collective performance. New performance management legislation – the Government Performance and Results Act Modernization Act of 2010 – provides (GPRAMA) – is a promising framework for improving the coordination among like programs. The current law requires:

- The Performance Improvement Council, made up of agency Performance Improvement Officers (PIO), to resolve specific government-wide or crosscutting performance issues and work with other interagency councils,
- The Federal Government Performance Plan to include government priority goals and inventory the multiple agencies or programs that contribute to their achievement,
- The establishment of a government-wide performance website, performance.gov, to encourage agency accountability and transparency, and
- GAO to assess implementation of, among other things, the Federal Government Performance Plan and priority goals requirements.

If Congress takes an active role holding the Executive Branch accountable for GPRAMA implementation, these requirements can be powerful incentives to improve coordination among duplicative programs. That is a big "if". In a letter to OMB Director Jeffrey Zients, sent on Thursday, February 9th, 2012, sponsors of GPRAMA stressed that significant statutory requirements hadn't received adequate focus, specifically increased transparency concerning: 1) government priority goals at risk of not being achieved; 2) planned improvement strategies, and 3) publication of agency progress reports.

In the FY 2013 Budget, the President announced new crosscutting goals in 14 areas:

- Science, Technology, Engineering, and Math (STEM)
- Education
- Veterans Career Readiness
- Broadband
- Entrepreneurship and Small Businesses
- Energy Efficiency
- Exports
- Job Training
- Cybersecurity
- Sustainability
- Financial Management
- Human Capital Management
- Information Technology Management
- Procurement and Acquisition Management
- Real Property Management

Those goals can be found at www.Goals.Performance.gov.

Getting programs in different agencies to agree on common goals and a coordinated approach for achieving them is hard. Agencies or programs with common goals often have completely different Congressional authorizing and appropriations committees, a situation that enables stovepipes. Such programs also have separate constituencies who will fight to preserve the status quo. This means that if an agency's program does not go along with a coordinated approach, there are many ways to get around such initiatives.

There are areas where improved coordination, as opposed to outright reorganization, has yielded some positive results. The IBM Center for the Business of Government sites a number of examples where "presidents and Congress have created 'councils' to coordinate policy across agencies, including the CIO (Chief Information Officers) Council, the President's Management Council (Deputy Secretaries/Chief Operating Officers), the CFO (Chief Financial Officers) Council, Federal Acquisition Council (Chief Acquisition Officers), and most recently the Chief Human Capital Officers Council. Various offices within the Executive Office of the President, such as the Domestic Council, the National Security Council, and the Office of the National Drug [Control] Policy, perform coordinating roles."

What is common among these interagency councils is the coordination of activities toward a common purpose. Some are stronger than others. The Office of National Drug Control Policy, for example, coordinates the budget requests of the many programs aimed at reducing illegal drug use in America. But what makes them succeed where others may fail is an agreed-upon set of common goals and participating agencies or programs accountable for achieving them.

While there are many barriers to interagency collaboration, technology provides enormous opportunity to overcome those barriers. Technology, especially social media and collaborative technology, can enable quick exchange of ideas, sharing best practices, developing common approaches, and reporting and assessing performance data. The federal government is only beginning to capitalize on these tools to enhance collaboration.

The new performance management framework provides an excellent foundation for holding the many areas of duplication accountable for their performance. The Executive Branch must establish "…outcome-oriented goals covering a limited number of crosscutting policy areas." In establishing the requirement for a government-wide performance plan, the law also requires that, for each government-wide goal, the government appoint a lead official responsible for coordinating the activities of all agencies that contribute to the goal. The law also charges an interagency Performance Improvement Council with "…resolv[ing] specific Governmentwide or crosscutting performance issues."

Performance information alone is not enough – we also need information about cost. Federal agencies are required to report the costs of their activities and to accumulate such information for use in decision making. Such agency-reported cost information should be the basis for comparing the cost, if not the effectiveness, of programs. Too few agencies make the link between cost and effectiveness, so neither cost nor effectiveness measures achieve their full potential.

There are a number of other initiatives that show promise.

Program Evaluation

Building on policies of the Bush Administration, the Obama Administration is expanding the capacity of the federal government to do rigorous evaluation of the impact of programs. Until you subject a program to a rigorous evaluation, you do not really know whether the program works. The Department of Education and a few other agencies have mature evaluation programs in place, such as the Institute for Education Sciences). The Obama Administration is to be commended for expanding the call for more rigorous evaluation across the Executive Branch. As we build up the body of evidence of what does and does not work, policymakers will be better equipped to make decisions about program reorganization, consolidation, or elimination.

Administrative Flexibility

Another common sense approach the administration is taking is in the area of administrative flexibility. Overlapping and duplicative programs tend to have exponentially more cumbersome and wasteful administrative requirements imposed on state and local governments. The Obama Administration has tasked agencies and OMB with inventorying and eliminating unnecessarily burdensome or duplicative administrative requirements.

In his February 28th, 2011 memo announcing the effort, the President instructed agencies to work with state, local, and tribal governments; identify administrative, regulatory, and legislative barriers in federally funded programs; and find ways to maximize the use of tax dollars to achieve the best results for their constituents. A subsequent OMB memo required agencies to inventory and eliminate unnecessary burdens imposed on state and local governments and other recipients of federal investment. Agencies provided those plans to OMB and some initiatives are gaining traction. For example, in the Children's Cabinet Network, state "children's cabinets" working to improve the plight of children and youth identified federal barriers to better state coordination. The group inventoried barriers to interagency success and possible solutions in the following areas:

- Year-round afterschool child and Youth Development Services,
- Prevention efforts,
- Supporting multi-system and disconnected youth,
- Providing appropriate residential placements, and
- Early childhood development support.

What kinds of barriers are being identified? Children's cabinet participants identified different eligibility requirements among programs, even though they are sometimes aimed at the same population. Similar programs also often have different reporting requirements, meaning states must spend resources on special reports to the Federal Government that would otherwise go to helping children and youth. Alone, such requirements may not be such a big deal. But when you look at the total cost, eliminating such burden could mean real savings for states, localities, and tribes looking for ways to cut costs and improve outcomes.

Congress has new tools with which to improve coordination among areas of duplication. Given the political landscape and the difficulty of enacting reorganization, this seems a much more sensible area in which to invest limited resources than on a reorganization plan that will be difficult to define, virtually impossible to approve, and even harder to implement. It is also important to note that the threat of reorganization seriously affects the morale of hardworking government employees.

Improved coordination is easier said than done. Agency and program leadership are busy enough working within their own domain without having to be concerned with another's activities. However, with active congressional and presidential leadership and oversight, such collaboration may produce sooner what a reorganization may not: better results.

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Robert Johnston Shea

Robert is a Principal and a member of the Organizational Improvement Team. He leads the firm's Cost, Budget, and Performance Management Community of Practice as well as a number of performance management engagements, including at the United States Departments of Agriculture, Homeland Security, and Veterans Affairs, as well as the United States National Endowment for the Arts. He was most recently at the U.S. Office of Management and Budget as Associate Director for Administration and Government Performance. In addition to managing OMB's internal operations, Robert led the President's Performance Improvement Initiative, administered the Program Assessment Rating Tool. Before joining OMB, Robert served as Counsel to the Senate Committee on Governmental Affairs where, in addition to general oversight of Executive Branch management, he advised Committee leadership on the status of implementation of the statutory framework for performance-based government, including the Government Performance and Results Act and the Chief Financial Officers Act. He was Legislative Director for Congressman Pete Sessions (TX) from 1997 to 1999, where he organized the Results Caucus, a group of Members of Congress dedicated to results-based management and solving many of the government's major management problems. Robert was a Professional Staff Member with the House Committee on Government Reform from 1995 through 1996. There he had responsibility for examining the economy and efficiency of government programs, and acted as liaison with the government's Inspectors General.

Grant Thornton LLP

Principal, Global Public Sector (August 2010 - Present)
Director, Global Public Sector (September 2008 - July 2010)
Robert joined Grant Thornton's Global Public Sector in 2008 and is working in the Organizational Improvement Team to help clients improve their performance and efficiency. He leads a number of performance management engagements, including those at the Department's of Agriculture, Homeland Security, and Veterans Affairs, as well as the National Endowment for the Arts. At the Department of Agriculture's Natural Resources Conservation Service, Robert is assisting the agency in the development of a process for improving the performance of its priority initiatives. At the Department of Homeland Security's Program Analysis and Evaluation Division, Robert is assisting in the development of a people screening performance management framework and advising on overall strategic and performance management policies and practices. He leads the firm's support of the National Endowment for the Arts' strategic planning.

The United States Office of Management and Budget

Associate Director for Administration and Government Performance (September 2007 – September 2008)
In addition to his other duties, Robert was appointed by the Director to lead internal management of the 475 person, $80 million Federal agency. Robert implemented efficiencies, including publishing the President's budget on-line rather than on paper, that saved more than $1 million. He coordinated OMB approval of the $350 million budget for all offices within the Executive Office of the President. Robert successfully implemented a more rigorous performance appraisal system and improved recruitment and retention of quality employees.

Associate Director for Management (February 2002 – September 2007)
Robert directed the assessment and oversaw the improvement of more than 1000 government programs as government-wide lead of the President's Budget and Performance Integration Initiative and the Program Assessment Rating Tool (PART). He managed the interagency task force to launch a statutorily required website, USASpending.gov, that posts Federal financial transactions (contracts, grants, loans, etc.) in an easy-to-search format. Robert led the design and launch of the website – ExpectMore.gov – that makes federal program performance more transparent. He launched and managed a Presidential initiative to reduce $45 billion in erroneous Federal payments, which is now credited with reducing improper payments by more than $7 billion annually. Robert also led interagency efforts to improve: performance management, credit administration, academic competitiveness, food safety, and disaster assistance. He designed and implemented strategies to enact the Bush Administration's legislative proposals to enhance managerial flexibilities afforded Federal agencies. Proposals enacted included: government-wide personnel management flexibilities; extension to all agencies of financial reporting requirements; and expansion of the erroneous payment reduction strategies to all programs and activities of the government.

Senate Committee on Governmental Affairs (Senator Fred Thompson, Chairman)
Counsel (April 1999 to February 2002)
Robert supervised the committee's oversight of government management, including implementation of the Government Performance and Results Act, improvement of financial and systems management, Executive Branch reorganization and issues of waste, fraud, and abuse. He worked closely with agencies and the Government Accountability Office to solve persistent management problems at each Federal agency.

Office of Congressman Pete Sessions (TX-05)
Legislative Director (January 1997 – April 1999)
Robert was chief policy advisor to Republican Congressman Pete Sessions, where he managed a legislative staff of 7 full-time employees for Member of Congress with three Congressional Committee and seven Congressional Subcommittee positions, more than any other Member of Congress. He managed a leadership-sponsored, bipartisan caucus, the Results Caucus, that focused on solving problems of waste, fraud, and abuse throughout the federal government.

House Committee on Government Reform and Oversight
Special Assistant / Professional Staff Member (August 1995 – January 1997)
Robert was the Committee's official liaison with the Inspector General Community, assisting with funding issues, access to reports and other materials, investigations, audits, and other problems within various Offices of the Inspector General. He planned and supervised the strategy to enact the General Accounting Office Act of 1996. Robert coordinated and prepared Members for hearings on issues such as domestic drug use, the National Aeronautic and Space Administration, the Federal Emergency Management Administration, the Department of State, and the Base Realignment and Closure Commission.

Education
Juris Doctorate (Admitted to the State Bar of Texas, April 1995 – Inactive status)

South Texas College of Law, Houston, Texas, Graduated, December 1994

Bachelor of Arts Government, Connecticut College, New London, Connecticut, Graduated, May 1991.

Affiliations
Fellow and Member of the Board of Directors, National Academy of Public Administration

Clearance
Top Secret (Inactive)

Awards
Elmer B. Staats Award for Public Accountability, National Capital Area Chapter of the American Society for Public Administration (2007)

Federal 100 Award, Federal Computer Week (2007 and 2008)

The Executive Leadership Award for Information Resource Management, the Association for Federal Information Resources Management (AFFIRM) (2006)

Publications
Editor and Contributor, *Performance Management and Budgeting: How Governments Can Learn from Experience* (M.E. Sharpe, 2008)

Contributor, *"Performance Budgeting in OECD Countries, (September 2007).*

Committee on Oversight and Government Reform
Witness Disclosure Requirement – "Truth in Testimony"
Required by House Rule XI, Clause 2(g)(5)

Name: Robert Shea

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2009. Include the source and amount of each grant or contract.

Grant Thornton LLP, the organization of which I am a Principal, does a substantial amount of business with the federal government. It has contracts with most major federal agencies. It performs audit and advisory work under contracts with federal agencies, as well. Grant Thornton's DUNS Number is 128159105 and its CAGE Code is 1CDS1.

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

I am a Principal of Grant Thornton LLP.

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2008, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

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I certify that the above information is true and correct.
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Date: February 14, 2012