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Program Evaluation, Performance Budgeting and PART: The U.S. Federal Government Experience

Katherine Willoughby
Goergia State University, kwilloughby@gsu.edu

Paul Benson
Georgia State University, paulbenson@gsu.edu

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INTERNATIONAL STUDIES PROGRAM

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Katherine Willoughby
Paul Benson

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International Studies Program
Andrew Young School of Policy Studies
Georgia State University
Atlanta, Georgia 30303
United States of America

Phone: (404) 651-1144
Fax: (404) 651-4449
Email: ispaysps@gsu.edu
Internet: http://isp-aysps.gsu.edu

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Program Evaluation, Performance Budgeting and PART: The U.S. Federal Government Experience

Katherine G. Willoughby[1] and Paul Benson[2]

ABSTRACT

An examination of the history of budget reform in the United States indicates a perpetual tug of war between the executive and legislative branches of government for power. But surprisingly, in spite of this highly charged political process, there exists a consistent and common thread of concern for improving government performance and a desire to inject more "rationality" (measurement and evaluation) into budgeting decisions. In the past century, U.S. federal budget reforms have been centralizing (the Budget Act of 1921), activity-based (performance budgeting of the 1950s), focused on program evaluation (PPBS in the 1960s), management-oriented (MBO in the early 1970s), bottom-up (ZBB in the mid-1970s), draconian (Gramm-Rudman-Hollings of the 1980s), and concerned with results (GPRA in the 1990s). Unfortunately, establishing a direct link between and among performance measurement, program evaluation and final appropriations remains elusive. In the U.S. today, the stakes have become too significant and entrenched. The sheer size of the U.S. federal budget as well as the dramatic change in the nature of federal expenditures (from predominantly supporting government administration to funding transfer payments to individuals) ups the ante of the politics of the public budgeting process. Perhaps more importantly, the overwhelming U.S. federal deficit and debt simply overshadow consideration of performance as the President and Congress mull over literally billions of dollars in cuts to the current and next fiscal year budgets.

[1] Professor, Department of Public Management and Policy, Andrew Young School of Policy Studies, Georgia State University, P.O. Box 3992, Atlanta, Georgia 30302-3992. 404.413.0117 email: kwilloughby@gsu.edu

[2] Assistant Director/Chief Operations Officer, International Studies Program, Andrew Young School of Policy Studies, Georgia State University, P.O. Box 3992, Atlanta, Georgia 30302-3992. 404.413.0235 email: paulbenson@gsu.edu

Program Evaluation, Performance Budgeting and PART:
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Reform is and will remain an essential feature of governance. (Dull 2006, 190)

Introduction

The budget process at the federal level of government in the United States has been continually reformed, evolving from a fragmented, legislatively-driven system focused on fiscal control, to a more centralized, executive-driven process focused on policy. Today, attention on the federal budget deficit ($1.5 trillion, projected 2011) and debt ($14.2 trillion, as of March 2011) overshadows any application of a results-based or performance orientation to budgeting decisions. This paper provides an overview of budgeting and reform in the U.S. federal government. The first section presents a historical timeline of the process – considering significant budget laws and executive policies that have strongly influenced budgeting as practiced in the United States and at the federal level of government. A second section centers on efforts to advance program analysis, evaluation and performance measurement into the federal budget process. Specifically, the role and consequences of the Government Performance and Results Act of 1993 are addressed. Then, efforts by the George W. Bush Administration to "run government like a business" are considered. The efforts of the current Barack Obama Administration that also build on past reforms are analyzed. We conclude with predictions about budget reform possibilities in the United States and in particular, the likelihood that evaluation and performance measurement has a role to play in the federal budget process.

Budgeting history in the United States

According to Arthur Smithies (1955, 63) in *The Budgetary Process in the United States*, "from 1789 to 1884, the Congress in legislation was primarily concerned with the legality of expenditures rather than an understandable record of what was bought with the money spent." The U.S. Constitution in 1789 provided the new government with the provisions necessary to raise revenues, support its militia, and defend its land and people. Sections 7, 8 and 9 of Article 1 of the Constitution dictate that "all revenue bills originate in the House"; that Congress has the power to lay and collect taxes and other revenues, pay debts, borrow, coin and regulate the value of money; and that "no money shall be drawn from the Treasury except in consequence of an Appropriation." Legislation in 1789 establishing the Treasury Department (1 Stat. 12) created the model for a new federal financial system. The Act articulated a control emphasis by establishing a division of responsibilities among the Secretary of the Treasury, Comptroller, Auditor, Treasurer, Register, and Assistant to the Secretary, by having the Comptroller countersign warrants drawn by the Secretary and by requiring the Treasurer to report to every session of Congress on federal account and fund status.

Alexander Hamilton, the nation's first Secretary of the Treasury, pushed for a centralized, executive budget process though Congress issued "lump sum" appropriations to the very few categories of spending at the time – i.e., Treasury warrants, the civil list, the Department of War and "other expenditures." In fact, the U.S. budget process essentially excluded the President – the Treasury Department received executive agency requests and forwarded a compilation of the requests, a "book of estimates," to Congress. Revenue committees – the House Ways and Means and the Senate Finance – become permanent in 1802 and 1816, respectively. Then, a two step authorization-appropriation process was established in the House in 1837 and in the Senate

in 1850. But, it was not until the end of the Civil War that Appropriations Committees were established as standing committees in the House (1865) and later, in the Senate (1867). In 1894, the Dockery Act established financial accounting practices, centralized auditing and created the federal financial management system in the U.S. that functioned until 1921.

Nineteenth century budgeting in the U.S. can be characterized as conducted in a commerce-related economy in which relatively plentiful commercially-related revenues provided well for a relatively small federal government.Throughout this century as the U.S. budget grew, Congress passed line-item appropriation bills, using the object of expenditure as a control mechanism to constrain executive discretion. Other efforts taken during this period to generate executive "respect" for Congress in national budgeting included:

- the House requires the preparation and publication of an annual statement of national receipts and expenditures (1791);
- the fiscal year is established (1842);
- the prohibition of transfers between accounts that ends commingling of current appropriations and agency ability to divert unexpended balances to different purposes (1868);
- a prohibition of coercive deficiencies, strengthened with 1905 and 1906 amendments, bans spending or commitments to spend in advance or in excess of appropriations (1870)
- a requirement specifies time periods after which unexpended balances lapse to the Treasury (1874);

According to Schick (2002, 124) 19th century federal budgeting in the U.S. incorporated a "balanced budget norm that coexisted with the notion that government should be small and limited."

Important changes to U.S. federal budgeting begin early in the 20th century. For example, the Anti-Deficiency Act of 1905 was an effort by Congress to reign in executive discretion – agencies were in the habit of over-obligating funds to conduct authorized activities and then come back to Congress after the fact for budget replenishment. This Act stipulates that federal employees cannot "make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation" (31 U.S.C. section 1341(a)(1)(A)). Possible sanctions for violations include suspension of pay, removal from office, a fine, imprisonment or both (31 U.S.C. sections 1349–1350, 1518–1519). Other budget reforms of this period include those to combat corruption through the application of scientific management, with the watchword "efficiency" as a guiding principle.

The Keep Commission (technically, the Committee on Department Methods) was made up mostly of public executives and managers who were appointed by President Theodore Roosevelt in 1905 to conduct investigations into government operations, to measure and evaluate the activities of government and to advance work efficiencies. The President remarked to the Commission upon its creation that, "I do not want merely to know that things are bad; I want to know what is bad and what is to be done to make it better, so that if legislation is necessary I can recommend it…" (Kraines 1970, 6). The Commission operated with subcommittee support until its work ended 1909. It conducted a number of investigations into corrupt practices of federal agencies and departments (Agriculture, Government Printing Office, Interior, for example), examined federal classification systems and positions and made numerous recommendations in this area, analyzed federal procurement, coordinated the collection of statistics (recommended a central statistics agency), and assessed records management and agency accounting (for instance,

examination of the U.S. Treasury accounting practices led to the adoption of double entry bookkeeping in federal accounting) (Kraines 1970, 28).

The Commission's work resulted in significant savings to taxpayers through efficiency measures and the reduction of corruption in administration. On the other hand, at the time the cost to the government to engage the Commission was modest. According to Kraines (1970, 51), "despite the $5,000 appropriation for the purpose, the Keep Commission did not employ private experts to any appreciable degree. Its work was performed almost completely by federal officers and employees on their own time, in addition to their regular duties and without extra compensation, ….The Commission members worked mainly out of their own offices…, and they did not rent offices from which the work was conducted." Also, most of the recommendations coming out of the Commission did not evolve into either executive orders or legislation. According to Kraines (1970, 52-53), "one of its major accomplishments was to change the connotation of the word "administration" from its long-held simple meaning of the personnel of the executive departments to the art of managing the public business."

Principles of scientific management included establishing a hierarchical chain of command and tight span of control, with specialization of work activity. Top down decision making and measurement of the most efficient means of accomplishing work were considered to lend themselves to the predictability and stability of operations. In1906, the New York Bureau of Municipal Research was established and the research coming out of this Bureau influenced the eventual development of a national executive budget process. For example, in 1912, President William Howard Taft's Commission on Economy and Efficiency argued against object of expenditure appropriations, instead pushing efficiency through performance budgeting and a stronger emphasis on cost accounting (Rubin 1993). Frederick W. Taylor (1911), an industrial

engineer, called for measurement and analysis to identify the "one best way" of organizing the production of goods and services. In 1916, Congress passed an appropriation act that created a Division of Efficiency.

But, in 1917 the U.S.entered World War I. Then, in 1921, with debt and spending on the rise, a more complicated budget, and lump sum appropriations commonly used to support the war effort, Congress handed over considerable budget power and responsibility to the President by passing the Budget and Accounting Act. This Act established an executive budget process in the federal government, created a Bureau of the Budget (BOB) in the Treasury Department (later moved to the Executive Office of the President), and created the General Accounting Office (GAO; later renamed the Government Accountability Office) as an arm of Congress. The BOB established itself as a "legislative clearing house" in which all legislation from agencies requiring money had to be submitted to the BOB, which then made recommendations to the President. The President had the responsibility for recommending a budget to Congress; agencies presented their budget requests to BOB instead of directly to Congress. The Act also provided a statutory basis for lump-sum appropriations accompanied by statements indicating the form of expenditure expected of such appropriations as presented to Congress. Then, in 1923, Congress provided for the nation's first systematic personnel classification scheme by passing the Classification Act. This law required that positions be classified and graded according to duties and responsibilities, established a standard pay schedule for class and grade (regardless of department), and eliminated the need for Congress to specify individual positions and pay levels in separate appropriation acts.

The 1930's brought the beginning what would be the nation's only four-term President Franklin D. Roosevelt and the "New Deal." To combat the effects of the Great Depression,

Roosevelt and Congress significantly expanded federal programs and spending. Federal spending, at $4 billion in 1931, was $7 billion in 1934 and over $8 billion in 1936. Federal spending reached $91 billion by 1944, growth resulting in part from the New Deal programs, from the creation of Social Security in 1935, and given U.S. participation in World War II in the early 1940's. According to Waltz (1967, 103) wars and the Great Depression served as catalysts for the centralization of budget power in the U.S. during the 20th century. These factors, the 1946 Employment Act (that stipulated that the executive and Congress promote full employment, stable prices and steady economic growth) and the strength of the federal income tax, reoriented the federal budget process from modest year-to-year changes to accommodate the costs of activities already conducted to "the quest for money to expand federal programs" (Schick 2002, 125).

While a few efforts at budget and management reform did have some play in the following decades (two Hoover Commissions in 1947 and in 1953 made literally hundreds of reorganization and efficiency-related recommendations, many which were implemented and realized cost savings), the most significant application of evaluation to budgeting occurred in 1961 when the U.S. Department of Defense applied a "Planning, Programming and Budgeting System" (PPBS) to departmental budgeting. This form of budgeting highlights planning – and by virtue of this, incorporates an economic way of thinking and cost analysis to budget problems. According to Schick (2002, 67), PPBS shifted the budgeting ethos from justification to analysis." By 1965, Lyndon Johnson required all federal agencies to implement PPBS, but in the end, his focus on domestic policy and the development of "Great Society" programs deemed his presidency "a legislative triumph, though an administrative tragedy" (Randall 1982, 188). Still,

the importance of PPBS is its requirements for greater narrative and analysis to explain the activities and enumerate the costs of government programs.

The Congressional Budget and Impoundment Control Act of 1974 (Publ. L. 93-344, 88 Stat.297, 2 U.S.C. §601-688) was an effort by Congress to pull back some budget power from the President. This law fostered the future inclusion of analysis into the federal government budgeting process. That is, over half a century after handing the U.S. President comprehensive budget review and analytical support by creating the Office of Management and Budget (renamed in 1970 from Bureau of the Budget), the 1974 Act created the Congressional Budget Office (CBO) to provide the legislative branch with its own budget review and analysis capabilities. The Act also changed the fiscal year, from July1-June 30 to October 1-September 30. To foster thinking about the budget comprehensively, the Act created budget committees in both houses of Congress. These committees would consider both sides of the budget equation – revenues and expenditures – by determining outlays, authority, revenue, deficit and debt aggregates by function and then using budget resolutions and a new budget reconciliation process to meet multi-year targets. Finally, the 1974 Act restricted the President's impoundment powers – redefining impoundments and deferrals and prescribing congressional involvement with review and passage of each.

In spite of the rigor to the process expected to result from implementation of the 1974 Act, the process for and results from attempting to reach budget agreement did not change significantly because of this reform. On the other hand, the creation of the CBO was necessary and a significant boost to the budget evaluation capacity of the U.S. This office today provides noteworthy budget and economic analyses to Congress that is also available to and accessed by the President and the public and that informs, if not affects, final budget outcomes.

In 1977, President Jimmy Carter promoted zero based budgeting (ZBB) to executive agencies (OMB Bulletin No. 77-9). President Carter had attempted to apply ZBB in Georgia when serving as that state's governor from 1971 to 1975. This method of budgeting required "bottom-up" input into budget development – program managers were tasked with justifying spending from zero and then packaging requests into various "decision units" of different spending levels. These decision units were then supposed to be ranked and packaged by upper-level supervisors and department heads and eventually, the chief executive. In reality, this form of budgeting was never implemented in either Georgia or the federal government in any such way. The time, paper (form) and analytical components simply overwhelmed the usefulness of such a system. It is surprising that many modern governments today in the U.S. are calling for the introduction or reintroduction of ZBB to help close budget gaps, even though no research exists that links this budget format directly to either significant government downsizing or efficiency advancements (Bierschbach 2011; Davis and Stuart 2010; Golden 2011). On the other hand, ZBB hybrid applications that have been implemented in governments since then – those requiring rigorous analysis and budget justification by agencies periodically or applied on a rotational basis across several years – do indicate some usefulness for management in terms of supporting better understanding of how programs work and the costs associated with various levels of work effort and/or results expected.

The Inspector General Act (Publ. L. 95-452, Sec. 1, Oct. 12, 1978, 92 Stat. 1101) created an office of audit investigators in federal agencies, departments, and various named commissions and corporations in 1978. This Act injected what has become considerable evaluation into federal operations that can feed into the budget process. The law creates "independent and objective units to conduct and supervise audits and investigations to the programs and

operations" of federal entities so named. This Act was passed expressly "(A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in, such programs and operations."

The high deficits projected on the nightly news throughout the 1980's generated significant concern among Americans about profligate government spending. The 1985 legislation, the Balanced Budget and Emergency Deficit Control Act (Publ. L. 99-177, Title ii, December 12, 1985, 99 Statute 1038, 2 U.S.C. §900), was somewhat novel in its attempt to provide Congress with an automatic deficit reducing process if the President and Congress could not agree on a budget. The process required that revenues and expenditures fit within targets established in the budget resolution and "balanced" in a reconciliation process. In the 1985 Act also known as Gramm-Rudman-Hollings, the U.S. Comptroller General of the GAO was responsible for automatic cuts or "sequesters" if targets were not met. The Act was challenged though, because the responsibility for making cuts was legislated to an arm of Congress (the GAO). The U.S. Supreme Court ruled this unconstitutional and in 1987, the Director of OMB was required to implement sequesters. Even though this legislation provided a timeline for reducing the federal deficit to zero, there were too many roadblocks for the Act to be effective. Primarily, the types of funds that could be sequestered made up a small portion of the budget – domestic discretionary. Mandatory expenditures and entitlements were off the table and could not be considered for cuts. Not surprisingly then, the Act did not bring balance to the federal budget. Still, the Act did focus attention, both that of the public and Congress, on the deficit during the latter half of the decade and into the future.

The 1990 Omnibus Budget Reconciliation Act that included the Budget Enforcement Act (BEA) attempted to re-conceptualize the Gramm-Rudman-Hollings by de-emphasizing deficit

reduction and focusing instead on spending control. The BEA prescribed limits on revenue cuts and spending increases, specifically:

- defining expenditures as defense, international or domestic; any legislation proposed that would cause spending in any category for any year to exceed the requisite cap for that category could trigger a sequester; and
- implementing "PAYGO" whereby any spending increases above or revenue reductions below the baseline had to be offset with either entitlement reductions or revenue increases – sequester of eligible entitlement programs was required if any deficit increase was not offset.

Performance movement in high gear: GPRA 1993

Upon entering office, President William (Bill) J. Clinton promoted the goals of (1) investment in human capital by financing education, health care and research, (2) engagement in the international economic by opening markets abroad to national products and services, and (3) improved fiscal discipline in order to free resources for private investment. The President pressed performance improvement of federal agencies and departments by marketing an "entrepreneurial government" that "works better and costs less." Much like the Keep Commission at the turn of the 19th century, the President's National Performance Review (NPR) would investigate government operations to look for duplication, waste and abuse, promising to permanently eliminate over 250,000 federal employees and restore the public's trust in government. Other foci of the movement included customer service improvement, procurement reform, privatization, devolution and greater reliance on user fees for government operations and services.

In 1993, Congress passed the Government Performance and Results Act, (Publ. L. 103-62) which required federal agencies (1) to develop strategic plans with mission statements and “results-oriented goals, (2) prepare annual performance plans of how to pursue goals, and (3) reports that assess any gaps in meeting performance goals. The stated purposes of the 1993 Government Performance and Results Act are:

1. improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;
2. initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;
3. improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;
4. help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;
5. 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; and
6. improve internal management of the Federal Government (U.S. Office of Management and Budget 2011).

By 1999, federal agencies were asked to link performance objectives with their budget requests.

Kettl (1998) explains that in the first five years, GPRA realized some successes; he praises

the "sustained effort" to promote strategic planning and performance analysis, the procurement reforms and an orientation to customer service. GPRA results in downsizing the federal government and in the reinvention of programs, generally, however were less than stellar. And, the poorest results from the reform effort included rebuilding citizen trust in government, determining government's basic missions, and consideration of program performance and results by Congress.

In some ways, this reform, like those of the past, was held to idealistic expectations and unrealistically high standards. Radin (2006) argues that there are faulty goals associated with a performance mindset that can render any such effort overly technical and undemocratic. These are worthy complaints and certainly relevant here. Though the NPR claimed actual savings of ~$112 billion from 1993-1999, the system did not result in a seamless link between performance measurement, program evaluation and budgeting.

The George W. Bush Administration: The PART legacy

George W. Bush, the first U.S. President with a MBA degree, claimed to "use performance as his guide" for making decisions. The "President's Management Agenda" (PMA) was presented in the summer of 2001 and the integration of performance information with budgeting was one of five management components – the others included investment in human capital, competitive sourcing, improved financial performance and e-government. President Bush also pushed the Program Assessment Rating Tool (PART) onto the OMB and executive agencies. The PART was a measurement tool and template that included measures of federal programs in terms of purpose and design, strategic planning, management and results, and required that programs provide evidence of the development and tracking of measures. According to the OMB (2002b), ''PART holds programs to a high level of evidence and expectation. It is not sufficient for a program simply to comply with the letter of the law. …"

The box below gives an overview of PART as outlined by the OMB's website at:

www.ExpectMore.gov.

The Program Assessment Management Tool (PART)

The Program Assessment Management Tool (PART) is a questionnaire used to evaluate purpose, design, planning, management, results, and accountability of federal programs. The ultimate goal is to determine whether a program is effective and provide recommendations to improve program results.

PART has seven program categories: Direct Federal, Competitive Grant, Block/Formula Grant, Regulatory, Capital Assets and Service Acquisition, Credit, and Research and Development. Any given program is given a questionnaire depending on their category classification. Each questionnaire has standard questions and customized questions, depending on the category. The questionnaire consists of 25-30 diagnostic questions that are divided into four sections:

1. Purpose and objectives (weight = 20%)
2. Strategic planning (weight = 10%)
3. Management (weight = 20%)
4. Results (weight = 50%)

Each question is assigned a point value. Each section can receive a maximum total of 100 points (100 points denotes a ***highly effective*** program in that section category). The rating scale below is then used to determine the overall effectiveness of the program based on the section scores. As Gilmour (2006) explains, while the OMB does not report an overall score, it can be calculated, based on the points earned per section and how they are weighted.

Rating Scale

Effective……………………………85-100
Moderately Effective………………70-84
Adequate……………………………50-69
Ineffective…………………………0-49

When programs have not set up performance measures or do not have performance data, they are given a rating of Results Not Demonstrated, regardless of what score they receive.

See: http://www.whitehouse.gov/omb/expectmore/part.html

In theory, the use of PART and the performance information it produces, should lead to better decisions. And, the actual review of programs under PART was presented as a collaborative process between the OMB and the agency managing the program, with OMB making the final rating determination. Gilmour (2007) claimed evidence that "PART assessments [had] an impact on allocation decisions in the President's budget." However, Moynihan (2005) points out that the numbers reported by OMB and GAO show no such trend.

Gilmour and Lewis (2006, 742) tried to tease out the relationship between PART and budget decisions in fiscal years 2004 and 2005, and concluded that (1) PART assessments were important to the President but were only one of many factors in the decision-making process; (2) smaller programs, with less entrenched political support, "suffered more" from the application of PART than did larger ones; and (3) the PART scores for program purpose and design were significantly related to budget changes in both fiscal years. Gilmour and Lewis (2006) also found that points for program results (weighted at 50 percent of total PART score) were significant in fiscal 2004 but not in fiscal 2005.

A number of problems plagued effective use of PART or lack thereof. Measurement was problematic. The GAO (2005a) explains that PART and GPRA remained at odds regarding what and how to measure the results of government activities and programs. PART attempted to measure program-related performance while GPRA required development of thematic goals and the conduct of government-wide comparisons. Maybe more importantly, given the politics of the budgetary process, PART was a tool of the OMB and therefore an extension of executive budget-making. Mullen (2006) points out that the OMB, by using PART to review programs, effectively replaced GPRA, substituting its evaluation of programs for all others that had been in place. Finally, Gilmour (2007) highlights the learning curve associated with any such reform in order to be engaged effectively. But, once learned, the gaming begins. That is, over time agencies learned "how to take the test" and could better present their performance results through PART. This effect leads back to measurement problems.

These factors certainly contributed to the disjointed use or lack of use of PART for budgetary decision in the U.S. federal government. Moynihan's (2005) research on PART and his consideration of a "performance dialogue" for successful performance management

emphasizes the importance of understanding congressional consideration of performance information in any future research. Mullen (2006, 79) concurs and suggests that "a more systematic congressional approach to providing its perspective on performance issues and goals could facilitate OMB's understanding of congressional priorities and thus increase PARTS's usefulness in budget deliberations." A consensus between executive and legislative of rating program performance could help to advance more substantive and comprehensive use of performance information for budgeting, specifically.

The Bush Administration also engaged a traffic light scoring system to rate federal agencies and departments on a number of performance budgeting criteria including, the integration of planning and budgeting functions, the development of a strategic plan, the alignment of budget accounts and costs with performance goals, and the demonstrated use of performance in making decisions (DeMaio 2002). Though President Bush claimed success with the PMA (traffic light) and PART (in the form of improved scores across years), there were certainly problems with both efforts, some which have been noted above. Measurement reliability and validity related to programs (PART) and agencies/departments (performance criteria and traffic light) abound. Congress was suspect of PART and therefore steered clear of the analysis when deliberating about agency budgets. Skepticism regarding usefulness of PART existed within OMB as well, and charges that the PART reports were politicized in the budget process doomed the efforts true integration into the budgeting process. This relates somewhat to the problem of many past reforms in terms of overreaching. That is, according to Breul (2007, 24) the PART ratings did not necessarily equate with decisions about funding because "performance is not the only factor in funding decisions. Determining priorities, including funding priorities, is a function of competing values and interests."

On the other hand, both PART and the PMA promoted the conduct of program performance measurement, the collection of data, and the consideration of program mission, goals, effectiveness and results. In spite of the problems related to applying measurement to many of the complex and complicated activities of the federal government, this effort (that built on GPRA) was another step in linking measurement and program evaluation to the budgeting process. The effort was a significant breakthrough in advancing the transparency of data and measures of government performance, though the problems with data measurement and the measures themselves are recognized. According to Dull (2006, 188), PART falls in line with past reform efforts such as PPBS, MBO and ZBB; "each is an analytical technique that embraces one of the major management concepts of its era with the goal of improving the quality and the influence of policy decisions. Each also builds on the analytical resources and perceived failings that are the legacies of previous initiatives."

The Obama administration: Focus on evaluation and transparency

Kamensky (2010c) explains that the Obama administration has developed a performance agenda that is moving slowly but deliberately. In 2009, President Obama highlighted areas of policy focus to the public by appointing a number of "Czars" who would develop and advance various initiatives. His concern for government performance was evident at this time with his creation of the nation's first Chief Performance Officer. Though his initial appointment, Nancy Killefer, withdrew her nomination quickly because of some personal tax problems, Obama's second choice, Jeffrey Zients, is charged with improving government efficiency, reducing duplication and cutting waste, which has a very familiar ring. The OMB has since released guidance (Metzenbaum 2010) alluding to a fresh approach to performance management that will put new demands on government agencies:

- to develop better ways of compiling information and reporting the information across agencies and programs;
- to report real-time, cross-program data that is accessible to the public through a Web portal called Performance.gov (Moore 2011);
- to present data in a variety of ways so it will be understood by a wide range of users, including Congress, citizens and researchers; and
- to validate data created as well as performance claims made based on such data (Kamensky 2010b).

President Obama's efforts are noteworthy for the attention he has given to performance management in the federal government, initially by his appointment of a "Performance Czar" and since then by building rather heavily on the foundations of previous administrations. That is, Obama has promised to replace the Program Assessment Rating Tool (PART) with a new performance improvement and analysis framework. And, the President evidences a continued commitment to transparency through the creation of a government-wide and publically accessible performance portal. The federal government's Recovery.gov website presents and stores information about the stimulus funding legislated by Congress in the American Recovery and Reinvestment Act of 2009.

Other important aspects of President Obama's performance agenda include an increased focus on program evaluation and the promotion of a six-point "Accountable Government Initiative." This initiative's components include: (1) driving agency top priorities, (2) cutting waste, (3) reforming contracting, (4) closing the information technology gap, (5) promoting accountability and innovation through open government, and (6) attracting and motivating top

talent (Kamensky 2010a). The initiatives regard familiar concepts that have been touted by previous Presidents and legally addressed by Congress in the past.

This sustained attention to government performance and the measurement of program results promotes some consistency to the efforts to link program evaluation and budgeting in the U.S. federal government. In an October 7, 2009 memo to agency and department heads, then OMB Director Peter Orzag describes several initiatives to strengthen program evaluation application in the federal government, including:

- increase public access to information on and data included in federal evaluations;
- reconstitute an inter-agency working group of evaluation experts under the Performance Improvement Council that has been established by executive order; and
- invite agencies to voluntarily submit additional information and request additional funding for high-priority evaluation activities, with OMB offering funding support to "up to 20 rigorous program evaluations across the Federal government or to strengthen agency evaluation capacity" (Orzag 2009, 2).

On the other hand, President Obama's approach to his performance agenda is distinguished from previous administrations by its emphasis on a bottom-up approach to goal-setting regarding resulting performance. That is, his focus is on improving the management capacity of government and skill of public employees, indirectly signaling movement away from private sector solutions like contracting (Joyce, forthcoming). Of course, it is too early to determine if this administration's performance initiative can reduce the "politics of the budgetary process" at the federal level of government in the U.S. According to one OMB document in the fiscal 2011 budget section entitled, "Performance and Management," neither GPRA nor the PART led to widespread use of performance data by Congress when making budgeting

decisions. Along these same lines, the Obama administration is emphasizing short-term "high priority performance goals" to be completed within the next 12-24 months. According to Joyce (forthcoming), while this could support the President's reelection, such action may not be the best approach for imbuing a performance orientation across the executive branch.

Conclusion

Public budgets serve as highly symbolic documents. The taxing and spending plans that result from the budgeting process represent the culmination of past policy decisions, current value judgments on the part of the public regarding personal need and what government should provide and the end game of political power struggles within the legislative branch and between it and the executive one. In the last 100 years especially, the U.S. federal government system of budgeting has swung from a highly fragmented, legislatively-based one to a strong executive one and eventually to something in the middle. Congress has at various times handed over significant budget powers to the President (most overtly with the 1921 Budget and Accounting Act), pulled power back (with the Congressional Budget and Impoundment Act of 1974) and then pushed off budget responsibility (for example, with Gramm-Rudman-Hollings in 1985).

It goes without saying that every new administration seeks to make its mark. It is interesting to witness when examining the history of budget reform in the U.S. that there exists a consistent and common thread of concern for improved government performance along with the desire to inject more "rationality" in the form of measurement and evaluation into the highly politically charged process. The current focus on performance measurement and program evaluation by the Obama Administration builds significantly on past efforts – most pointedly on the foundations of the 1993 GPRA and the George W. Bush Administration's PMA and PART efforts. And, in many ways, President Obama also reaps the benefits of reforms long past – the

focus on planning and evaluation initiated by PPBS in the 1960s, the bottom-up process of evaluation supported by ZBB in the 1970s, and the concentration on deficit cutting that inspired Gramm-Rudman-Hollings in 1985 which led directly to the PAYGO process of the Budget Enforcement Act of 1990.

In the end, however, success in terms of establishing a more direct link between and among performance measurement, program evaluation and final budgets remains elusive. This is in large part because the stakes have become so significant and entrenched. The sheer size of the U.S. federal budget as well as the dramatic change in the nature of federal expenditures (from predominantly supporting government administration to funding transfer payments to individuals) ups the ante of the politics of the public budgeting process. Today, of course, the overwhelming U.S. federal deficit and debt eclipse consideration of performance as the President and Congress mull over literally billions of dollars in cuts to the current and next fiscal year budgets.

Finally, according to Dull (2006), it is the technological advancements that will continue to have very significant effects on any future success of budget reform. "The budget's changing physical appearance (not least its availability online) is symptomatic of more fundamental changes in the logic and infrastructure that govern budgetary and administrative politics" (Dull 2006, 194). The ability to store, analyze and present data will dramatically impact public consumption and interpretation of the budget which in turn, will impact citizen demands on the President and Congress regarding budget results.

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