

August 2009

RESULTS-ORIENTED MANAGEMENT

Strengthening Key Practices at FEMA and Interior Could Promote Greater Use of Performance Information



GAO

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Highlights of [GAO-09-676](#), a report to congressional requesters

Why GAO Did This Study

Since 1997, periodic GAO surveys indicate that overall, federal managers have more performance information available but have not made any greater use of this information for decision making. Based on GAO's most recent survey in 2007, GAO was asked to (1) identify agencies with relatively low use of performance information and the factors that contribute to this condition; and (2) examine practices in an agency with indications of improvement in use of performance information. GAO analyzed results from its surveys of federal managers across 29 agencies, reviewed key agency documents related to using performance information—such as Performance and Accountability Reports—and interviewed agency and selected subunit managers about their management practices. GAO also compared management practices, at selected agencies with those GAO has identified as promoting the use of performance information for decision making.

What GAO Recommends

GAO is making recommendations to the Departments of Homeland Security and the Interior for improvements to key management practices to promote greater use of performance information at FEMA, NPS, Reclamation, as well as at Interior. Interior agreed in principle and DHS generally concurred, but disagreed that FEMA should develop an interim performance management plan. GAO clarified this recommendation to address the concern.

[View GAO-09-676 or key components.](#)
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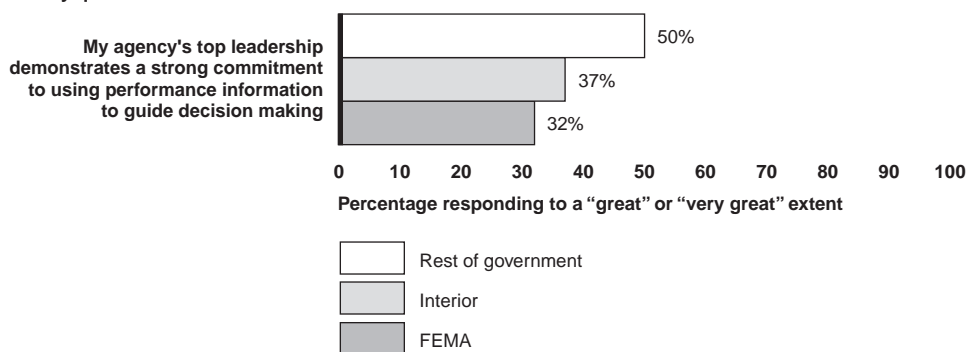
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What GAO Found

According to GAO's 2007 survey of federal managers on their use of performance information for decision making, the Federal Emergency Management Agency (FEMA) and the Department of the Interior (Interior), ranked 27 and 28 out of 29 agencies. Several factors contributed to this relatively low use. At both FEMA and Interior, the demonstrated commitment of agency leaders to using performance information—a key management practice—was inconsistent. While some FEMA programs and regions encouraged use of performance information to plan for and respond to unpredictable events, others expressed uncertainty as to how they could use performance information in the face of uncontrollable external factors. FEMA managers were also hampered by weak alignment among agency, program, and individual goals, as well as limited analytic capacity to make use of performance information. At Interior and the National Park Service (NPS), managers reported a proliferation of measures, including some that, while meaningful for department-level accountability, were not relevant to their day-to-day management. Managers at NPS and the Bureau of Reclamation also said that poorly integrated performance and management information systems contributed to an environment where the costs of performance reporting—in terms of time and resources—outweighed what they described as minimal benefits. While both FEMA and Interior have taken some promising steps to make their performance information both useful and used, these initiatives have thus far been limited.

Survey question



Source: GAO.

The experience of the Centers for Medicare & Medicaid Services (CMS) highlights the role that strengthened management practices can play. According to GAO's 2000 and 2007 survey results, the percentage of managers at CMS reporting use of performance information for various management decisions increased by nearly 21 percentage points—one of the largest improvements among agencies over that period. CMS officials attributed this change to a combination of key management practices they had employed, including, but not limited to: leadership commitment to using performance information; alignment of strategic and performance goals; improving the usefulness of performance information; and building the analytic capacity to collect and use performance information.

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Abbreviations

CMS	Centers for Medicare & Medicaid Services
CQISCO	Consortium for Quality Improvement and Survey & Certification Operations
DHS	Department of Homeland Security
FEMA	Federal Emergency Management Agency
FIRM	Flood Insurance Rate Maps
GPRA	Government Performance and Results Act
Interior	Department of the Interior
NPS	National Park Service
OCSQ	Office of Clinical Standards and Quality
OMB	Office of Management and Budget
PAR	Performance and Accountability Report
PART	Program Assessment Rating Tool
PMA	President's Management Agenda
PMAP	Performance Management Appraisal Program
PMDS	Performance Management Data System
PMIS	Project Management Information System
PPS	Performance Plan System
Recovery Act	American Recovery and Reinvestment Act
SCHIP	State Children's Health Insurance Program
SES	Senior Executive Service

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United States Government Accountability Office
Washington, DC 20548

August 17, 2009

The Honorable Thomas R. Carper
Chairman
The Honorable John McCain
Ranking Member
Subcommittee on Federal Financial Management, Government
Information, Federal Services, and International Security
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Tom Coburn
United States Senate

How the federal government performs and the results it achieves have a significant effect on many of the most pressing issues of concern to the American public—whether it be the creation of jobs by providing timely and targeted aid for recovery programs, rigorous oversight of financial markets, effective responses to natural disasters, reduction in pollutants that contribute to climate change, or delivery of water to arid regions of the country. Given increasing public demands for a more effective, transparent, and accountable federal government, it is more important than ever that federal agencies establish meaningful goals for improving performance, monitor progress in achieving their goals, and use information about performance to make decisions that can improve results.

For the purposes of this report, we define performance information to mean data collected to measure progress toward achieving an agency's established mission or program-related goals. Performance information can focus on various dimensions of performance such as outcomes, outputs, quality, timeliness, customer satisfaction, or efficiency. It can inform key management decisions such as setting program priorities, allocating resources, identifying program problems and taking corrective action to solve those problems; or it can help determine progress in meeting the goals of programs or operations. Performance information may be collected to address internal management needs or external reporting requirements such as the Government Performance and Results

Act of 1993 (GPRA),¹ or the Program Assessment Rating Tool (PART), used by the Office of Management and Budget (OMB) under the previous administration.²

Our periodic surveys on performance and management issues since 1997³ have indicated that federal managers today have significantly more performance information available for the programs they manage than they did 10 years ago. However, on the whole, federal managers have shown little or no progress in increasing their use of performance information to manage for results. While some agencies have reported significant improvements, others remain unchanged.⁴ In an effort to increase the use of performance information by agency managers, you asked that we conduct reviews at selected agencies to better understand what may hinder their use of performance information in managerial decision making and to identify opportunities for improvement. Our objectives were to: (1) identify agencies with relatively low use of performance information and the factors that contribute to this condition; and (2) examine practices in an agency where there were indications of improvement in its use of performance information.

¹Pub. L. No. 103-62, 107 Stat. 285 (Aug. 3, 1993). Congress enacted GPRA to address several broad purposes, including improving federal program effectiveness, accountability, and service delivery; and enhancing congressional decision making by providing more objective information on program performance. See app. III for more information on GPRA and other federal management reforms.

²OMB created PART, a diagnostic tool that was intended to provide a consistent approach for evaluating federal programs as part of the executive budget formulation process. Through PART, OMB sought to create better ties between program performance and the allocation of resources. Although PART was discontinued as of the change in administration in 2009, it is likely that OMB will continue some form of agency assessment that will require performance information. See app. III for more information on PART and other federal management reforms.

³Our surveys were completed in 1997, 2000, 2003, and 2007 and were designed to obtain the observations and perceptions of respondents on various aspects of results-oriented management topics such as the presence and use of performance measures, hindrances to measuring performance and using performance information, and agency climate. Most of the items on our surveys asked respondents to rate the strength of their perception on a 5-point extent scale ranging from “to no extent” at the low end of the scale to “to a very great extent” at the high end. For more information on our survey methodology and selected survey results see app. I.

⁴GAO, *Government Performance: Lessons Learned for the Next Administration on Using Performance Information to Achieve Results*, [GAO-08-1026T](#) (Washington, D.C.: July 24, 2008). In addition to our testimony, our survey results are also available: GAO, *Government Performance: 2007 Federal Managers Survey on Performance and Management Issues, an E-supplement to GAO-08-1026T*, [GAO-08-1036SP](#) (Washington, D.C.: July 24, 2008).

To address both of our objectives, we reviewed our prior work on results-oriented management, including key practices that can promote greater use of performance information. We also reviewed prior reports and other relevant materials on GPRA and PART.

To address our first objective, we first drew on our 2007 survey results to identify agencies where relatively fewer managers reported making extensive use of performance information. Based on this ranking and other considerations, we chose the Department of the Interior (Interior) and the Federal Emergency Management Agency (FEMA), which ranked 27th and 28th respectively out of 29 agencies (see app. II, fig. 20). We then conducted interviews with senior-level officials responsible for operations, budget, human capital, and performance-reporting functions at each agency to gain an understanding of the performance-based management policies and practices established at the top levels of their organizations. We also asked officials and managers to identify areas where they faced difficulties in using performance information for decision making. To obtain the perspective of bureau, program, and field managers on challenges they faced in using performance information at their level, we interviewed officials from selected component organizations that covered significant and diverse aspects of each agency's mission. At Interior, we selected the National Park Service (NPS) and Bureau of Reclamation (Reclamation) for review; and at FEMA, we selected the Disaster Assistance and Mitigation Directorates.

To address our second objective of examining practices in an agency where improvement in the managers' use of performance information appears to have progressed, we selected the Centers for Medicare & Medicaid Services (CMS). Comparing survey results from 2000 and 2007, CMS managers' reported use of performance information across selected areas of key decision making increased by nearly 21 percentage points. However, because CMS scored significantly below the rest of government in responses to survey items on managerial use of performance information in 2000, their 2007 responses to these items reflect a significant turnaround (see app. I, fig. 19). At CMS, we interviewed top headquarters officials, officials and managers in Regions IV and IX, and in two lines of business—the Consortium for Quality Improvement and Survey & Certification Operations (CQISCO) and the Consortium for Financial Management and Fee for Service Operations. It should be noted that we did not systematically assess the quality of the performance information used in the examples we cite. In addition, although we describe how performance information was used to make decisions in our

examples, we did not examine whether such use ultimately resulted in improved outcomes.

At all three agencies, we interviewed selected officials and managers to gauge the extent to which key management practices—that we previously reported can promote use of performance information to manage for results—had been implemented. We also reviewed agency policies, procedures, and documentation related to results-oriented management such as their strategic plans, performance measures, and individual performance-management systems. See appendix I for a more detailed discussion of our scope and methodology.

We performed our work in the Washington, D.C., metropolitan area; Boston, Massachusetts; San Francisco and Sacramento, California; and Atlanta, Georgia; from March 2007 to May 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

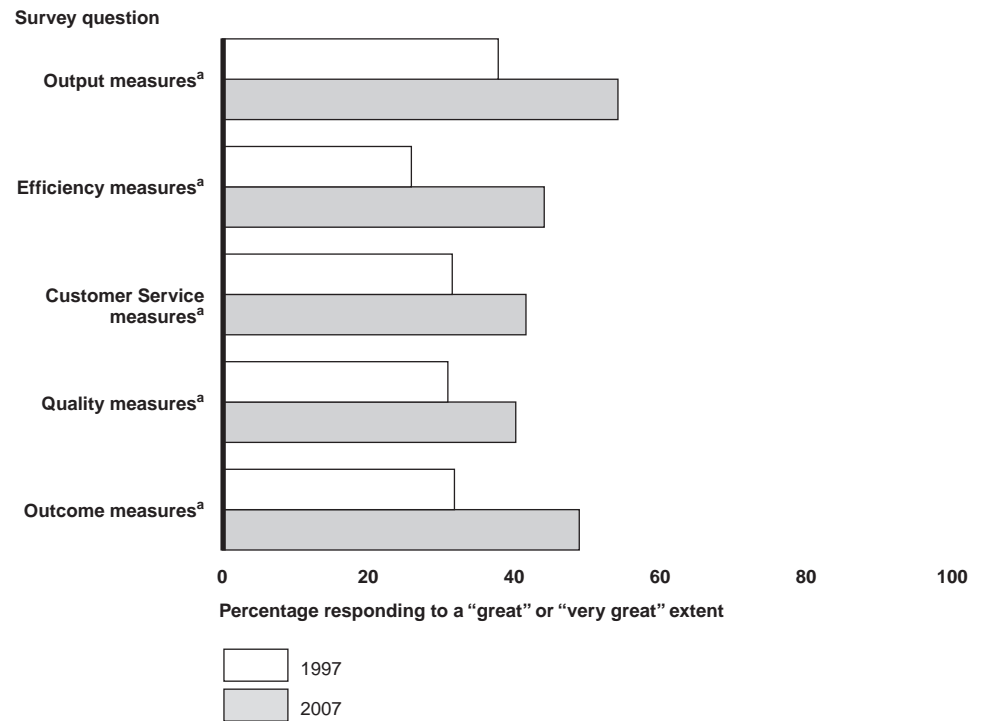
Background

Over the past 16 years, a succession of legislative reforms and executive guidance have been aimed at improving the effectiveness of federal programs by transforming the departments and agencies that administer those programs to be more results-oriented and performance-based. A key element of these reforms is the Government Performance and Results Act of 1993 (GPRA), which among other things required executive agencies to establish results-oriented goals and performance measures and report on the progress achieved. More recently, OMB created the Program Assessment Rating Tool (PART), a diagnostic tool intended to provide a consistent approach for evaluating federal programs. (See app. III for a timeline of results-oriented-management reforms.) As we reported in July 2008,⁵ we have seen a positive transformation in the capacity of the federal government to manage for results. This capacity includes an infrastructure of outcome-oriented strategic plans, performance measures, and accountability reporting that provides a solid foundation for improving the performance of federal programs. In particular, significantly more federal managers reported to a great or very great extent having the types of

⁵GAO-08-1026T.

performance measures called for by GPRA and PART than they did 10 years ago (see fig. 1).⁶

Figure 1: Percentage of Federal Managers Who Reported Having Performance Measures



Source: GAO.

Notes: Data are from GAO 1997 and 2007 surveys.

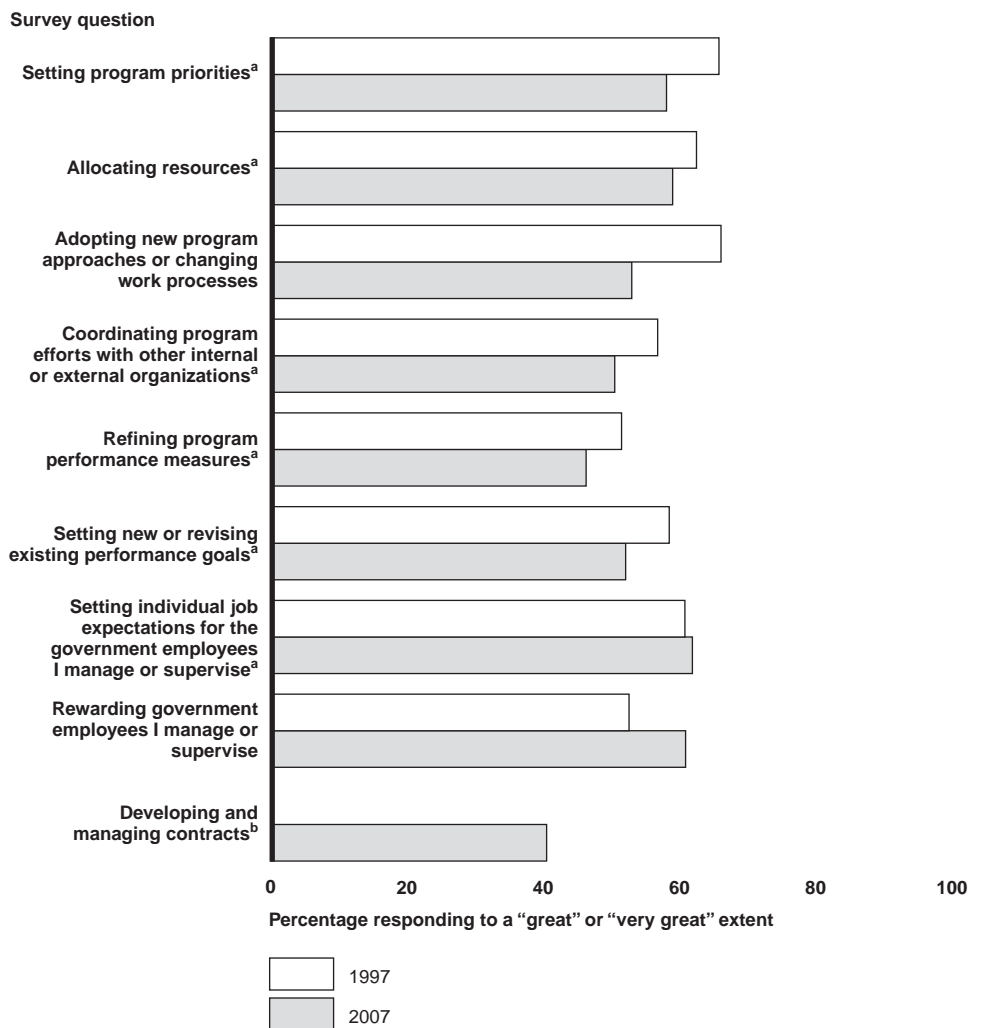
^aThere is a statistically significant difference between 1997 and 2007 surveys. Hereafter, the differences in percentages reported are statistically significant unless otherwise indicated.

However, the ultimate benefit of collecting performance information—improved decision making and results—is only fully realized when this information is used to support management planning and decision-making functions. The results of our 2007 survey showed that despite having more performance measures available, the extent to which managers make use of this information to improve performance has remained relatively unchanged. As shown in figure 2, six of the eight categories of

⁶GAO-08-1026T. Hereafter, when describing our survey results, we are reporting the percentage of federal managers who selected the “great” or “very great extent” response to survey items.

management activities we asked about in both 2000 and 2007 showed no statistically significant change over the past 10 years:

Figure 2: Percentage of Federal Managers Who Reported Using Information Obtained from Performance Measurement for Various Management Decision-Making Functions

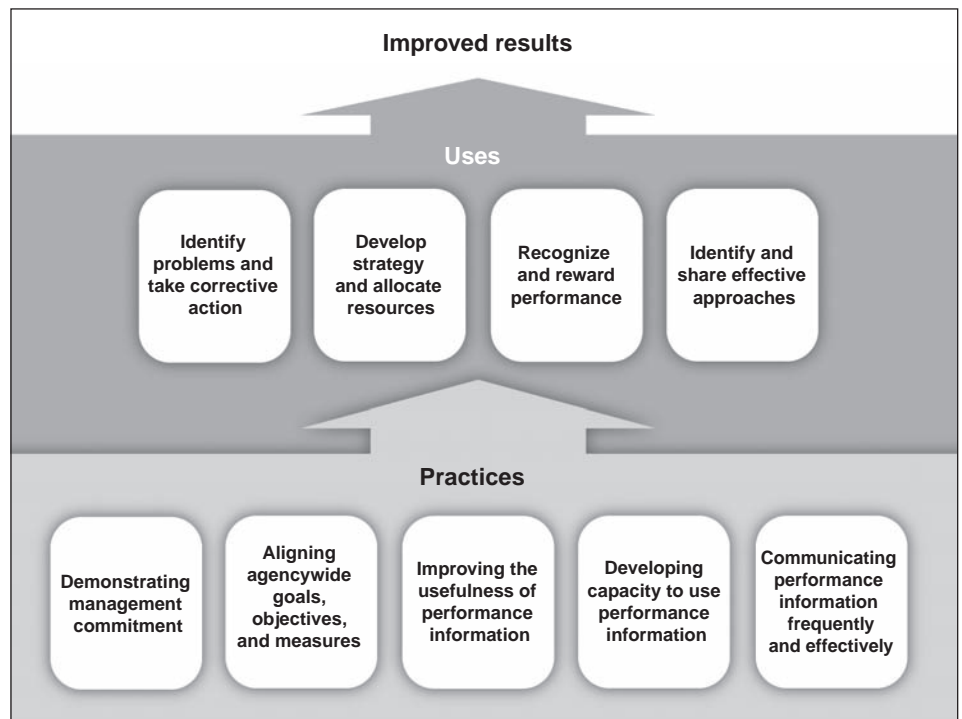


Source: GAO.
 Notes: Data are from GAO 1997 and 2007 surveys.
^aDifferences in percentages between 1997 and 2007 were not statistically significant.
^bThis question was not asked in 1997.

As our survey results showed, despite legislative and administration efforts to focus federal management decisions on maximizing the results

achieved with federal funds, changing the way federal managers make decisions is not simply a matter of making more program performance information available. Based on our work on management reform efforts as well as analysis of federal managers' responses to our surveys, we have identified several key management practices that can promote the use of performance information (see fig. 3).⁷

Figure 3: Practices That Can Promote the Use of Performance Information for Decision Making



Source: GAO.

Our prior report grouped these practices into five categories as described below.

⁷GAO, *Managing for Results: Enhancing Agency Use of Performance Information for Management Decision Making*, [GAO-05-927](#) (Washington, D.C.: Sept. 9, 2005).

Demonstrating Management Commitment

The commitment of agency managers to results-oriented management is critical to increased use of performance information for policy and program decisions. Demonstrating the willingness and ability to make decisions and manage programs on the basis of results, and inspiring others to embrace such a model, are important indicators of management's commitment. Management can show this type of commitment by leading frequent, regular performance-review meetings to discuss progress made toward the achievement of results, and by involving staff from different organizational levels in performance-review meetings. These methods can assist agencies in identifying performance problems and in developing performance-improvement plans based on collected performance information.

Aligning Agencywide Goals, Objectives, and Measures

Agencies can encourage greater use of performance information by aligning agencywide goals and objectives, and by aligning program performance measures at each operating level with those goals and objectives. GPRA requires that agencies use performance measurement to reinforce the connection between their long-term strategic goals and the day-to-day activities of their managers and staff. To meet the GPRA requirements, an agency should cascade its goals and objectives throughout the organization and should align performance measures to the objectives from the executive level down to the operational levels. Furthermore, a greater focus on results can be created by cascading organizational goals and objectives down to the individual performance level. This alignment increases the usefulness of the performance information collected to decision makers at each level, and reinforces the connection between strategic goals and the day-to-day activities of managers and staff.

Improving the Usefulness of Performance Information to Better Meet Management's Decision-Making Needs

To ensure that performance information will be both useful and used in decision making throughout the organization, agencies need to consider users' differing policy and management information needs. To be useful, performance information must meet users' needs for completeness, accuracy, consistency, timeliness, validity, and ease of use. Other attributes that affect the usefulness of information include, but are not limited to, relevance, credibility, and accessibility. Measures should be selected specifically on the basis of their ability to inform the decisions made at each organizational level, and should be appropriate to the responsibilities and control at each level. In that regard, involving managers in the development of performance goals and measures is

critical to increasing the relevance and therefore the usefulness of performance information to their day-to-day activities.

Developing Agency Capacity

The practice of building analytical capacity to use performance information—both in terms of staff trained to do analysis and availability of research and evaluation resources—is critical to using performance information in a meaningful fashion. Such capacity can be enhanced by training to develop the competencies and skills of managers to plan strategically, develop robust measures of performance, and analyze what the performance data mean. Performance management literature also states that training is a key factor in improving employees’ capabilities and enabling employee involvement in achieving performance improvements.

Communicating Performance Information Frequently and Effectively

Improving the communication of performance information among staff and stakeholders can facilitate the use of performance information by agency managers. Improvements can be achieved through frequent and routine communication, and the use of effective communication tools, such as visual aids. Frequent, regular communication is key for managers to inform staff and other stakeholders of their commitment to achieve the agency’s goals and to keep these goals in mind as they pursue their day-to-day activities. Frequently reporting performance information also allows managers to review the information in time to take action to make improvements. Program managers can also communicate performance information upward through the management hierarchy, and across operating units. Vehicles for such communication include poster displays, performance scorecards, intranet sites, e-mail, and distribution of monthly performance-review meeting minutes.

Agencies Reviewed

As noted above, to better understand what may hinder use of performance information and to identify opportunities for improvement, we selected FEMA, Interior, and CMS for more extensive review:

Federal Emergency Management Agency

Although an independent agency originally, FEMA has been a part of the Department of Homeland Security (DHS) since 2003. FEMA’s primary mission is to reduce the loss of life and property and protect the nation from all hazards, including natural disasters, acts of terrorism, and other man-made disasters, by leading and supporting the nation in a risk-based, comprehensive emergency-management system of preparedness, protection, response, recovery, and mitigation. There are eight directorates within FEMA, each dedicated to formulating policy and

administering programs from the headquarters office located in Washington, D.C., and from 10 regional offices located across the United States. For fiscal year 2009, Congress appropriated approximately \$15.6 billion for FEMA and FEMA programs, including \$610 million in the American Recovery and Reinvestment Act (Recovery Act).⁸ For this study, we reviewed the Mitigation Directorate, which manages a range of programs designed to reduce future losses to homes, businesses, schools, public buildings, and critical facilities from floods, earthquakes, tornadoes, and other natural disasters; and the Disaster Assistance Directorate. Within the Disaster Assistance Directorate, we focused on the Public Assistance program, which administers FEMA's grants for emergency work, such as debris removal, and permanent work such as repairing and replacing damaged buildings following major disasters to state and local governments, authorized tribal organizations, and specific types of nonprofit organizations.

Department of the Interior

Interior oversees nine separate agencies and bureaus with a wide range of responsibilities including resource use and protection, providing recreation opportunities on public lands, and honoring the nation's obligations to American Indians and Alaskan Natives. For this study, we examined the National Park Service (NPS), which is responsible for preserving the natural and cultural resources and protecting the wildlife of the national parks so that they will remain unimpaired for the enjoyment of this and future generations, and the Bureau of Reclamation (Reclamation), which is responsible for managing, developing, and protecting water and related resources in an environmentally and economically sound manner. In the Omnibus Appropriations Act, 2009, Congress appropriated more than \$10 billion for Interior, with NPS and Reclamation receiving approximately \$2.56 billion and \$1.11 billion

⁸Disaster Relief and Recovery Supplemental Appropriations Act, 2008, Pub. L. No. 110-329, div. B, 122 Stat. 3574, 3592 (Sept. 30, 2008); Department of Homeland Security Appropriations Act, 2009, Pub. L. No. 110-329, div. D, 122 Stat. 3574, 3670-676 (Sept. 30, 2009); Pub. L. No. 111-5, 123 Stat. 115 (Feb. 17, 2009). The Recovery Act provided stimulus funding for preserving and creating jobs and promoting economic recovery and for investment in transportation, environmental protection, and other infrastructure. The Congressional Budget Office (CBO) estimates that the Recovery Act's combined spending and tax provisions will cost \$787 billion, of which over \$580 billion will be in additional spending.

Centers for Medicare &
Medicaid Services

respectively.⁹ In addition, the Recovery Act provided approximately \$3 billion for Interior, including \$750 million for NPS and \$1 billion for Reclamation.¹⁰

CMS, a component of the Department of Health and Human Services, is the largest purchaser of health care in the United States, serving about 95 million Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP) beneficiaries. CMS' fiscal year 2009 budget of \$776.3 billion supports the entitlement programs of Medicare, Medicaid, and SCHIP and includes \$35.9 billion in the Recovery Act. CMS has approximately 4,570 employees located in its headquarters and in 10 regions throughout the country. In February 2007, CMS reorganized its regional management from a geography-based reporting structure to a consortia structure based on the agency's key lines of business: Medicare health plans, Medicare financial management, Medicare fee for service operations, Medicaid and children's health, survey and certification of health care providers, and quality improvement. For this study, we reviewed the Consortium for Quality Improvement and Survey & Certification Operations (CQISCO), which is responsible for, among other activities, oversight of state surveys and activities intended to monitor the quality of nursing homes and other types of health care facilities that participate in Medicare and Medicaid.¹¹ Our prior work had identified more than 40 recommendations to CMS to improve oversight of nursing homes, which included recommendations intended to improve CMS' use of performance data.¹² Also, both Medicare and Medicaid programs are on

⁹Energy and Water Development and Related Agencies Appropriations Act, 2009, Pub. L. No. 111-8, div. C, 123 Stat. 524, 609 (Mar. 11, 2009); Department of the Interior, Environment, and Related Agencies Appropriations Act, 2009, Pub. L. No. 111-8, div. E, 123 Stat. 701-725. Interior was funded by continuing resolutions for the 2009 fiscal year up until the Omnibus Appropriations Act was enacted. See Pub. L. No. 111-6, 123 Stat. 522 (Mar. 6, 2009); Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, Pub. L. No. 110-329, div. A, Continuing Appropriations Resolution, 2009, 122 Stat. 3574, 3575, 3593 (Sept. 30, 2008).

¹⁰Pub. L. No. 111-5, 123 Stat. 115, 137, 166-168 (Feb. 17, 2009).

¹¹CMS contracts with states to assess the quality of care provided by Medicare and Medicaid participating facilities.

¹²GAO, *Nursing Home Reform: Continued Attention Is Needed to Improve Quality of Care in Small but Significant Share of Homes*, [GAO-07-794T](#) (Washington, D.C.: May 2, 2007). For a full bibliography of our prior work on nursing homes, see GAO, *Medicare and Medicaid Participating Facilities: CMS Needs to Reexamine Its Approach for Funding State Oversight of Health Care Facilities*, [GAO-09-64](#) (Washington, D.C.: Feb. 13, 2009).

GAO's high-risk list due to their size and complexity, as well as their susceptibility to mismanagement and improper payments.¹³

FEMA and Interior Were Hindered in Using Performance Information for Decision Making by Weak or Inconsistent Application of Key Management Practices

According to our 2007 survey of federal managers, FEMA and Interior were two of the lowest users of performance information among the 29 federal agencies surveyed. Several factors contributed to this relatively low use. At both FEMA and Interior, the demonstrated commitment of agency leaders to using performance information—a key management practice—was inconsistent. FEMA managers were also hampered by weakly aligned goals and limited analytic capacity to make use of performance information. At Interior and NPS, we observed, and officials and managers reported, a proliferation of measures, including some that, while meaningful for department-level accountability, were not relevant to their day-to-day management. Field managers we interviewed at NPS also said that poorly integrated performance and management information systems contributed to an environment where the costs of performance reporting—in terms of time and resources—outweighed what they described as minimal benefits to their decision making. While both FEMA and Interior have taken some promising steps to make their performance information both useful and used, these initiatives have thus far been limited.

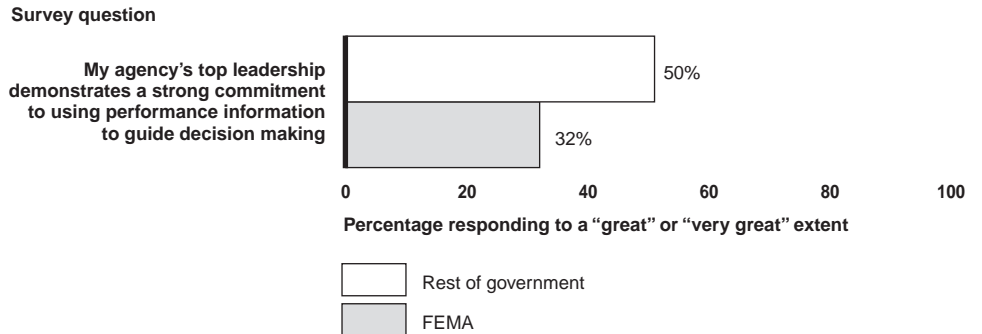
FEMA Leadership Inconsistently Demonstrated Commitment to Using Performance Information in Certain Directorates, Regions

As we have previously reported, demonstrating the willingness and ability to make decisions and manage programs on the basis of results and inspiring others to embrace such a model are important indicators of leadership's commitment to using performance information.¹⁴ Our 2007 survey results indicated that, compared to the rest of government, a smaller percentage of FEMA managers agreed their top leadership demonstrated a strong commitment to using performance information to guide decision making (see fig. 4).

¹³GAO, *High-Risk Series: An Update*, GAO-09-271 (Washington, D.C.: January 2009).

¹⁴GAO-05-927.

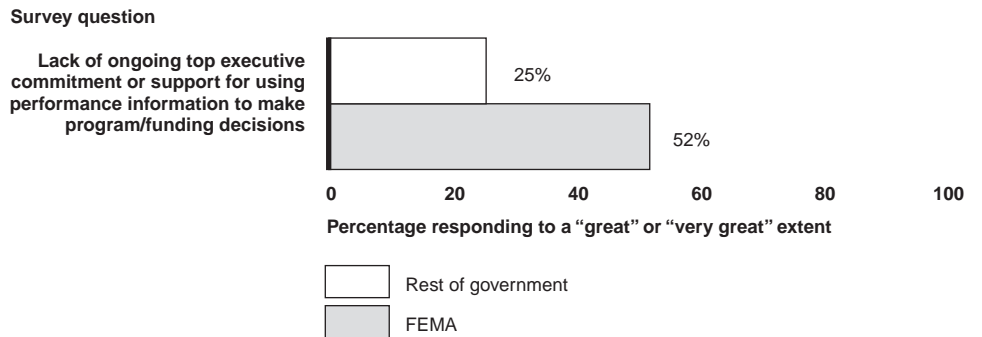
Figure 4: Percentage of Federal Managers Who Reported That Agency's Top Leadership Demonstrated a Strong Commitment to Using Performance Information to Guide Decision Making



Source: GAO.
 Note: Data are from GAO 2007 survey.

At the same time, a significantly greater percentage of FEMA managers—27 percentage points more than managers across the rest of government—agreed that lack of leadership commitment is a hindrance to their use of performance information (see fig. 5).

Figure 5: Percentage of Federal Managers Who Identified Lack of Leadership Commitment to Using Performance Information as a Hindrance to Measuring Performance or Using Performance Information



Source: GAO.
 Note: Data are from GAO 2007 survey.

Our interviews with officials at FEMA were consistent with these survey results, indicating that management commitment was demonstrated inconsistently across the program directorates and regions we reviewed. Leaders and managers we spoke to throughout the management hierarchy were clearly committed to carrying out FEMA's mission. The level of commitment to using performance information for decision making,

however, appeared to vary among those we interviewed. Further, several FEMA headquarters officials said that top leadership commitment to using performance information, demonstrated by one of the agency's former leaders, had not permeated the organizational culture and that it was unclear whether recently instituted practices would be sustained under the new administration.

A former Deputy Administrator, who served as FEMA's chief operating officer before he left his position as part of the change in administration, said that he believed strongly in using performance information to identify areas for improvement. He said that when he arrived at FEMA in 2006, the agency culture was response driven and there was little recognition that performance information could be used to make improvements. As a first step, he said he had focused on improving FEMA's business practices in areas such as hiring, financial management, and information systems. He also introduced performance information briefings on disaster assistance-related areas of concern—such as housing for Hurricane Ike victims—in an effort to improve performance. For example, he said that by reviewing data on various aspects of the post-Hurricane Ike replacement housing situation—such as individual housing needs, the inventory of mobile homes, and the rate of mobile home installation—he was able to identify and fix a bottleneck in providing an adequate supply of temporary housing. Another FEMA official with responsibilities for performance reporting said that such disaster assistance metrics were important first steps in using performance information to improve disaster response. However, he noted that these metrics were specific to that disaster and that more work is needed to develop performance measures that can be applied to all disaster response situations.

More recently, the former Deputy Administrator said he had begun to turn his attention to FEMA's performance at the regional level. For example, he said he had begun to work with the regions to require strategic plans and quarterly performance reporting to his office. He acknowledged, however, that some regions are better than others at using performance information and that these quarterly reporting efforts were still immature. Further, our interviews with other officials indicated that only one reporting cycle had been completed before the former Deputy Administrator had left.

Our interviews with top officials and regional program managers in the Disaster Assistance and Mitigation Directorates indicated that leadership commitment to using performance information varied among directorates and regions. In the Disaster Assistance Directorate, one headquarters official told us that he does not need performance targets to help him

determine whether his directorate is accomplishing its mission. He says he relies primarily on verbal communications with the leadership and from FEMA's regions, joint field offices, and members of Congress to identify issues to be addressed and areas that are running well. Although he said he does use data to monitor how well the directorate is responding to postdisaster inquiries for assistance, such as the call center statistics from FEMA's National Processing Service Center, his description indicated that these data mostly reflect workload and activity levels, rather than performance against goals.

Another headquarters official within the Disaster Assistance Directorate's Public Assistance program said he does not receive formal performance reports from regional program managers, nor are any performance reports required of him by his supervisors. He noted that goals for the Public Assistance program are established for the field at the regional level and that the directorate's role is primarily one of developing policies and guidance. Although regional staff completed reports on various activities related to his programs, he said he was uncertain how he would use these regional reports since performance monitoring was not his focus. Instead, he said that he spoke to the regions on an ad hoc basis as performance problems arose.

Officials responsible for Disaster Assistance Directorate programs in two of three regions we reviewed similarly described the ad hoc nature of performance reporting to headquarters. One said that, although he has begun to issue quarterly reports on various data, such as funding obligation rates, to his Regional Administrator that are shared with headquarters, he had not received any comments or feedback on what is reported. Another regional Disaster Assistance Directorate official told us that although regional program supervisors and staff meet quarterly to discuss timeliness related to funding obligations and project worksheet completion,¹⁵ among other items, they do not communicate performance information to the directorate head or headquarters on a regular basis. Officials from the third region we interviewed said that, although they anticipated that new strategic planning initiatives might change how they report on performance in the future, they did not review performance information with their regional staff, nor did they communicate it to headquarters. Officials we interviewed within the Disaster Assistance Directorate expressed reluctance toward holding their staff accountable

¹⁵ A critical step in the Public Assistance program process is the completion of a project worksheet, which documents eligible work and estimated cost.

Example 1: Mitigation Directorate Leadership Used Performance Information to Engage Partners in Improving Map Modernization Outcomes

The Mitigation Directorate works with multiple stakeholders, including state and local governments, the insurance community, and private contractors to ensure that flood-prone communities have the most current and reliable flood data available, and that those communities are in compliance with regulations referencing current Flood Insurance Rate Maps (FIRM), which are used to regulate land development through flood-plain management and for flood insurance purposes. Communities that fail to adopt the new maps by the FIRM effective date are suspended from the National Flood Insurance Program, which can negatively affect local real-estate transactions and limit the community's eligibility for disaster assistance. In an effort to improve community compliance, the Mitigation Directorate set an annual performance target of 93 percent of communities adopting new maps by the FIRM effective date. They closely monitored performance by incorporating the map adoption rate into state grant agreements, map modernization contracts, and FEMA's regional performance scorecards. According to Mitigation Directorate officials, they frequently reviewed map modernization performance information with their external stakeholders and FEMA's regional management, which sent a clear signal that they were paying attention to outcomes. According to these headquarters officials, they were able to meet or exceed their performance target of 93 percent, in part as a result of their frequent communication and review of performance information.

for meeting performance goals due to external factors, such as the unpredictability of disasters beyond their control. Further, some expressed uncertainty as to how they could use performance information in the face of uncontrollable external factors.

In contrast, according to several officials from the Mitigation Directorate, they had begun to use performance information to more effectively manage under unpredictable circumstances. These officials said that the former Mitigation Administrator's commitment to performance and accountability helped change the directorate culture to one that encouraged use of performance information to plan for and respond to factors outside of their control. For example, storms and other natural events can disrupt the Mitigation Directorate's production work related to flood-plain maps modernization. To plan for possible disruptions, Mitigation Directorate officials said they review performance information on progress toward map modernization goals on a monthly basis, in connection with weather forecasts. This review helps them to determine in advance if they are at risk of missing performance targets and to identify corrective actions or contingency plans in order to get back on track toward achieving their goals. They also described their own commitment to using performance information as a means to demonstrate the value of their programs, make improvements, and achieve results (see example 1).

In addition, Mitigation Directorate officials from both the national office and from two of the three regions we reviewed noted frequent communication and review of program performance information. For example, each of the Mitigation Directorate's three divisions developed score cards including performance measures that are reviewed quarterly. Mitigation Directorate officials also told us they involved staff throughout the directorate and their external stakeholders including insurance companies, the lending community, and state and local officials in their efforts to establish preliminary performance goals and measures. One regional manager we spoke to said that directorate and regional leadership fostered collaboration by encouraging regional staff to develop and share ideas for metrics and targets through weekly conference calls devoted to discussing performance information.

Mitigation Directorate officials said that developing measures and holding staff and contractors accountable for their performance was not an easy transformation. They said that one key to this culture change was for the leadership to strike an appropriate balance between holding managers accountable for agency goals and building trust among managers and staff that performance information would be used as an improvement tool,

rather than as a punitive mechanism. Finally, Mitigation Directorate officials said that once managers and staff began to see that measuring performance can actually help them to improve results, they became more supportive of their leadership's efforts to use performance information in their decision making.

FEMA Has Not Consistently Aligned Agency, Program, and Individual Performance Goals

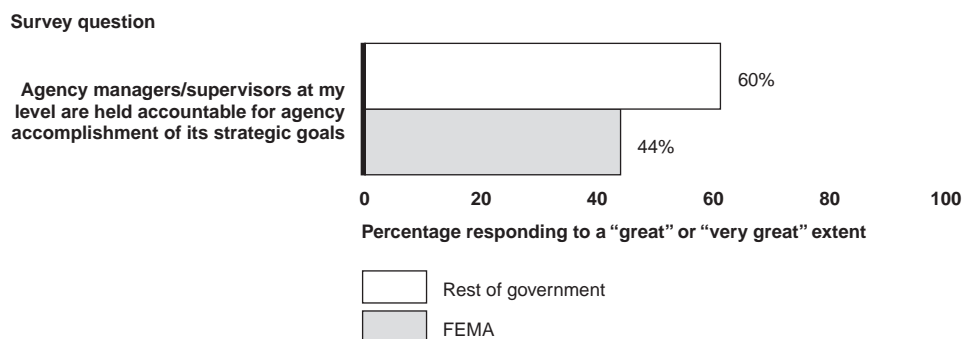
As we reported previously,¹⁶ agencies can promote use of performance information by aligning agencywide goals and objectives, and by aligning program performance measures at each operating level with those goals and objectives. FEMA's current strategic plan includes high-level strategic goals, such as, "deliver easily accessible and coordinated assistance for all programs." FEMA officials said they had recently completed an addendum to the strategic plan that can be updated to reflect evolving circumstances. These officials acknowledged, however, that these goals and measures are high level and that establishing performance goals at the regional or division level would help FEMA to cascade organizational goals down to individual staff.

According to our interviews with other top officials, FEMA had started to develop regional performance measures and align them with different operating levels of the agency. In mid-2008, FEMA's leadership directed all regions to begin developing regional strategic plans; however, several officials described challenges in ensuring that these plans included meaningful performance measures that aligned with those at the directorate and agency level. The regions' early efforts produced performance measures that, from the program directorates' perspective, were often not aligned with their program goals. Subsequently, FEMA performance and operations officials worked with the regions and national program directorate leaders to refine the measures and to provide training, which included information on aligning activities and outputs with strategic goals. As of late 2008, FEMA had developed an initial set of 38 regional performance measures that are intended to link to the agency's strategic goals. It was unclear, however, when the regions will begin collecting data on these metrics to establish baseline performance levels and targets for improvement. Top officials acknowledged that efforts to align regional goals with the agency's strategic objectives is a work in progress and will take some time to complete.

¹⁶GAO-05-927.

We have reported that a greater focus on results can be created by cascading organizational goals and objectives down to the individual performance level, helping individuals to see the connection between their daily activities and organizational goals and providing a basis for holding individuals accountable for their results.¹⁷ However, our 2007 survey results indicated 44 percent of FEMA managers reported being held accountable for agency strategic goals, compared to 60 percent of their counterparts in the rest of government (see fig. 6).

Figure 6: Percentage of Federal Managers Who Reported They Were Held Accountable for Their Agency’s Accomplishments of Strategic Goals



Source: GAO.
 Note: Data are from GAO 2007 survey.

FEMA lacked a performance-management system that can cascade organizational goals to the individual performance level—that is, create a “line of sight” linking individual goals and organizational success. In September 2008, FEMA human capital management officials told us that aligning agency goals with non-Senior Executive Service (SES) performance objectives was being accomplished through the implementation of DHS’ ePerformance Management System.¹⁸ At that time, according to officials, approximately 30 percent of permanent full-time employees had been converted to the new system. However when Congress disallowed DHS from further implementing the human-resources-management system then in place, in October 2008,¹⁹ DHS

¹⁷GAO, *Results-Oriented Cultures: Creating a Clear Linkage between Individual Performance and Organizational Success*, GAO-03-488 (Washington, D.C.: Mar. 14, 2003).

¹⁸FEMA’s SES managers were covered by DHS’ human-capital-management system, which required linkages between agency goals and individual performance objectives.

¹⁹Pub. L. No. 110-329, div. D, § 522.

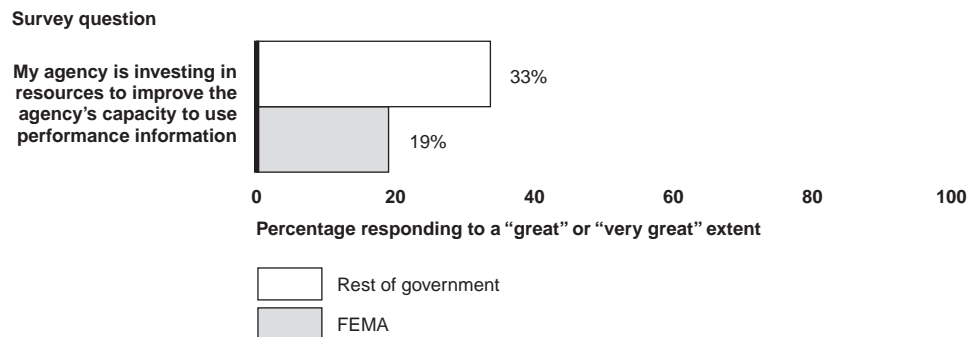
rescinded its ePerformance Management and related human-resources systems. For fiscal year 2009, FEMA chose to revert to its previous appraisal system, which it had established in the mid-1990s. Although human-capital officials told us that this appraisal system encourages supervisors and employees to develop work plans, our review of policies and appraisal documents indicated no requirement to align individual performance objectives with agency or program performance goals. A human-capital official at FEMA noted that, in an effort to forestall multiple, time-consuming changes to FEMA's performance-management system, the agency did not want to invest further resources in this area until the agency is able to ascertain how DHS is proceeding with department-level performance-management policies and systems. This official also explained that changes to FEMA's current performance management policies or guidance—which covers both bargaining-unit and non-bargaining-unit employees—would be subject to negotiation with its employee labor unions.

Interviews with management officials from three regions further indicated that the practice of cascading organizational goals to the individual performance level was applied inconsistently across regions. The top official from one region said that the region does not include GPRA goals or other agency-level goals in individual performance agreements and noted that FEMA is not very mature in individual performance management. Although the top official from another region said that in the absence of direction from headquarters, he had worked to link individual performance objectives to FEMA's strategic goals, the performance agreement example provided to us included expected outcomes that were not easily measurable, such as, "... build trust and confidence with the state and local partners." An official from a third region said that while the now-defunct ePerformance Management System was useful in helping the region to establish such linkages, FEMA's current performance management system is a "sham" because it provides no tool to measure performance against goals. Limited goal alignment in the area of individual performance management may hinder managers' ability to understand how their roles and responsibilities affect broader results. For example, one official told us that without such alignment, it was difficult to show staff how their efforts supported FEMA's mission. It was also difficult to hold managers accountable for results.

FEMA Officials Said Inadequate Information Systems, Analytic Skills Hindered Use of Performance Information

The practice of building analytic capacity is critical to using performance information in a meaningful fashion. Our review of FEMA’s analytic capacity to use performance information—in terms of both management information systems and trained employees—revealed some weaknesses. According to our 2007 survey, the percentage of FEMA managers reporting that their agency is investing in resources to improve the agency’s capacity to use performance information is lower than the rest of government (see fig. 7).

Figure 7: Percentage of Federal Managers Who Reported Agency Investment in Performance Data Capacity



Source: GAO.

Note: Data are from GAO 2007 survey.

These survey results were consistent with the perspective we heard from key headquarters officials who told us that poorly integrated systems made it difficult for FEMA managers to use performance information. According to one official, in order to gather performance information, it was necessary to write programs to generate specific reports for each of the systems and then manually integrate the information, making it difficult to produce repeatable and verifiable reports. For example, in order to pull performance information together at the program-directorate level, this official told us he had to ask the few technical staff capable of working with the systems to devote a significant amount of time and effort to producing the information. FEMA officials told us they were pursuing a new budget system, RM Online, which includes a component intended to make high-level program and program performance information readily available to senior managers. However, the agency was still evaluating the system and it was unclear when it might be implemented.

In addition to weaknesses in information-systems capacity, according to several officials we interviewed, there were a limited number of staff with the analytic capacity necessary to work with performance metrics. The

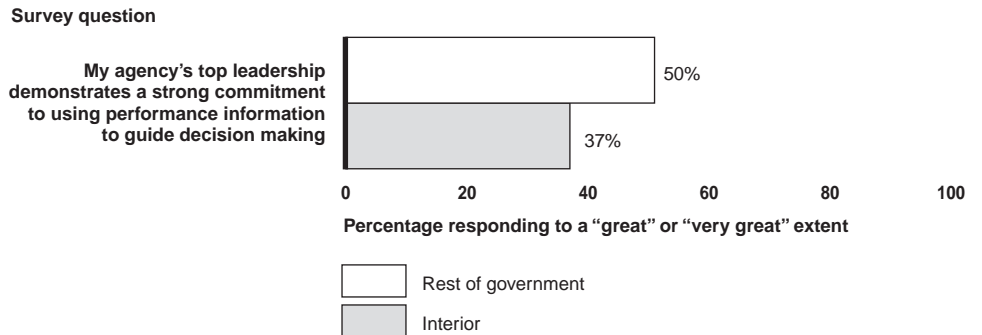
former Deputy Administrator said that when he joined FEMA in 2006, managers and staff did not use or understand performance data. A high-ranking directorate official told us that he was trying to increase use of performance information to improve workflow and other operations in his area. However, he said he lacked staff with the skills to analyze information for decision-making purposes. Another official with responsibilities for performance measurement said that the lack of analytically-skilled staff throughout the agency posed a challenge to using performance information. According to this same official, in order to improve the agency's capacity to use performance information, FEMA has begun to provide training on performance measurement to directorate and regional managers. Our review of the training materials indicated that they addressed specific areas that we have identified as critical to using performance information, including strategic planning, developing robust performance measures, and analyzing what the performance data mean. FEMA has also developed strategic planning guidance that outlines an approach for developing performance measures and evaluating performance, among other goals. However, so far, the training has been provided only to representatives from each region and directorate managers in headquarters, and a key official acknowledged that not all directorates have been equally effective at pushing the training out to their managers and staff in the regions.

Interior, NPS Officials and Managers Reported Uneven Leadership Commitment to Using Performance Information for Decision Making

We have previously reported that to drive continuous improvement throughout an agency and inspire employees to accomplish challenging goals, it is critical that leadership demonstrates its commitment to results-oriented management.²⁰ We have also reported that top leadership can demonstrate such commitment by clearly communicating how they use performance information for decision making. On survey items related to managers' perceptions of their leadership's commitment to using performance information, Interior's 2007 results were lower than those in the rest of government (see fig. 8).

²⁰GAO-05-927.

Figure 8: Percentage of Federal Managers Who Reported Top Leadership Commitment to Using Performance Information to Guide Decision Making



Source: GAO.
Note: Data are from GAO 2007 survey.

Our interviews with top leadership and managers provided further insight into these survey results. At all levels, we observed that leaders and managers conveyed a strong commitment to accomplishing the agency's mission. However, their commitment to using performance information for decision making was less evident. For example, the former Deputy Secretary of the Interior said that, although she reviewed performance information at the end of the year in connection with preparing the department's annual performance report, she was not involved in regularly monitoring the performance information reported under GPRA and PART.²¹ Another Interior official characterized the department's strategic plan as more of a vehicle for communicating high-level goals and accomplishments than as a tool for management decision making. This view that top leadership did not use performance information to make decisions was supported by several NPS managers who referred to the performance reporting process as "feeding the beast," because they receive little or no communication from either Interior or NPS headquarters in response to the information they are required to report, leading them to assume that no one with authority reviews or acts on this information.

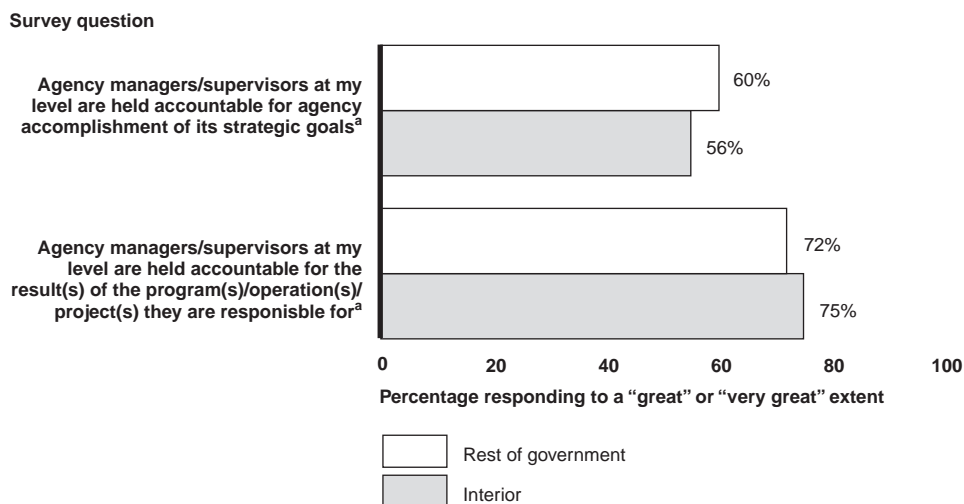
²¹In discussing hindrances to using performance information, managers we interviewed at Interior generally referred to performance information developed to meet GPRA and PART reporting requirements. Both GPRA and PART were intended to enhance decision making by requiring agencies to develop results-oriented performance goals linked to agency missions and report on the results achieved. See app. III for more information on GPRA and PART.

As we have previously reported, leaders can demonstrate their commitment to using performance information for various management functions in a number of ways, such as

1. holding individuals accountable for results by evaluating their performance against goals;
2. identifying problems in existing programs, to try to identify the causes of problems and to develop corrective actions;
3. developing strategies, planning and budgeting, identifying priorities, and making resource allocation decisions to affect programs in the future; and
4. identifying more effective approaches to program implementation and sharing those approaches more widely across the agency.²²

At Interior our 2007 survey results on questions related to accountability indicated that Interior’s managers were similar to those in the rest of government. For example, 75 percent of Interior managers—similar to those at other agencies—reported being held accountable for results (see fig. 9).

Figure 9: Interior Managers Reported Being Held Accountable to a Similar Extent as Rest of Government



Source: GAO.

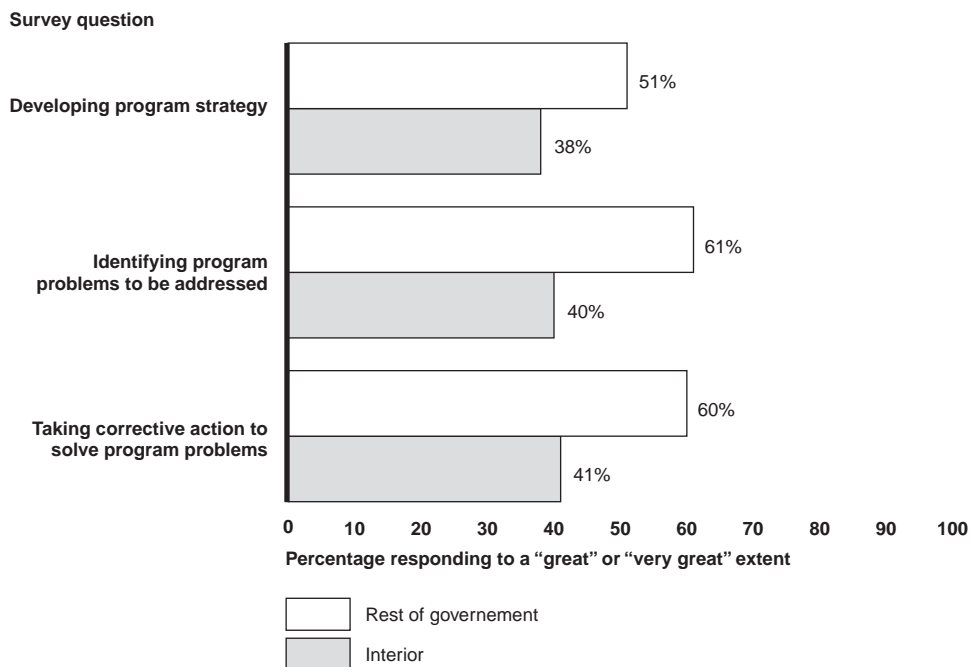
Notes: Data are from GAO 2007 survey.

^aThe differences in responses between Interior and the rest of government on these two items are not statistically significant.

²²GAO-05-927.

Several NPS managers we interviewed corroborated these survey results, citing how performance information was used to hold them individually accountable for achieving certain performance goals. However, this focus on individual accountability did not appear to extend to using performance information for other management functions that leading organizations employ, such as identifying problems, taking corrective actions, or developing strategy (see fig. 10).

Figure 10: Interior Managers Reported Using Performance Information to Identify Problems, Take Corrective Actions, or Develop Strategy to a Lesser Extent than Rest of Government



Source: GAO.
 Note: Data are from GAO 2007 survey.

Our interviews with top leaders and managers at NPS may help to explain these survey results. A senior headquarters official at NPS responsible for park operations said that he is not involved in regularly monitoring the performance of the park system in achieving GPRA and PART-related performance goals and does not use this information to manage park operations. Rather, he regularly communicated with his staff about other

management issues, such as the rate at which funds are obligated.²³ However, obligation rates, while helpful in assessing the pace at which projects are progressing, do not provide information about the results achieved with these funds and therefore may not be useful in driving performance improvements. He also said that although GPRA and PART-related goals were not useful to him in making operational and program management decisions, NPS had included these goals in managers' performance agreements in order to comply with Interior's individual performance management policies.²⁴ However, this official—and other NPS senior officials and managers we interviewed—was concerned that GPRA and PART information was sometimes used to evaluate individual performance without appropriate context or recognition of what is outside managers' control. Some noted, for example, that storms and flooding can have an effect on maintenance and repair performance targets, and air and water quality goals are dependent on environmental factors outside of the parks.

We have previously reported²⁵ that successful organizations typically create ambitious performance goals aimed at achieving significant improvements in performance, rather than marginal improvements of just a few percentage points. However, several NPS officials and managers told us that GPRA and PART targets were not always set at ambitious levels. An NPS headquarters official explained that targets set at the park and regional levels are aggregated at the agency level and subject to evaluation in the context of past performance and anticipated funding. If necessary, headquarters will adjust performance targets to appropriate levels. He also noted that parks and regions are advised at the beginning of every planning cycle that targets should be based on what can be realistically accomplished during the course of the fiscal year. However, some park managers we spoke to said that they were directed by their superiors to set targets at levels they can safely meet because they and their superiors

²³Funds are obligated when a definite commitment is made that creates a legal liability of the government for the payment of goods and services ordered or received. An agency may incur an obligation, for example, when it places an order, signs a contract, awards a grant, or purchases a service.

²⁴More recently, according to another senior headquarters official, Interior had discontinued the requirement to include GRPA goals in SES individual performance plans. However, NPS guidance concerning its SES members' fiscal year 2008 performance plans indicated that GPRA performance information would be taken into consideration in individual performance evaluations.

²⁵GAO, *Government Reform: Goal-Setting and Performance*, AIMD/GGD-95-130R (Washington, D.C.: Mar. 27, 1995).

could otherwise be penalized. Without sufficiently ambitious goals, managers may not have incentives to use performance information to identify opportunities for significant improvement.

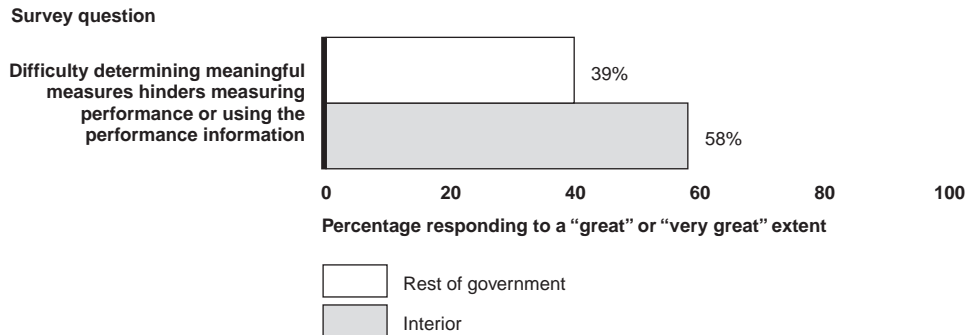
Although our interviews indicated some concerns that NPS leadership had focused more on using performance information for accountability than to help make improvements, some regional and park managers did note examples of specific program areas, such as cultural resources and facilities management, where they had begun to see their NPS leadership take a broader approach to using performance information. For example, one regional director said that the cultural-resources program leadership based in headquarters had effectively communicated to the regions how they used information from the PART review to inform their funding decisions. He went on to say that even though some of the decisions they made about prioritizing certain projects over others were painful, staff in the field understood how the performance information they submitted contributed to the program's funding decisions. He noted that his park superintendents appreciated when program leaders communicated that the information they provided was useful and demonstrated how it informed their decision-making processes.

Measures That Lacked Credibility to Bureau Level Managers, in Combination with a Proliferation of Measures, Detracted from Usefulness of Performance Information

We reported previously that performance information must be useful and meet differing policy and management information needs in order to encourage its use for decision making.²⁶ Our 2007 survey results show that, compared to the rest of government, a significantly higher percentage of Interior managers reported that difficulty determining meaningful measures is a barrier to using performance information (see fig. 11).

²⁶[GAO-05-927](#).

Figure 11: Percentage of Federal Managers Who Reported That Difficulty in Determining Meaningful Measures Hinders Using Performance Information



Source: GAO.
 Note: Data are from GAO 2007 survey.

Our interviews at NPS and Reclamation may help to explain these survey results, with managers describing several types of problems that detract from the usefulness of the performance information they are required to report.

Some GPRA, PART Measures Lacked Credibility for Decision Making at the Bureau Level

We reported previously that, to be useful, performance information should be consistent, timely, valid, relevant, and credible, among other attributes.²⁷ At both NPS and Reclamation, managers we interviewed said they do not consider certain GPRA and PART measures to be meaningful indicators of performance. For example, Reclamation managers report on a performance measure of the amount of water they deliver, but according to a number of managers within the bureau, this measure is not meaningful because it reflects unpredictable changes in weather conditions that could affect their customers’ needs, rather than how well they are performing (see example 2 on the next page).

Some managers suggested it would make more sense to have a measure that takes into account how well they manage water supply in relation to customer needs, rather than amount delivered. Headquarters officials at Interior and Reclamation said they view the measure as an important statistic related to one of Reclamation’s primary missions, to deliver water, and that they do not expect managers to meet the water-delivery targets if circumstances change. One official also noted that performance information on this measure is accompanied by narrative that explains

²⁷GAO-05-927.

Example 2: Reclamation Managers Described How a Performance Measure That Lacked Relevance Was Not Useful for Decision Making

Reclamation delivers approximately 10 trillion gallons of water to more than 31 million customers including farmers, municipalities, and irrigation districts each year. According to Reclamation officials, it is critical that they frequently monitor performance information related to water delivery in order to mitigate the effect of water shortages on their customers. Reclamation is responsible for identifying potential water shortages as early as possible and restricting delivery when supply is running low. To identify potential shortages, Reclamation managers need information that can tell them how well they are managing their supply of water. Instead, Reclamation managers report against a target for the amount of water delivered, which is not adjusted for changes in critical factors such as weather conditions or customer needs. For example, if there is a lot of rainfall, Reclamation customers do not need the bureau to deliver water. By not delivering water, Reclamation is meeting customer needs and being a responsible steward of a natural resource, but it is also failing to meet its performance goal. Under these circumstances, Reclamation officials pointed out, if a manager were to make a decision based on a performance goal related to the amount of water delivered, he would have a perverse incentive to deliver water that is not needed.

whatever factors may have affected the amount of water delivered. However, Interior included annual goals for this measure for fiscal years 2009 and 2010, and reported on the results of this goal for the past four years in its fiscal year 2008 Performance Accountability Report. Several Reclamation managers we interviewed said that this measure lacked credibility and was not used to make decisions. Despite the concerns expressed by regional and frontline managers, an Interior official noted that Reclamation had not proposed an alternative measure, which may be due to the difficulty of defining a quantifiable, verifiable measure.

At both NPS and Reclamation, managers we interviewed described performance information that lacked credibility because the measures do not accurately define comparable elements or do not take into account different standards across bureaus or units. For example, several NPS managers noted that one of the measures they report, “percent of historic structures in good condition,” does not differentiate between a large, culturally significant structure such as the Washington Monument and a smaller, less significant structure such as a group of headstones. Consequently, a manager could achieve a higher percentage by concentrating on improving the conditions of numerous less significant properties. Similarly, measures related to trail maintenance do not take into account the baseline conditions or the purpose of the trails, which can vary greatly and affect the level of resources needed for maintenance. Some park managers expressed concern that certain performance measures falsely imply a consistency among units being compared, which could lead to inaccurate conclusions if decision makers do not take the proper context into consideration when reviewing information. Some managers also said that the long-term nature of some of the GPRA goals—many of which they acknowledged as critical—made it difficult to use the related performance information for daily decision making. For example, one headquarters official explained that the goal of restoring damaged park lands to a desired condition is an important aspect of NPS’ mission, but progress may be slow and the result may not be achieved for many years.

As we have reported,²⁸ involving managers in the development of performance goals and measures is critical to increasing the credibility and therefore the usefulness of performance information to their day-to-day activities. A couple of NPS managers acknowledged that in the early stages of GPRA implementation, they were more involved, and felt more

²⁸GAO-05-927.

committed to the process of developing goals and measures than they do currently, but that is no longer the case. Several Reclamation managers also said that they believed they had little influence in defining or revising GPRA and PART measures and that as a result, they do not take ownership of the performance information. According to a senior Interior headquarters official, however, the department has continued to provide a forum for bureaus to propose modifications or alternatives to existing measures. For example, every 3 years, Interior requests proposals for changes or revisions, which are then reviewed by bureau and department officials, OMB, and the general public. However, several managers we interviewed at NPS and Reclamation said that when they have proposed changes to measures that they find misleading or irrelevant, they did not always see evidence that their suggestions were considered or acted upon.

An Interior headquarters official explained that suggestions received from the bureau level may not always be appropriate for adoption at the department level, where it is important to have measures that can provide Interior decision makers with a view over its bureaus' aggregate performance against mission goals. In these cases, the department forwards the suggestions to the bureau policy makers responsible for performance measurement and reporting for their consideration. This official pointed out that Interior's aggregated performance measures do not preclude the bureaus from reviewing disaggregated performance information; or other performance information that is more meaningful or relevant to their particular management decision-making needs.

Proliferation of Performance Measures at Interior and NPS Detracted from Usefulness

We have previously reported that to be useful and meaningful to managers and staff across an agency, performance measures should be limited at each organizational level to the vital few that provide critical insight into the agency's core mission and operations.²⁹ Setting such a limit also helps to ensure, among other things, that the costs involved in data collection and analyzing the data do not become prohibitive. However, in the 7 years since the inception of the former administration's PART assessment initiative, Interior has expanded its performance reporting to include 440 PART program measures, in addition to its approximately 200 strategic performance measures that satisfy GPRA reporting requirements on its nine bureaus. A senior headquarters official at Interior said that the annual

²⁹GAO, *Executive Guide: Effectively Implementing the Government Performance and Results Act*, GGD-96-118 (Washington, D.C.: June 1, 1996).

Performance and Accountability Report³⁰ contains so much data that it is difficult for senior leaders and managers to focus on priorities and easily identify performance gaps among the different program areas.

At NPS, managers are required to report on over 120 performance measures related to GPRA and PART, covering a broad range of programs and projects including concessions, facilities, volunteer hours, visitor satisfaction, recreation opportunities, safety elements, and the condition of natural, historical, and cultural resources. At NPS, a senior headquarters official echoed the concern stated by an Interior official, noting that the volume and scope of performance information that managers are required to collect and report make it difficult for them to determine which aspects of performance are important to department and service leadership. Moreover, regional and park managers stated that the resources needed to collect and report on the large volume of GPRA and PART measures are extensive. Managers staffed to smaller parks with fewer employees were particularly concerned about the workload associated with collecting and reporting on all of these measures, with one noting that it was at the direct expense of park operations and maintenance activities. Several managers told us that new measures and reporting requirements were frequently introduced with new programs and initiatives, but that they were unaware of any efforts at NPS to review or retire performance measures that may no longer represent management priorities.

According to officials at Interior and NPS, they were aware of issues related to the usefulness of performance information as currently collected and reported. The former Deputy Secretary of the Interior said that department-level measures were not necessarily useful for making day-to-day management decisions. She attributed this to Interior's effort to create measures with reach, which she defined as a few simple measures that can provide a view of how all of their bureaus are performing against broad outcome goals. She contrasted the department-level measures with rich measures that are intended to provide detailed information that makes sense on the ground and can be used to manage programs. Although this official said that, by definition, there should only be a few high-level reach measures, she acknowledged that there had been a proliferation of measures, which made it difficult to manage.

³⁰Current OMB guidance calls for agencies to combine the annual performance report required by GPRA with their financial statement and accountability report into a Performance and Accountability Report (PAR).

Interior and NPS Have Undertaken Efforts to Improve the Usefulness of Performance Information

To address these concerns, some efforts had been initiated at both organizations to improve the usefulness of performance information without adding to the existing data-collection and reporting process. A senior headquarters official at Interior described how he worked with department and bureau managers to select a subset of 26 key performance indicators from the department's more than 200 strategic performance measures to help internal and external audiences focus on the department's critical mission areas. These 26 measures are aggregated across bureaus with shared performance goals and link their performance with cost information. For example, Interior reported that in 2007, the department spent approximately \$114.4 million to control about 635,000 acres—or 1.7 percent—of total acres with invasive plant species. These data capture expenditures and progress made by the four bureaus—NPS, Reclamation, Bureau of Land Management, and Fish and Wildlife Service—that collectively contribute to the goal. According to this official, these summary indicators are intended to help senior officials navigate the large volume of performance information so they can more easily identify areas that are achieving results and focus on areas that need improvement. By linking budget information to these key indicators, this official said he was able to improve the usefulness of the performance information as a decision-making tool for Interior, providing top leaders with a snapshot of the cost of meeting various goals.

At NPS we observed several initiatives that were intended to improve the usefulness of performance information. The NPS Scorecard, for example, was developed by the NPS Comptroller—with input from headquarters, the regions, and the parks—as a diagnostic tool to evaluate performance and efficiency across the organization. The current version of the scorecard includes 34 financial, organizational, and strategic performance indicators derived from existing data sources and scores each park relative to its counterparts. Although still under development, some managers described the NPS scorecard as a promising instrument because it provided them with an analysis of their performance and efficiency in comparison to other parks, among other reasons. They also appreciated that the scorecard pulled information from existing NPS databases and did not require additional investment in data collection or reporting. However, some managers expressed concerns that the scorecard compared park performance to an average of all parks rather than an established benchmark. On an annual basis, to meet NPS-wide goals, specific performance targets are established for individual parks. Therefore, it is possible that a park that met or exceeded these agreed upon performance targets, but was still below the NPS-wide average, would receive an unfavorable rating on the scorecard.

Another approach that was being adopted in some of the NPS regions we reviewed—the Core Operations Analysis—is a park-level funding and staffing planning process that is intended to improve park efficiency and ensure that a park’s resource-allocation decisions are linked to its core mission goals. Regional-level managers who engaged in the Core Operations Analysis said it was useful in establishing goals based on the park’s priorities, monitoring progress toward achieving those goals, and holding park superintendents accountable for meeting established goals, in contrast to the GPRA and PART goals, which several managers perceived as relating to department- or program-level planning efforts and long-term goals. One region had taken the additional step of establishing linkages between their analysis and GPRA goals with assistance from a senior Interior official.

In addition, two park superintendents we interviewed said they were able to make GPRA and PART measures useful for their day-to-day management decision making by linking them to shorter-term, operational goals. For example, one had created an annual work plan that linked GPRA goals to intermediate tasks necessary to achieve those goals so that staff could see how their efforts contributed to aggregate or long-term outcomes. Specifically, the GPRA target that “87 percent of visitors understand and appreciate the site’s significance” was linked to two intermediate goals: “research and preserve information on stories and resources” and “conduct 7 guided tours per day, 362 days per year.” Another said that he incorporated targets related to these GPRA goals in all of his managers’ performance plans in order to make the performance information more meaningful on an annual basis.

Although these initiatives appeared to be positive steps toward ensuring that performance measures were useful for decision making at different operating levels—as well as to help focus leaders and managers on performance priorities—they did not appear to reduce the volume of performance information that NPS and Reclamation were required to report. As a result, efforts to ensure that performance information was useful at the bureau level may have been hindered. For example, the two park managers who had linked shorter-term or disaggregated targets to GPRA goals told us that they were atypical in taking this approach. They explained that many of their colleagues were not able to develop bridge measures or interim goals due to lack of training, time, or staff resources relative to their reporting workload; or because they were responsible for reporting on too many measures as a result of the scope of their park’s operations. This perspective was borne out by our interviews with other park superintendents who said they expended significant resources to

report on many measures that lacked relevance to their management decision making. One park manager told us that he did not have the staff available to collect and use information over and above what was already required.

Labor-Intensive and Poorly Integrated Data Systems Increase Burden of Performance Reporting at NPS and Reclamation

According to NPS managers we interviewed at all levels, lack of integration among NPS' multiple data systems—and little flexibility to modify its primary performance information system to accommodate evolving programs and requirements—contributed to a time-consuming, labor-intensive performance-reporting process. At NPS, managers were required to use the Performance Management Data System (PMDS) to collect GPRA performance information. However, regional and park managers we spoke to said that the system was not easy to use for data entry or for obtaining information needed to manage programs or operations. One headquarters official confirmed that the system had not been designed as a management tool, but was designed simply to aggregate performance from the parks. Several managers described the system as slow and difficult to use and noted this was especially problematic for NPS' remote parks that do not have high-speed system access.³¹ NPS managers we interviewed also said that PMDS cannot be used to integrate GPRA data with other information that would be useful for decision making such as park projects status and funding information, facilities condition information, or other park program performance information that is not covered by current GPRA measures. Several park managers described how another system, the Project Management Information System (PMIS), captures the park's project proposals and is useful in tracking park-level projects' status and funding. Although PMIS has a field where park managers can enter expected performance outcomes related to GPRA goals, because there are no automated linkages between the two systems, doing so would require additional data entry.

Further, a NPS headquarters official said that PMDS does not have the flexibility to generate new reports to satisfy evolving reporting requirements, which can be problematic when NPS is expected to demonstrate results associated with special funding initiatives such as the Centennial Commitment—a multiyear initiative that provided NPS with \$100 million in fiscal year 2008 to augment existing park funding.

³¹A headquarters official indicated that in 2007, changes were made to PMDS to improve the data-entry process. However, none of the managers we interviewed in 2008 through early 2009 commented on these changes.

According to this official, PMDS was not designed to differentiate Centennial dollars—or any other special appropriations—from their annual appropriation; rather the system was set up to collect performance information, regardless of funding source, from individual park units. According to this same official, PMDS does not attribute specific performance results to discrete fund sources because gains in performance are often the result of multiple fund sources over multiple years. To satisfy Centennial reporting requirements, managers had to collect and report additional performance information, using other systems, to show what they did with Centennial dollars and what types of results they accomplished.

One park manager noted that although the lack of integration and flexibility was an inconvenience for the largest parks, they generally had enough staff to absorb the workload. However, some managers responsible for smaller, geographically isolated parks that do not employ many staff said that these issues presented a challenge to their ability to enter data and generate required reports. A top official at Interior also acknowledged that this was especially difficult for smaller parks where a few staff members have to serve in many roles and may not have enough time to collect all of the required data.

Some Reclamation managers we spoke to also said that a lack of integrated systems made it difficult for them to collect and report on performance information. According to a regional manager responsible for GPRA reporting, there is no one centralized database to which a Reclamation executive can go to find out how the bureau is doing on all of Reclamation's required performance goals. The lack of linkage among the different Reclamation systems required managers to enter the same data multiple times, which some managers said is a burden.

Officials at CMS Headquarters and Selected Programs Said Key Management Practices Had Promoted Use of Performance Information for Decision Making

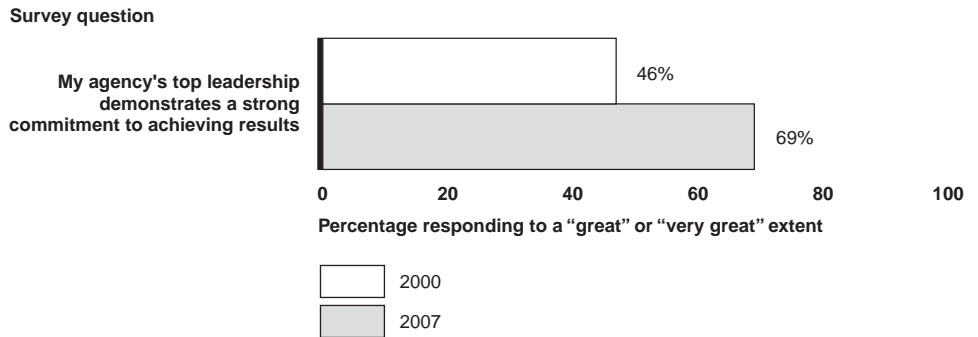
In 2000, significantly fewer managers at CMS—then known as the Health Care Financing Administration—reported using performance information for various management decisions, as compared to their counterparts in the rest of government. Between our 2000 and 2007 surveys, however, CMS showed one of the largest average increases in the percentage of managers who reported using performance information for certain decisions. This increase placed CMS in about the middle of our agency rankings, which were based on an index of 2007 survey results designed to reflect each agency’s managers’ reported use of performance information (see fig. 20 in app. II). Selected officials we interviewed attributed this change to the combined effect of key management practices they employed, including leadership commitment to using performance information; alignment of strategic and performance goals; improving the usefulness of performance information; and building the analytic capacity to collect and use performance information. They also cited the legislative mandate for expanded performance reporting included in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 as another key change factor.³² According to these managers and officials, their increased use of performance information helped them to identify problems and solutions to improve results.

CMS Managers Said Highly Visible Leadership Commitment, Frequent Communication Fostered Use of Performance Information

Our 2007 survey results indicated that CMS managers are at about the same level as the rest of government in reporting leadership commitment to results-oriented management, but compared to 2000, significantly more CMS managers agreed that their leadership is committed to using performance information (see fig. 12).

³²Pub. L. No. 108-173, 117 Stat. 2066 (Dec. 8, 2003).

Figure 12: Percentage of CMS Managers Who Reported Top Leadership Demonstrated Commitment to Achieving Results



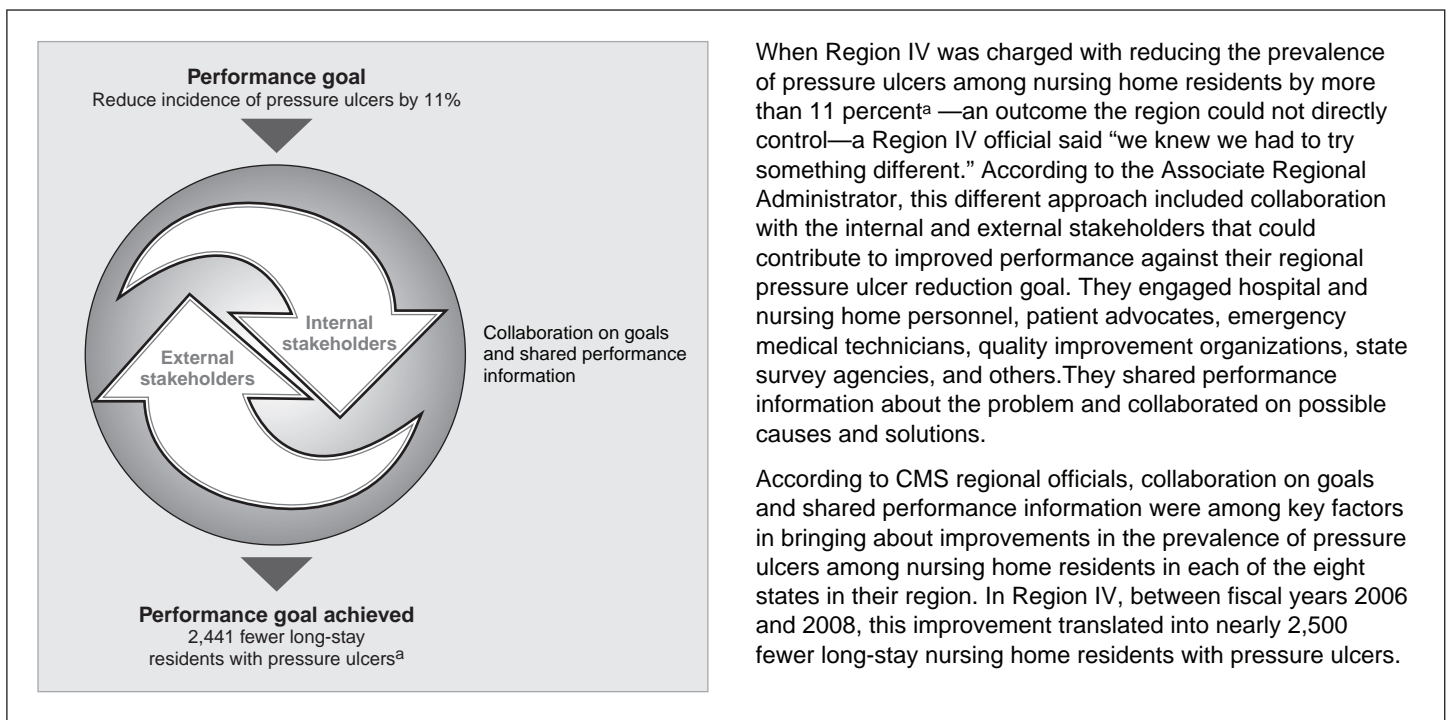
Source: GAO.
Note: Data are from GAO 2000 and 2007 surveys.

Nearly all of the CMS officials we interviewed credited the commitment of one or more agency leaders—such as the CMS Administrator, Chief Operating Officer, or a Consortium head—for their increased use of performance information to achieve results. Some of them further described how leadership demonstrated their commitment. For example, a budget official told us that at the first staff meeting of the year he distributes the Chief Financial Officer’s performance plan and priorities to lay out for staff their performance goals for the year. He also described how each group director is given a poster-sized chart outlining his/her performance goals and program-specific GPRA goals for the year, which hang in their offices. As another example, an official we interviewed in Region IX described how top management discusses performance goals and the accomplishment of goals in staff meetings. She also noted that they feature information on performance milestones in their organizational newsletter.

CMS Survey & Certification Division managers of Region IV of the Consortium for Quality Improvement and Survey & Certification Operations (CQISCO) attributed improvements in performance against GPRA goals—such as reducing the incidence of pressure ulcers among nursing-home patients—to leadership commitment to using performance information and frequent communication of performance information with stakeholders, among other factors. According to CMS Region IV managers we interviewed, they are several steps removed from nursing-home health-care delivery, which in the past had been seen as a limiting factor in their ability to affect outcomes among nursing-home patients. One manager cited the regional leadership’s commitment to getting external stakeholders to the table—even those outside of CMS’ realm of regulatory

oversight—as a critical factor to improving outcomes. She further described frequent, effective communication of performance information among stakeholders as a means to getting them to work together. See figure 13 for more information on these efforts.

Figure 13: CMS Region IV Communicated Performance Information with Stakeholders to Improve Quality of Care in Nursing Homes



Source: GAO analysis of CMS data.

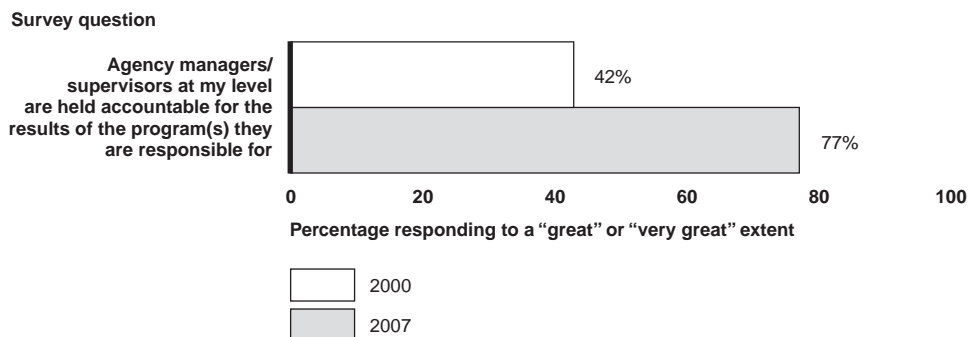
^aIn the 2-year period during fiscal years 2006-2008, Region IV reduced the percentage of long-stay nursing-home residents with pressure ulcers from 9.3 percent to 8.3 percent, which represented an 11 percent decrease, or 2,441 fewer cases.

According to several headquarters officials we interviewed, as a result of leadership support that emphasized communication internally and externally and other key drivers, CMS has undergone a culture change that places a greater emphasis on using performance data to achieve results.

CMS Managers Reported Alignment among Agency, Program, and Individual Performance Goals

Our survey results indicated that between 2000 and 2007, a significantly greater percentage of CMS managers reported that they were held accountable for program results (see fig. 14).

Figure 14: Percentage of CMS Managers Who Reported That Agency Managers at Their Level Are Held Accountable for the Results of Their Programs

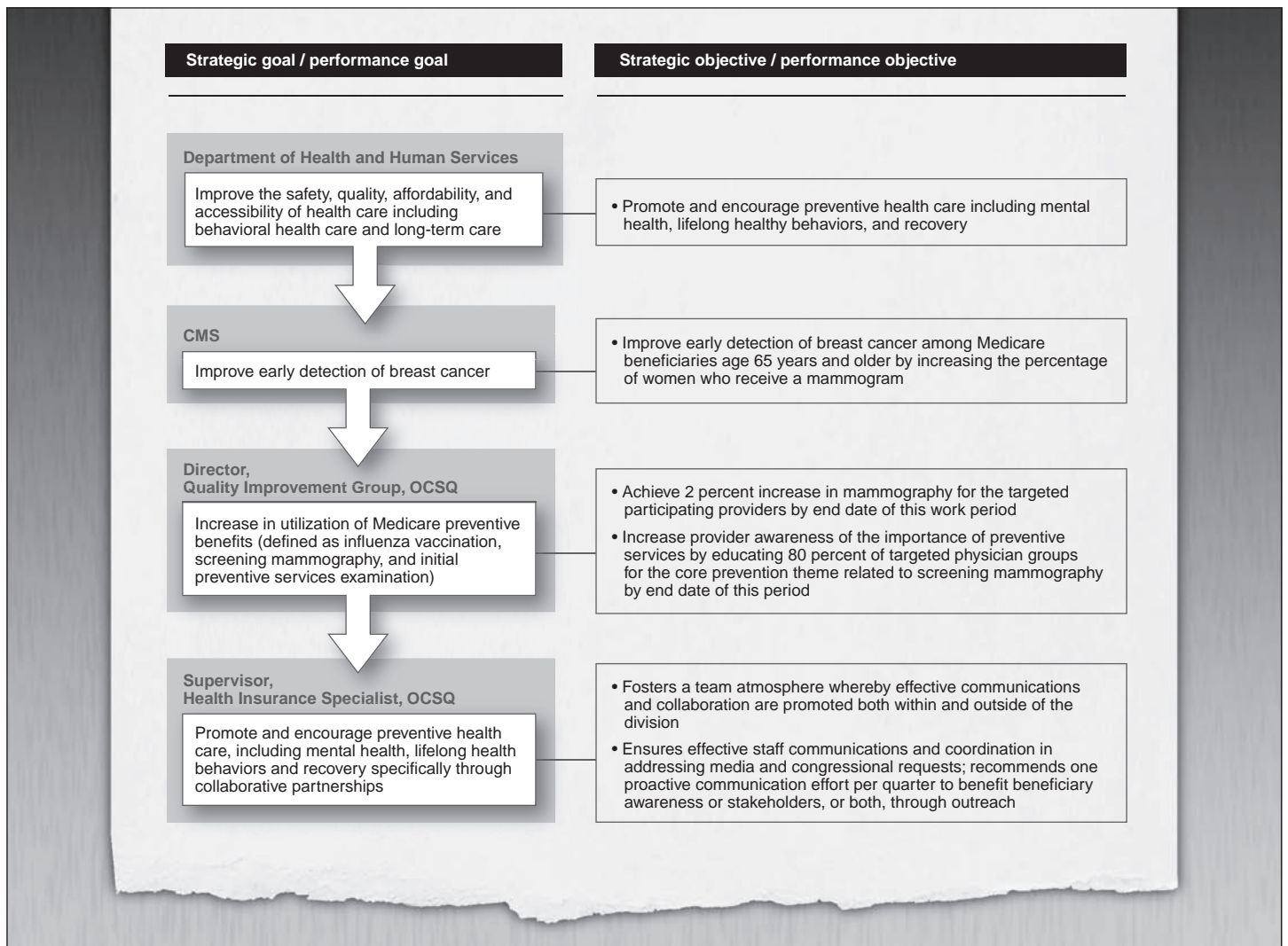


Source: GAO.
Note: Data are from GAO 2000 and 2007 surveys.

Top CMS headquarters officials said that a new performance-management system that required linkages between organizational, program, and individual goals had made individual accountability for program results more explicit. In 2006, CMS began to implement the Department of Health and Human Services' four-tiered system, Performance Management Appraisal Program (PMAP), for non-SES employees at the agency.³³ Under PMAP, employees are held accountable for both administrative and program performance. Top CMS officials described how agency goals and objectives were embedded in the Administrator's performance agreement and cascaded down through the management hierarchy, so that each level of management understood their accountability for achieving the agency's broad goals. For example, broad goals for preventive health care cascaded from the Department of Health and Human Services to a Health Insurance Specialist in CMS' Office of Clinical Standards and Quality (OCSQ), who was responsible for communications to raise awareness among beneficiaries (see fig. 15).

³³CMS' SES are covered separately by the agency's automated program, the Performance Plan System (PPS). The PPS supports the guidelines and requirements as outlined in the Department of Health and Human Services' Senior Executive and Organizational Performance Management System.

Figure 15: CMS Reported Alignment among Department and Agency Goals and Individual Performance Objectives

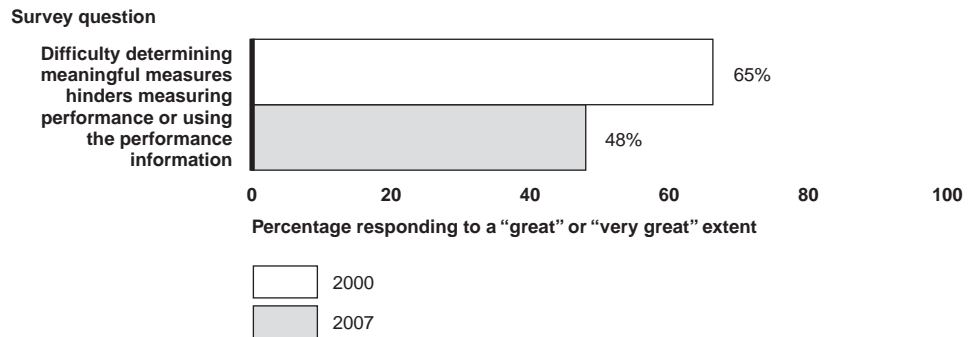


Source: GAO analysis of CMS information.

CMS Officials Said Selecting a Vital Few Performance Measures with Relevance to Managers Encouraged Use of Performance Information

Our survey results show that between 2000 and 2007, there was a significant decline in the percentage of CMS managers who reported that difficulty developing meaningful measures was a hindrance to using performance information (see fig. 16).

Figure 16: Percentage of CMS Managers Who Reported That Difficulty Determining Meaningful Measures Hinders Using Performance Information



Source: GAO.
 Note: Data are from GAO 2000 and 2007 surveys.

Our interviews with CMS officials provided insight into steps they had taken to ensure that performance information was useful to managers. They said they selected measures for GPRA reporting purposes that were useful for decision making and limited the number of measures to the 31 that represented the agency’s priorities. According to an official responsible for strategic planning and performance reporting, because quality of care is a top priority for CMS, many of their measures—such as incidence of pressure ulcers among nursing-home residents—reflect this focus. This official noted that it would be unmanageable to measure and report on every aspect of their programs and processes. They ultimately settled on a set of performance goals that helped managers and staff identify performance gaps and where there are opportunities to improve performance to close the gaps.

Improved Data Systems and Training Opportunities Enhanced CMS' Capacity to Identify Problems and Devise Solutions

At CMS, our prior work identified the need for the agency to develop better management information systems, among other actions, to improve oversight of nursing-home quality and safety.³⁴ More recently, we acknowledged that CMS had pursued important upgrades in the system used to track the results of state survey activities and has increased its analyses of data to improve oversight.³⁵ This is consistent with CMS finance and administrative officials' statements that the agency had invested in systems infrastructure to manage using performance information. A CQISCO manager responsible for Survey & Certification performance reporting in Region IV noted that easier access to performance information through improved data systems had enabled them to use performance information more effectively to identify problems and develop solutions. CQISCO managers and staff can now use more than 350 standard performance reports in exercising their oversight of state agencies responsible for surveying nursing-home quality. For example, a CQISCO Region IV official told us that they use many of these performance reports at quarterly meetings with state survey officials and that the performance information is helpful in identifying aberrant trends and illustrating these trends to the states. They also compare performance to prior years to determine whether positive outcomes have occurred. CQISCO Region IV officials provided an example of how a report on the frequency of state nursing-home quality surveys, which includes information that had not been easily accessible several years ago, helped them to improve outcomes in a particular state (see fig. 17).

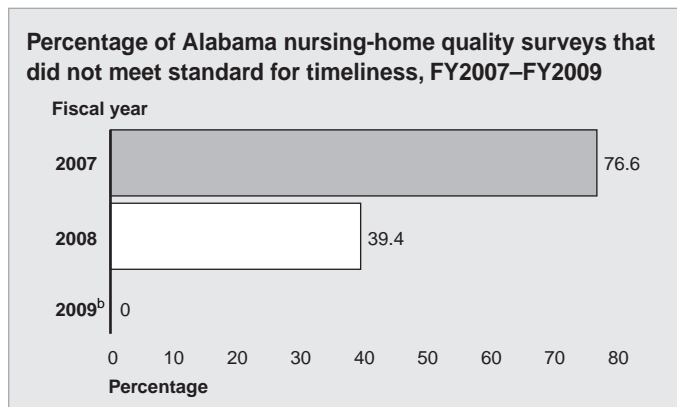
³⁴GAO, *Nursing Homes: Additional Steps Needed to Strengthen Enforcement of Federal Quality Standards*, GAO/HEHS-99-46 (Washington, D.C.: Mar. 18, 1999).

³⁵GAO, *Nursing Homes: Despite Increased Oversight, Challenges Remain in Ensuring High-Quality Care and Resident Safety*, GAO-06-117 (Washington, D.C.: Dec. 28, 2005).

Figure 17: A CMS Region IV Manager Described How Easier Access to Performance Data Contributed to Improved Nursing-Home Survey Frequency in Alabama

Every nursing home receiving Medicare or Medicaid payment must be inspected by the state survey agency against federal quality-of-care and fire safety standards not less than once every 15 months.^a Performance is measured in terms of the percentage of surveys a state conducts within this required interval. In CMS's Southeast Region, a Survey & Certification Division official said that investments in data systems made it easier to obtain the performance information that helped them improve outcomes related to Alabama's nursing-home oversight activities. In the middle of fiscal year 2007, the regional Survey & Certification team was reviewing a performance report on the frequency of Alabama's nursing home surveys and found that over 90 percent had not met standards for timeliness. When states fail to conduct timely surveys, there is a risk that quality of care issues, such as preventing avoidable pressure ulcers, weight loss, or accidents, will go undetected in between surveys. In response, the team put together a "Request for Action Plan" to Alabama's State Survey Agency that included a range of data reports on the state's performance. "When the state agency sees the problems presented in black and white, it really encourages them to take action," the manager said. The team continued to provide the information to the state and, over time, fewer and fewer surveys missed the timeliness standard. Partway into fiscal year 2009, CMS's reports on Alabama's

nursing-home survey frequency showed 100 percent compliance with the maximum survey interval standard (see fig. below). Several years ago, the official noted, the information on state survey frequency was not as easy to access. "These days, it doesn't take a technical expert to run these reports or interpret the information—they've been designed so that managers and staff can use them." According to the official, improved availability of performance information has contributed to improved results.



Source: GAO analysis of CMS data.

^aIn addition, the statewide average interval for these surveys must not exceed 12 months. CMS generally interprets these requirements to permit a statewide average interval of 12.9 months and a maximum interval of 15.9 months for each home. 42 U.S.C. § 1395i-3(g).

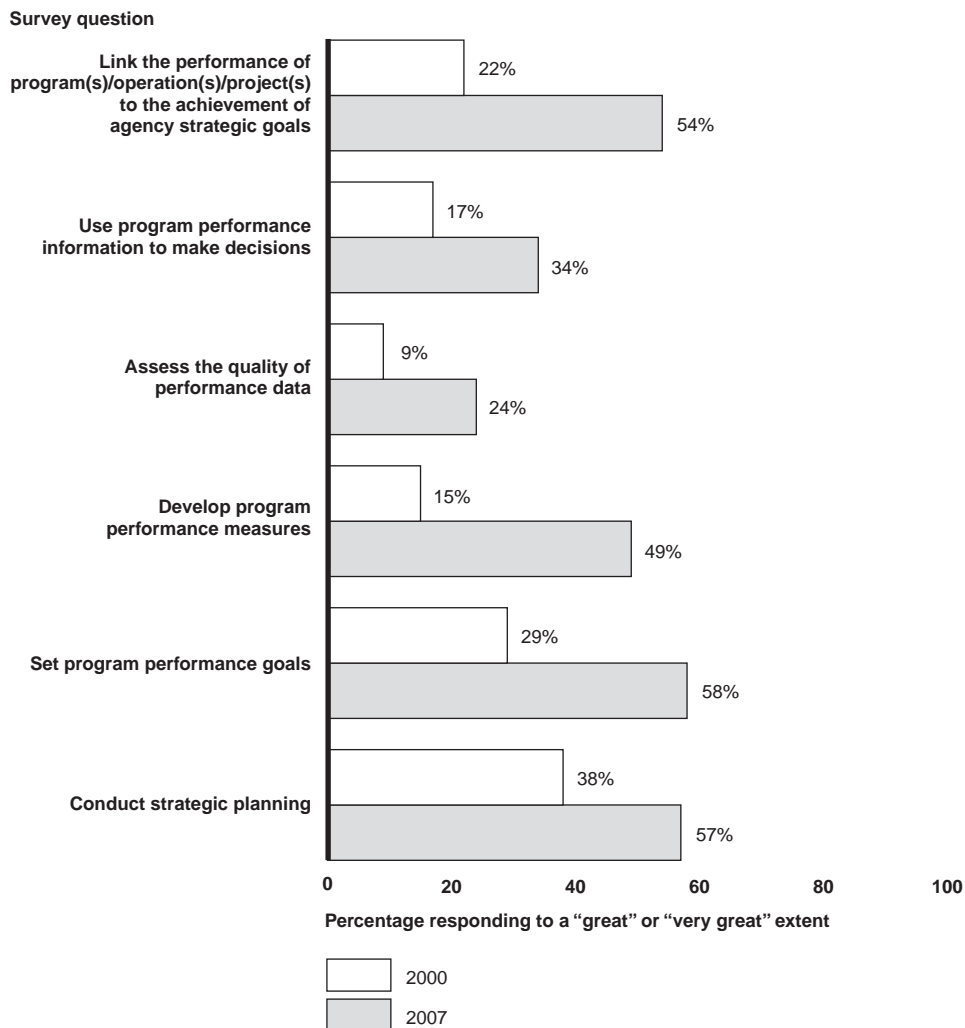
^bAs of February 2009.

According to our prior work, inadequate staff expertise may have hindered CMS from using performance information in monitoring state performance of nursing-home oversight.³⁶ In 2003, officials in three regions said lack of staff expertise, among other issues, prevented them from using reports that were available to aid them in overseeing state survey activities. Our survey results, along with recent interviews with several CMS officials,

³⁶GAO, *Nursing Home Quality: Prevalence of Serious Problems, While Declining, Reinforces Importance of Enhanced Oversight*, GAO-03-561 (Washington, D.C.: July 15, 2003).

indicate that the agency has taken steps to develop its staff's capacity to use performance information. Between 2000 and 2007, there was a significant positive increase on all six survey questions related to managers' access to training over the past 3 years on use of performance information for various activities (see fig. 18).

Figure 18: Percentage of CMS Managers Who Reported That Training Was Provided to Help Accomplish Key Management Tasks



Source: GAO.
 Note: Data are from GAO 2000 and 2007 surveys.

Key officials in CMS' headquarters told us that the agency had provided training on a range of topics related to performance measurement, such as

“The Government Performance Logic Model,” “Aligning Project Management with Organizational Strategy,” and “Strategic Planning and Performance Measurement.” According to one CQISCO Region IV official, increasing her staff’s skills in conducting analyses of performance information and presenting findings was a gradual process that required training, coaching, and guidance. She said that there are one to two formal training opportunities for staff every year and that the Consortium holds quarterly meetings that address topics such as how to analyze data to identify problems. Another key approach was to hold staff individually accountable for using performance information in reports they present to senior management. Additionally, in 2006, Region IV’s Survey & Certification Division began to include a performance element in all of its managers’ performance agreements related to performance information use.

Conclusions

It has been more than 16 years since Congress passed GPRA in an effort to ensure that federal agencies have the infrastructure and tools they need to improve results. Across the federal government, agencies have developed and implemented strategic plans and are routinely generating performance information to report progress toward their strategic goals. Our survey of government managers, however, showed that GPRA’s legislative requirements and other performance improvement initiatives are not sufficient to ensure that managers will actually use performance information to manage for results. At FEMA and Interior, inconsistencies or weaknesses in key management practices at these agencies—such as demonstrating leadership commitment, aligning goals, ensuring usefulness of performance measures, and building analytic capacity—appeared to hinder their use of performance information.

At FEMA, despite their strong commitment to achieving mission results, some of the officials we interviewed did not demonstrate the same level of commitment to using performance information in decision making, especially in the face of unpredictable circumstances such as natural disasters. Strengthening the commitment of FEMA’s leaders alone, however, would not be enough to ensure that managers throughout the agency are well-positioned to use performance information to manage for results. The agency also had gaps in performance information, such as immature performance measurement at the regional level, which made it difficult to establish a line of sight over strategic, program, regional, and individual performance goals. These gaps, coupled with a lack of a performance-management system that required goal alignment, made it challenging for managers to hold individuals accountable for achieving

results. Furthermore, FEMA faces other hurdles, such as a lack of trained staff and inadequate information systems, to ensure that performance information can be easily collected, communicated, and analyzed. However, despite the presence of these challenges, there are some emerging efforts that FEMA's leadership could build on, such as consistent and timely regional reporting against performance goals.

At Interior and NPS we observed a management culture where performance information was primarily used for after-the-fact accountability and reporting purposes, but not as a tool for improving results. Leaders at Interior and NPS were not effectively communicating how, if at all, they used performance information to identify performance gaps and develop strategies to better achieve results. Instead, the greater emphasis on using performance information to hold individuals accountable for achieving goals may be contributing to the perception that it is being used to punish poor performers rather than to improve overall performance. Leaders who do not effectively strike a balance among such uses of performance information run the risk of creating perverse incentives where managers are afraid to fail rather than inspired to succeed.

Under GPRA and PART, Interior collectively tracks nearly 650 performance measures, which made it difficult for leadership and management at all levels to focus on critical priorities. Even where there was management commitment to using performance information proactively, some bureau-level managers at NPS and Reclamation said GPRA and PART measures were not useful for decision making, either because there were too many or they were not credible. A labor-intensive, cumbersome performance-information system further hindered NPS and Reclamation managers' efforts to use performance information to inform their decision making. Interior's more recent focus on key performance indicators and NPS' efforts to develop more useful performance information for park-level decision making could be the foundation for further improvements.

Our review of selected areas at CMS indicated a possible roadmap for agencies seeking to increase their use of performance information to improve results. There, it was clear that agency leaders were committed to using performance information and they made it a priority to build the analytic capacity to do so. Managers credited the use of the very same management practices that were weak or inconsistent at our other case agencies with helping improve their ability to manage for results. Although these managers noted that they could not control ultimate quality-of-care

outcomes—such as the incidence of pressure ulcers among nursing-home patients—they said that communicating performance information to states, nursing homes, and other stakeholders helped them to work collaboratively to improve results.

Managing for results will become even more critical under the Recovery Act: both Interior and FEMA have seen significant increases in their funding; in the case of Reclamation, funding has more than doubled. With the economic health of the nation at stake, federal managers of these and other agencies will be expected to allocate these resources to achieve critical results.

Recommendations for Executive Action

The Secretary of DHS should direct the Administrator of FEMA to take the following three actions:

1. direct agency leadership to demonstrate its commitment to using performance information for decision making by reviewing performance results with subordinate managers on a regular and recurring basis and communicating decisions based on performance information to show that performance information is reviewed and acted upon;
2. augment FEMA's analytic capacity to collect and analyze performance information by
 - a. continuing to build upon recent efforts to provide training to directorate and regional managers to enhance their use of performance information, which includes topics such as strategic planning, developing robust performance measures, and analyzing what the performance data mean; and
 - b. reviewing performance information systems to address users' needs for integrated, timely, and relevant performance information;
3. improve linkages among agency, program, and individual performance by
 - a. continuing to engage program and regional managers in efforts to develop, and where appropriate refine, intermediate, measurable performance targets that cascade from agency strategic goals; and
 - b. in the absence of a DHS-wide performance-management system, developing interim guidance for FEMA's current performance-appraisal system, covering supervisors and managers, on how to align individual performance objectives with program and agency

goals. Such guidance could include information on how work plans can be used to align individual and agency performance goals and objectives, examples of alignment from subunits within FEMA that are already implementing this practice, or other approaches to promoting such alignment.

The Secretary of the Interior should take the following two actions:

1. direct departmental leadership and the Director of NPS to demonstrate their commitment to using performance information for decision making by reviewing performance results with subordinate managers on a regular and recurring basis and communicating decisions based on performance information to show that performance information is reviewed and acted upon;
2. direct departmental leadership, the Director of NPS, and the Commissioner of Reclamation in conjunction with OMB to review the usefulness of their performance measures and refine or discontinue performance measures that are not useful for decision making. The review should also consider options for reducing the burden of collecting and reporting performance information. This review should involve managers at all levels to take into account their differing needs for performance information.

Agency Comments and Our Evaluation

We provided a draft of this report to the Secretary of DHS, the Secretary of the Interior, and the Secretary of the Department of Health and Human Services for comment. We received written comments from DHS and Interior, which are reprinted in appendices IV and V. The Department of Health and Human Services provided only technical comments, which were incorporated as appropriate.

DHS concurred with two of our three recommendations and partially concurred with the third. DHS also noted efforts underway that may ultimately address some of these recommendations, such as FEMA's recently established Performance Improvement Council, which is working in conjunction with other FEMA teams to address performance issues across the agency. With regard to our third recommendation concerning improved linkages among agency, program, and individual performance goals, DHS agreed that FEMA should continue to develop or refine intermediate performance targets that cascade from agency strategic goals. However, DHS did not concur that, in the absence of a DHS-wide performance-management system, FEMA should develop an interim plan to allow managers to hold staff accountable for the accomplishment of agency strategic goals. DHS commented that an interim plan is not

advisable at this time because the current FEMA Employee Performance System covers both non-bargaining and bargaining unit employees, and an interim performance management system would require FEMA to support two systems until it could be bargained. Since DHS appeared to interpret our recommendation to mean that FEMA should develop and maintain one or more interim systems, which was not our intention, we contacted officials from both agencies for clarification. Upon further discussion with FEMA human capital officials, we revised the language of our recommendation to state that the agency should develop interim guidance for its current performance appraisal system for managers and supervisors. FEMA officials agreed that developing interim guidance for its managers and supervisors would not require them to develop dual systems or to negotiate with its employee labor unions. They further acknowledged that such guidance could help lay the groundwork for implementing DHS' future performance management system and indicated their willingness to address the recommendation as clarified.

Interior agreed in principle with the recommendations in the report and noted that it is in the process of revising its strategic plan in a manner that will be responsive to our recommendations. The department also provided additional comments on some of the findings contained in the report. First, Interior noted that Bureau of Reclamation, rather than Interior, sets goals related to water delivery. In response, we revised our report to indicate that Interior included—rather than set—a goal for this measure for fiscal years 2009 and 2010, and reported on the results of this goal for the past four years in its fiscal year 2008 Performance Accountability Report (PAR). Interior also commented that the specific water delivery measure we discussed as lacking credibility is provided only for reference at the end of Interior's PAR and is not emphasized. While it is true that this measure is shown at the end of the report, it is nonetheless labeled as a performance measure and Reclamation must collect and report the performance data, even though both Interior and Reclamation officials agreed that these data were not used in decision making.

Second, Interior expressed concern related to our finding that at both NPS and Reclamation, managers we interviewed described certain performance measures as lacking credibility. Interior stated that they would like to continue to emphasize outcome measures and suggested that our report associated long-term measures with a lack of credibility. In addition, Interior commented that our report implies a need for an increase in specific, narrower-focused measures to improve credibility and use among managers. We disagree that we equated long-term measures with low credibility among managers. As we reported, managers we

interviewed said that credibility issues were a result of measures that do not accurately define comparable elements or do not take into account different standards across bureaus or units. Furthermore, we agree that Interior should continue to emphasize outcome measures, and do not believe that our report encourages adoption of additional, narrow measures as a solution to the credibility issues we noted. On the contrary, one of our findings was the large volume of performance measures may be hindering managers' efforts to relate short-term or disaggregated performance targets to longer-term outcome goals. As we stated in the report, limiting measures to the vital few at each organizational level can ensure there is useful, meaningful performance data available to managers and staff across an agency.

Interior also provided additional perspective on our recommendation that it work with NPS, Reclamation, and OMB to review the usefulness of their performance measures.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the date of this letter. We will then send copies of this report to the Secretary of DHS, the Secretary of the Interior, and the Secretary of the Department of Health and Human Services, and other congressional committees interested in results-oriented government and management issues at DHS, Interior, and CMS. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-6806 or at steinhardt@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Individuals who made key contributions to this report are listed in appendix VI.



Bernice Steinhardt
Director, Strategic Issues

Appendix I: Objectives, Scope, and Methodology

To develop a better understanding of what practices may inhibit or promote the use of performance information in managerial decision making our objectives were to: (1) identify agencies with relatively low use of performance information and the factors that contribute to this condition; and (2) examine practices in an agency where there were indications of improvement in its use of performance information. We conducted a review of three agencies to identify what barriers and challenges hinder managers' use of performance information and, in addition for objective two, what practices appear to have contributed to agency efforts to improve managerial use of performance information. To address both of our objectives, we began by examining the results of our four surveys of performance and management issues,¹ reviewing our prior reports and other relevant materials on results-oriented management, the Government Performance and Results Act of 1993 (GPRA), and the Office of Management and Budget's (OMB) Performance Assessment Ratings Tool (PART). We also compared management practices at selected agencies with those we have previously identified as enhancing the use of performance information for decision making.²

To identify agencies for our review, we used our survey results from 2000 and 2007 since both were designed to provide analysis of data at the agency and department level as well as governmentwide. For purposes of selecting agencies for review under objective one, we used our 2007 survey data to calculate an agency average "core uses" index score to identify agencies with a lower percentage of managers reporting performance information use relative to their counterparts at other agencies. See appendix II for detailed information on how we developed the core uses index score and a table showing each agency's ranking and index score.

¹Our surveys were conducted in 1997, 2000, 2003, and 2007. For information on the design and administration of each of the four surveys, see GAO, *The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven*, [GAO/GGD-97-109](#) (June 2, 1997); *Managing for Results: Federal Managers' Views on Key Management Issues Vary Widely Across Agencies*, [GAO-01-592](#) (May 25, 2001); *Results-Oriented Government: GPRA Has Established a Solid Foundation for Achieving Greater Results*, [GAO-04-38](#) (Mar. 10, 2004); and most recently, *Government Performance: Lessons Learned for the Next Administration on Using Performance Information to Achieve Results*, [GAO-08-1026T](#) (Washington, D.C.: July 24, 2008)

²GAO, *Managing for Results: Enhancing Agency Use of Performance Information for Management Decision Making*, [GAO-05-927](#) (Washington, D.C.: Sept. 9, 2005).

In deciding which agencies to select, we focused on those agencies with the lowest ranking. For that subset of agencies, we reviewed additional performance-related material such as the Office of Personnel Management's Federal Human Capital Survey, and OMB's PART assessments to aid us in the selection process. Since we expected that our review could potentially produce recommendations concerning agency-specific performance management issues we observed in the course of our review, we also conducted an environmental scan of recent and ongoing GAO research at our potential case-study agencies to avoid duplicating similar work.³ Based on these considerations, we selected the Department of the Interior (Interior) and Federal Emergency Management Agency (FEMA).

In the initial phase of our review of these two agencies, we conducted interviews with senior-level officials responsible for operations, budget, human resources, and performance-reporting functions at each agency to gain an understanding of their performance-based management policies and practices established at the top levels of the organization. To help guide us in determining where to further focus our review, we also asked officials and managers to identify particular areas that could provide illustrative examples of the challenges and difficulties they faced in using performance information for decision making. Based on these initial interviews and other information, we then identified programs and operational areas for more in-depth review.

At Interior, we selected the National Park Service (NPS) and Bureau of Reclamation (Reclamation) for review. At both NPS and Reclamation, we interviewed senior-level officials responsible for operations, budget, policy, human resources, and performance-management functions. At NPS, we interviewed management and program officials from four of seven regions: Pacific West, National Capital, Southeast, and Intermountain Regions. We interviewed park superintendents and program managers from two parks within each of the four regions for a total of eight parks. Of the four regions and eight parks, we conducted site visits at three of the regional management offices, and four national parks; the other interviews were conducted over the phone. In our sample, we

³Although the Forest Service had the lowest ranking among all federal agencies, our recent work at this agency had already resulted in recommendations to address key management issues that we will continue to monitor.

included a mix of small, medium, and large parks, which we defined by the size of their operating budget:

- (1) small parks had an operating budget of less than \$1 million;
- (2) medium parks had an operating budget of \$1 million to \$10 million; and
- (3) large parks had an operating budget of more than \$10 million.

We also selected parks on the basis of their diversity across resource types that included national historic parks, national battlefields, national recreation areas, and national seashores. We interviewed senior and line managers from three of five of their major national program areas, including Natural Resources, Stewardship, and Science programs; Cultural Resources programs; and Park Planning, Facilities, and Lands programs.

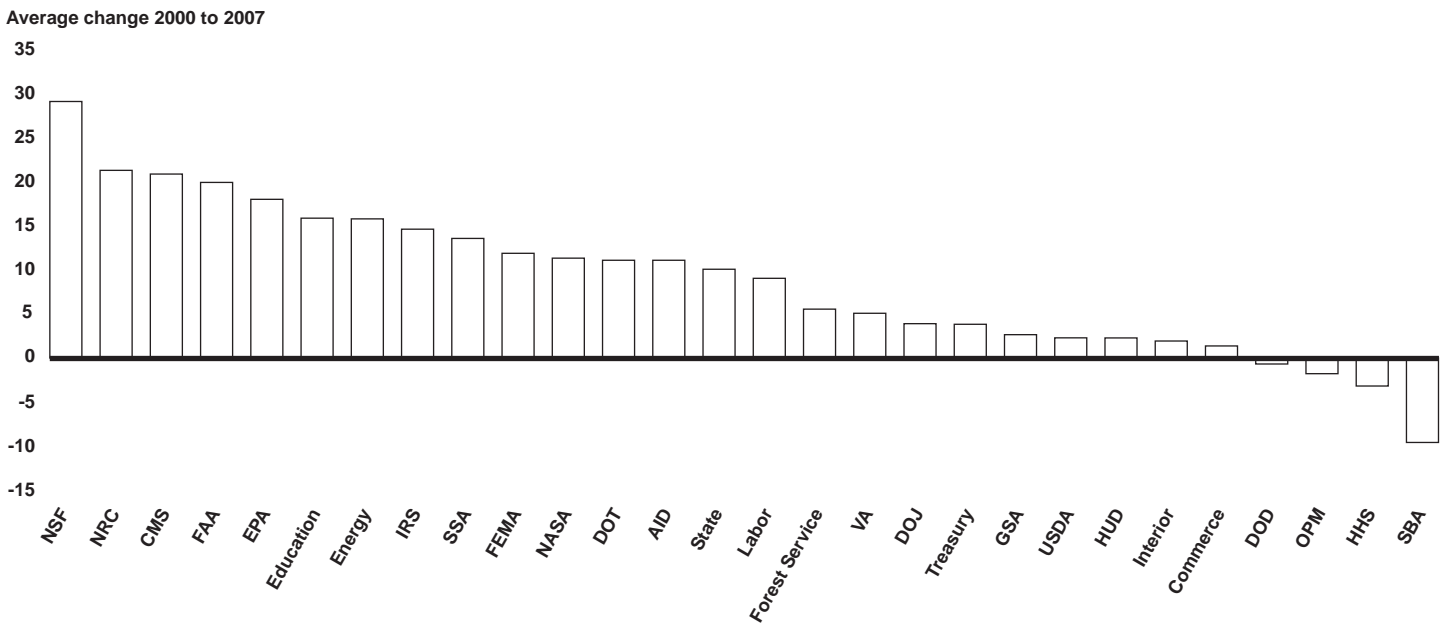
At Reclamation, of the five regions, we visited the Mid Pacific Region and spoke to officials from two other regions: the Upper Colorado, and Great Plains Regions. Within these three regions, we interviewed the regional director, GPRA Coordinator, and one area or project manager. These three regions are geographically diverse and include a range of operations and projects including new construction, dams, and power-generating plants.

At FEMA, we followed a similar procedure of meeting with senior-level officials and soliciting their suggestions for areas or operations that were demonstrative of the challenges and difficulties of using performance information in managerial decision making. At FEMA, we interviewed top officials and program managers from two of their eight Directorates along with regional officials and line managers responsible for general operations as well as Mitigation and Disaster Assistance Directorate program delivery in 3 of FEMA's 10 regions: Region I in Boston, Region IV in Atlanta, and Region IX in San Francisco.

To address our second objective of identifying an agency where improvement in the managers' use of performance information appears to have progressed, we used results from a set of selected items that we asked on both the 2000 and 2007 survey. For each agency, we calculated the difference between the percent of agency managers reporting their use of performance information to a great or very great extent in 2000 and 2007 across a set of nine items that addressed the use of performance information in areas of managerial decision making such as setting program priorities, allocating resources, and setting or revising work goals. We then calculated the average of these nine differences as an

overall descriptive indicator of change in each agency’s managers’ reporting on their use of performance information.⁴ See figure 19 for the results of this analysis.

Figure 19: Average Change in Percentage of Federal Managers Reporting Use of Performance Information to a Great or Very Great Extent, 2000-2007



Source: GAO.
 Note: Data are from GAO 2007 survey.

Similar to our selection procedures for objective one, we focused on those agencies showing the greatest positive shift in the percent of managers endorsing their use of performance information in their decision making. We then reviewed additional performance-related material for that subset of agencies showing the greatest change. In selecting an agency for review, we considered various factors such as agency size, mission, and workforce mix with a view that an agency facing substantive barriers and challenges to the use of performance information would yield good illustrative case

⁴See GAO, *Government Performance: 2007 Federal Managers Survey on Performance and Management Issues, an E-supplement to GAO-08-1026T*, [GAO-08-1036SP](#) (Washington, D.C.: July 24, 2008), for the wording of the nine items used in computing the average agency change. These items were 8b, 8c, 8f, 8g, 8h, 8i, 8j, 8k, and 8l. We could not use the core-uses index items for this change analysis since it incorporated new items that had been added since the 2000 survey.

examples of change. We selected the Centers for Medicare & Medicaid Services (CMS). In our 2000 survey, on five items asking managers about the extent to which they had five different types of performance measures, for example, outcome, output, customer service, CMS⁵ had the lowest ranking of all agencies on four of the five items.⁶ While CMS has shown notable change in its managers' reported use of performance information, its relative standing in 2007 as reflected in appendix II, figure 20, shows it to be in about the middle of the distribution of the 29 agencies we ranked.

At CMS, we interviewed senior-level officials to gain insight into how they were able to improve their managers' use of performance information as indicated by our survey results. We asked agency officials to help us identify regional- and line-manager interview subjects who could articulate their experiences with such a change. Based on this input, we interviewed the top officials from two of CMS' four Consortia: the Consortium for Quality Improvement and Survey & Certification Operations and the Consortium for Financial Management and Fee for Service Operations. We also interviewed regional officials and managers responsible for Survey & Certification in Region IV and regional officials responsible for administration and outreach in Region IX. At our interviews, we asked officials to identify the barriers and challenges they faced in the use of performance information and strategies for overcoming them.

At all the agencies where we conducted our work, our interviews and examination of agency documentation such as strategic plans, GPRA measures, and performance agreements incorporated a review of the extent to which these organizations implemented practices that our work has shown can promote the use of performance information for management decision making. We also examined our 2007 survey results for these agencies to explore what differences in agency responses could be useful in identifying conditions or perceptions that were relevant to or elaborated on our observations. Throughout the body of the report, the differences in percentages are significant unless noted otherwise. Although we reviewed available performance information in the examples we cite and describe how performance information was used to make decisions, we did not attempt to independently assess the reliability of the

⁵At the time of the 2000 survey, CMS was known as the Health Care Financing Administration.

⁶For all five items, fewer than a fifth of CMS managers reported having any type of measure to a great or very great extent.

information or verify that the use resulted in improved outcomes, since they were not within the scope of our review objectives.

We performed our work in the Washington, D.C., metropolitan area; Boston, Massachusetts; San Francisco and Sacramento, California; Atlanta, Georgia; from March 2007 to May 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Agency Rankings Based on Index of 2007 Survey Results

As part of our analyses of the 2007 survey data, we identified a set of nine items from the questionnaire that inquired about uses of performance information that we identified in a previous GAO report.¹ Using those items, we developed an index that reflected the extent to which managers perceived their own use of performance information for various managerial functions and decisions as well as that of other managers in the agency. To obtain an index score of reported use of performance information, we computed an average score for each respondent across the nine items we identified. We then averaged the respondent scores from each agency to produce an overall index score for each agency. By using this average index score, which yields values in the same range as the 5-point extent scale used on each item, we were able to qualitatively characterize index score values using the same response categories used for the items constituting the index.² Figure 20 shows the relative ranking on the index score for each agency in the 2007 survey.

¹See GAO, *Managing for Results: Enhancing Agency Use of Performance Information for Management Decision Making*, [GAO-05-927](#) (Sept. 9, 2005). See the online e-supplement, GAO, *Government Performance: 2007 Federal Managers Survey on Performance and Management Issues, an E-supplement to GAO-08-1026T*, [GAO-08-1036SP](#) (Washington, D.C.: July 24, 2008) for the wording of the items. The nine items constituting the index are questions 8a, 8c, 8d, 8e, 8k, 8m, 10d, 10m, and 11b.

²For example, index score values between 1 and 2.99 were viewed as covering the two categories of “small” or “to no extent” while values of 3 to 3.99 fit the category “moderate extent” and values between 4 and 5 encompassed the categories of “great” or “very great” extent. Agency averages ranged from 2.94 to 3.64.

**Appendix II: Agency Rankings Based on Index
of 2007 Survey Results**

Figure 20: Agency Ranking Based on 2007 Survey Results on Use of Performance Information

Rank	Agency/Component
1	National Aeronautics and Space Administration
2	Nuclear Regulatory Commission
3	Department of Veterans Affairs
4	Social Security Administration
5	National Science Foundation
6	General Services Administration
7	Department of Energy
8	Department of Housing And Urban Development
9	Department of Education
10	Department of the Treasury (excluding Internal Revenue Service)
11	Internal Revenue Service
12	Environmental Protection Agency
13	Small Business Administration
14	Centers for Medicare & Medicaid Services
15	Department of Commerce
16	Office of Personnel Management
17	Federal Aviation Administration
18	Agency for International Development
19	Department of Labor
20	Department of Agriculture (excluding Forest Service)
21	Department of Homeland Security (excluding Federal Emergency Management Agency)
22	Department of Defense
23	Department of State
24	Department of Transportation (excluding Federal Aviation Administration)
25	Department of Justice
26	Department of Health and Human Services (excluding Centers for Medicare & Medicaid Services)
27	Department of the Interior
28	Federal Emergency Management Agency
29	Forest Service

Source: GAO.

Appendix III: Timeline of Major Government Results-Oriented Management Reforms

1993: Congress enacted the Government Performance and Results Act of 1993 (GPRA) (Public Law 103-62) to address several broad purposes, including improving federal program effectiveness, accountability, and service delivery; and enhancing congressional decision making by providing more objective information on program performance. GPRA requires executive agencies to complete strategic plans in which they define their missions, establish results-oriented goals, and identify the strategies that will be needed to achieve those goals. GPRA also requires executive agencies to prepare annual performance plans that articulate goals for the upcoming fiscal year that are aligned with their long-term strategic goals. Finally, GPRA requires executive agencies to measure performance toward the achievement of the goals in the annual performance plan and report annually on their progress in program performance reports.

1993: The Clinton administration launched the National Performance Review, later renamed the National Partnership for Reinventing Government which was intended to transform the federal government to be more results-oriented, performance-based, and customer-focused by among other things requiring consideration of employee and customer views and increasing the use of technology, especially the Internet, for delivery of services and information to the public.

1994-1996: Congress passed the Government Management Reform Act of 1994 (Public Law 103-356), Paperwork Reduction Act of 1995 (Public Law 104-13), and Clinger-Cohen Act of 1996 (Public Law 104-106, div. D, E), which together provide a framework for developing and integrating information about agencies' missions and strategic priorities, the results-oriented performance goals that flow from those priorities, performance data to show the level of achievement of those goals, and the relationship of reliable and audited financial information and information technology investments to the achievement of those goals.

2001: With the President's Management Agenda, the Bush administration attempted to resolve long-standing federal management weaknesses by establishing five governmentwide management priorities including performance-budget integration and improved financial reporting.

2002: The Office of Management and Budget (OMB) created the Program Assessment Rating Tool (PART), a diagnostic tool that is intended to provide a consistent approach for evaluating federal programs as part of the executive budget formulation process. Through PART, OMB sought to create better ties between program performance and the allocation of resources.

2003: OMB issued changes to Circular A-11 requiring agencies to submit "performance budgets" in lieu of annual performance plans for their fiscal year 2005 budget submission to OMB and Congress.

Appendix IV: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528



**Homeland
Security**

July 7, 2009

Ms. Bernice Steinhardt
Director
Strategic Issues
United States Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Steinhardt:

Thank you for the opportunity to review and comment on the Government Accountability Office's (GAO's) Draft Report GAO-09-676 entitled *RESULTS ORIENTED MANAGEMENT: Strengthening Key Practices at FEMA and Interior Could Promote Greater Use of Performance Information*.

FEMA has reviewed the Draft Report and concurs with Recommendations 1, 2 a., 2 b., and 3 a. and non-concurs with Recommendation 3 b.

The Secretary of DHS should direct the Administrator of FEMA to:

Recommendation 1: *direct agency leadership to demonstrate their commitment to using performance information for decision making by reviewing performance results with subordinate managers on a regular and recurring basis and communicating decisions based on performance information to show that performance information is reviewed and acted upon.*

Response: Concur. FEMA recently formed a Performance Improvement Council (PIC) to address program performance issues across the agency. This particular working group is made up of individuals within each program, office, and directorate that coordinate all aspects of program performance management within their spheres of influence. The PIC works in conjunction with FEMA's Investment Working Group (IWG) who, in turn, makes recommendations to FEMA's Investment Review Board, which comprises senior leadership, on relevant courses of action based on input from the PIC. The IWG coordinates many of the agency's cross-programmatic resource allocation decisions at various stages of the budget process.

Recommendation 2: *augment FEMA's analytic capacity to collect and analyze performance information by:*

a. continuing to build upon recent efforts to provide training to directorate and regional managers to enhance their use of performance information, which included topics such as strategic planning, developing robust performance measures, and analyzing what the performance data mean; and

b. reviewing performance information systems to address users' needs for integrated, timely, and relevant performance information.

Response: Concur. The Office of Policy & Program Analysis, Program Analysis and Evaluation Division, chairs the FEMA PIC. The PIC is a recently developed cross-functional and cross-organizational group created to address program performance related issues across the Agency in order to improve programmatic outcomes. Most recently, the PIC provided performance measurement training to all FEMA Programs, Offices and Directorates to enhance that particular competence among these FEMA entities. Also, to address paragraph b. above -- one of the elements of this particular working group's emphasis will be ensuring that information systems requirements to capture relevant data and information are identified and pursued.

Recommendation 3: *improve linkages among agency, program, and individual performance by:*

a. continuing to engage program and regional managers in effort to develop, and where appropriate, refine intermediate, measurable performance targets that cascade from agency strategic goals, and

Response: Concur.

Recommendation:

b. secondly, in the absence of a department-wide performance management system, developing an interim plan that allows managers to hold staff accountable for the accomplishment of agency strategic goals by providing them with a tool they can use to measure their staffs' performance against goals.

Response: Non-concur. An interim plan is not advisable at this time, since the current FEMA Employee Performance System covers both non-bargaining and bargaining unit employees. An interim performance management system would require FEMA to support two systems until it could be bargained.

**Appendix IV: Comments from the Department
of Homeland Security**

It should be noted that during FY 2009, DHS Chief Human Capital Officer expects both the new Performance Management System Directive and Instructions to be sent for vetting to the components and the Request for Proposal for a new software system to be submitted for bidding.

Thank you again for the opportunity to comment on this Draft Report and we look forward to working with you on future Homeland Security issues.

Sincerely,


Jerald E. Levine
Director
Departmental GAO/OIG Liaison Office

Appendix V: Comments from the Department of the Interior

Note: Page numbers in the draft report may differ from those in this report.



United States Department of the Interior
OFFICE OF THE SECRETARY
Washington, DC 20240



JUN 29 2009

Bernice Steinhardt
Director, Strategic Issues
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C 20548

Dear Ms. Steinhardt:

Thank you for providing the Department of the Interior the opportunity to review and comment on the draft Government Accountability Office Report entitled, *"Results-Oriented Management: Strengthening Key Practices at FEMA and Interior Could Promote Greater Use of Performance Information,"* (GAO-09-676).

We agree with the GAO recommendations in principle, so that the Department of the Interior will be working to:

- Demonstrate commitment throughout all levels of management and leadership in promoting and practicing the consideration of performance as a factor in decision making.
- Review and revise its performance measures to better align them with agency activities and ensure the appropriate balance of output/activity based performance measures, that are recognizable to program managers, and related to long-term/outcome performance measures.

The Department is currently in the process of revising its strategic plan including a detailed review of the measures in a manner that will be responsive to the recommendations.

The enclosure provides additional comments on the report regarding:

- A clarification that the bureaus set their own performance targets;
- Concerns about equating increasingly specialized measures with improving credibility, i.e., the value of long-term measures;
- The need to better balance the application of program measures including over 400 PART measures; and
- Concerns about how measures are applied through the use of performance information.

The time and effort put forth by the GAO team in conducting this analysis and preparing these observations and recommendations is much appreciated. We hope to pursue these

recommendations with recognizable results in time for the next GAO report on the use of performance information.

If you have any questions, or need additional information, please contact Richard Beck, Director, Office of Planning and Performance Management, at (202) 208-1818.

Sincerely,



Pamela K. Haze
Deputy Assistant Secretary for Budget
and Business Management

Enclosure

GENERAL COMMENTS:

Page 31, The role of bureaus in setting their own targets:

- In pursuing effective performance management, it is important at the Department of the Interior that programs have as much ownership as possible of their performance measure targets and reporting. To improve the relevance of performance assessment to the programs being measured, programmatic performance targets are set by the bureaus and not by the Department. Therefore, the particular reference that "...Interior set annual goals for this measure..." should be corrected to recognize that the water delivery annual goals being discussed (on page 31) are set by the Bureau of Reclamation.
- It is also important to note that the water delivery measure emphasized in the GAO report is not highlighted but rather provided for reference purposes in the back of the Performance and Accountability Report's (PAR) Part II tables. In the PAR, more emphasis is actually placed on the Representative Performance Measure about Reclamation's facility reliability, for which program managers have more direct influence, in the up front Management Discussion and Analysis section.

Concerns about equating increasingly specialized measures with improving credibility:

- We would like to continue to emphasize outcome measures. We are concerned with the depiction of long-term measures as "lacking credibility" and an impediment to day-to-day performance measurement. Also, while we agree with the disadvantages of too many measures, the report appears to suggest that an increased set of more specialized, narrower focused measures, e.g. for different sizes of historic structures, could improve their credibility, and use, among managers.

The need to better balance the application of program measures:

- As part of determining the most effective cadre of measures, it is important that the Department and its bureaus have the final decision on which measures to use. The present existence of over 400 PART measures needs to be reviewed for their relativity to effective program management.

Concerns about how measures are applied on the use of performance information:

- We also suggest that along with considering the construction of the measures, it may be beneficial to focus on managers' concerns about how the performance information would be used. We suggest that managers be given an opportunity to provide context along with the reported performance. We have been including more perspective within our performance reports, especially in our PAR Management Discussion and Analysis and Part II tables to present explanations of trends in performance achievement over time, in the context of what has been achieved, the significance relative to future achievement, and consideration of future management adjustments. While we believe that we have demonstrated some improvement in this type of

performance trend analysis in our most recent PAR and Citizen's Report, placing performance in a perspective beyond just whether or not a single year's targets were met or not, will continue to be a focus of our performance assessment efforts.

- Along with the recommendations provided by GAO, we recognize that senior leadership and management could help better demonstrate to managers that reporting the context surrounding the level of performance achieved is as important as the value of the target that has been met, not met, or exceeded.

Appendix VI: GAO Contact and Staff Acknowledgments

GAO Contact

Bernice Steinhardt at (202) 512-6806 or steinhardtb@gao.gov

Staff Acknowledgments

Elizabeth Curda and Laura Miller Craig managed this assignment. Jessica Nierenberg, Thomas M. Beall, Nicholas Benne, and Kate Hudson Walker made key contributions to all aspects of the report. David Bixler, Peter DelToro, Daniel Dunn, Elizabeth Erdmann, Ellen Grady, William O. Jenkins, Jr., Kathleen M. King, Barbara Lancaster, Walter Ochinko, Melanie Pappasian, Mark Ramage, Jerry Sandau, William Trancucci, and John Vocino also provided assistance. In addition, A.J. Stephens provided legal support and Donna Miller developed the report's graphics.

Related GAO Products

Medicare and Medicaid Participating Facilities: CMS Needs to Reexamine Its Approach for Funding State Oversight of Health Care Facilities. [GAO-09-64](#). Washington, D.C.: February 13, 2009.

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