

## 7. DELIVERING A HIGH-PERFORMANCE GOVERNMENT

The Federal government has a positive impact on the quality of American lives. It influences the safety of the communities in which we live, the roads on which we drive, and the airplanes in which we fly. It enables those harmed by natural disasters to recover faster and increases access to capital for entrepreneurs and small business owners. The Federal government enables more young people to go to college and get jobs, and more seniors to maintain their quality of life. The men and women of the armed forces defend our nation and the Federal government, in turn, attends to the needs of military families and the veterans who so ably served. The responsibilities of agencies are vast, varied, and significant. The Department of the Interior, for example, is the largest supplier and manager of water in 17 states, delivers irrigation to 31 million people and one out of every five western farmers, and manages lands that produce over 30 percent of the nation's energy.

The Federal government has the ability and responsibility to improve the quality of the lives of the American people, the safety of our communities, and the strength of our economy.

### **A Culture of Performance Improvement**

Because government can have such a positive impact on the quality of people's lives, good management of programs is essential. The challenge agencies face is using their tools of program delivery, such as grants, contracts, regulation, information collection, and information dissemination, in ways that yield the highest return on taxpayer dollars. The Obama Administration expects agencies to use evidence to set priorities and find increasingly effective and cost-effective practices. It expects them to test new practices to identify those that successfully solve problems, advance opportunities, and boost productivity. It expects agency leaders to adjust and re-allocate resources or change practices as new evidence is obtained, and to constantly ask if lower cost options are available to accomplish the same or higher levels of performance. Finally, it expects agencies to share information with the public to enhance accountability and facilitate understanding of the services the government provides.

To fulfill these expectations, the Obama Administration has emphasized six practices:

1. goal-setting;
2. frequent measurement of performance and other indicators;
3. ongoing analysis;
4. use of evidence in decision-making;
5. data-driven reviews; and
6. information dissemination that is timely, accessible, and user-friendly.

These six practices are essential for finding what works and what needs fixing. They support agency efforts to achieve better outcomes for each dollar spent. These six practices help clarify what agencies are trying to accomplish, why they are focused on those goals, how they plan to accomplish those goals, and how well they achieve them. Effective communication about our performance goals, progress, and results strengthens democratic decision-making and builds a culture of continuous improvement in government.

To emphasize and enhance these performance practices across the Federal government, in 2009 the Obama Administration directed agency leaders to set high-priority performance goals (Priority Goals). The Priority Goals represent a small number of specific, ambitious, outcome-focused goals selected by agency leaders. They are near-term implementation priorities each agency is working to accomplish within two years, without new legislation or funding.

Agencies set new Priority Goals every two years. The current set was established for FY 2012-2013. The Deputy Secretary (or Chief Operating Officer) of each agency is responsible for running quarterly progress reviews and designating a senior official responsible for driving progress on each Priority Goal. Goal Leaders are expected to select strategies using appropriately rigorous evidence, set milestones, and assess progress at least once a quarter. Every quarter, major agencies report progress on their Priority Goals on Performance.gov.

Complementing Agency Priority Goals, the Administration has also selected 14 Federal Cross-Agency Priority (CAP) Goals to deliver on the President's commitment. CAP Goals have been set for: exports; entrepreneurship and small businesses; energy efficiency; broadband; science, technology, engineering, math education; job training; and transitioning returning veterans to civilian jobs. CAP Goals have also been set to improve sustainability, cybersecurity, and other aspects of Federal government operations.

### **Doing What Works; Fixing What Doesn't**

The following examples illustrate how adoption of these six practices is translating to tangible improvements in the lives of the American people. These examples represent a small subset of the vast contributions Federal agencies make to people, communities, and the economy.

#### ***Strengthening the Economy with Faster Patent Processing.***

Timely, high-quality processing of patent applications cultivates and protects innovation and boosts economic prosperity. The backlog of patent applications has been reduced to the lowest level in years despite increases in

filings last year and this year. From its peak, of approximately 764,000 in January 2009, the patent backlog has been reduced to approximately 595,078 in February 2013. [http://goals.performance.gov/goal\\_detail/DOC/338](http://goals.performance.gov/goal_detail/DOC/338)

### **Broader Broadband Coverage.**

Access to broadband capabilities is growing at a rapid rate, providing a strong foundation for economic growth, job creation, and global competitiveness. As of June 2012, 81% of Americans have access to advanced wireless broadband and the ability to enjoy minimum download speeds of at least 6 megabits per second, up from 36% in mid-2010. When wired connections are included, availability jumps to almost 96%. <http://goals.performance.gov/node/38578>

### **Energy Efficiency.**

Energy efficiency is one of the least expensive, most cost-effective ways to enhance the nation's energy security, save money for American households, reduce dependence on oil, and ensure a clean environment. The Federal government is pursuing strategic opportunities to boost energy efficiency in four areas: buildings, industry, transportation, and federal operations. Energy productivity improved by more than 6 percent from the fourth quarter of calendar year 2010 through the fourth quarter of 2012: the total quarterly average energy consumption held steady at 24.55 quadrillion British Thermal Units (BTUs), while the quarterly average GDP increased from \$13,181 billion (\$2005) to \$13,506. As one example of federally supported actions in the buildings sector, over 1.2 million homes of American families have been retrofitted since 2009, with annual per household energy savings from each retrofit between \$250 to \$450 dollars. As a result of this effort, more than 30 trillion BTUs of energy per year have been saved, and approximately 3 million metric tons of greenhouse gases (carbon dioxide equivalent) have been reduced annually. <http://goals.performance.gov/node/38504>

### **Renewable Energy.**

The Federal government continues to support increased renewable energy production capacity on Federal lands. Since the U.S. Department of the Interior first set a goal in FY 2010 to develop all appropriate sources of renewable and conventional energy on U.S. public lands and waters, the department has authorized over 10,900 megawatts of solar, wind, and geothermal energy projects on or crossing Interior lands. This approved capacity, if fully developed, could generate enough energy to power millions of homes. In contrast, for thirty years prior to setting this goal, between 1978 and 2009, Interior approved only a small number of wind and geothermal renewable energy projects, estimated to provide for development of about 1,500 megawatts of renewable energy. [http://goals.performance.gov/goal\\_detail/DOI/379](http://goals.performance.gov/goal_detail/DOI/379)

### **Reducing Water Shortages and Costs.**

The Nation faces an increasing set of water resource challenges: aging infrastructure, rapid population growth, depletion of groundwater resources, and climate variability and change. Water issues and challenges are increasing in the West, even in "normal" years, due in part to prolonged drought and shifting population patterns. Traditional water management approaches no longer meet today's need. The Department of the Interior's Bureau of Reclamation is working closely with other governments, private entities, and individuals to identify practices that will increase water conservation capacity in western states. Since FY 2010, the Bureau has funded projects that have increased conservation capability by over 600,000 acre-feet and will continue this important work in FY 2014. [http://goals.performance.gov/goal\\_detail/DOI/382](http://goals.performance.gov/goal_detail/DOI/382)

### **Safer, Lower-Cost Health Care.**

Hospital-acquired infections (HAIs) are a significant cause of morbidity and mortality in the United States,

**A Case Study:** The National Highway Transportation and Safety Administration (NHTSA) has long taken a goal-focused, data-driven, evidence-based approach to reduce traffic fatalities. It integrates performance measurements, retrospective evaluations, and experiments into its operations.

Since its inception, NHTSA has worked with states to code every fatal accident in the country, noting characteristics of the operator, equipment, environmental situation (e.g., traffic light), and jurisdiction. It complements this performance information with information about accident costs, enabling the agency and its delivery partners to detect performance variations and target actions to situations likely to be the most costly and risky.

NHTSA supports ongoing performance measurement with occasional studies and experiments. For example, it analyzes how changes in state law, such as allowing police to stop and check drivers for seat belt use, correlate with changes in traffic fatalities. Currently, it is running an experiment to see if lessons learned from its highly successful enforcement-and-marketing campaign to increase seat belt use, "Click-It-or-Ticket," can be used to reduce distracted driving in a different campaign, "Cell Phone in One Hand, Ticket in the Other." NHTSA initially tested its distracted driving campaign in two municipalities. Distracted driving dropped by a third in one (Syracuse) and over 50% in the other (Hartford). NHTSA is now testing if the results can be replicated in larger areas, an eight-county region of California and the state of Delaware. <http://www.distraction.gov/content/dot-action/enforcement.html>

accounting for an estimated 1.7 million infections in hospital patients, 99,000 associated deaths in 2002, and approximately \$28 to \$33 billion dollars in excess health-care expenditures. Two of the most serious, common, and preventable infections are central line-associated bloodstream infections (CLABSI) and catheter-associated urinary tract infections. The Department of Health and Human Services is working hard with the private sector, other levels of government, and medical professionals to cut the number of infections. In October 2012, as part of a 4-year nationwide initiative, over 1,000 hospital intensive care units achieved a 41 percent reduction in the CLABSI rates. This equates to more than 2,000 CLABSIs prevented, more than 500 lives saved, and over \$34 million in excess costs avoided. The Budget includes an increase of \$12 million within the Centers for Disease Control and Prevention (CDC) to expand reporting of HAIs through CDC's National Healthcare Safety Network to more than 1,800 additional healthcare sites. [http://goals.performance.gov/goal\\_detail/HHS/375](http://goals.performance.gov/goal_detail/HHS/375)

#### ***Fewer Homeless Veterans.***

The Departments of Veterans Affairs and the Housing and Urban Development have been working together to eliminate veterans' homelessness by 2015. The Annual Homeless Assessment Report to Congress estimates the number of sheltered and unsheltered homeless persons on a single night in January. In 2012, the annual homeless count estimated 62,619 homeless veterans, down 7.2 percent from 2011 and 18 percent from 2010. [http://goals.performance.gov/goal\\_detail/VA/331](http://goals.performance.gov/goal_detail/VA/331)

#### ***Violent Crime Reduction in Tribal Communities.***

The Bureau of Indian Affairs in the Department of the Interior is working with tribal communities to reduce violent crime. At the end of FY 2011, violent crime had declined an average of 35 percent across four high-crime reservations in just two years. One year later, violent crime is down across all four tribal communities – an average 55% reduction in violent crime incidents relative to the 2009 baseline. Interior will continue its community policing programs, maintaining efforts at the four reservations and focusing on an additional two communities. To promote adoption of these promising practices by all tribal communities, the bureau has prepared a “Crime-Reduction Best Practices Handbook.” <http://www.bia.gov/cs/groups/xojs/documents/text/idc-018678.pdf>.

#### ***Saving Taxpayer Dollars with Paperless Treasury Transactions.***

Treasury has cut the number of paper claims it handles from a high of 195.5 million in 2007 to 41 million in 2012, saving the Federal government an average of \$100 million annually. [http://goals.performance.gov/goal\\_detail/TREAS/335](http://goals.performance.gov/goal_detail/TREAS/335)

#### ***Faster Social Security Disability Hearing Decisions.***

The Social Security Administration has reduced the average processing time for a hearing before an

Administrative Law Judge from an all-time high of 532 days in August 2008 to 362 days as of September 2012. [http://goals.performance.gov/goal\\_detail/SSA/357](http://goals.performance.gov/goal_detail/SSA/357)

In addition, the Administration is building on previous efforts to eliminate waste, reduce duplication, and save costs. Agencies are making noteworthy progress addressing fragmentation in areas as diverse as exports and veterans' homelessness. For example, in February 2012, the President issued a memorandum directing the Export Promotion Cabinet to work across agencies to identify overlap and duplication and to maximize the combined effectiveness of their programs and initiatives in support of the Administration's strategic trade and investment priorities.

#### **Looking Forward**

Experience over the last four years reinforced prior evidence about the benefits of the six management practices. It is also refining our understanding of smarter ways to apply these practices:

#### ***Goal Ownership Improves Results.***

Goals and measures are merely words unless someone assumes responsibility for managing their progress. The designation of goal leaders for each Priority Goal, and quarterly reviews run by Chief Operating Officers, assure high-level attention to Priority Goal execution. Many goal leaders, in turn, are clarifying who needs to do what by when to achieve a national goal. In forthcoming strategic plans, agencies will expand on this best practice of assigning clear goal ownership by identifying the lead office responsible for each strategic objective.

#### ***Improvement is the Objective, not Target Attainment.***

Ambitious goals energize people and encourage creativity, innovation, and cross-organization collaboration that can lead to better outcomes and higher productivity. By definition, ambitious goals are hard to meet. Therefore, when progress on a goal is less than expected, agencies are accountable for understanding why and having a cogent evidence-based strategy to improve. Also, agencies that meet all of their ambitious targets will be asked to set more ambitious targets in the future.

#### ***Diagnostic Analyses, Experiments, and Other Studies Make Measurement Actionable.***

Analysis turns performance measurement into actionable information. While it is good to know if a national trend is moving in the right direction, that knowledge alone does not suggest a next step. Finding variations in trends or outliers can lead to the discovery of better practices. The Department of Housing and Urban Development has taken this approach in its efforts to reduce veterans' homelessness. (See <http://goals.performance.gov/delivering-better-results-using-frequent-data-driven-reviews>.)

Agencies are applying a variety of data diagnostics to prepare for quarterly Priority Goal performance reviews,

strategy selection, and other data-driven discussions. They are increasingly complementing analyses of their performance and operational data with other studies, replication demonstrations, and experiments to find increasingly effective and cost-effective approaches, discussed in greater detail in the next chapter.

***Transparency Motivates, Educates, and Facilitates Cooperation.***

Transparency strengthens accountability to the public, and can also lead to improved outcomes, greater productivity, and better decision-making. Performance.gov makes it easier for the public to see how, why, and what the Federal Government is trying to accomplish. The site also supports collaboration on shared goals and facilitates learning across and beyond agencies, including soliciting feedback from the public. In the future, efforts will be undertaken to test use of the website to facilitate coordination among goal allies, enlist ideas and assistance to accelerate progress on goals, and enhance public understanding of the work of the Federal government.

***Attention to Audience Enables Delivery Partners and Others To Make Better Choices.***

Federal agencies depend on a wide variety of partners to improve public outcomes. Therefore, agencies must consider how performance information can best be provided to support their needs. In education, for example, key audiences for performance information include state education departments, local school superintendents, school principals, teachers, parents, non-profit organizations, and for-profit companies. All need performance information but need it delivered, displayed, and analyzed in different ways, often for different purposes. Agencies are being asked to think strategically about their delivery partners' information needs and to return data to data suppliers with value added through analyses in order to achieve better results.

***Leveraging Networks Boosts Returns.***

Formal and informal networks, both within and outside government, are invaluable resources for leveraging the impact of government action. The Administration has

been building and strengthening networks, such as the Partnership for Patients, to facilitate sharing of actionable data and speed adoption of evidence-based practices. Formal networks within government, such as the Performance Improvement Council (PIC) and the Chief Human Capital Officers' Council (CHCOC), function as valuable learning networks to identify and exchange information about best practices. Smaller working groups, such as the PIC working group on quarterly data-driven progress reviews, tackle shared challenges. The PIC and CHCOC are working together to use Employee Viewpoint Survey data to improve employee engagement and organizational performance. Several evidence-building learning networks have also been created and are discussed in the next chapter.

***Emphasizing Outcomes Improves Results.***

Alignment to outcome-focused goals helps ensure organizations focus on what matters most to the public. Maintaining a line of sight toward those outcomes supports an agency's ability to identify better practices, rather than assuming its current approach is best. Goals focused on areas such as reducing hospital-acquired infections or boosting energy efficiency also enlist expertise, ideas, and assistance from external allies. Building on the success of Priority Goals, in the coming year, agencies will identify outcome-focused strategic objectives in their strategic plans and begin to use them as a mechanism for improving results across their agency. Each year, agencies will review progress on the strategic objectives, and, using the evidence, identify opportunities for improvement.

***Conclusion***

Smarter Federal performance management practices are translating to better value for the American people. At the same time, the Federal government is doing business smarter, improving quality while cutting costs. By adopting proven management practices, such as ambitious goals set by leaders combined with frequent data-driven reviews, Federal agencies are continually improving their ability to serve the American people.