Regulatory Studies Center
THE GEORGE WASHINGTON UNIVERSITY

Regulatory Insight
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# Improving the Accountability of Federal Regulatory Agencies

## Part I: A Review of Government-Wide Efforts


## Abstract

Policymakers in the United States show persistent interest in improving the accountability of federal regulatory agencies. Before mandating further requirements, Congress and the President should (1) identify government-wide accountability initiatives that were already attempted at regulatory agencies and (2) assess the outcome of those efforts. The relative success or failure of these efforts could help guide the design and implementation of future regulatory reforms. This Regulatory Insight is the first in a series of three on this topic. It fulfills the first of these tasks by identifying eight major government-wide accountability initiatives in the United States that were also implemented at regulatory agencies.


## Washington Wants to Improve Regulatory Accountability

There is considerable and persistent interest in making federal regulatory agencies in the United States more accountable for their activities. For instance, Congress[1] and the President[2] recently acted on proposals requiring agencies to evaluate the actual benefits and costs caused by regulations after they have been implemented—"retrospective review." It is presumed such information will hold regulators more responsible for achieving desirable results and improve future regulatory actions.

However, the *ex post* evaluation of regulatory outcomes represents only one of a significant number of changes being considered to improve the accountability of regulatory agencies. Researchers, federal managers and others are also examining, for instance, tightening

[1] H.R. 185, The Regulatory Accountability Act of 2015, passed the House of Representatives on 7 January 2015. S. 1817, The Smarter Regs Act of 2015, was reported out of the Senate Committee on Homeland Security and Government Affairs on 7 October 2015.

[2] See, for instance, Executive Order 13610, "Identifying and Reducing Regulatory Burdens," 10 May 2012.



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congressional and judicial review of new regulations,[3] imposing a "regulatory budget" on agencies,[4] systematically examining the quality of internal agency processes,[5] and having agencies adopt attributes common to organizations that demonstrate "regulatory excellence."[6]

## A Retrospective Review of Previous Accountability Efforts

Given the keen interest in improving regulatory accountability, especially by learning from the actual results achieved by previous regulations, it would be ironic to not consider the outcomes of previous attempts to improve the performance of U.S. regulatory agencies before embarking on yet more regulatory reform. If the assessment of past regulations will lead to better future regulations, then, likewise, learning from past accountability initiatives should lead to better accountability efforts in the future.

Unfortunately, no one has examined the record of government-wide accountability initiatives in the context of regulatory reform. Since the birth of the modern regulatory state in the 1930s, the federal government has attempted several reforms targeted solely at regulatory agencies. These include, for instance, the Regulatory Flexibility Act of 1980,[7] the Unfunded Mandates Reform Act of 1995,[8] and the Small Business Regulatory Enforcement Fairness Act of 1996.[9] Two reforms, in particular, stand out as resulting in sweeping and lasting changes across most regulatory agencies: the Administrative Procedure Act of 1946[10] and increased internal Executive Branch benefit/cost review and analyses initiated in 1981 by Presidential Executive Order.[11] The implementation of these regulatory reforms has been, and continues to be, the subject of significant observation and criticism.[12]

However, the broad reform initiatives have gone largely unnoticed by regulatory experts since they were part of *government-wide* reforms even though they were implemented by most regulatory programs. Examining the results of these broader efforts may provide important

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3 For a discussion of various recent proposals to increase congressional and judicial oversight see Susan E. Dudley, "Improving Regulatory Accountability: Lessons from the Past and Prospects for the Future," *Case Western Reserve Law Review*, Volume 65: Issue 4, 2015, pp. 1051-1056.

4 See, for instance, Susan E. Dudley, "Accounting for the True Cost of Regulation: Exploring the Possibility of a Regulatory Budget," testimony before the United States Senate Committee on the Budget and Committee on Homeland Security and Governmental Affairs, 23 June 2015.

5 See, for instance, U.S. Environmental Protection Agency/ECOS, "Lean in Government Starter Kit: Version 3.0", April 2014.

6 See Cary Coglianese, "Listening, Learning, Leading: A Framework for Regulatory Excellence," Penn Program on Regulation and the Alberta Energy Regulator, 2015, pp. 8-29.

7 Pub. L. 96-354, 94 Stat 1164.

8 Pub. L. 104-4, 109 Stat. 48.

9 Pub. L. 104-121, 110 Stat. 857.

10 Pub.L. 79–404, 60 Stat. 237.

11 Executive Order 12291, "Federal Regulation," 17 February 1981.

12 See, for instance, Stuart Shapiro and Deanna Moran, "The Checkered History of Regulatory Reform Since the APA," *NYU Journal of Law and Public Policy*, Vol. 19:1, May 2016, pp. 141-182.

lessons for regulatory reformers. Identifying these major government-wide initiatives is the purpose of this Insight.

## Accountability = Taking Responsibility for Results

Before identifying previous major government-wide initiatives that attempted to achieve greater accountability, it is important to understand what accountability means. An accountable organization is one that takes responsibility for the results of its actions. Greater accountability may be self-imposed and/or imposed on an organization by outside parties. It may also be internal, where subunits of the organization might be held more accountable to the organization's leadership but the data are not shared outside the organization. Or they may be external, where data on results are shared with the public.

Greater accountability in government is desirable for at least two reasons. First, accountability can lead to better performance. When an organization takes responsibility for the outcomes it achieves, good or bad, it is obligating itself to make changes that would improve the results, especially if the results are poor. The internal desire for continuous improvement, for instance, is a strong motivation for self-imposed accountability. An example of using greater accountability to improve government performance is the Head Start program funded through the U.S. Department of Education. As noted by Jim Nussle and Peter Orszag, "In 2007, President Bush signed a law that required all Head Start grantees to be evaluated using an evidence-based system. President Obama has since initiated a series of targeted reforms to weed out underperforming providers and has refused to automatically fund about one-third of programs. In order to re-qualify, they would have to improve."[13]

A second and, arguably, stronger impetus for greater government accountability is that, in a constitutional democracy such as the United States, the public has a right to know what government actions are achieving.[14] If the public demands air pollution be reduced, but that this be done without throwing lots of people out of work, and politicians pass a law attempting to achieve this result, the public has a right to know the extent to which the law succeeded in meeting the original goal.

Finally, it is important to note two aspects of accountability in government. First, for various reasons it can be very hard to measure the results of some government actions, including regulations, after they have been implemented. An imperfect solution to this problem is for government to predict the results of different policies *before* they are adopted. While a

[13] Jim Nussle and Peter Orszag, "Let's Play Moneyball," in Jim Nussle & Peter Orszag eds, *Moneyball for Government*,(Disruption Books) 2014, p. 7.

[14] For a discussion regarding accountability and the obligation of government to inform the public on the results of its actions see David Walker, "GAO Answers: What's in a Name?", *Roll Call*, 19 June 2004.

potentially weaker form of accountability, since it does not capture actual outcomes, predictions of the results of agency actions are a form of accountability.

Second, these two important drivers of greater accountability, program improvement and transparency of results to the public, have strong bipartisan support. In a federal political environment that has become increasingly partisan, reformers may find comfort in the notion that the desire to increase agency accountability has historically appealed to a broad spectrum of political leaders.[15] The fact that both President Obama and the Republican-controlled Congress have recently pursued proposals regarding the retrospective review of regulations demonstrates bipartisanship interest in "good government" reforms.[16]

## Eight Major Government-Wide Accountability Reforms

This section describes eight major federal government-wide reforms that were intended, at least in part, to increase agency accountability. Each reform was implemented at most federal agencies, including a majority of regulatory agencies.[17] The eight reforms are:

- Planning-Programming-Budgeting System (implemented in 1965)
- Management By Objectives (1973)
- Zero-Base Budgeting (1977)
- The Grace Commission (1982)
- Government Performance and Results Act (1993)
- The National Performance Review (1993)
- The Program Assessment Rating Tool (2002)
- Government Performance and Results Modernization Act (2010)

It is a matter of opinion whether these eight initiatives capture all, or too many, of the previous government-wide efforts that could offer lessons to current regulatory reformers. Nonetheless, this paper identifies these efforts as being generally recognized as serious and sustained attempts to broadly improve the accountability of government agencies. In particular, they all either required significant resources to implement and/or received significant attention from the White House and Executive Branch agencies.

[15] For a discussion of the political history of government reforms, see Paul C. Light, *The Tides of Reform: Making Government Work 1945-1995*, (Yale University Press: New Haven, CT) 1997. Light points out that despite the broad appeal of "good government" reforms, politicians differ regarding the types of reforms they prefer based on their underlying level of trust in government.
[16] See footnotes 3 and 4.
[17] Typically, these reforms were mandated for executive branch regulatory programs and encouraged for independent agencies, such as the Federal Communications Commission and the Securities and Exchange Commission.

## Planning-Programming-Budgeting System (1965)

During World War II the country faced the problem of allocating scarce strategic resources to different military needs. The War Department solved this problem by developing an analytical system of weighing different needs and optimally allocating resources to maximize the nation's military output. The system was called the Controlled Materials Plan. After the war some of those who designed the system moved to a new think tank called Project RAND. Subsequently, RAND created a similar analytic system that could be applied to defense budgeting during peacetime.

The method matched up the costs of a particular proposal (e.g., more bombers, fewer ships) with the proposal's expected results (e.g., the extent to which it increased or decreased overall "military power," which was a factor, for instance, of the number of weapons built, rate of fire, and lethality). Importantly, the method standardized the presentation of different proposals in such a way that a central decisionmaker, such as the Secretary of Defense, could compare the different predicted results of different options on the same terms and select the proposal that got, sometimes literally, the most "bang for the buck."

By allowing different budget options to be compared on the same terms, tradeoffs became more obvious and it became possible to show the outputs spending would achieve (e.g., the increase in "military power") rather than just the inputs, such as how much money would be spent on certain line items (e.g., $1 billion for bombers, $2 billion for ships, $1 billion for artillery, etc.). In this way, the Department of Defense held itself more accountable for the expected results of its spending and, in turn, it expected to improve overall results. The method was initially simply called program budgeting, but was eventually named the Planning-Programming-Budgeting System or PPBS.

When President John F. Kennedy's Defense Secretary, Robert McNamara, took office in 1961 he brought some of the RAND analysts into the Department of Defense and quickly adopted PPBS. It was first used in 1962 for the fiscal year 1963 budget.[18]

In 1965, President Lyndon Baines Johnson directed all civilian agencies to start adopting PPBS to "measure the performance of our programs to ensure a dollar's worth of service for each dollar spent."[19] He expected PPBS to be implemented in less than six months.[20] More than a year later, however, President Johnson complained that few decisions were being made using the new

[18] A discussion of the implementation of PPBS can be found in George W. Downs and Patrick D. Larkey, *The Search of Government Efficiency: from Hubris to Helplessness*, Random House, First Edition, 1986, p. 153.

[19] Remarks of Lyndon B. Johnson, 25 August 1965. For text see, *Public Papers of the Presidents of the United States: Lyndon B. Johnson, 1965*, Book II, pages 916-917. Subsequently, on 12 October 1965, the Bureau of the Budget issued Bulletin No. 66-3 setting out instructions for establishing PPBS.

[20] U.S. General Accounting Office, "Performance Budgeting: Past Initiatives Offer Insights for GPRA Implementation," GAO/AIMD-97-46, March 1997, p. 36

system and two years later agencies were still having difficulty implementing the new method.[21] PPBS was formally discontinued by President Richard Nixon in 1971.

It is interesting to note that the problem addressed by PPBS, allowing different policy options to be assessed on a common metric in order to better optimize results, is similar to a problem still recognized in federal rulemaking. To improve accountability, since 1981 federal regulatory agencies have been directed by each successive president to consider the expected results of different regulatory options and select the option that most benefited society.[22] This process is extremely similar to the PPBS method. Could the PPBS experience offer insights to current reformers into how to improve the consideration and selection of federal regulatory options?

## Management by Objectives (1973)

In April 1973, well after the broad application of PPBS had been terminated by President Nixon, a new reform sprang up to take its place. Management by Objectives (MBO) had been given a trial run at the Department of Health, Education, and Welfare during Nixon's first term. Nixon proposed it be immediately implemented in 21 federal agencies, including many regulatory programs, constituting about 95 percent of the federal budget. Nixon wanted the agencies to be more accountable to a central authority so their work could be better managed as part of a bigger enterprise. In short, he wanted "to gain greater administrative control over major executive branch departments and agencies,"[23]

MBO was first proposed by Peter Drucker to address the problem in the private sector of manager's tendency to focus too narrowly on their own part of an organization rather than on the wellbeing of the organization as a whole. Drucker's solution was to have each subcomponent of an organization explicitly discuss and agree on its objectives and then have those objectives pushed up the hierarchy to be discussed and integrated with objectives at a higher level. Thus all the objectives of each part of an organization would fit together and "line up" with the overall objectives of the entire entity. A key aspect of MBO was to articulate each objective and sub-objective quantitatively so that each manager could be held unambiguously accountable for their particular part of the overall performance of the organization.

While it was a very different process from PPBS, it had very similar objectives. Nixon explained, "I am now asking each department and agency head to seek a sharper focus on the results which the various activities under his or her direction are aimed at achieving… This conscious

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[21] Ibid., p. 37.
[22] These requirements were most recently reinforced by Executive Order 13563, "Improving Regulation and Regulatory Review," 18 January 2011, Sections 1(b) and 4.
[23] U.S. General Accounting Office, "Performance Budgeting: Past Initiatives Offer Insights for GPRA Implementation," GAO/AIMD-97-46, March 1997, p. 42.

emphasis on setting goals and then achieving results will substantially enhance federal program performance."[24]

Despite the President's high expectations, MBO was a much more modest process than PPBS. MBO did not attempt to rigorously predict outcomes based on changes in inputs. It focused solely on examining objectives and outputs of government actions and requiring that they be sharpened and consistent with the overall objectives of the government.

Despite hiring 30 "management associates" to inculcate MBO, it was a largely passive process. By one estimate, more than 80 percent of the objectives identified were apolitical in the sense they represented non-controversial tasks, such as issuing reports by a given date.[25] Other objectives, such as "the abolition of crime in society,"[26] were simply too vague or unrealistic to assess, especially over a single year.

Like PPBS, however, implementation was slow. After Nixon's resignation in August 1974, it was up to President Gerald Ford to drive MBO forward. Ford, less interested than Nixon, made MBO optional in 1975. It was discontinued in 1976.

For better or worse, MBO attempted to harmonize federal activities and policies in order to better achieve the federal government's goals. This included, in particular, tighter control of government programs and decisions by the White House so that agencies were less autonomous. Many current regulatory reformers are interested in increasing policy consistency and tightening the central control of regulatory agencies. Could the history of MBO help us learn how to better achieve these objectives?

## Zero-Base Budgeting (1977)

During the 1976 Presidential campaign, Jimmy Carter made a campaign commitment that, if elected, he would implement a budgeting system he had introduced while the Governor of Georgia: zero-base budgeting (ZBB).[27] In 1977, after his election, Carter ordered agencies to start using ZBB in formulating fiscal year 1979 budgets.

Like PPBS, ZBB took another shot at solving the problem of line-item budgets where spending seemed unconnected to whether or not programs were achieving results. In particular, ZBB

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[24] President Richard Nixon, Letter to Agency Heads, 18 April 1973.
[25] Richard Rose, "Implementation and Evaporation: The Record of MBO," *Public Administration Review*, 37 (1977), p. 68.
[26] For this and other examples of flawed MBO objectives see U.S. General Accounting Office, "Performance Budgeting: Past Initiatives Offer Insights for GPRA Implementation," GAO/AIMD-97-46, March 1997, pp. 44-45.
[27] ZBB was first tried, unsuccessfully, at the US Department of Agriculture in the 1960s but further developed at the Texas Instruments company in 1969 and was adopted by Georgia in 1972. For more on the early history of ZBB, see Peter A. Pyrr, *Zero-Base Budgeting: A Practical Management Tool for Evaluating Expenses*, John Wiley & Sons, 1973, p. xi.

attacked the problem of incremental budgeting, where changes in spending were only considered at the margin—established programs were seldom reviewed from top-to-bottom to determine if they were achieving their goals. ZBB required "each manager to justify his entire budget request in detail, and puts the burden of proof on him to justify why he should spend any money."[28]

Unlike PPBS, where objectives were set at the top, ZBB built the budget from the bottom. Under ZBB, program heads would have to assume they would receive no funds unless they could show something valuable was achieved by their program. Specifically, first they were required to identify the minimum level of resources they would need to keep their program viable and the level of output they would achieve at this minimum level. The manager could then lay out additional options that had incrementally higher levels of resources along with an estimate of the additional levels of output that would be produced.

Typically three such spending level options, or "decision packages," would be drafted and moved up the chain of command to be compared with each other as well as the packages of other programs competing for the same resources. Decisionmakers would compare and rank the packages, eventually dropping out lower ranked proposals from consideration. Unlike the delayed implementation of MBO, no time was wasted rolling out ZBB. Within five months of its launch, the ZBB process generated more than 25,000 decision packages, 10,000 of which made it through the ranking process and were eventually forwarded to the Office of Management and Budget for final review.[29]

While ZBB was intended to make managers more accountable for understanding and justifying the results they achieved with the resources they were given, it was designed as an internal decisionmaking process. It did not affect the form of the materials that were sent to Congress[30] nor those released to the public.

Interestingly when the first ZBB-produced budget (fiscal year 1979) was released, its content did not reflect any significant changes in federal spending. Despite its emphasis on starting from scratch, it looked very much like the product of the conventional budget process. This result persisted for all four years ZBB was used. ZBB was rescinded during the first year of the Reagan Administration although some of its elements (such as the requirement for agencies to propose three different funding levels) survived until as late as 1994.[31]

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[28] Peter A. Pyrr, *Zero-Base Budgeting: A Practical Management Tool for Evaluating Expenses*, John Wiley & Sons, 1973, p. xi.

[29] George W. Downs and Patrick D. Larkey, *The Search of Government Efficiency: from Hubris to Helplessness*, Random House, First Edition, 1986, p. 176.

[30] While the form did not change, the amount of paperwork provided Congress, in many cases, rose. In one case the agency's budget justification went from 72 pages to 362 pages. See U.S. General Accounting Office, "Performance Budgeting: Past Initiatives Offer Insights for GPRA Implementation," GAO/AIMD-97-46, March 1997, p. 50.

[31] U.S. General Accounting Office, "Performance Budgeting: Past Initiatives Offer Insights for GPRA Implementation," GAO/AIMD-97-46, March 1997, p. 49.

As an internal accountability tool, ZBB was very much geared towards trying to defeat the inertia of federal programs which resulted in them continuing to get funding regardless of their ability to achieve results. Like the problem of accumulating federal programs that are never reassessed, today policymakers are concerned about the accumulation of past regulations and whether they achieve valuable results. Regulatory reformers considering methods of assessing the existing body of rules may be able to learn from the implementation of ZBB.

## The Grace Commission (1982)

Throughout the 20th Century, presidents and congress utilized the tactic of commissioning blue ribbon committees to recommend ways to improve government. There is perhaps no president who put more emphasis on this method for improving government productivity than President Ronald Reagan.

Discontinuing ZBB, Reagan did not attempt to replace it with a new performance-based budgeting system. Rather, in 1982, the president tasked a group of outside experts to "work like tireless bloodhounds" to identify and suggest remedies for waste and abuse in the federal government leaving no "stone unturned to root out inefficiency."[32] The Private Sector Survey on Cost Control, better known as the Grace Commission after its chairman, J. Peter Grace, formed over 26 task forces and, after two years, issued its report in 1984. The report took up 10 feet of shelf space and included 2,478 cost cutting and revenue enhancing ideas that, the Commission claimed, would save almost $425 billion over three years.[33]

The Grace Commission is probably the single most outstanding example of bringing private sector expertise to bear on the goal of improving government performance. To the extent critics of federal regulatory programs believe private sector expertise and methods may improve the accountability of regulatory programs, the Grace Commission may provide evidence for what may or may not work in trying to import such ideas into government.

## Government Performance and Results Act (1993)

In 1993 Congress passed, and President Bill Clinton signed, the Government Performance and Results Act (GPRA). Up to this point, every major accountability improvement initiative started by a president had been discontinued by his successor, even when that president was of the same party. GPRA marked the first time a performance reporting system was mandated by law. Unlike previous presidential initiatives, neither the next president, nor any president thereafter, could simply decide to discontinue it.

[32] Ronald Reagan, Remarks at a White House Luncheon With the Chairman and Executive Committee of the Private Sector Survey on Cost Control, 10 March 1982.

[33] George W. Downs and Patrick D. Larkey, *The Search of Government Efficiency: from Hubris to Helplessness*, Random House, First Edition, 1986, p. 218.

The law, which is still in effect, requires each major federal agency to prepare a five-year strategic plan and, every year, tell Congress and the public the extent to which the agency has achieved measurable performance targets. This means each major program has to not only articulate clear goals and objectives, but also collect data on the results it achieves. (It should be noted that at regulatory agencies GPRA has not been interpreted as requiring collecting data on the outcomes of regulations after they are promulgated.)

The unremitting and public focus on results was expected, by some, to prompt a new age of accountability in the federal government. This accountability was expected to both fulfill the public's right to know what the government was producing and also significantly improve government performance. The *Washington Post* reported:

> For the first time, the American people will be told what levels of service and program results they can expect from the tax dollars, followed by reports on what was actually achieved. It may sound like common sense for government to do this—and it is—but it has not been done before by the federal government.[34]

A Senate Committee declared,

> This reform has the potential to make a significant change in the way that managers, policymakers, and the American people think about what services the government should provide, and how well it does at providing them. The legislation will provide the information necessary to strengthen program management, to make objective evaluation of program performance, and to set realistic, measurable goals for future performance.[35]

Because it is law, implementation of GPRA continues to this day. As noted below, GPRA was significantly modified in 2010 but many of the basic requirements regarding, for instance, measuring and publicly reporting results, remain in effect. The identification and measurement of results, such as through retrospective review, is precisely an area many of those who seek regulatory reform are most interested in improving. Why do many think that the current GPRA requirements fall short of what is needed to make regulatory agencies adequately accountable? What can we learn from the design and implementation of GPRA that will help make future accountability efforts more successful?

[34] Stephen Barr, "Performance Measures Expand their Horizons," *Washington Post*, 3 February 1994.

[35] US Senate Committee on Government Affairs, Government Performance and Results Act of 1993: Report of the Committee on Governmental Affairs to Accompany S. 20, Report 103-58, Calendar No. 96, 103d Congress, 1st Session.

## The National Performance Review (1993)

Within months of GPRA being passed, President Bill Clinton launched one of the most ambitious presidential management reforms of the modern era: the National Performance Review (NPR). Within nine months of its launch, under the auspices of Vice President Al Gore, the NPR produced its first report entitled *From Red Tape to Results: Creating a Government That Works Better and Costs Less*. It contained 384 major recommendations ranging from program-specific proposals to presenting cross agency “government systems” including budgeting practices, information technology, procurement and personnel procedures. Unlike the Grace Commission that relied on outside expertise, the NPR was an internal government exercise using task forces within agencies and harnessing the experience of government “reinvention” initiatives that had started almost a decade before in other countries and had also been adopted by state and local governments in the U.S.

The NPR is notable for two reasons. First, it had an unusually high level of White House support and effort. To coincide with the review and eventual release of the report, Gore made impassioned “reinvention” speeches before workers at each major agency. In addition there was a large public relations campaign including several high-profile television appearances by the Vice-President. The initiative was featured on the cover of *Time* magazine and, incredibly, the NPR’s first report made the *New York Times* bestseller’s list, a feat not achieved by a government management report before or since.[36] It is estimated Clinton’s popularity jumped 11 points due to the initial effort.[37]

Second, the NPR tried to do two things at once. It proposed to both downsize government and reduce internal bureaucracy (giving government workers more leeway in how they performed their jobs).[38] This combination was the result of an attempt to work a “grand bargain” with the federal workforce. If the workforce would accept greater accountability and downsizing then political leaders would agree to reduce and streamline internal red tape.

After 1994, the initiative entered a lower profile second phase and further wound down after 1997. It was renamed the National Partnership for Reinventing Government in 1998 and was discontinued by President George W. Bush in 2001.

The NPR offers many potential lessons to those interested in improving the accountability of regulatory agencies. In particular, it tested the limits of what can be accomplished with high and

[36] John J. DiIulio, Jr., “Works Better and Costs Less? Sweet and Sour Perspectives on the NPR,” in Donald F. Kettl and John J. DiIulio, Jr., *Inside the Reinvention Machine*, (The Brookings Institution: Washington DC) 1995, pp. 1-3.

[37] Susan Kellam, “Reinventing Government: Will Efforts to Improve Government Pay Off?”, *CQ Researcher*, 17 February 1995.

[38] Gerald Garvey, “False Promises: The NPR in Historical Perspective,” in Donald F. Kettl and John J. DiIulio, Jr. eds., *Inside the Reinvention Machine*, (The Brookings Institution: Washington DC) 1995, p 92-93.

sustained support within the Executive Branch. It also was a test of employing internal knowledge and expertise in trying to reform government and refocus operations on the attainment of results.

## Program Assessment Rating Tool (2002)

When President George W. Bush initiated his Performance Management Agenda in 2002 he included a goal of integrating performance information into the budget process. This resulted in the creation of the Program Assessment Rating Tool (PART).

The PART was essentially a survey composed of approximately 25 questions to determine the extent to which a federal program was using performance data (such as those created by GPRA) to manage and budget. The more a program showed it was using outcome data to manage and improve itself, the higher its PART rating. There were five different ratings a program could earn from the highest, “effective,” to the lowest, “ineffective.” Self-assessments were first performed by the agency programs and then sent to the Office of Management and Budget (OMB) for review. Disagreements between agencies and OMB were settled through an appeal process with the results and backup material posted online for all to see.[39]

The PART remains the first and only time virtually every program in the federal government was assessed using consistent performance criteria and the ratings have been used, for instance, to assess methods for achieving better results across government.[40] It was discontinued when President Obama assumed office in 2009.

Regulatory reformers have considered methods for making regulatory programs more accountable by releasing performance information to the public. The notion is that publicly released data on performance may put pressure on agencies to perform better—similar to how performance ratings of hotels on TripAdvisor or doctors on ZocDoc encourage improvement. The experience of the PART may help determine whether such an approach is promising and, if so, how it may best be achieved.[41]

## Government Performance and Results Act Modernization Act (2010)

While the requirements of GPRA were never discontinued, in 2010 Congress returned to amend arguably the strongest tool in the performance data toolbox. Since its initial passage 17 years before, it was generally recognized that, while GPRA had created a sea of performance measures

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[39] A complete discussion of the PART process can be found at http://georgewbush-whitehouse.archives.gov/omb/performance/#2008 (accessed 16 May 2016).

[40] David E. Lewis, “Testing Pendleton’s Premise: Do Political Appointees Make Worse Bureaucrats,” *The Journal of Politics*, Vol. 69, No. 4 (Nov. 2007), pp. 1073-1088.

[41] See, for instance, Jack Linshi, “Yelp Wants You to Review the Government,” Time, 18 August 2015.

and reports, very few of these measures were being used by Congress, the Executive Branch, or the public. The GPRA Modernization Act[42] (GPRAMA) attempted to address this problem.

For instance, GPRAMA simplified reporting requirements while at the same time mandated the Administration identify, among the surfeit of GPRA measures, a few high priority goals. It also required agency leaders to hold meetings to track the progress of these goals every quarter. While not much attention was paid to GPRAMA as it moved through Congress, its sponsors expressed high hopes for it to improve GPRA. Senator Mark Warner (D-VA) asserted, “This is the biggest little bill nobody ever heard of… if we implement this the right way.”[43]

After enactment of the legislation in 2010, the Obama Administration embraced the notion of high priority goals and agencies appeared to regularly hold quarterly meetings. Many of them are attempting to use performance statistics to drive decisions about how to improve performance. As required by GPRAMA, progress toward high priority goals, and all GPRA goals, are now posted on-line.[44]

As the most recent major attempt at increasing accountability, the implementation of GPRAMA may offer lessons that would be most relevant to improving the accountability of agencies today, particularly given the recent improvements in information technology and sharing. That said, the lack of experience under GPRAMA’s new requirements may make it the most difficult effort from which to draw lessons.

## The Next Step: What Can We Learn from These Reforms?

This *Regulatory Insight* identifies eight major government-wide accountability improvement reforms implemented at regulatory agencies and other federal agencies over the past 60 years. Each attempted to solve one or more problems that still concern regulatory reformers. As policymakers consider specific proposals for improving the accountability of federal regulatory agencies it would be helpful to examine the relative success or failure of these reforms and whether they offer any lessons for future reforms. Future *Insights* in this series from the George Washington University Regulatory Studies Center will examine the relative success or failure of these eight reforms and what can be learned from them.

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[42] Pub. L. 111-352, 124 Stat. 3866.
[43] Senator Mark Warner, Remarks at a forum on transforming program performance sponsored by the Center for American Progress. 2 February 2011.
[44] At Performance.gov (accessed 20 May 2016).