

Evidence-Based Budgeting???

A Presentation for the
American Association for Budget and Program Analysis

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My Key Points

- The demand for credible **evidence** on public programs continues to exceed capacity to produce it.
- Despite extremely burdensome performance data collection and reporting, there is little strategic **use** of evaluation.
- Newly expanded **transparency** surrounding data may have some unintended consequences.
- Much **skepticism** persists that monitoring and evaluation actually improves government.
- There is still little link between the results of performance measurement and evaluation and **budgeting**.

What constitutes credible evidence?

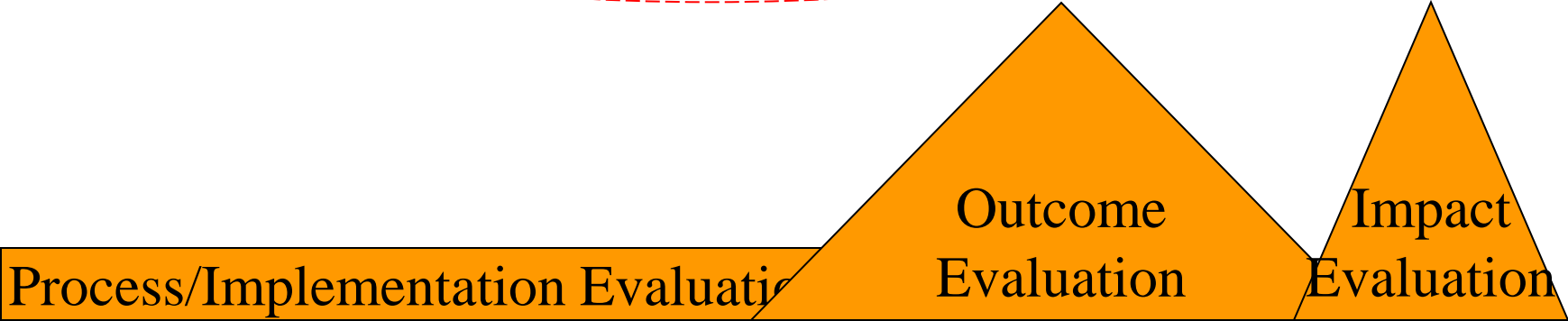
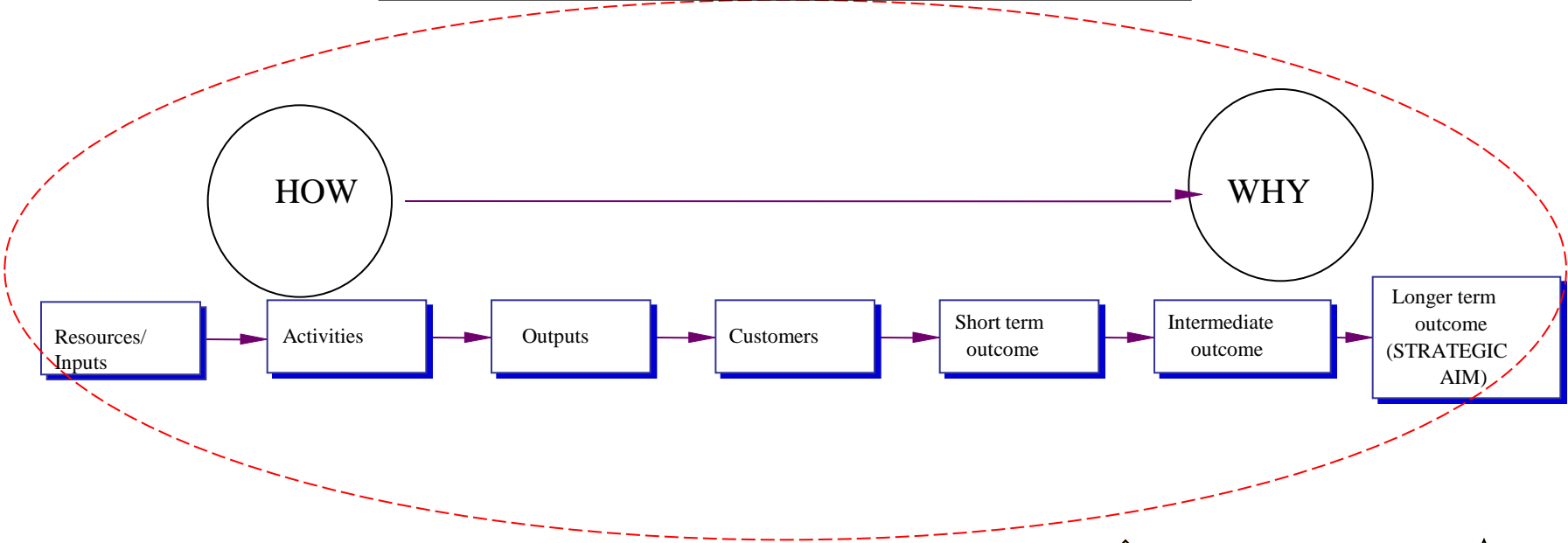


What is Program Evaluation?

- Program evaluation refers to both a mind set and a set of skills
- Evaluation involves:
 - using systematic social science tools to assess the strengths and weaknesses of programs, policies and organizations to improve their effectiveness,
 - employing systematic ***data*** collection, analysis and ***judgment*** to address questions about programs and policies, and
 - both ongoing measurement and one-shot studies across the life cycle of programs.
- Framing the most appropriate questions to address in any evaluation work is the key

Framing Evaluation Questions

Design Evaluation



Distinctions in Evaluation Approaches and Foci

Formative-----Summative

Ongoing (PM)-----One-Shot

Objective Observers----- Participatory

Quantitative Data-----Qualitative Data

Problem Orientation-----Non-problem

Theory Underlying Program Evaluation Practice

- Both evaluation and programmatic performance measurement of programs are undertaken in order to improve programs and their outcomes -- through providing useful and timely information about programs.
- Performance data may be collected routinely, such as annually or even more frequently, and can address questions about quantity and perceived quality, e.g., “how many clients were served”, and “how satisfied were they with the services?”
- A more extended effort to evaluate programs is need to answer “Why” and “How” and “With what result” questions about services
- Both performance data and evaluation studies undertaken can be useful in the exercise of accountability and to guide resource allocation, i.e., budgeting

Forces Encouraging Evaluation of Public and Non-profit Programs

- Within Government
 - The Government Performance and Results Act (GPRA) and the Office of Management Budget (OMB) Initiatives at the federal level
 - “Managing for Results” initiatives in states and cities
- The World Bank and Other International Donors
- United Way
- Foundations
- Evidence-Based Policy Movement

The Range of Questions to Address with Performance Measures, may include:

- Where and when is performance higher (or lower) than expected?
- Are there inequities among beneficiaries—across sites or different types of services?
- How does performance compare with —
 - Baselines?
 - Targets?
 - Other providers?
 - And???

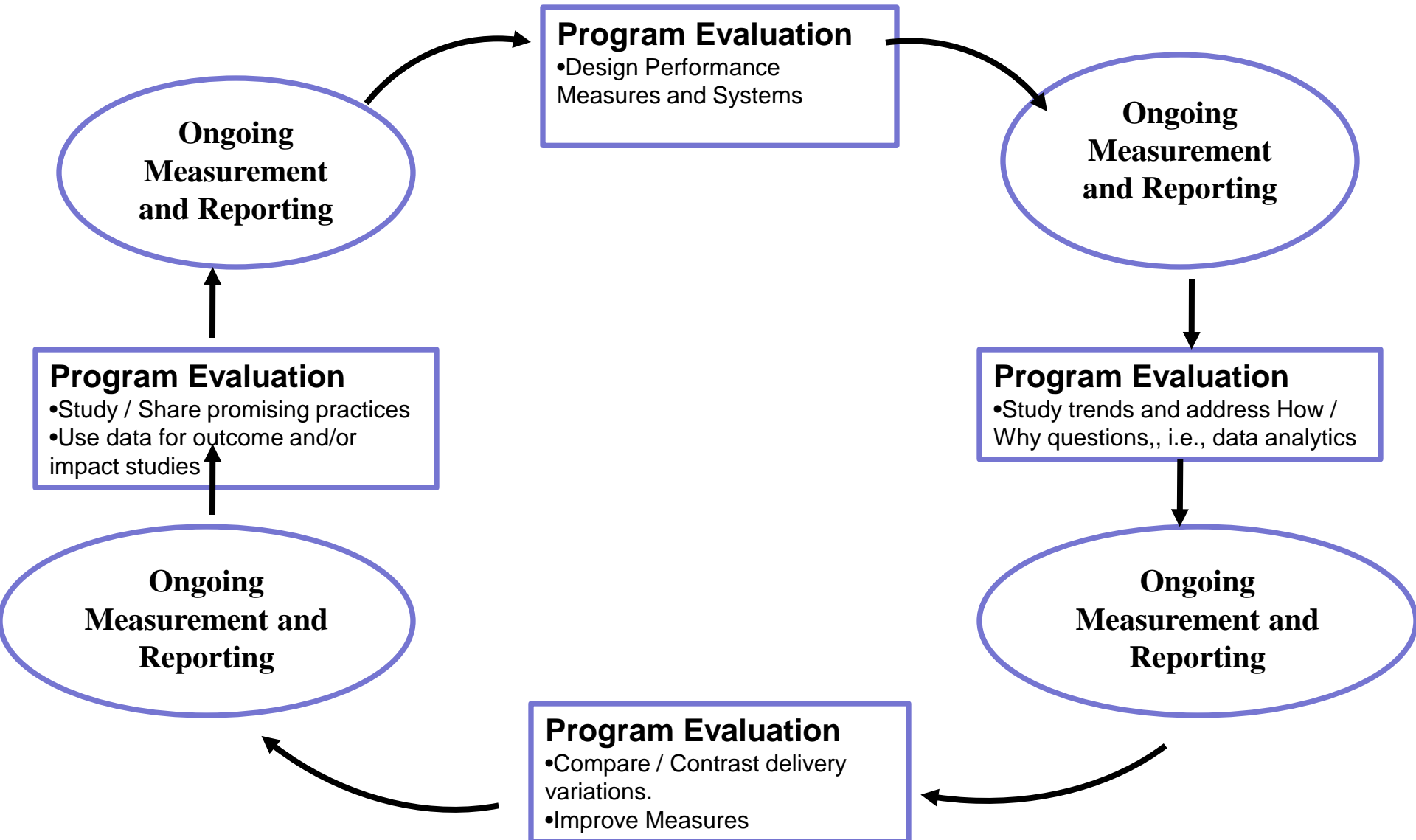
The Range of Questions that Performance Measures May Raise – but NOT Answer:

- Why is performance higher (or lower) than expected?
- Why are there inequities among customer groups – across sites or different types of services?
- Why does performance fail to meet targets?
- Why aren't outputs resulting in the expected outcomes?
- How are external factors – outside of the control of the program staff affecting the ability of the program to produce the intended outcomes?

SO?

- Evaluation tools are needed to accompany routine performance measurement to measure **Results** and address the **Why** and **How** questions!
- “Impact evaluations” of the actual results of programs are expensive and sometimes virtually impossible.
- Even randomly control trials, or experiments, may not provide results that can be generalized widely.

Program Evaluation Skills Infuse Performance Measurement and Enhance Organizational Learning



Evaluation for What?

- Organizational learning
and
- Accountability for
 - ongoing organizational learning,
 - program and organizational performance improvement, and
 - achievement of espoused policy and program goals.

Program Evaluation Across the Programmatic Life Cycle



The Flood of Performance Data Does Not Guarantee Use

- Our MIS systems facilitate the collection of more and more performance measures, but who has time to make sense of them?



The Current Context for Performance Measurement and Reporting

- A legacy of assets
 - All agencies have strategic plans and performance measures (due in part to GPRA)
 - An infrastructure of staff and processes that have been built incrementally to collect and deliver performance data.
- Sophistication in dialogue about programmatic performance
 - within agencies,
 - within the Office and Management and Budget (OMB),
 - within Congress

The Current Context for Performance Measurement and Reporting, cont.

- Too many measures and too much reporting
- A fairly unwieldy, burdensome and unaligned set of information systems
- A skeptical federal workforce
 - compliance burden mentality
 - few instances of use of performance data to improve government
- Performance Office staff in the agencies that are still battle weary from skirmishes with OMB examiners over PART scoring under the Bush Administration

The Obama Administration's Approach: A Focus on Use of Performance Data for Improvement

- Zients announced in September, 2009 that OMB will develop a Federal performance management framework that will be designed “to serve the needs of agency managers, the public and the Congress”
- Zients also said “I am committed to helping and motivating Federal agencies to maximize the productive **use of performance information** to improve the effectiveness, efficiency and transparency of government. This is a cornerstone of my agenda and one of my highest priority goals.” (See <http://www.whitehouse.gov/omb/assets/testimony/092409government.pdf24>)
- Metzenbaum's IBM 2009 report stressed use; she provided 22 recommendations that prescribe practical steps to improve the use of performance data - such as running “goal-focused, data driven meetings” both of cabinet secretaries, and by the agency heads in the agencies, and focusing on trends, not targets

A Newly Expanded Focus on Transparency of Data



Transparency: A Double-Edged Sword?

- Webportals permit entry of data from all over the globe, and these data are aggregated and averaged to create new data, but who checks for reliability at input?
- Tracking the Stimulus funding out to the states has raised both expectations and some skepticism
- With the ability to rate the quality and relevance of government data through data.gov will citizens be more confident, or less?
- Performance.gov is finally up, but it was difficult to show all that was needed about all “High Priority Goals”

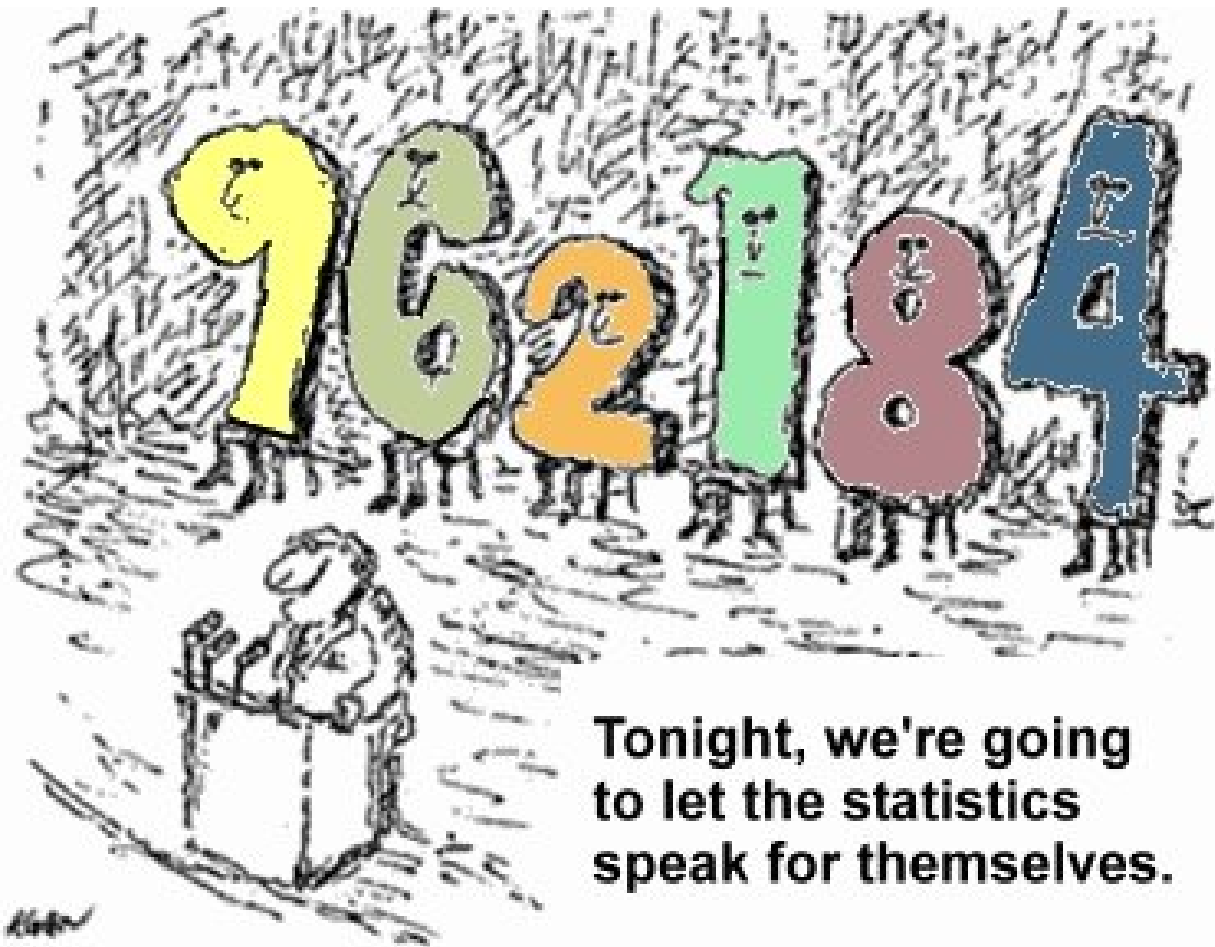
The Public: Skepticism, or Inattention?



Do the Costs Outweigh the Benefits of More Evaluation?

- Implementation of GPRA (and the GPRA Modernization Act of 2010) has cost the federal government millions but there are no studies to demonstrate the benefits
- Expensive impact evaluations sometimes provide results that are ignored in favor of political preferences (whether it be in the World Bank or the U.S. Congress!)
- The GAO has produced some illustrations of the usefulness of performance data, but no studies of the cost-effectiveness, nor of cost-benefits data
- AND there are simply other pressing political issues for politicians to address

And Linking Performance Data to Budgeting???

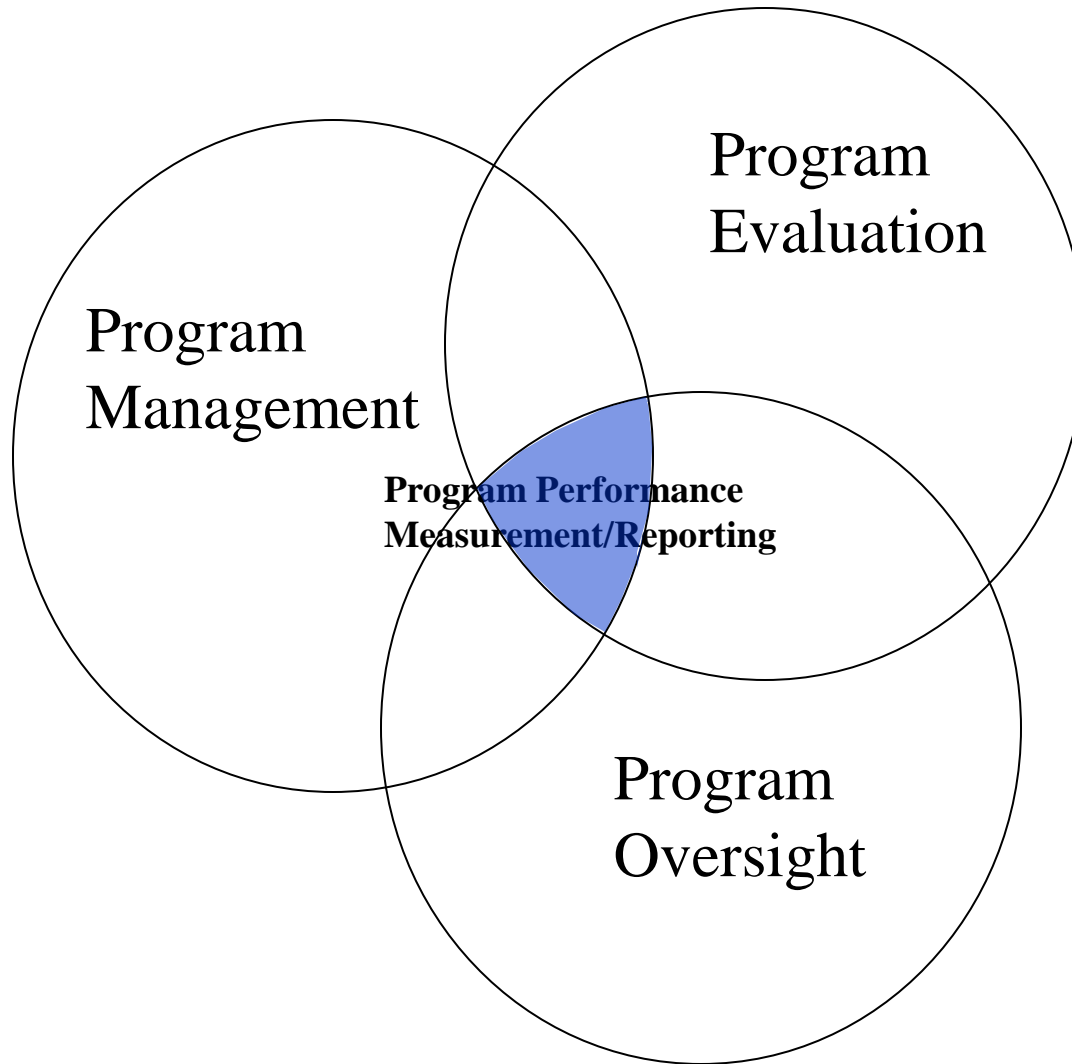


Tonight, we're going to let the statistics speak for themselves.

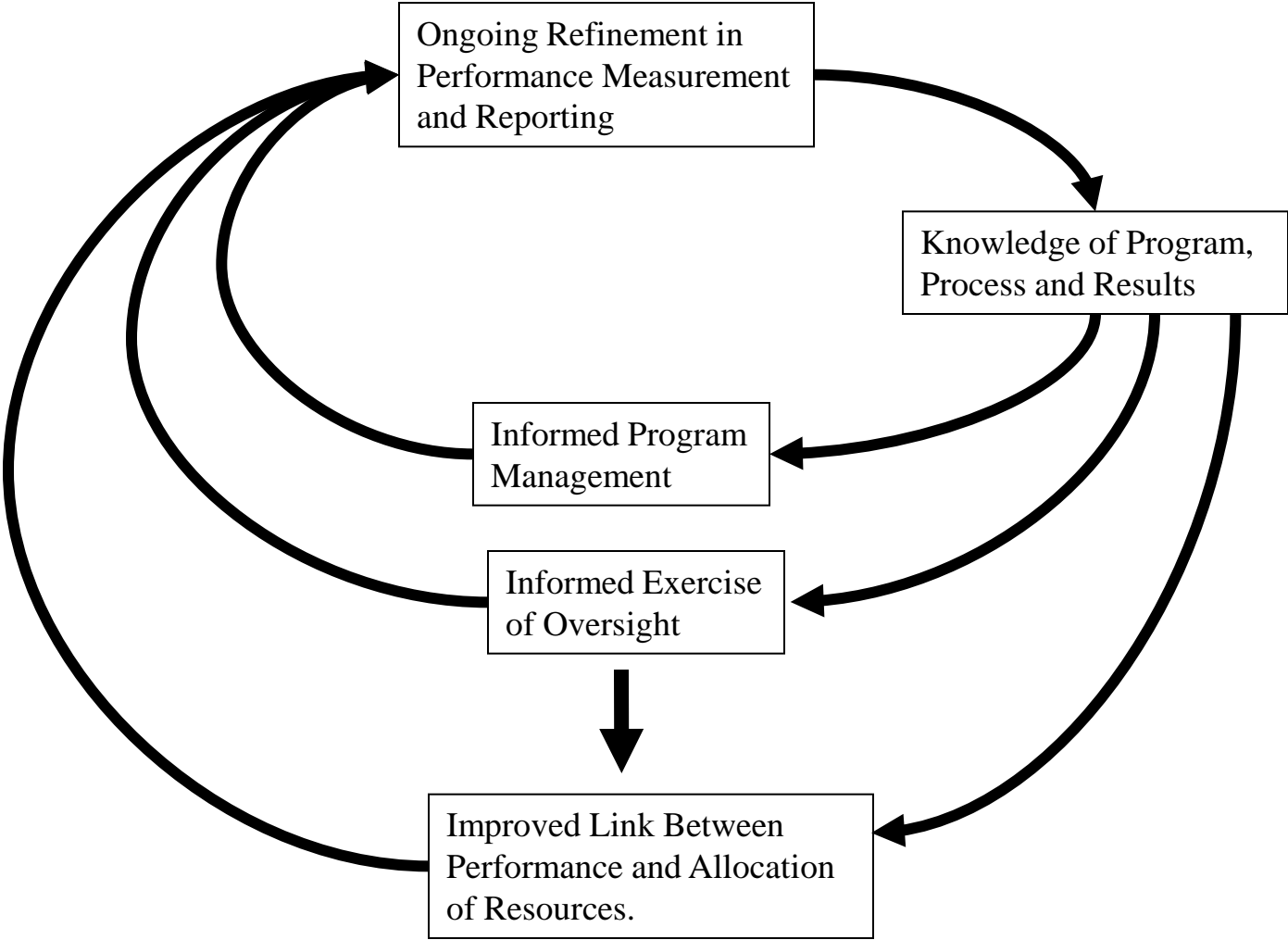
Performance-Informed Budgeting?

- Budgeting decisions take place within agencies, within OMB and within Congress
- In each location the perceived value and usefulness of performance data and evaluation reports will vary
- And becoming accustomed to learning from the data takes time!
- Quarterly “data driven reviews” are part of the Obama Administration’s strategy

Where does Performance Measurement and Reporting Fit?



Potential Outcomes of Programmatic Measurement and Reporting



In Conclusion

- There is room for optimism –
 - A decade of experience with performance measurement and reporting required by GPRA has improved dialogue within agencies, OMB and even Congress about the importance of learning “what works”
 - More resources have been devoted to evaluation within government as well as international donors and foundations
 - Transparency initiatives permit more citizens and interest groups to see how government works

For Further Reading

- Barber, Michael. 2008. Instruction to Deliver: Fighting to Transform Britain's Public Services. London: Methuen Publishing Ltd.
- Government Accountability Office (GAO). 2009. Government Performance: Strategies for Building a Results-Oriented and Collaborative Culture in the Federal Government. GAO-09-1011T. Washington, DC: U.S. Government Accountability Office.
- Metzenbaum, Shelley H. 2009. Performance Management Recommendations for the New Administration. Presidential Transition Series. Washington, D.C.: IBM Center for the Business of Government.
- Newcomer, Kathryn. 2010. Putting Performance First: A New Performance Improvement and Analysis Framework. In Jonathan D. Breul, Kathryn Newcomer, Joseph P. Goldman, Paul L. Posner, and Steven Schooner. *Framing a Public Management Research Agenda*, 7-16. Washington, D.C.: IBM Center for the Business of Government.