President Barack Obama nominated Jack Lew as the new director for the Office of Management and Budget two weeks ago following former director Peter Orszag’s departure. Once the confirmation process is complete, the new director will need to be able to multitask between OMB’s dual responsibilities of managing and budgeting. But there are two key managing tasks the director will need to address. One of these is the Federal Employee Viewpoint survey’s recent results, which show more favorable views across government staff but serious declines within OMB (a forthcoming column deals with how the new director should approach this issue). A second will be ensuring that OMB and other agencies work together to accomplish the High Priority Performance Goals the Obama administration adopted earlier this year.

Americans strongly support goals for government. The Center for American Progress published a poll today showing that 83 percent of Americans believe that requiring every agency to set clear goals that are measured by real-world results would help make government work better. The public rank setting clear goals the highest of 16 possible reforms to improve the way government works. And even though the poll shows that confidence in government is at an all-time low, those with low confidence strongly believe that setting goals would help improve government effectiveness.

The Office of Management and Budget has led some excellent work over the past year to improve government management, and asking agencies to adopt high-priority performance goals has been a major plank of the approach. These 128 goals across 24 departments set out key things that government intends to accomplish for the American people. They include a promise to double renewable energy capacity and another to reduce salmonella illnesses. This is unprecedented: No administration has ever set out a comprehensive set of promises to achieve real-world outcomes.

OMB said in a memorandum published last month that all agencies should devote “unrelenting attention” to achieving the goals. The House also recently passed a bill that would require agencies to set similar goals and conduct reviews to ensure they are accomplished. The bill awaits Senate consideration, but it may well become law by the end of the year. The United Kingdom’s experience with goals shows that getting the design of review processes within government right is critically important in making sure challenging goals get accomplished.

The goals were first adopted in February as part of the president’s budget. It’s been almost six months since then, making now a good time to start assessing whether agencies are on track to accomplish the goals. OMB needs to take the twin track of holding departments accountable for progress toward the goals and supporting agencies in accomplishing them. Agencies and OMB both need to take action. Here’s what they should do:

Make a plan to accomplish the goal

The lead agency should produce a plan for each goal setting out how it intends to accomplish it. Each plan should set out the specific initiatives—such as spending, regulatory, or tax measures—that the agency plans to undertake or believes other agencies or the legislature will undertake to help accomplish the goal. Plans should set out the contribution the agency expects each initiative to make toward accomplishing the goal and include evidence for the agency’s assessment of likely impact.
Build a trajectory that shows the path to achieve the goal

Agencies should use this information to build a “trajectory” or a chart that describes the cumulative impact it thinks all the measures will have toward achieving the goal. So if the agency believes that progress will be slow at first but the real upturn in performance will come later the trajectory should reflect this (see figure).

Frequently check progress

Agencies and OMB should work together every three to six months to assess whether a goal is on track. They should first examine whether the agency has a strong strategy to drive progress. In particular they should look for evidence that the agency’s actions can drive improvements in the indicator targeted under the goal. They should then look at whether the data shows that progress toward the goal is on trajectory. Are illnesses caused by salmonella, for example, reducing at the pace originally predicted?

The next set of questions should focus on whether the agency’s planned initiatives are on track. They should ask whether initiatives the agency has already undertaken have been as effective as originally planned.

Finally, they should ask how likely is it that the goal will be accomplished—and where progress toward a goal is falling behind, what needs to be done to maximize the chances of success. They should look at what the agency plans to do to bring the goal back on track and consider what actions other agencies should take to help the lead department accomplish the goal.

Fill out a regular progress report on the goal

Answers to these questions should not be voluminous, and should be summarized in a progress report on the goal, which could be as simple as a large sheet of paper. See a mock-up of what that report might look like on page 4.

The agency should take the lead in completing the progress report, but they should secure OMB agreement to its contents. It’s important that the exercise focuses on collecting key information that helps assess what’s going on and what needs to be done rather than being a large-scale data collection exercise.

Determine whether a review meeting is needed

In many cases the report will show that a goal is on track, and in these cases no further action is needed until the next review point. But a review meeting will be needed when a goal appears to be off track, or the agency and OMB can’t agree on the assessment. When a goal is particularly important to the White House or the department, there should also be a progress meeting to check that the progress report’s assessment rings true to senior leaders.

Conduct review meetings

Review meetings involving at least OMB and the agency should focus on the progress report’s assessment. They should consider what the lead agency, other agencies, and OMB need to do to accomplish the goal. And they should agree on the progress report’s final version and a succinct summary of each meeting’s conclusion be shared with the president and the relevant secretary.
Have the president lead review meetings on the most important goals

These meetings should be led at a very senior level for the most important goals. British Prime Minister Tony Blair personally led meetings on the 10 or so goals he saw as most important. And New York Police Commissioner Bill Bratton led the weekly CompStat meeting in New York that reviewed progress toward crime reduction in each precinct. Both approaches led to astonishing results, with huge reductions in U.K. hospital waiting times and a significant reduction in crime in both places.

Of course, it would be impossible for the president to lead every review meeting for 128 goals. But there is a strong case for him leading meetings for goals that are his highest priorities. The departmental secretary and OMB director, or the deputy secretary and the OMB’s chief performance officer or associate director should lead other meetings jointly. The lead official responsible for the goal, and the budget and performance managers from the agency and OMB should also attend meetings.

Bring other voices into the meetings

Additionally, other agencies contributing toward the goal should always be present at the review meetings. Some senior officials from agencies that are leading efforts to accomplish other goals could also be included. They won’t be experts on the specific subject matter, but they will be able to assess whether the plans seem credible to a peer, and they can bring to bear their knowledge of what works in their agencies.

Representation from other agencies will also help prevent the meetings from becoming confrontational, which is important because the meetings’ purpose must be to establish whether the goal is on track and what action needs to be taken to ensure it is achieved—not to attribute blame for errors in the past. It’s essential to remember these are the administration’s goals, and all agencies including OMB should work together to help achieve them.

Redouble efforts to achieve goals that are off track, and only revise goals in exceptional circumstances

Some goals will prove hard to accomplish, and agencies will all too often seek to renegotiate or abandon goals that prove difficult. But that would just erode trust in government—the American people don’t just want goals to be set, they want agencies to accomplish them, too. The key is to redouble efforts to achieve goals that are going off track—and departments should be supported by White House and OMB in these efforts.

But in a very small number of instances targeted levels of improvement toward the goals may need to be revisited or the goals may need to be abandoned altogether where priorities have changed significantly. These decisions need to be made at the cabinet level, and the administration should clearly explain clearly why it is altering or abandoning a goal. Congress, the media, and the American people would then be able to assess whether they accept the administration’s explanation.

Publish data on progress toward each goal

Departments should publish regular reports that show progress toward their goals. These should contain data on the key indicators that measure the goal, and should be available to the public and others with an interest. Data should be published in real time where possible.

Accomplishing goals will build confidence in government

These steps are not easy, but they are essential. The potential prize is enormous. Evidence from the city and state level in the United States and from the United Kingdom shows that setting challenging goals and relentlessly focusing on accomplishing them has real potential for transforming government’s performance. What’s more, the American people have made it clear that they want agencies to be focused on achieving real-world results, and that doing so can help build their confidence in government.
The administration’s decision to set goals across agencies was an important start. Now, it needs to continually focus on ensuring that agencies achieve the goals.

The new OMB director should make realizing this potential a top priority.

Management and performance matter

OMB’s budget-setting process is often seen as its primary role, with the organization’s responsibility for improving government’s management and performance taking a backseat. But the Obama administration has made clear that improving performance across agencies is important to it by appointing a chief performance officer for government and re-energizing the management side of OMB. If this work is to succeed the new OMB director will need to dedicate significant time to the management side—both improving the organization’s morale and helping it drive performance improvements across government agencies. Achieving these objectives will not only improve the efficiency and effectiveness of government, but also help reverse the decline in the American people’s confidence in government.

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A mock-up progress report for a high-priority performance goal

Performance goal: Reducing food poisoning Date of assessment: July 2010

1. Strategy to accomplish the goal

Strategy #1
- Greater inspection of restaurants
- Better food hygiene in restaurants
- Lower levels of food poisoning

• More money for states to increase restaurant inspections
• Projected to reduce food poisoning by xx% in states that receive funding
• Overall impact likely to be xx

Strategy #2
- Better marketing of good food preparation
- Better food hygiene in homes
- Lower levels of food poisoning

• New marketing campaign in xx states
• Projected to reduce food poisoning in these states by xx% initially and by xx% after six months
• Overall impact likely to be xx

2. Performance to date on the goal

Projected versus actual performance

- Incidences of food poisoning
- On current performance, the goal is unlikely to be achieved.

3. Assessment of forthcoming and previous initiatives

Key milestones in the next six months

<table>
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<tr>
<th>Milestone</th>
<th>Due date</th>
<th>Status</th>
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<tbody>
<tr>
<td>1. Second round of funding for states</td>
<td>Due July 2010</td>
<td>On track</td>
</tr>
<tr>
<td>2. New marketing campaign goes live</td>
<td>Due September 2010</td>
<td>Running 3 months behind schedule</td>
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<td>3.</td>
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Impact of previous initiatives

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. First round of funding for states was predicted to achieve reductions in food poisoning of xx%</td>
<td>Actual reductions are less at xx%</td>
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<td>2.</td>
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4. Overall assessment of likelihood of accomplishing goal

- Progress towards the goal is beginning to fall behind the predicted trajectory.
- Some initiatives due in the coming months are also behind track.
- On current performance, the goal is unlikely to be achieved.
- The department has started developing new policy measures to fill the gap.
- It has a good understanding of what drives changes in performance.

Overall likelihood of accomplishing goal: unlikely without significant action