

**Transcript of Remarks by Senate Budget Committee Task Force
on Government Performance Chairman Mark Warner (D-VA)
At Hearing on Performance-Informed Budgeting:
Opportunities to Reduce Cost and Improve Service
October 29, 2009**

Thank you Chairman Conrad, thank you for this opportunity. Thanks, Senator Whitehouse, for his good idea and willingness to suggest me as someone who could take a lead on this. I also want to thank Senator Bunning, I know this is an issue that is terribly important to him as well.

You know, this is our first meeting of the Task Force on Government Performance and I again want to thank the Chairman and the Ranking Member not only for giving us this opportunity, but for first rate staff who have been working diligently over the last couple of months to get ready not only for this first hearing, but for the ensuing actions that I think we'll be taking.

The Chairman has outlined our panels today, Jeff Zients, the President's Chief Performance Officer, and then Sir Michael Barber and Dr. Paul Posner, who will be on our second panel.

I'm going to make a couple of opening comments, then I'll turn to Senator Bunning and Senator Whitehouse if they want to make any opening comments.

Anyone who's ever worked with me knows that I'm kind of obsessed about performance and trying to make sure that we measure things. I've got this phrase that "what gets measured, gets done." That became a hallmark when I had the opportunity to serve as Governor of Virginia.

Senator Conrad was very gracious in his comments about what we were able to accomplish when I was Governor in this area. I'd love to say it was all driven purely by my obsession with measurement but it was also driven by necessity. I remember becoming elected Governor only to discover that I had inherited a \$6 billion deficit on a \$34 billion base. So the necessity of making changes and thinking differently was truly born of necessity. That led to a series of painful cuts in state spending, but what we also tried to do, and I think the analogy to what we're facing now at the federal level is similar, turn this budget shortfall and crisis into an opportunity to reexamine how we spent our taxpayer dollars.

We started to think differently about budget planning, about measuring performance. We set broad policy goals and then we started to look across agency lines and used these policy goals to gauge how we were spending and what we were accomplishing.

Senator Conrad made mention of some of the recognition we received. The thing I was proudest of was the fact that Virginia was recognized as the best managed state in the country for these efforts, and Virginia was also recognized by three or four outside sources as the best state for business. Often times that best state for business was reflected based upon our prioritization in terms of state spending. I think some of those lessons that took place in Virginia, and for that

matter in other states across the country, can be brought here to Washington, and the Budget Committee, under the Chairman's leadership, is the place to do it.

I think we all know over the past 60 years, Presidents of both parties, usually early on in their administration, announce some level of management review or government performance project usually with great fanfare in the early days of the administration and then these efforts often fade into the past. Well, our hope is that while this has been a focus of the executive branch of government that there is a very viable role that the legislative branch can play as well in making sure these efforts don't fade into obscurity.

For instance, the Government Performance and Results Act, this was started under President Clinton, asked each agency to lay out their goals and report the progress each year they make towards their goals. I was, actually with the help of staff, just recently looking at the 2008 USDA performance. You can see a fairly weighty tome, based upon their GPRA efforts, clearly a lot of information. I sometimes think that we could do with a little less reporting and a little more focus on more valuable data.

But as we pointed out, in the area of food safety there are literally 17 different programs that cross a series of agencies and areas. We looked a little bit deeper into one in food safety that I think is important to all of us. The policy goal was to reduce the incidence of food-borne illnesses related to meat, poultry and egg products in the United States.

Well, we got a lot of results but what we showed here was while they made progress on poultry, the overall exposure of the public in E. coli in terms of beef actually went up from 2007 to 2008. Well this is great data, but what came out of this data was there was nothing that said, "Well what are we going to do about it?" How are we going to take this data and then actually turn it into productive, corrective action?

Well, my belief is, particularly, that part of our role on the Budget Committee is to make sure that this voluminous amount of information just doesn't go down a black hole and that we actually ask these questions. And I think from the Budget Committee's perspective we have an opportunity to think differently about performance. To look across agency lines, to look at specific policy areas and to examine the various programs that might be gauged towards that specific policy goal but too often have very little coordination.

I can again recall as Governor one of the most frustrating areas that I found was how we could try to right-size and rationalize government training. I found at a state level we had a variety of different programs about employment and training. They were all siloed and too often as we tried to rationalize that approach we found that the funding streams all led to Washington and there was actually no collaboration at all.

For example, in employment and training, we have 44 federal programs in 9 departments, and in fiscal year 2002, just within employment and training, we spent \$12 billion and served more than 30 million participants.

Well, that's great information. But amongst these 47 programs there's been no analysis, to my mind at least, that shows how these programs compare and how could we actually look at perhaps collapsing some of these programs to get a more effective bang for our dollar. We need to start asking the right questions. And again, I would hope that part of the efforts we could do going forward is not only look at the data that we collect, but perhaps look to -- and this might be a great service not only to our first witness, but to the government employees who collect all this data -- how we might actually eliminate some of the data collection and focus more tightly on the appropriate data collected in the right way.

Now, Chairman Conrad mentioned as well, why do we want to do this? Well partially we want to do it obviously to have better performance but, and I know this is something that Senator Bunning will I'm sure speak to, we want to save money. And there is enormous duplication and repetition.

Chairman Conrad mentioned the fact that in Virginia by leveraging our purchasing power we were able to save over \$200 million. Sometimes these numbers get lost, that seems like a lot at the state level, and when you get to the federal level, the numbers even become much larger. The way I used to explain this to folks in Virginia, by leveraging our purchasing power we were able to lower the price of our light bulbs from \$0.32 to \$0.23. Now, that didn't close a \$6 billion shortfall, but we buy an awful lot of light bulbs at a state level. That same type of leveraging our purchasing power across the federal level I think could have similar results if not greater.

So, let's now get to our witnesses. I know we're going to hear from Jeffrey Zients in a few moments. He is the Deputy Director of Management for OMB. He is the Chief Performance Officer. I've known Mr. Zients for years in the private business area. I think the President made a great selection in choosing him. We'll be hearing from him in a few moments and then we'll be hearing from our second panel. But again I want to thank the Chairman for giving me this opportunity, and I believe we'll now hear from Senator Bunning.