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Doing What Works

Building a Government That Delivers Greater Value
and Results to the American People

John D. Podesta and Reece Rushing February 2010

Center for American Progress



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This publication is a product of CAP's Doing What Works project, which promotes government reform to efficiently allocate scarce resources and achieve greater results for the American people. Doing What Works specifically has three key objectives: (1) eliminating or redesigning misguided spending programs and tax expenditures focused on priority areas such as health care, energy, and education; (2) boosting government productivity by streamlining management and strengthening operations in the areas of human resources, information technology, and procurement; and (3) building a foundation for smarter decision making by enhancing transparency, performance measurement, and evaluation. Doing What Works publications and products can be viewed at http://www.americanprogress.org/projects/doing_what_works.

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Introduction and summary

“The question we ask today is not whether our government is too big or too small, but whether it works—whether it helps families find jobs at a decent wage, care they can afford, a retirement that is dignified. Where the answer is yes, we intend to move forward. Where the answer is no, programs will end. And those of us who manage the public’s dollars will be held to account, to spend wisely, reform bad habits, and do our business in the light of day, because only then can we restore the vital trust between a people and their government.”

– President Barack Obama, Inaugural Address, January 20, 2009

President Obama’s pledge sounds simple—his administration will do what works and operate efficiently and transparently. But it presents a profound challenge. Government currently does a poor job of evaluating program performance. Federal agencies are plagued by bloated management that is neither empowered nor held accountable. And the use of information technologies lacks coordination and vision, impeding greater transparency. This is really a call to transform and modernize government from top to bottom.

Congress must be seen as an essential part of this effort too. Improving performance evaluation matters little if appropriators ignore the results. Nor are we likely to remedy executive branch disorganization if members of Congress cannot work across their own committee silos. Congress and the executive branch need to see themselves as partners in transformation. Both must change and work together in new ways to realize the opportunities in front of us.

Leaders in the private sector and government (including state and local governments and certain federal agencies) have achieved significant gains in recent years by reforming management and decision-making systems. Advances in information technology have enhanced these systems and made possible continuous improvement. Managers and decision makers now have high-value, real-time data and feedback at their finger tips to crystallize problems and design solutions. As a result, decisions are sharper, productivity and quality are greater, and customer needs and input are more readily identified and internalized.

States like Virginia and Washington set high-level outcome-based goals, supported by quantifiable metrics, to guide budgeting and policymaking. Cities across the country have

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adopted Baltimore's "CitiStat" system for spotlighting problems and boosting service delivery. Lean management techniques and a data-driven approach called "Six Sigma" have swept the manufacturing industry to reduce overhead and deliver near perfect quality and reliability. And other computerized systems are used to determine optimal price, experiment with different strategies, and promote interactivity. Microsoft and Google, for example, are tapping wikis and prediction markets to encourage employees to share information with company decision-makers.

Adopting similar reforms across the federal government would produce billions of dollars in savings and help us meet crucial national priorities in areas such as health care, energy, and education. The Center for American Progress is launching a new project, called "Doing What Works," which we hope will help realize this vision. If successful, the executive branch and Congress will embrace this new model for government and put in place substantial elements of our agenda by the end of President Obama's first term of office. Specifically, we will press elected officials and federal agency leaders and managers to:

- **Challenge the status quo.** We must find the political will—and change the way we make decisions—to eliminate or reform misguided spending programs and tax expenditures. This project will give particular attention to CAP priorities, including health care, energy, and education, precisely because of our commitment to these areas. Money ill spent is money diverted from smart investments to deliver affordable health insurance, ensure quality schools and teachers, and build a cleaner, more secure energy future.
- **Measure what works.** It is one thing to call for the elimination or reform of misguided programs in the abstract. But how do we know what works and what doesn't? We need a stronger system of performance measurement and evaluation to guide policy and management choices. Particular focus should be given to what matters most—our top goals—and programs or areas that stand the best chance of delivering large savings and the greatest impact.
- **Experiment and innovate.** Behavioral economics teaches us that even small differences in approach can produce vastly different results. Performance measurement and evaluation ideally should be used to conduct ongoing experiments to test different approaches and apply the lessons. State and local governments provide a unique opportunity in this respect. They could be given flexibility to experiment and innovate in exchange for adopting universal methods of measurement that would reveal top-performing approaches.
- **Coordinate and consolidate.** Federal programs often perform similar functions, serve the same people, or have resources that could help other programs achieve better results. These programs would benefit from closer coordination and in some cases consolidation. Yet executive branch agencies and programs frequently exist in their own separate silos, with little communication between them. Reform of the budget process could help break down these silos and bring together similar programs to cut redundancies and find synergies.

- **Enlist the public.** New information technologies provide government the opportunity to engage and interact with the public as never before. Thousands of extra eyes can be employed to spot problems, offer solutions, and bring fresh perspective. The public is ready for this role, but there must be tools to enlist them in evaluating performance and providing input into the decision-making process.
- **Be ready to execute.** Even the best policies can be sabotaged by operational problems, which are widespread among federal agencies. Thousands of political appointments tie management in knots and deprive talented civil servants of leadership positions. Outdated information technology impedes information sharing across federal agencies and programs. Federal contracting is too expensive and lacks adequate oversight. And the federal hiring process is slow and cumbersome at a time when new talent is needed to replenish the federal workforce. Addressing these deficiencies would give government productivity a significant boost.

Such a government makeover would deliver more than policy results; it also promises to restore public confidence in government's basic competence. Opinion research shows the public does not believe government is capable of executing its responsibilities efficiently and effectively. This sentiment has only grown in recent years as Congress and federal agencies seemed to favor special interests and neglect their public missions. Anger is still high over the bailout of the financial industry, and FEMA's disastrous response to Hurricane Katrina lingers in the public mind. This mistrust is a significant barrier to advancing policies to address even the most popular goals. For attitudes to change, the public first and foremost will need reason to believe that government does act responsibly and works to deliver maximum bang for the taxpayer's buck.

The nation's fiscal health makes this especially urgent. Poor policy choices early this decade combined with the faltering economy and declining revenues leave fewer resources for critical but neglected problems. We have no illusions that Doing What Works and improvements in efficiency will solve the budget deficit—indeed, defense spending will not be a major focus even though it accounts for more than 20 percent of the budget pie. But we undertake this project because a serious public discussion of fiscal choices will only be possible if there is greater confidence that scarce public resources will be wisely spent.

President Obama has announced his intent to freeze discretionary, non-military spending over the next three years. Major challenges in health care, energy, education, and other priority areas may have to be addressed with little or no additional funding. This reality demands that government operate efficiently and direct resources where they are needed most and to efforts that generate the greatest returns. Approaches that prove effective should be replicated. Those that perform poorly should be redesigned to boost results. And those that are redundant, misguided, or misdirected should be eliminated. We need a government that does what works.

The Center for American Progress is a nonpartisan research and educational institute dedicated to promoting a strong, just and free America that ensures opportunity for all. We believe that Americans are bound together by a common commitment to these values and we aspire to ensure that our national policies reflect these values. We work to find progressive and pragmatic solutions to significant domestic and international problems and develop policy proposals that foster a government that is “of the people, by the people, and for the people.”

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