



Making the Federal Government More Economical, Efficient, and Effective

By Creating a Government Transformation Commission

A White Paper Prepared by the Government Transformation Initiative
March 15, 2013



Synopsis

Introduction

While Congress wrestles with the significant issues of the day, there needs to be focus on improving the economy, efficiency, and effectiveness of government programs. When private sector organizations are faced with challenging times and demanding fiscal performance, they take steps to ensure their programs and processes are as economical, efficient, and effective as they can be.

To achieve this for the federal government we recommend the creation of a statutory commission for government transformation dedicated to identifying actionable ways to transform government.

Purpose

The Commission for Government Transformation would be a statutory entity to oversee and help to ensure the transformation of various federal government programs so they will be more economical, efficient, and effective.

Need

The Commission is necessary to help Congress and the President improve government performance, fiscal sustainability and credibility with the American people.

Benefits

- Federal dollars are used more economically and effectively
- Programs are results-oriented
- Programs are efficiently managed and accountable
- Unnecessarily duplicative programs are consolidated or eliminated
- Program efficacy is assessed for improvement, savings, or elimination
- Existing legislation that supports good management and program performance is effectively implemented
- Resources, ideas, and innovations are realized and shared
- Technology is leveraged to increase efficiency
- Management and process challenges are addressed
- Resources are shared more effectively across government

The Commission

The Commission would be made up of 7 appointed members supported by expert staff with the responsibility to:

- Assess the strategic goals of the United States government
- Inventory and realign programs to enhance coordination toward achievement of the government's goals
- Assess and guide program improvements and make recommendations to the President and Congress
- Recommend management practices that will resolve the government's longstanding management challenges
- Identify programs that are unnecessarily duplicative or have outlived their usefulness
- Serve as a repository for best practices, innovation, and continuous improvement

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The government is on an unsustainable fiscal path and in need of major transformational reforms in order to meet our nation's challenges and capitalize on our country's opportunities in the future. We need to transform our government by refocusing on:

- *What it does*
- *How it does it*
- *How it performs*
- *How it is financed*
- *How it measures success*

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Introduction

We all know that our government serves many, spends greatly, and over time has become large, inefficient, costly, and sometimes ineffective. The current deficit is unsustainable, having saddled each American with over \$51,000 in unsupported debt. Years of having not paid attention to spiraling government costs and program expansion is contributing to this debt. As the largest purchaser of goods and services in the world, the U.S. government needs to pay attention to what it does and how it executes programs to achieve its mission.

While Congress wrestles with the significant issues of the day, there needs to be focus on improving the economy, efficiency, and effectiveness of government programs. When private sector organizations are faced with challenging times and demanding fiscal performance, they take steps to ensure their programs and processes are as economical, efficient, and effective as they can be. This should be a common practice for any organization, private or public.

The creation of this Commission provides Congress with the ability to come together in a non-partisan, fully transparent way to obtain an effective government that benefits all Americans.

To achieve this for the federal government we recommend the creation of a statutory commission for government transformation dedicated to identifying and implementing actionable ways to transform government with meaningful and measurable results. This Commission would be an entity dedicated to supporting the President and Congress realize significant efficiency gains for programs and agencies across the government.

The creation of this Commission provides Congress with the ability to come together in a non-partisan, fully transparent way to obtain an effective government that benefits all Americans by taking a “business and professional approach” to improving government operations. Making government more economical, efficient, and effective should be an area that achieves broad bipartisan support.

The Commission should not engage in the political process of, for example, setting national priorities or making policy related recommendations (e.g., social insurance programs, tax policies). Instead, the Commission will focus on the operating economy, efficiency, and effectiveness of government programs.

The Government Transformation Initiative (GTI) is a non-profit coalition of non-profits and for-profit entities dedicated to the achievement of a highly effective government. GTI was formed to support our government with highly qualified and respected experts in the fields of management consulting and accounting/finance to strengthen our government through the establishment of the Government Transformation Commission. We urge Congress to consider this critical undertaking to demonstrate its commitment to effective government. We at GTI are happy to work with the Committees of Jurisdiction and leadership of both Houses and both parties to effect such legislation.

This paper describes the purpose of the Commission, why it is necessary, as well as potential roles and responsibilities of the Commission and key stakeholders. In addition, it addresses basic governance, funding, and the establishment of an improvement and innovation fund.

Purpose of the Commission

The Commission for Government Transformation would be a statutory entity to oversee and effect the transformation of various federal government programs and functions so they will be more economical, efficient, and effective.

Legislation would establish this independent Commission to study the programs, organization, functions, and fiscal practices of the federal government and make statutory, policy, and management recommendations that will enhance the economy, effectiveness, and efficiency of federal departments and agencies, programs, and functions and activities. These efforts will result in significant cost savings and better utilization of funding and service to the American people. The Commission will address both vertical (individual programs that directly serve the American people) and horizontal areas (functional areas that cross government organizations).

Why the Commission is Necessary

The Commission is necessary to help Congress and the President improve government performance, fiscal sustainability, and credibility with American people.

It is widely known that the federal government faces significant fiscal challenges requiring broad and bold action on the part of our government leaders. Some programs may no longer be necessary, are duplicative, or could be much more efficient and effective. A focused statutorily established body is necessary to assess all programs and achieve efficiency and effectiveness since the normal legislative process has failed to achieve adequate reforms in a reasonably timely manner. With so many issues, neither OMB nor Congress has the capacity to support such an effort.

While a “grand bargain” that includes budget controls, social insurance, tax, and other policy reforms is necessary, there is also a need to address the management and operational effectiveness of federal agencies and programs.

For example, with \$18 billion being spent on 47 job training programs across 9 agencies, \$62.5 billion being spent on food assistance programs, or \$18 billion being spent on unused real estate, there is room for

management changes that realize significant economies and efficiency gains. The concept of shared services has never been fully realized, and there are duplicative spending, management and process inefficiencies, and ineffective overlapping IT systems that also do not talk to one another.

The Government Accountability Office (GAO) has identified 34 areas where agencies, offices, or initiatives of the federal government have similar or overlapping objectives or provide similar services to the same populations. According to GAO, 47 additional areas—beyond those directly related to duplication, overlap, or fragmentation—provide agencies or Congress opportunities that could either reduce the cost of government operations or enhance revenue collections for the Treasury. "Reducing or eliminating duplication, overlap, or fragmentation," GAO estimates, "could potentially save billions of tax dollars annually and help agencies provide more efficient and effective services."

In its annual report of activities, the Councils of Inspectors General on Integrity and Efficiency (CIGIE) cited the identification of "\$93.9 billion in dollar savings as well as program efficiencies and enhancements from a range of audits, investigations, evaluations, and inspections." "Cumulatively," according to the CIGIE, "these efforts resulted in: \$84.8 billion in potential savings from audit recommendations and \$9.1 billion in potential savings from investigative recoveries and receivables.... "

Along with the current fiscal crisis, the government has faced years of neglect with poorly managed, duplicative, cost overrun programs that have left the government inefficient and, in many areas, ineffective. Enacted reforms, such as the Government Performance and Results

The Government Transformation Commission would be the necessary centralized mechanism to ensure the government meets its constitutional, legislative, and program responsibilities.

Act of 1993/2010, the eGov Act of 2002, the CFO Act of 1990, and the Clinger-Cohen Act of 1996, as well as requirements of Section 1115 of Title 31, United States Code, attempted to address longstanding management challenges. However, there simply are too many programs for Congress or the White House to manage and oversee, and the implementation of the above statutes has not been totally effective.

Year after year, auditors and investigators raise the same or similar management challenges, yet inadequate progress is made to address them. Often the recommendations of these groups are not specific enough for them to be actionable. That's one reason there is a need to finally establish an independent Commission with the capacity, credibility, and authority to make recommendations that will accelerate actions to address these challenges.

The Government Transformation Commission would be the necessary centralized mechanism to ensure the government meets its constitutional, legislative, and program responsibilities economically, efficiently, and effectively, which is made even more imperative by the challenges our country faces. It would also be designed to ensure a tangible return on investment to the American people.

Benefits of the Commission

A Commission on Government Transformation will provide much needed focus on the transformation of our government’s programs and its culture, and would be a valuable new entity supporting both Congress and the President in their efforts to ensure:

- Federal dollars are used more economically and effectively
- Programs are results-oriented
- Programs are efficiently managed and accountable
- Unnecessarily duplicative programs are consolidated or eliminated
- Program efficacy is assessed for improvement, savings, or elimination
- Existing legislation that supports good management and program performance is effectively implemented
- Resources, ideas, and innovations are realized and shared
- Technology is leveraged to increase efficiency
- Management and process challenges are addressed
- Resources are shared more effectively across government

The Commission will leverage existing legislation, as well as the good work of the Government Accountability Office (GAO), the Office of Management and Budget (OMB), Agency Inspectors’ General, Congressional staff, think tanks, and others.

The Commission should be responsible for ensuring a return on investment of at least 10-20 times its cost. And a modest reinvestment of some of those returns into the capacity of agencies and programs will have a long lasting, positive impact on the performance of government.

Definitions

Program – The term “program” shall mean any activity or function of an agency, any activity or function that is implemented between 2 or more agencies, and any infrastructure activity or function that supports multiple agencies.

Commission – The term “Commission” shall mean the Commission established by legislation authorized for a period of no fewer than 6 years to undertake and help effectuate a transformation of the federal government.

Duplicative Program – The term “Duplicative Program” shall mean the performing of the same function with separate management and implementation structures by 2 or more agencies.

Outdated, Irrelevant, or Failed Program – The term “Outdated, Irrelevant or Failed Program” shall mean any program that, in the opinion of the Commission, is no longer necessary or is no longer meeting its intended legislative purpose.

The Commission on Government Transformation

Duties of the Commission. The Commission will take a comprehensive approach to improving federal programs through:

- Assessing the strategic goals of the United States government
- Inventory and realignment of programs to enhance coordination toward achievement of the government's goals
- Assessing and guiding program improvements and making recommendations to the President and Congress.
- Recommend management practices that will resolve the government's longstanding management challenges
- Identify programs that are unnecessarily duplicative or have outlived their usefulness
- Being a repository for best practices, innovation, and continuous improvement

The Commission's duties are to:

- Develop and maintain a set of criteria and a schedule for assessing government agencies and programs
- Inventory and assess program evaluations performed by agency or program activities
- Assess government programs for economy, efficiency, and effectiveness, using a consistent methodology, and determine if the program has achieved its legislative intent
- Select staff and other resources competent to assist the Commission in its work who are credible and without conflict of interest
- Based on its independent assessment, make recommendations for individual program elimination, reduction, consolidation, or improvement
- Conduct research into best organizational practices and government reform. Provide a repository for best practice and program information that supports agencies in further and continual improvements
- Provide a mechanism by which interested parties can offer ideas and make recommendations for the improvement of government programs
- Work directly with OMB on providing recommendations for the improvement or reporting on performance measures as required under Section 1115 of Title 31

- Make recommendations to the President that include opportunities to eliminate or consolidate programs if, based on the judgment of the Commission, such actions would enhance the achievement of program and agency efficiency. Include recommendations for reinvestment and opportunities for innovation
- Make recommendations to Congress through the Committees of Jurisdiction, or a special Select Committee composed of applicable Committee Chairs and Ranking Members, for legislative changes to improve the economy, efficiency, and effectiveness of federal programs. Include recommendations for reinvestment and opportunities for innovation
- Provide support to agencies in the transformation to make programs more economical, efficient, and effective by providing resources and expertise. Support with change management guidance. Maintain access to government programs for interim reviews, assessments, and guidance as needed
- Reassess programs after efficiency and effectiveness actions and changes have been made by the agencies to determine the resulting effectiveness of those changes, make further recommendations as necessary
- Report to the President, Congress, and the American people at least quarterly on Commission activity and results, as it relates to improvements in efficiency and effectiveness, returns on investment, and barriers to advancement
- Maintain the privacy and security of data as required by law
- Over time, report on historical data and trends gathered by the Commission
- Support requests for information by agencies, GAO, CBO, or the American people under the Freedom of Information Act consistent with appropriate restrictions
- Participate in the design and implementation of significant new federal programs to ensure the efficient, effective, and economical development and execution of the program
- Provide support and guidance to agency improvement activity as well as funding for improvement, innovation, and demonstration projects designed to make government more economical, efficient, and effective

Establishment and Oversight of an Improvement and Innovation Fund. Separate from appropriated operating funds from Congress, the Commission shall maintain and administer a fund for the purpose of providing financial resources and oversight to support initiatives designed to improve the economy, efficiency, and effectiveness of the federal government. For the first year, this will be funded through appropriations and thereafter through an agreed-to portion of the savings obtained through its efforts to improve government operations and programs.

The fund will be discretionary to the Commission and will have no fiscal year boundaries or limitations. The Commission could initiate its own improvement or innovation initiative or demonstration project with the cooperation of impacted agencies. In addition, agencies could submit a formal request (proposal) for funds for an improvement or innovation initiative or demonstration project. Each proposal would define the program, a problem statement, its intended outcomes, how it would be measured, and the expected benefit and return on investment. The Commission would maintain oversight over all improvement or innovation programs subject to this fund. Yearly or more frequent reviews would be required. The Commission could direct multiple agencies to participate in the initiative as necessary to reduce further waste and create efficiency.

Legislative mechanisms will need to be created to allow the Commission to receive funds that are realized through improvement savings and require change to their initial authorization.

Membership. The Commission could consist of 7 members appointed as follows:

- 3 could be appointed by the President to include 1 member from each major political party and an independent member.
- 2 could be appointed by the Majority Leader and Minority Leader of the Senate to include 1 member from each political party.
- 2 could be appointed by the Speaker and the Minority Leader of the House of Representatives to include 1 member from each political party.

Members shall be appointed for 3-year staggered terms. Vacancies shall be filled using the same method identified for new Commissioners.

The President shall designate Co-chairpersons from among the members of the Commission. The Co-chairpersons may not be affiliated with the same political party.

Commissioners shall be non-compensated. Reasonable and customary expense reimbursements will be provided.

Role of the Commissioners. The Commissioners as a body shall:

- Be accountable to the President and Congress for the transformation of the government
- Guide the direction of Commission work
- Approve all policies, methods, and procedures developed by Commission staff
- Approve the annual schedule of Commission program assessments and activity
- Review the results of the Commission staff
- Communicate status and results on an annual and as-requested basis with the President and Congress
- Hire and hold the Commission leadership accountable

- Approve the organizational structure, resources, and activity of the Commission
- Hold public hearings on Commission business, program reviews, opportunities for reinvestment, innovation, etc.
- Approve the budget of the Commission
- Communicate with the American people and other stakeholders regarding the purpose, activity, and results of the Commission

Authorities of the Commission. The Commission shall have the authority to:

- Request and obtain any and all program and budget documentation from agencies, the White House, GAO, CBO, IGs, OPM, and other entities within the federal government
- Review federal programs, including interviewing agency leaders, managers, and staff, conducting process reviews, interviewing recipients of agency services (internal or external), etc.
- Employ all investigative methods deemed appropriate by the Commission to carry out its mission
- Procure the necessary resources required to conduct the work of the Commission
- Organize or reorganize the Commission when necessary so as to most effectively carry out the mission of the Commission
- Spend appropriated funds as provided by Congress
- Maintain archive files of federal programs and the work of the Commission indefinitely
- Request the detail of federal employees from other agencies to the Commission for a designated period of time
- Hold hearings on the economy, efficiency, and effectiveness of government agencies and programs as well as to identify thought leadership and ideas regarding efficient government
- Oversee and manage the improvement and innovation fund

Responsibility to Congress. In support of Congress the Commission shall:

- Meet regularly with the relevant Committees of the Congress to review Commission activity and provide the necessary support
- From time to time, give formal testimony and recommendations to Congress
- Offer recommendations requiring legislative action to improve the economy, efficiency, and effectiveness of government, which shall be voted on by both Houses of Congress without amendment within a limited period of time
- Request the authorization of funds for the operation of the Commission
- Request that Congress direct GAO, CBO, and others to cooperate with the Commission to carry out its duties

Responsibility to the President. In support of the President the Commission shall:

- Meet regularly with the President to review Commission activity and provide necessary support
- Seek full access to all agencies to carry out its duties
- Offer recommendations and, with the President's assent, direct agencies to implement those recommendations
- Offer advice and support when designing and implementing new programs
- Recommend those areas with broad implications that could be effected through a Presidential Directive or Executive Order

Responsibility to Agencies. In support of each agency the Commission shall:

- Make reasonable requests for documents and information regarding agency and program operations
- Offer advice and support when designing and implementing new programs
- Offer advice and support when conducting internal assessment of agency programs
- Seek reports on any change in program addition, approach, method, improvement or deletion, including the anticipated and actual results of said changes
- Offer the use of the methodology employed by the Commission to assess the economy, efficiency, and effectiveness of its own programs
- Oversee the planning, execution and results of any program improvement actions
- Seek reports on the planning, execution, and results of any agency improvement activity

Funding of the Commission. The Commission shall be funded with a one-time appropriation, which shall expire after funds are expended. The Commission will submit an initial budget request to Congress within 90 days of the Act establishing the Commission.

Commission Staff. The Commission shall have an Executive Director, who will report directly to the Commissioners and shall carry out the duties of the Commission as required by the legislation and directed by the Commissioners. The Executive Director shall possess the requisite knowledge, skills, and experience as required of the position and will be appointed by the President and confirmed by the Senate with input from the Commissioners. The Executive Director shall be credible and free of any personal conflict of interest. The Executive Director would be paid at Level III of the Executive Schedule.

The Commission will be supported with the appropriate number of qualified leaders, managers, and staff or other resources required to execute the mission of the Commission. They shall be credible and free of any personal conflict of interest. Commission employees will not be subject to Title 5 requirements.

Summary

Achieving meaningful and measurable federal performance is important and possible. However, it is possible only with bold action, expert solutions, and a fearless resolve to work together as leaders to benefit the American people and our fiscal shortcomings. GTI builds upon the foundation of prior efforts and best practices, utilizing sound business solutions to realize efficiency, effectiveness and cost savings. The Government Transformation Commission would be the primary centralized focus of this undertaking, which supports both the President and Congress. It is an effective means to outcomes that cuts through bureaucracy to focus on a better business of governing.

Contacts

GTI stands ready to support Congress and the Administration with the creation of this statutory Commission. To discuss GTI further or set up an appointment with an appropriate GTI staff member, please contact Stephanie Dillemath at 240-361-9253 or stephanie.dillemath@gticoalition.org.