

Some Issues for Discussion

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Transparency

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Federal spending transparency requires answers to two basic questions:

- ▶ What do you want to know?
 - If the money gets to the appropriate source
 - How money is spent
 - Effects of the expenditures
 - Level of detail
- ▶ Who is “you”? (*See the next slides*)

Cast of characters potentially involved

- ▶ OMB/White House
- ▶ Department/agency heads
- ▶ Senior managers
- ▶ Program managers
- ▶ Congressional actors
 - Authorizing committees
 - Appropriating committees
 - Political agendas

Cast of characters potentially involved (continued)

- ▶ Interest groups – multiple perspectives
 - Advocacy groups
 - Representatives of providers
 - Potential competitors
 - Private sector
- ▶ Intergovernmental actors
 - State, substate, and local groups
 - Mirror the federal actors in terms of roles
 - Have their own systems, typologies, goals

Each set of actors has its own needs for information

- ▶ Each operates with its own responsibilities and goals
- ▶ Differences between macro perspectives and micro perspectives
 - At federal level program managers are concerned about details of program implementation while top officials more likely to look for broader patterns
 - Similar differentiation at the state and local level
- ▶ The legislative actors have variable information needs
- ▶ Non-government actors will have still different needs—often narrower in focus and possibly their goals will conflict with public sector views

Can one unit of analysis meet all these needs?

- ▶ Federalism principles provide different degrees of legitimacy for states and localities to define their own goals
- ▶ Congress generally looks at the big picture, but sometimes focuses on specific issues
- ▶ Outside groups may want to look at information in still different manner

Some additional questions on spending

- ▶ What about the spending do parties want to learn?
 - Program outputs
 - Program outcomes and impacts (Not at all easy to do!)
 - Decision processes
- ▶ How far down the chain can we expect to get information?
 - Contracts, subcontracts, subsubcontracts, etc.
 - Problems of information overload
- ▶ Can we answer these questions on a consistent government-wide basis?
 - Differences among programs in level at which spent, use of funds
 - Programs have varying interdependencies at both the federal and state/local levels

Tracking the spending is not simple

- ▶ Who actually knows how funds are spent?
- ▶ How do we find out if reporting is not required?
- ▶ Who collects the data now?
- ▶ If the data is not collected, how can it be collected? (e.g. who pays for it)
- ▶ Who cross checks the data?
 - Multiple sources of information
 - Costs involved

Tracking spending is not simple: An example for Workforce Programs

- ▶ One-Stop Career Centers established by the Workforce Investment Act (WIA)
- ▶ Over a dozen mandatory partners at One-Stops and often many optional partners (TANF)
- ▶ One-Stop infrastructure costs sometimes shared, sometimes paid by WIA
- ▶ Spending on participants hard to track due to co-enrollment and sequential enrollment
- ▶ Support also sometimes comes from other programs such as Pell Grants, vocational rehabilitation, Veterans' programs

Linking performance to budget process

- ▶ Measured performance not the same as assessment of impact/outcomes
 - Performance measures generally short-term and may be inputs, processes, outputs, or outcomes
 - Impact estimates provide data on program effects and take longer
- ▶ What does information tell you in terms of budget process?
 - “Should we put more or less money into poor performing programs”
 - Promoting efficiency is sometimes counter to promoting equity
- ▶ Role of Congress vs. Executive Branch
- ▶ Difficulty linking performance information with sanctions
 - What is a sanction in the budget process?
 - More money, less money?

Experience with PART and GPRA: so many perverse impacts

- ▶ Examples from workforce programs: fear of application of sanctions
 - Measures based on post-program outcomes lead to cream skimming—most vulnerable not served
 - Cost measures led to providing cheap services rather than intended training—Congress barred their use
 - State and local programs behave strategically and “game” the system—try to look good instead of “doing good”

Given multiple levels of decisionmaking:

- ▶ Who should be held accountable?
 - State government, local government, vendors? All?
 - What form should rewards/sanctions take?
 - More/less funds for program?
 - Rewards/sanctions?
 - Should incentives be passed on to implementers?
- ▶ How to raise social equity concerns
 - Variation among programs
 - Availability of data
- ▶ Appropriateness of punitive action
 - Does it punish the guilty or the innocent?
 - How do we avoid punishing people for results beyond their control?
- ▶ Avoid one size fits all
 - Make sure the measures are appropriate
 - Adjust the standards when circumstances vary

What should be done?

▶ Short term efforts:

- Give agencies the opportunity to sort program areas by levels of ease in meeting basic transparency requirements
 - OMB should play a facilitating not controlling role
 - Identify problem areas in terms of types of programs

▶ Long term efforts:

- Rethink form and substance of sanctions
- Create typology of different types of programs
- Create multi-program groups sorted by program type (e.g. block grants)
 - Identify commonalities, differences