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P R O C E E D I N G S

MR. WEST:  Okay, if I could have your attention, we are going to reconvene for the final segment of our event today.

Our luncheon speaker is Shelley Metzenbaum.  I'm pleased to have her here.  She is the Associate Director for Performance and Personnel Management at the White House Office of Management and Budget.  Her job is to work on the nitty-gritty of the federal government and figure out ways to do a better job.  We spent a lot of time over the last few hours hearing from her director, Jeffrey Zients, as well as some academics discussing some of the issues of how to improve management.

Last year President Obama signed into law the Government Performance and Results Modernization Act.  It streamlined the performance monitoring rules for federal agencies, and among other things the Bill authorized data-driven reviews of agency performance and having OMB conduct quarterly reviews of progress in each agency towards priority goals.  So, today Shelley's going to talk about her vision for government performance and ways that she hopes the public sector improves its management practices.

So, please join me in welcoming Shelley Metzenbaum.

MS. METZENBAUM:  Thanks, Darrell.  I'm actually really glad to be here to talk about the President's vision of managing performance.

And I'm delighted you all got a chance to hear from Jeff Zients.  Jeff's my boss, the first chief performance officer in the federal government, something the President decided to do at the beginning of the administration to basically say look, it's not just about the debates on dollars or even the debates on policy; it's about delivery.  And that's what we're trying to do.  We're really trying to deliver a high-performing

government.

So, what does that really mean?  What are we really trying to do?  Well, some of you may be familiar with the Staples Easy Button.  This is our Useful Button, right?

I don't know how many of you have followed the federal government's approach to performance management in the past.  The Government Performance and Results Act was adopted in 1993, and it was a very good law, but it really focused -- and I'm not sure it intended to focus, but it focused a lot on goals and measures that got put into plans and reports.  I'm actually pretty sure the people who wrote the law didn't expect it to be used only for filling out plans and reports.  But in fact that is a lot of the way that the data got used -- is people would generate these performance reports, and they'd send them over to Congress and to OMB because they were required to be sent over.  But they really weren't used.

So, what we're really trying to do is build a system where goals and data are used and they're useful.  And that's not an unknown concept these days in the world in which we work where people are using data to drive decisions, to inform decisions, to gather new insights every single day.

The President gets it.  The President's talked to us about being a results-focused government.  And he talked about success being judged by results, and the data is a powerful tool to determine the results.  And you can't ignore the facts.  You can't ignore the data, really doing data-driven government, to find what works so we can do more of it and to find what doesn't work so we can fix it.  And if we can't fix it, then just stop doing it.  That's what we're really trying to do.  That's how we're approaching performance management in the federal government.

And then Jeff, when he first came into his position, looked at it and he said,

you know, really the test of a performance management system is whether or not it's actually used and used for a variety of different purposes. So, people in Congress using it to answer questions about what's working and what's not but also make decisions about resource allocation: Where are the biggest problems that need our attention? People in OMB using it, but especially people on the ground using it.

So, we have a lot of data that we put out from the federal government, and some of it is used in a very robust way. Our census data, our labor statistics -- they're used on a regular basis. But we have a lot of data that we're not using in as smart a way as we can. How do we help improve our schools? How do we help the teachers in the school find practices that work better than other practices? How do we help the water quality manager in a local community? How do we help them if they're doing storm water management figure out what's working and what costs the least relative to what's working so we can have the most cost-effective approaches to government? We need that. It's essential in these times. It's really essential that we figure out how to deliver more for less.

So, what we have done was we actually looked at the past, and we looked at what happened under the Government Performance and Results Act, and we saw some progress. There were goals. There was regular measurement. And there was an increased attention to outcomes.

What do I mean by outcomes? Well, by outcomes I mean how well are kids doing? How well, you know, are we doing? How healthy are communities? Is the teen pregnancy rate going up? Are we smoking more? We know that smoking is a leading cause of death. Are the fatalities associated with -- traffic fatalities -- are those going down? What's happening with our, you know, environmental systems, our eco systems? Are they looking healthier, or are they looking worse? Really understanding, using the

data to understand where we ought to be focusing our attention and focusing on those outcomes, not just the number of permits we do or the number of inspections we do but whether or not the air quality is getting cleaner or the water quality is getting cleaner. That's what we're trying to do.

And why are we trying to do that? Because if you focus on outcomes, it really makes a huge difference.

Let me give you just one example from an agency, HUD, who has set a high-priority goal, which was to increase affordable housing, affordable rental housing. And when it started with this goal, it started with a goal that was how many rental housing units it would produce. So, the first question it looked at was how many rental housing units do we currently produce? And then the second question -- it said so that actually required it to look across 21 different programs, and it looked at which ones have the most effect, which ones have the least -- you know, where do they have their highest volume? They all have different purposes, and they serve different populations, or they work in different ways. But for the first time, because they set this goal of increasing affordable rental housing, they had this goal that made them, for the first time, stop running programs but actually start managing problems.

But then HUD looked at it and said really it's not about the number of units we're producing; it's about the number of people we're serving and families we're serving in those units. When it started to focus on that outcome, it realized that it ought to be looking at the occupancy rate.

Now, for anyone in business you would say well, of course they should be looking at the occupancy rate, but they hadn't because of the way we run government or have run it in the past and why we've been trying to shift to an outcomes emphasis, because once you start looking at the occupancy rate you realize that if you increase the

occupancy rate, then you can actually get more people in housing with no additional costs.  So, that's why we want to focus on outcomes.

So, we learned from the past progress.  We looked at the past problems, which was we had a system that was really designed to get everybody to set goals and to measure and to put them into these plans and reports, and this all became a compliance exercise:  I've got to do this so I'm going to produce the reports.  And you had a unit within the organization, a small unit that was gathering stuff so they could package it and send it out without ever thinking about is anybody using the data.

So, we have come up with an evolving vision.  Our emphasis is not on reporting -- reporting's important, communicating is important -- but unimprovement.  Performance goals and measures are to drive improvement across the federal government.  And in order to do that, when we do report we need to think about this not as filling out a report but, rather, communicating the information.

And why are trying to communicate it?  We need to communicate it for a variety of reasons.  One is to inform democratic decision-making.  What should our priorities be?  What kinds of strategies should we use?  Another is to enlist allies.

So, if you think about one of my favorite goals, Kennedy's goal of putting a man on the moon in a decade and returning him safety back home, when he set that visionary goal, he enlisted the ideas, the energy of people around the country, perhaps around the world, who came in then with their ideas.  And then the federal government was able to tap those ideas.  They had to figure out how to do that with their contract processes and things like that. We have to do that in the federal government.  But those goals of, you know, rural broadband, those goals of high-speed rail -- those really started to get us thinking.  And the question is how much do we want to accomplish by when and where?

So, goals are this just wonderfully convenient shorthand for communicating what are you trying to accomplish. And then you enlist and can engage people outside the government in helping you on this, find the solutions, and implement the solutions -- because we in the federal government do very little of this on our own. We do a lot. We have a big influence. But we do very little on our own. So, using goals and measures as a way of engaging and enlisting people.

One of my favorite examples of that is "Healthy People." "Healthy People 20/20" just came out, and I first learned about -- how many of you have heard of "Healthy People"? Well, now, see that's about a third, a quarter to a third. "Healthy People" is put out by the Department of Health and Human Services, and I first learned about it when I was in San Diego County, and they were looking at the measures and the goals that were identified in healthy people. And it was starting a conversation at the local level about what local priorities should be. So, these are really effective tools for beginning to get action going across the country and getting a conversation going which is informing that democratic debate but then also enlisting allies like other levels of government, nonprofit organizations, for-profit organizations in helping us find solutions.

And then I think a third thing that we really need -- we're focusing on is analysis. It may sound silly to those of you who are in organizations, in business, or whatever who do a lot of analysis, but in the federal government, we do some analysis, but we don't look at our data in the ways that really could help us. So we want people to use the data diagnostically, again, to find what's working so we can do more of it and find what's not so we can fix it or we can stop doing it the way we're doing it.

So, again, I talked about the Government Performance and Results Act and how we use that. Some of you may be familiar with the Program Assessment Rating Tool. The Program Assessment Rating Tool was created by the last administration,

because when GPRA was started it was up here at the strategic plan level. And someone very smart in OMB -- a guy name Marcus Peacock who's now working on the Hill -- but Marcus basically said we need to translate this down to the program level. And so he created these 25 questions that are good questions: Do you have goals? Are they focused on outcomes? Are some of them stretch targets? The problem is that it was used by OMB to rate agencies and to rate one program every five years.

Imagine trying to run an organization where you're only looking at your data every five years. You may be out of business before you even, you know, get the feedback every five years. You need much more frequent feedback on what's working and what's not working. But because PART was a rating, the agency started to focus on getting better ratings rather than reducing fatality rates or reducing, you know, unemployment rates; increasing the number of people getting job training so that they can get into new jobs if they're out of a job.

So, we're really trying to focus on shifting from this rating, where everybody focused on getting a rating to actually the data itself to looking at the trends that you identify as your key performance indicators. And as we looked at PART and said here were some of the strengths of PART -- good questions, the problems, the way it was administered, OMB doing ratings, one person essentially doing the ratings -- we needed to figure out how we can build on those lessons but get rid of the parts that aren't working, because it just started to drive a system in the wrong direction.

In some agencies, that's not completely true. There were some exceptions in education. It actually got some very good conversations going. But in other places the fights that went on were all about nitpicky issues rather than really changing things on the ground.

So, then we looked across and decided just the way we want agencies to

learn from experience of other places that we wanted to learn from experience.  We looked at places like New York City's CompStat where they drove the crime rate down 25 percent in three years.  How did they do it?  They made precinct captains accountable for driving the crime rate down in their own precinct and using regular data-driven reviews on a regular basis to say what's going on and have discussions -- not why are you behind on your targets, but what's going on?  What's causing the crime rate to go up?  What's the kind of crime you're looking at?  What are the patterns of crime? What are you planning to do about it?

So, getting these data-driven discussions to really think about how do we improve things on the ground -- we've seen this in New York City; we saw it in Los Angeles, Boston.  Boston has Boston (inaudible) about results.  We see Governor O'Malley's after doing it in Maryland after doing it very successfully in Baltimore to bring the unemployment rate down.  And we're lucky to have a number of governors in the administration as secretaries in the cabinet, so Governor Loch; Governor Vilsack, now Secretary; Secretary Sabinillas, who did this in their states with great effect, where they were very clear about the goals they were trying to accomplish and then putting in charge the specific people responsible for driving progress on that goal and then using data on a regular basis and having follow-up conversations to say what's working and what's not and continue to drive progress.

So, we have free strategies that we're using to move performance management.  One is this use:  Using that performance management to improve results and doing that by leading -- using the goals to lead and learning what's working and what's not -- and then communicating that to improve results and to be more transparent, and finally strength and problem-solving networks.  So, there are trade associations; there are interest groups; there are professional associations; there are

state and local associations, all of whom can help bring about change.

So, let me give you one example of that. The Coast Guard basically focuses on a number of things, one of which is, you know, accidents and fatalities on the vessels that it regulates; and at one point it noticed that it had -- that the towboat industry -- because it analyzed the data, it found that the towboat industry had the highest fatality rate.

Here's the truth. It really wasn't easy for it to do that analysis to begin with, because it had no denominator. It had to go out and find a denominator. It knew how many fatalities there were, but it didn't know how many people were actually working on the vessels. Once it found that denominator -- it found an old National Academy of Sciences study, and it used it as the best available information -- it then was able to say we really ought to focus on the towboat industry. Why do they have so many fatality rates. So, they picked up the phone and they went to the trade association and they said look, you have the highest fatality rate, we need to bring this down.

Now, in the old way of doing this, the Coast Guard would have looked at this and said we need a regulation and issued a regulation. The new way of doing it was saying well, maybe we need a regulation but let's first talk to the industry. And they talked to the industry and they asked themselves why do we have the highest fatality rate. In fact, the industry at first said we don't have the highest fatality rate, and the Coast Guard said well, here's the data; we'll just share the data with you. And they looked at it. They said huh, maybe we do. So, they said let's figure out what's causing the fatalities. So, they found the problems, and then they did a deep dive to understand the causes of the problems.

It turned out a lot of people were falling overboard. As soon as they figured out, they were able to work with the people -- you know, the towboat operators to figure

out how to cut the -- they actually cut the fatality rate in half.

So, that's the way we're approaching this. We're asking our leaders to set clear, ambitious, outcome-focused goals for a limited number of priorities. We're asking our agencies to measure and analyze and communicate performance information to drive progress on those goals. And then we're asking leaders to frequently review progress.

So, let me give you a few examples of goals. Reducing the population of homeless veterans to 59,000 by June 2012. That's up from over 200,000. What this did by having this goal -- it got HUD and the VA to start to work together with one another. And they really started to work together to figure out what's creating homelessness; can we put folks in housing; but also what's creating homelessness?

And what HUD did in one of its data-driven reviews -- it went out to the field, and it went out to the field and it realized that it started to talk to people who were trying to work with the homeless veterans and discovered that there was a problem getting them into housing, because they didn't have the down payment they needed, the deposit for the rental units. And so HUD started to work on a voucher. So, it's not very fancy. It's not big science. And it's little by little, increment by increment. But they immediately were able to say oh, that's the problem? Let's figure out how to get them vouchers for their down payments out of this other program. So, they got this cross-program to stop working, because they were focused on the homeless veterans.

You know, similar DoE doubled renewable energy generation. These are some of the goals we have. And now we have deputy secretaries across the federal government but also people -- deputies at the bureau level -- running the equivalent of a CompStat review. The Stat sessions -- that stands for computerized statistics -- when Bill Bratton first started it in New York City. HUD does HUD Stat meetings. The VA

does monthly meetings on its priorities.  The Treasury Department does regular quarterly reviews with every single bureau that is run by the deputy secretary.  In HUD's case it's actually run by the secretary.

And then the FDA started something called FDA TRACK -- Transparency, Results, Accountability, Knowledge, and Credibility -- I got the CK mixed up -- but, basically, running these reviews.  And these are not gotcha sessions.  These are questions about what are we learning so we can take those lessons and apply them elsewhere.  It's a way of diffusing and sharing knowledge.

So, what does that mean in terms of our accountability expectations?  Well, it is not that you have to meet every target all the time.  In fact, we've asked agency leaders -- and we're asking folks at all levels of the organization -- to set ambitious goals.  What that means -- in industry you talk about meeting 70 percent of your targets when you have ambitious goals and you actually don't tell industry watchers necessarily what your ambitious targets are, right?  Those are in-house kinds of things.  That said, we put out our ambitious goals and put them out -- they were in the President's fiscal year '11 budget.  Did we put out new goals in fiscal year '12?  No, because we asked agencies to try and deliver on these goals within 18 to 24 months without new budget, without new legislative authority.

Why did we do that?  Because we wanted to focus agency management, who get -- from the moment they walk in the door they get pressure to debate policy and work on their budgets.  We wanted to focus them on delivery.

They also get a lot of response to crises, because crises erupt every day when you run one of these agencies.  And what having these goals does is keeps them focused.  But we didn't want to make the issue changing goals all the time.  We wanted to focus everybody on delivery.

Measuring progress on a regular basis; analyzing the data; looking for the patterns; where should we be focusing; who's got the worse problems; looking for anomalies. I don't know if any of you have ever read the rhetorical Rondi book, *Better*, but it's a wonderful book about looking for the outliers, right?, looking for the positive experience. So, we know there are some hospitals who have far lower infection rates than other hospitals, that have lower costs. What are they doing? They're positive outliers. What are they doing that we can learn from? But also looking for the negative outliers.

So, in another kind of analysis that some have done, it's going into the emergency room and taking a look at who's in the emergency room -- and of the people going into the emergency room are some creating higher demand on services than others -- and finding those 10 percent that may be using 80 percent of the resources and figuring out if there's anything you can do to prevent their need to come into the emergency room.

So, we have a number of hospitals who are doing that. We also have had firefighting operations. You know, firefighters in San Francisco at one point did that to say who's putting the biggest demand on our system? What can we learn about those guys to see if we can prevent those problems, reduce them?

The Social Security Administration is looking at its disability processing, and it's looking at how long it takes in each aspect of the system and how much it costs in each aspect. And it knows that it costs more to go to a hearing than to keep something out of a hearing in the first place. So, they're trying to figure out how to drive the costs down, and speed up the process. It's a win-win situation.

So, it's using the data diagnostically to figure out how to work smarter.

And then using these reviews, these quick -- these data-driven reviews.

On a frequent enough basis --not every year, once a year or even, you know, every six months, but much more frequently, at least every quarter, trying to do that at least every quarter.  So, going back, PART was once every five years, not frequent enough.

When Bill Bratton came into New York City, he basically discovered that the city was measuring the response time on a regular basis.  It was measuring the number of community meetings it was having, because community policing, well, it was known to be effective, but necessarily the number of meetings.  And it was measuring crime, but it measured crime once a quarter and reported it six months later -- so, nine-month-old data, to the federal government -- but not using that data to actually improve crime -- reduce the crime rate, and so it started to ask for the precincts to send the data in.  And when it started this it, it was on Lotus 1-2-3 floppy disks, right?

But my point in telling this story is it doesn't have to be fancy and build a whole system, but getting the data in so that they could see what the crime was looking like every week.  Every Friday night they had to drive it in to headquarters, and this was before they could do the electronic transmission.

So, using that data -- and then what do we hold people accountable for? Well, I'll quote Bill Bratton here, which was nobody ever got in trouble if the crime rate went up.  They did get in trouble if they didn't know why it had gone up and they didn't have a plan to deal with it.

So, that's the approach we've taken.  And then many months ago we heard from Congress, who wanted to actually incorporate some of these ideas into a new law, and so the Government Performance and Results Modernization Act.  I don't know if we're calling it GPRAMA or not, but I sometimes call it that.  GPRAMA basically was passed in December.  The President signed it into law in January.  Jeff and I had the

pleasure of being there at the signing.

And it encapsulates -- it codifies a number of the things that we were moving forward on -- asking agency leaders to set priority goals, to do that every two years; to identify low-priority activities, bring that into the budget decision-making process; to run regular reviews on those priority reviews at least every quarter; to have a performance improvement officer but elevated from where it had been previously established by Executive Order so that performance improvement officer really assists the chief operating officer, created by the law, presumed to be the deputy secretary or equivalent, the performance improvement officer assist the chief operating officer and the head of the agency in running these quarterly reviews. That means prepping for those meetings; doing the analysis; working with the other parts of the agency to help the components help the regional offices understand how to run a business this way, a government business, the operations of government using the data, and to have these reviews and make sure there's, as Brat would say, relentless follow-up and that it also requires us to have a central website. And we built something called performance.gov, which we're using internally and still working through the -- testing performance dot.gov and learning a lot. But what's great about it is it actually structures the way the agency has, and the goal leaders think about their goals -- what are you going to try and get accomplished by when?

And the other thing the law does is it requires four priority goals in the agency, that there be goal leaders. Who is accountable?

So, what Bratton learned was, when he started in the policing department, you have burrow commanders and precinct commanders, all of whom are responsible for crime and therefore none of them were responsible for crime. And he said very clearly, "Precinct Captain, your job in your location." And we're asking agencies to be

very clear -- if you are trying to improve water quality on lands affected by the

Department of Agriculture, who is the leader on that?  And bring all the various parties

together on a regular basis to have meetings on that.

The law also requires us to have federal priority goals -- cross-cutting

priority goals -- on a regular basis or both outcome focused areas as well as

management improvement areas.

So, we've jumped in up to our foreheads I think, and we're moving this

forward and we're seeing real progress.  And the early signs of progress were -- I started

to see in various agencies as we brought them in for action plans, and as we now do --

within OMB we do quarterly reviews on agency priority goals, and we've seen risk-based

priority settings that never happened before, and you can't believe it never happened

before.  But whether we're looking at various kinds of land, to say where should we

focus first or you're looking at the locks that the Corps of Engineer manages, it's which

ones need our attention first because we can't do them all at once.  So, a much more

risk-based priority setting than we ever saw before.

We're seeing agencies really pull different parts of their own organization

and other organizations.  Two parts of, you know, the food safety work of the Food and

Drug Administration as well as the USDA folks.  Talking together, both of them have a

salmonella reduction goal.

The Department of Defense and the Department of -- and Veterans Affairs

working on virtual lifetime electronic records.  Having those discussions.  Using the goals

and measures.

A story we got out of -- someone from EPA, we learned, had heard about

the priority goals in Agriculture and has been using it at the local level.  We're trying to

understand it a little bit more.

So, there's some -- we're beginning to see real changes on the ground. It's evolving at different levels, different paces. So, you see that where HUD, where the people who are running the HUD Stat meetings had done the same thing in New York City, they brought their know-how. We are facilitating and encouraging and starting to see a lot of folks across the agencies visit each other's review sessions. So there's a whole learning process in place, and we're starting to see change happening on the ground, some in just practice, some happily in outcomes.

Energy retrofit -- starting to see several hundred thousand retrofitted units -- housing units retrofitted.

So, that's where we are, and I hope that this will enlist and engage your enthusiasm and you'll help us and help the agencies figure out how to deliver government that works better.

Thank you very much.

MR. WEST: First of all, thank you for your comments. I'll start with one question, then we will open the floor to any questions or comments that you have.

In the last session, Bill Galston, my colleague, made the point that you really need to focus on incentives if you want to change behavior, and improving performance involves, almost by definition, changing behavior in some respect. So, I'm just wondering, when you think about trying to improve performance, how do you approach the subject of improving incentives and creating incentives. I mean, for example, some people have talked about performance-based budgeting where you link the budget the particular agencies get to how well they're doing. Do you think that's a good idea? Are there other ideas that you're exploring to try and improve the incentive structure for agencies?

MS. METZENBAUM: It's a great question. It's one of the reasons that I put

out the next slide on accountability expectations.  Incentives are really important, and they're really tricky, because what we've seen in some cases -- if you structure incentives a certain way, you can encourage people to manipulate the measurements or to pick very timid targets.  And we really want to resist that.  At the same time we know that people who come into government are really motivated by doing better and really making things work, and so what you begin to see is a much -- a very subtle situation where people get excited, and there's a lot of research on this.  If you give people a goal, especially if it's a specific challenging goal, it tends to excite them; it tends to focus them; it stimulates innovation.  So, part of the incentive structure is giving clear goals and making clear who's responsible for it.  One of the frustrations I think in some government organizations is people don't know what they're supposed to be working on.

Measurement is another kind of feedback that's very effective.  People like to do well and, again, I come from the research here as well as experience where, you know, the folks who come into these jobs come in to make a difference in the world.

I don't know if you saw today's story in the *Post* about this group that's organizing to try and make a difference if they happen not to have a job on one day.  I'll leave it at that.

But, you know, I think that is the challenge that we have.

And then there are some times where money on the table -- like, if you want to stimulate a competition so the kind of contests we've been doing really can get breakthrough progress in certain areas.  And, you know, you've seen a lot in terms of stimulating innovation also using funds to encourage other levels of government to come in to participate in measured experiments and things like that.

So, incentives are incredibly important, but you've got to be very careful about how you use them, because they don't always work as you expect them to, and

you really want to avoid that measurement manipulation in the timid targets, because the timid targets -- you're not going to get the breakthroughs that you're hoping for.

MR. WEST: Okay, why don't we open the floor to questions? There's a question right back there. There's a microphone coming over. If you can just give us your name and your organizational affiliation please.

MR. KITTROSS: Yes, my name is Dave Kittross. I'm with LRP Publications, and I was wondering -- this is sort of a follow-up -- do you see that with -- dealing with the workforce and trying to improve accountability, do you see the need for, let's say, making theses kind of things part of, let's say, performance appraisals and also the development of more performance-based compensation systems as a way to, you know, get people excited, good people, to do the best jobs while then focusing on the people who perhaps aren't doing what they need to do.?

MS. METZENBAUM: Yeah, and again I'd say there's -- you know, that's one of those things that's very important to look at and that we're trying to understand the smartest way to do that.

MR. WEST: Right there is a question.

MR. CHAFFIN: Jeannie Chaffin with the National Association for State Community Service Programs, and we represent state administrators of the Community Services Block Grant and the Weatherization Assistance Program, which are block grants and formula programs that go to state. And along this same theme of competition and accountability, I'm wondering if you could just talk a little bit more about that tension between performance and running contests and competitions with block granted funds and t hose kinds of funding streams that go to states.

MS. METZENBAUM: So, I don't know the specifics in this particular case. I think what is -- what we're trying to do is a combination of both learning from experience

so, you know, looking at what's working in one state or one local area and finding what's working and then partly using funds to get adoption of those promising practices or those proven practices, if you will. And then in other situations where you were -- we have seen promising practices, but we want to actually prove them a little bit more using the funds to enlist states to or other providers to help us. So, there's a section in the -- and if you really want riveting reading, I highly recommend *Analytics Perspectives of the Budget* -- the section on -- there's one on Driving HUD, Performing Government and another on Evaluation, and in both of those we try and lay out these ideas, because we've seen it work so well.

I mean, I'll give you an example again -- well, one from the National Highway Traffic Safety Administration from years ago, and a more recent example. So, from years ago National Highway Traffic Safety Administration has always looked at the data running across state agencies to look at changes in fatality rates over time, and it does not actually do accident rates, because it made a decision a while ago. It was expensive but 12 states do accident rates. So, they study that, and they take that data in and learn from it. And they realized that one of the states -- California -- had had a significant drop in fatality rates in a very short period of time. So, they did some very complex analysis. They did huge -- not a regression, analysis -- they picked up the phone and they called California and they said is there a reason that you had this big drop? Did you change your data systems or reporting systems, something like that? And California said no, we adopted a primary enforcement law, which allows you to stop and check for seatbelt use, allows police to do that. So, that -- you know, keyed them -- made them aware that they should be looking at that in other states and they began to see a similar pattern. And so then they began to promote adoption of primary enforcement laws and also use the click it or ticket campaign. Have any of you ever

heard of the click it or ticket campaign?

Okay, so it's a combination of enforcement and a marketing campaign. And it's worked remarkably well for increasing seatbelt use, which is a causal factor, a positive causal factor, that they know saves lives. And every year on Memorial Day they have observers standing out at county -- how many people are wearing seatbelts, right? And so they had remarkable success in increasing the belt use rate as well as reducing fatalities.

Now we've got a distracted driving problem, and so they're watching as states or local governments pass distracted driving laws and hoping to get better progress on that and hoping to see better progress, so they said let's do this again; let's combine an enforcement and marketing effort and let's try a slogan -- and I'm sure they had sales people -- you know, sales -- market experts in -- cell phone in one hand, ticket in the other. And so they basically have done that campaign in two cities and they saw double-digit 30+ percent reductions in the accidents associated with it.

We can be doing that across a whole lot of other areas, you know? So, whether it is the retrofits or it's energy conservation, there's a lot of great experimentation to be done. How do we do that and what role does the federal government play? What role do the state governments play in trying to build that learning system, and that's what we're trying to put in place across the federal government.

MR. WEST: Shelley, I think we need a driving program makeup or a ticket.

MS. METZENBAUM: Right. (Laughter)

MR. WEST: Right there on the aisle, please.

SPEAKER: Thank you. Hi, my name is Pernita (inaudible), and I'm here from the Center for Global Development, and I'm really excited to hear about your efforts

to have more data-driven decision-making, but then that sort of begs the question if you could talk a little bit more about the data collection and data analytics capacity even at the agency level and how OMB plans to contribute to that.  So, for example, on one of the slides you mentioned some absolute goals of, you know, we want to extend housing to 59,000 homeless people, things like this, versus it might have been even more helpful if we could have had something like well, this agency spends this much money and they've on average housed this many people; next year we'd like to see this much increase and, you know, for every dollar that this agency spends we hope to house as many people.  And then you can discuss things like efficiency gains, things like that, which is the direction I think you want to take.  So, do you think there is a capacity at even the agency level for you to have this data or to be able to get it?  And then how do you -- what is the level of analytics?  Is it just at the agency level?  Is OMG going to have access to that data?  Are you going to run your own analysis?  If you could just talk more about the actual data processes.

MS. METZENBAUM:  Great question.  Highly complex government, and so I think we have to walk before we run, and the first step is to figure out what we're trying to accomplish.  So, we've got a lot of spending data across the federal government.  You have full access.  You know, you have budget data and things like that.  We've got a lot of spending data, but you actually need to have the outcome information in order to have the conversation.

Now, in the last administration, they required every program to have efficiency measures, and so that then had -- for example, the EPA science office was required to have efficiency measures, and it's pretty hard to think about an efficiency measure for science, so EPA ended up commissioning a study from the National Academy of Sciences about how to do efficiency measures for R&D, and the answer

was you probably can't.  Right?

But what you can do is exactly what HUD did and what every agency is kind of being forced to do right now because the budgets are going down, right?  Here's what I'm trying to accomplish, let me figure out first if I'm accomplishing it, what am I -- where's the -- what do I want to move the needle on?  And now how can I do that same level of accomplishment with more -- with less money?  Right?  Or with the existing amount of money, can I up it?  So, in HUD's case, it -- but waive the -- we're trying to structure these conversations.  We'll drive those questions.  And so we're trying to drive those questions.

Now, I'll send you to Washington about results, because that's a smaller set of data points to look at and yet still large, and what has happened in Boston was they can by program level for the fire fighters, for the police, for the education department -- they have their goals and they tell you what they are and then they tell you what their spending is as well as what their personnel is.

One of the interesting questions is how fine you want to cut that, how fine do you want to slice and dice that?  If you dice it at too fine a level on the dollars, then you're going to end up getting a program office that does grants and a program office that does regulations and a program office that does outreach all having their own little pots and measuring against their own pot as opposed to saying a minute, we're all trying to reduce smoking, and it's a combination of all these things.

So, that is one of the challenges we're facing now, and part of our effort in trying to get these conversations going is once you figure out what's effective -- oh, next question is, okay, can we do more with the same amount, or look, we're about to get our budget cut, can we keep -- sustain at this level and accomplish the same thing.  So, it drives the efficiency questions.  It drives cost-effectiveness questions.

MR. WEST:  Okay, we are out of time, but I want to thank Shelley

Metzenbaum for sharing her views with us, and we wish you well in all of your efforts.

MS. METZENBAUM:  Thank you, Darrell.

MR. WEST:  Thank you.


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