

Using Managing for Results in Government

Several stumbling blocks to pursuing MFR efforts should be addressed. First, given the ambiguity in cause and effect when it comes to what government is trying to accomplish, governments naturally have been somewhat hesitant to embrace efforts aimed at figuring out how much “bang” taxpayers are getting for their buck. Second, governments, already squeezed for resources, might be hard pressed to devote the time and personnel required to doing MFR. Third, as data on results start to flow in, it may become obvious that a government needs to devote *greater* resources in one area or another if it wants to achieve its planned outcomes.

To some degree, such hesitancy is disappearing. Government actually has a long history when it comes to measuring effectiveness, often encouraged by a variety of government-based associations or by various outside public policy and administration think tanks. The Urban Institute, for example, has been working on the issue of measuring public-sector performance for more than twenty-five years. The Urban Institute first published *How Effective Are Your City Services?* in 1977. A second edition was published jointly with ICMA in 1992 (Hatry 1992). The concept of measuring performance was first introduced at the federal government level under Theodore Roosevelt. All levels of government—local, state, and federal—have long relied on audits and evaluations to judge whether a particular program is actually doing what it was designed to do, and at a reasonable cost (although traditionally it has been *cost* in particular on which such audits and evaluations tended to focus).

Starting in the early 1990s, the notion that government *can* connect expenditures and results started gaining momentum. In part, the change is technology-driven. With today’s information technology, it has simply become easier to capture and analyze the wide sweep of government services that might converge at the goal of “safer streets”—whether it is repainting lane lines on highways or writing speeding tickets—and to begin trying to calculate the extent of the influence each of those services has on that particular goal (along with its associated cost).

Probably more important to the shift, though, is an emerging school of thought among both elected officials and professional public-sector managers that it is important to try to gauge whether government policies and programs are actually achieving what they are supposed to achieve, and whether they are doing so at a reasonable cost. They believe that it is reasonable to ask hard questions about the effectiveness and efficiency of government. They also believe that it is important to articulate the government’s goals and objectives and to communicate the extent to which the goals and objectives are being attained, and at what degree of efficiency and effectiveness. Some states and localities have begun comprehensive efforts to determine how effective and efficient they are. The Oregon Benchmarks effort, started in the late 1980s, was an attempt by an entire state to begin analyzing government programs in terms of the measurable impact of those programs on the quality of life of Oregon’s residents. Texas has done work in the area, linking budgets to desired public outcomes. Phoenix, Arizona, has been refining its MFR system since 1990. The Portland, Oregon, report outlines municipal performance in relation to cost, even comparing that performance and its attendant costs with six other, similar cities.

The whole notion that government *can* account for results was given a significant boost when federal agencies implemented the 1993 Government Performance and Results Act (GPRA). Under that act, federal agencies are required to develop comprehensive strategic plans and then to evaluate whether the agency in question is actually making progress toward the goals and objectives set forth in the strategic plan. (To get copies of those reports, go to www.mercatus.org and click on “Government Accountability” at the top of the home page.)

Other comprehensive efforts to encourage a clearer focus on the relationship of government spending and action to results are ongoing at various levels of government, as well. The ICMA Comparative Performance project, for example, for many years has been aimed at developing uniform, comprehensive, and comparable data sets related to municipal function, results, and costs across a broad sweep of program and policy areas, from public safety to public works.

At the same time, the push to gather data on performance has led to the much-publicized “Citi-stat” phenomenon. For several years, cities—Baltimore and New York, most notably—have been gathering timely information on the delivery and impact of key city services, including data related to the *cost* of such services, from building inspection to police patrols.

What holds MFR together, though, is information on performance—that is, factual data that connect resources and action to results. Without data that reflect what government is doing (programs and services) and what it is getting done (results), MFR could not be effective.