

Web Memo



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House Appropriators' PART Prohibition Perpetuates Wasteful Spending

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Last week, the House Appropriations Committee approved the fiscal year (FY) 2007 Labor, Health and Human Services, and Education appropriations bill containing a controversial amendment to restrict funding for the Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART). This anti-PART provision comes in response to OMB's exposing of a disproportionate number of failed or inefficient programs within the Labor-HHS appropriations subcommittee's jurisdiction.

In fact, many of these programs are widely viewed as failing to provide value to taxpayers and stray from the core constitutional responsibilities of the federal government. Rather than use PART as it was intended—to reduce wasteful, ineffective, and duplicative spending—Congress has typically ignored its results. While that is bad enough, this irresponsible anti-PART provision prohibits Labor-HHS programs from participating in any PART performance analysis. The PART initiative, along with other accountability and transparency measures, should be encouraged—not legislatively micro-managed, much less prohibited.

How PART Works

PART was established by President George W. Bush to link budget allocations to program

performance. The “performance budgeting” tool itself was developed with the goal of making the government more efficient. While it is worthy to increase efficiency within legitimate functions of the government, the true value of PART lies in its ability to identify failing programs through its numerical rating system. Programs are assessed and rated based on four key criteria:

- 1) Program Purpose and Design,
- 2) Strategic Planning,
- 3) Program Management, and
- 4) Program Results/ Accountability.

Each program is scored on a hundred-point scale for performance and ranked into one of five categories, from “effective” to “ineffective.” For FY 2007, PART provides assessments for almost 800 federal programs, with ratings and policy recommendations for each.

This paper, in its entirety, can be found at:
<http://www.heritage.org/Budget/wm1137.cfm>

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“Performance Budgeting” and Congress

Currently, PART is the only official performance budgeting tool to evaluate methodically effectiveness and accountability across all federal departments. However, since PART’s introduction in FY 2004, Congress has yet to use it as a guide for appropriators to cut waste from the burgeoning \$2.8 trillion budget. Instead, legislators have mostly ignored these analyses and recommendations because PART acts as a simple report card for the federal government but does not require legislative action to terminate low-scoring programs.

Last week, however, the House Appropriations Committee passed legislation to hide from the unflattering light of performance analysis altogether. The subcommittee added an amendment to the appropriations bill that would forbid spending on PART analysis by three major agencies: the Departments of Labor, Health and Human Services (HHS), and Education. The offending language from the House Appropriation’s June 13, 2006, full committee report is below:

Sec. 521. No funds in this Act shall be used to develop or participate in the development of a Program Assessment Tool (PART) analysis or study unless the Committees on Appropriations of the House of Representatives and the Senate have approved the use of the funds, the PART study to be conducted, the data bases which will be used for determining the score, and the methodology to be employed for the rating of the program, including the relative weights to be applied to the four factors used in establishing numerical and summary ratings.¹

PART Ratings for the Departments of Labor, HHS, and Education

In FY 2006, Labor, HHS, and Education appropriations reached roughly \$143 billion—

second only to the Department of Defense. However, many of the programs within these departments received failing PART scores, and an overwhelming majority are not “effective.”²

According to their numerical ratings, programs in the Departments of Labor, HHS, and Education consistently underperform, relative to all the other programs scored by PART. Approximately 43 percent of the programs within these three agencies are “not performing,” compared to 28 percent of all the programs evaluated by PART. Furthermore, only 13 of 192 Labor, HHS, and Education programs are even considered to be “effective” though this still does not mean that they are necessary federal programs.

A Report Card³

- **Labor Average Score: F (58 out of 100)**
The PART ratings for the Department of Labor show that 25 percent (7 out of 28) of the programs assessed are “not performing” and only one is “effective.”
- **HHS Average Score: D- (62 out of 100)**
PART shows that 31 percent (28 out of the 90) of HHS programs assessed are “not performing.” Only 10 of the 90 health programs evaluated were even considered “effective.”
- **Education Average Score: F (44 out of 100)**
The Department of Education is the worst of the three, with nearly 64 percent (47 out of 74) of programs “not performing.” Only 2 of these programs were deemed “effective.”

FY 2007 Funding for “Not Performing” Programs

President Bush, in his FY 2007 Federal Budget, used PART ratings to guide budgetary decisions by recommending terminations and reductions in funding for ineffective programs, including 56

terminations and 13 spending reductions within the Departments of Labor, HHS, and Education.⁴ However, the Labor-HHS appropriators ignored these requests and even boasted of their defiance in a press release highlighting spending increases.⁵ Several of the programs being funded are proven failures:

- **Health Professions Training**
Grade: F (40 out of 100)
Funding: \$313 million

The Health Professions program provides grants to academic institutions to fund training and education in healthcare, giving additional funding to minorities and low-income students. However, the OMB cites a Government Accountability Office study showing the program to be ineffective and without impact largely due to its lack of a unified purpose.⁶

- **Even Start**
Grade: F (29 out of 100)
Funding: \$70 million

The purpose of this program is to break the cycle of poverty and illiteracy for low-income families through integrated family literacy education. Even the Department of Education's own studies indicate no measurable difference between Even Start families and those not receiving services.⁷

- **Safe and Drug Free Schools State Assistance**

Grade: F (28 out of 100)

Funding: \$310 million

The purpose of this program is to help create and maintain safe and drug-free environments for learning by awarding grants to states and school districts to reduce youth crime and drug abuse. However, OMB cites a 2001 RAND study that points to the program's flawed design as a reason why it has had no demonstrated impact on drug-use.⁸

Conclusion

PART is a modest effort to provide lawmakers with the knowledge to make informed and efficient budgetary decisions, and it is the only program that assesses performance across the entire federal budget. Sadly, there is no evidence that Congress has used PART to make long-overdue reductions in the size and scope of the federal government. Even so, preventing agencies from participating in this type of analysis is irresponsible. It appears that many appropriators would rather protect and increase spending on pet programs than make decisions based on those programs' performance. Congress should not meddle with this valuable analytical tool. Instead, it should let PART proceed unfettered and then use the results to eliminate wasteful spending.

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¹ Legislative text found in the Labor-HHS-Education Full Appropriations Committee Report No. 109 provided by the legislative tracking services of GalleryWatch.

² For PART ratings and associated funding levels, see <http://www.whitehouse.gov/omb/part/index.html>. For more detailed PART assessments and program recommendations, see <http://www.expectmore.gov>.

³ Letter grades are assigned by The Heritage Foundation, not by the OMB, based on OMB's numerical PART scores. Letter grades are based as follows: A = 100-90%, B = 89-80%, C=79-70%, D=69-60%, F=59-0%.

⁴ The Office of Budget and Management *Major Savings and Reforms in the President's 2007 Budget*, at <http://www.whitehouse.gov/omb/budget/fy2007/pdf/savings.pdf>

⁵ U.S. House of Representatives Committee on Appropriations *Highlights of the FY07 Labor, HHS, Education Appropriations Bill*, June 14, 2006, at http://appropriations.house.gov/index.cfm?FuseAction=PressReleases.Detail&PressRelease_id=632.

⁶ The Office of Budget and Management, Performance Assessment for Health Professions Training, at <http://www.whitehouse.gov/omb/expectmore/summary.10000200.2005.html>.

⁷ The Office of Budget and Management, Performance Assessment for Even Start, at <http://www.whitehouse.gov/omb/expectmore/summary.10000200.2005.html>.

⁸ The Office of Budget and Management, Performance Assessment for Safe and Drug Free Schools State Grants, at <http://www.whitehouse.gov/omb/expectmore/summary.10000200.2005.html>.