
SECTION 31

GOVERNMENT SERVICES: REINVENTION OF THE FEDERAL GOVERNMENT

Al Gore

**THE COMPELLING NEED TO TRANSFORM
GOVERNMENT 31.1**

**ROLE OF THE PRESIDENT'S
MANAGEMENT COUNCIL 31.2**

**THE FIRST PHASE OF REINVENTING
GOVERNMENT 31.2**

**THE SECOND PHASE OF REINVENTING
GOVERNMENT 31.3**

**Improve Customer Service Dramatically
31.4**

**Increase the Use of Regulatory
Partnerships 31.4**

**Create Performance-Based Partnership
Grants 31.5**

**Establish Single Points of Contact for
Communities 31.6**

Transform the Federal Work Force 31.6

THE THIRD PHASE OF REINVENTING

GOVERNMENT 31.6

**Increase the Use of Information
Technology 31.7**

**Focus Regulators on Compliance, Not
Enforcement 31.8**

CREATING A MORE BUSINESSLIKE

GOVERNMENT 31.8

IN CONCLUSION 31.8

THE COMPELLING NEED TO TRANSFORM GOVERNMENT

As President Clinton has told the nation, he and his team have worked hard since 1993 to create a leaner, but not meaner, federal government, one that works hand in hand with states, localities, businesses, and community and civic associations to manage resources wisely while helping those Americans who cannot help themselves. In January 1996, the President stated, "We know big government does not have all the answers. We know there's not a program for every problem. We know, and we have worked to give the American people a smaller, less bureaucratic government in Washington. And we have to give the American people one that lives within its means. The era of big government is over. But we cannot go back to the time when our citizens were left to fend for themselves."

For the first time in a generation, we live in a balanced-budget age, and although we may disagree on the route of achieving this objective, we share a common destination. The budget will be balanced. This new environment, together with the birth of the information economy, the death of the Cold War, and an assortment of end-of-the-century jitters, has raised an old question with a new sense of urgency: How should the federal government operate?

President Clinton identified this question early in his first term of office, and 3 years ago he asked me to begin working on it. I'm proud of what our federal employees have done to reinvent government. With their help, their ideas, and their leadership, we are eliminating 16,000 pages of regulations. We are implementing the suggestions that federal employees who work on the front lines have been providing to us, suggestions that have never before been heard clearly on a sustained basis, and

indeed have sometimes not even been offered because of the fear that those who suggested changes might somehow be subject to retaliation. However, by hearing and implementing their suggestions during Phase I of our reinvention efforts, we have created the smallest government since the administration of President John F. Kennedy. Indeed, we have reduced the size of the federal work force by more than 350,000 positions from 1993 to the present. Because of our efforts and our partnership with federal employees, the government work force as a percentage of the civilian work force is now smaller than it has been since 1933.

We haven't just shrunk the size of the government. Again in partnership with federal employees, we are actually making it work better. We've got a long way to go, and we understand that very well, but we have made progress, and we're beginning to make even more rapid progress. For example, the Federal Emergency Management Agency no longer has the reputation for being slow and bureaucratic—it is now renowned for its assistance in response to disasters, and is praised on a bipartisan basis every time it is called upon to respond. The Social Security Administration now gives world-class service to our senior citizens. The Small Business Administration has reduced its size, cut its paperwork dramatically, and increased its loans. Compared to the steady growth of the bureaucracy year-in and year-out, to which our country was formerly accustomed, these recent achievements since 1993 represent a new pattern and are remarkable.

ROLE OF THE PRESIDENT'S MANAGEMENT COUNCIL

Agency leadership in implementing our efforts to transform government has primarily been provided by the President's Management Council (PMC), a new organization established by President Clinton in 1993, when he began his first term of office. The President asked me to serve as Chairman of the PMC, which is composed of the Chief Operating Officer of every Cabinet department and several other agencies. They, in turn, have directly advised the agency head regarding the agency's overall management needs, and have directed the formulation of specific agency plans for transformation. Members of the PMC have been responsible as well for implementation of the administration's general management reforms associated with the reinvention of government. These general reform efforts are designed to improve customer service, streamline the personnel, procurement, and budget systems, analyze field office structures, and reduce the size of the federal work force, while ensuring more efficient and effective operation of the large systems which carry out the agency's primary mission.

The PMC has worked closely with employee representatives and associations of government managers to make labor-management partnerships a reality. They have also worked closely with senior federal management officials, as well as with members of Congress, to analyze agency plans, systems, operations, and outcomes associated with these reforms. On behalf of the President's Management Council, the Federal Quality Consulting Group¹ was asked to develop guidance and training materials in order to provide consistency in agency quality management efforts with the criteria specified in the Malcolm Baldrige National Quality Award used in the private sector, and similar criteria used in the Presidential Award for Quality. Senior federal executives on loan to the Federal Quality Consulting Group continue to provide this guidance to agencies and assist them in their reinvention efforts.

THE FIRST PHASE OF REINVENTING GOVERNMENT

In past years, debates about government programs were usually dominated by discussions over how much the government should spend, rather than on what the spending would accomplish. For most

¹The Federal Quality Consulting Group may be reached at 1700 G Street, N.W., Washington, DC 20552, telephone (202) 632-6068.

Americans, however, the debates were largely academic, since for well over a decade the public has been saying that government simply is not working. Clearly, dramatic steps had to be taken to restore public confidence in government.

The first phase of reinventing the federal government occurred during the President's first term of office. It was characterized by agency zeal as voluminous rules and regulations were read, consolidated, or eliminated. Agencies tried a wide variety of service quality initiatives, and conducted training and skills development on the part of managers and supervisors primarily, and new quality initiatives began to take hold.

Initial steps in quality management were designed to make government smaller, better managed, and more efficient. The administration announced our vision for the federal government, "To create a government that works better and costs less." We called the first phase of reinventing government "Creating a Customer-Driven Government," and used the following model for agency quality improvement initiatives.

This model is flexible and allows agencies to choose from a variety of service quality approaches to the establishment and evolution of a quality organization. As indicated by the "Learning and Improvement Cycle" of the model in Figure 31.1, we realize our efforts at improvement must be ongoing.

THE SECOND PHASE OF REINVENTING GOVERNMENT

Americans expect and deserve commonsense government—a government that performs well, uses their tax dollars wisely, views them as valued customers, does not impose excessive burdens, and makes a positive impact on their lives when it addresses such problems as crime and poverty and the challenges of employment and education.

Consequently, during the second phase of reinventing government we initiated five basic steps to achieve reform and decide how the federal government will operate in the future:

1. Improve customer service dramatically
2. Increase the use of regulatory partnerships
3. Create performance-based partnership grants
4. Establish single points of contact for communities
5. Transform the federal work force

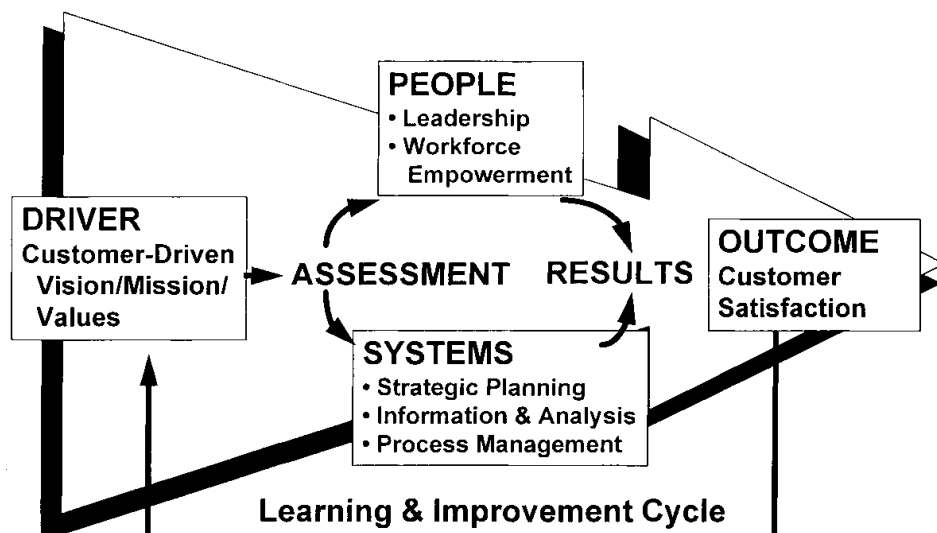


FIGURE 31.1 Creating a customer-driven government—transforming both culture and systems.

Improve Customer Service Dramatically. The first step in reforming government and achieving quality organizations in a balanced-budget age was critical. It was designed to restore America's confidence in the federal government. On March 4, 1996, I pledged to the American public on behalf of President Clinton that the federal government would immediately begin to deliver visible, recognizable, and measurable improvements in customer service. For example, a commitment made by the Passport Office in the U.S. Department of State resulted in shrinking the long lines for service.

Agency commitments to transform their operations and services will be posted in the Internet to make it easier for taxpayers to hold us accountable. We want to hear from taxpayers about their experiences in receiving services from federal agencies and departments, and specifically with regard to how we're doing in keeping the commitments that are posted on the Internet. Our address is www.whitehouse.gov. Look in the "What's New" section, and you'll see the commitments.

During Phase I of reinventing government, when we first started talking to government agencies about customer service, very few of them really understood what we meant by the phrase "customer service." Frontline employees viewed customer service as keeping their supervisors happy, and the culture of the organization has tended to reinforce that view in the past. Customer service for many heads of agencies meant pleasing Congress and particularly the appropriations subcommittees of Congress. Entire federal programs were designed and implemented without ever really finding out what the customers wanted in the first place. And since government had little idea of who its customers were, the idea of setting measurable standards for customer service was really a strange concept.

Working with federal employees, we have changed that. We went out and looked at how the best in business delivered first-rate customer service, and we've started doing the same for our customers. For the first time, most government agencies have established and published customer service standards, and they have engineered their processes to figure out how they can meet those standards and steadily improve on them. Now, just as Federal Express customers know that they're guaranteed to have their package delivered overnight, taxpayers going to a Social Security office will know that they will be seen within 10 minutes. Students calling for information on direct loans will know that they will get through to a live human being within 35 seconds.

These and over a thousand other measurable standards mark a dramatic change in the way government views and treats its customers. We're seeing the signs of success already. For example, an independent survey concerning the provision of 800-line telephone service rated a regional office of the Social Security Administration higher than any American business competing in that category.

We have recently established one-stop Internet access to the federal government through the U.S. Business Advisor. We're redesigning the telephone book blue pages so that people will be able to look under "P" for passports, not "S" for State Department. We've challenged agencies by setting a goal that "everyone in America will know" that government service has improved and continues to get better.

Increase the Use of Regulatory Partnerships. The second way we're transforming government is to make partnerships with the private sector the rule and not the exception. So far, such partnerships have mainly been in the form of pilot projects scattered through the regulatory agencies. We are bringing these partnerships into the mainstream of our regulatory philosophy.

The vast majority of Americans believe that their government has an important role in ensuring their safety and protecting their environment. Government oversight has helped make our workplaces safer and kept our food safe and healthy. Strong enforcement of environmental statutes has helped to restore the health of rivers and has brought back the bald eagle. Our challenge is not only to maintain that progress, but actually to do better.

We know that regulatory agencies can do better by focusing on results as well as process. We've seen it work. In Maine, the Occupational Safety and Health Administration (OSHA) realized that all of its fines and penalties on businesses that were not complying with workplace health and safety rules were producing a lot of income, but they weren't producing any improvement in workplace safety. So they abandoned the old way of doing business and formed alliances with industry management and labor, and focused on results. They have identified and corrected 14 times as

many hazards as they did in the old way. Productivity is up, and most importantly, injuries in the workplace are down by one-third in their jurisdiction.

In Miami, the Customs Service used to force companies to spend as much time on government paperwork as on their business. One company had to fill out 700,000 forms each year. Then, Customs sat down with these firms and ascertained what was really needed, and what wasn't. Now that company files one form per month. By streamlining work processes and seeking better results, Customs has been able to confiscate more illegal drugs—seizures are way up—while at the same time helping legitimate businesses grow. Meanwhile, the people who were waiting in lines, after getting off international airline flights, are moving through much faster than before. As a matter of fact, their complaint now is that they're having to wait to get their baggage, and so the airlines are getting their baggage handlers together and challenging them to reinvent the way they handle that job so they can be good enough for government work!

Through programs such as Project XL, Green Light, and 33/50, we have seen the Environmental Protection Agency and hundreds of companies team up to keep a billion pounds of pollutants from being emitted into the air. We've said, "If you can get the job done cleaner and cheaper, then go to it. And throw the book away. Give us a way to measure your progress toward exceeding the goal you've committed to exceed."

Why are these partnerships working? Because they are focused on results. The goal is to reduce injuries, stop drugs, and cut emissions, not to make sure that businesses are penciling in the proper lines on the proper forms. These partnerships are working because government and industry are joining hands, not locking horns. The government recognizes that many corporate leaders share the same goals and are interested in working cooperatively to achieve them. And because they know their businesses far better than the government ever could, they also know best how to attack their own problems, using all of the innovations characteristic of the private sector. Treating them as adversaries wastes those positive inclinations, and it stretches federal resources thin instead of focusing them on the biggest problems.

These partnerships will be new for many of us in government and in industry. Old habits are sometimes hard to break, and this new approach will not be without some difficulties. However, we've seen it work, and we're going to make it happen.

Create Performance-Based Partnership Grants. The third step in reinventing government in a balanced-budget age was to forge new relationships with communities. On March 4, 1996, I announced the administration's decision to require that every time a grant program comes up for reauthorization, we will ask Congress to turn it into a performance partnership and, if necessary, consolidate it with other related programs.

So far, more than 600 separate federal grant programs, each with its own rules and requirements, have participated. We're going to shift the focus again from process to performance. Together, federal, state, and local governments will set the goals, and the communities will decide how best to meet them.

The goals are to produce better results, to increase accountability to the public for outcomes, to reduce red tape and micromanagement, and to provide greater flexibility in how services are designed and delivered. For example, among these 600-plus grant programs are a number relating to child immunization. Some provide funds to help get children to the clinic, so they can receive the vaccines that their parents have learned about. However, the goal of the child immunization program should be to increase the percentage of two-year-olds who have all their shots.

The President has called for the consolidation of 271 diverse grant programs into 27 performance partnership grants. We have created 105 "Empowerment Zones" and "Enterprise Communities" to focus on local needs, and we've started signing agreements with states to create these new partnerships. We entered into such a new partnership with Oregon several years ago, to promote healthier children, more stable families, and a more highly skilled work force. I have recently visited Connecticut to enter into a similar partnership to improve that state's poorest communities through economic development and neighborhood revitalization approached in a brand-new partnership context. We are now in the process of expanding these partnerships across the country.

Establish Single Points of Contact for Communities. Several years ago I announced that for every single community of more than 150,000 residents, the Department of Housing and Urban Development will select a person to serve as the single point of contact. For each of these communities we're going to give the legendary "nameless, faceless bureaucrat" a name and a face recognizable in that community—an individual who can facilitate the solution of problems that these communities have which relate to the federal government.

Communities have interactions with the federal government on scores of different issues, ranging from "Head Start" to highways. To get their work with the federal government done, communities had to go door to door. Why? Because these interactions are dictated now by the way the federal government is structured, and not by what the communities need. There is no focal point for dealing with the communities' issues in the executive branch of government. We are consequently now establishing more of these community focal points.

Transform the Federal Work Force. The fifth step in transforming the federal government is to transform the federal work force itself. Our administration's reinvention efforts have saved \$137 billion and cut the federal work force by over 350,000.

To achieve this, we have submitted to Congress legislation to vastly expand the demonstration authority in civil service law. This expansion of authority will allow large numbers of government agencies to design personnel systems suited to their mission. Again, I do not anticipate any partisan opposition to this particular step. As any CEO can tell you, reinvention will be only as successful as the partnership with workers. Let me emphasize that our federal work force is one that any private sector executive would be proud of. However the personnel system they toil under is not.

We have as diverse a set of missions as any conglomerate—more so—but we use a personnel system which by law applies a single set of rules to all federal employees, from patent attorneys to park rangers. This "one-size-fits-all" approach, designed in the last century, simply will not meet the challenges of the next century. No corporation would operate this way. For example, General Electric makes light bulbs, secures mortgage loans, and leases cars. G.E. would not try to squeeze such a diverse cadre of workers into a single personnel system, and neither should the federal government.

We need a new model, decentralized and focused on the mission of each organization. It should hold federal workers to the highest degree of accountability, and give line managers more authority over personnel decisions. This is why we want to change the law and liberate people to build a government that does work better and cost less.

THE THIRD PHASE OF REINVENTING GOVERNMENT

Today the federal government is proud of having the longest-running and most successful government reform effort in history. This has been accomplished through partnerships in and out of government, and with the application of new technologies. The key to our success has been the initiatives and applications of reinvention policies by the people on the front line, providing service directly to the American people. For the first time in history the federal government has measurable standards for serving the public. We have safer workplaces, less crime, easier buying practices, faster drug approvals, and faster delivery of mail. We have cut unnecessary regulations and outdated programs, trimmed our own work force, and saved taxpayers billions of dollars. Our reinvention efforts have been renamed the National Partnership for Reinventing Government, to reflect our commitment to our vision of "America at Our Best."

I have had the privilege of seeing the workings of government through the lenses of both Congress and the White House. As the executive branch moves into a new balanced-budget world, the Congress must join us. This may mean conducting some reinventing inside Congress itself.

Members of both parties have talked about reforming the Congressional committee structure to align congressional oversight more squarely with executive branch organization. A private sector company that reported to multiple boards of directors would have real difficulty in defining its mission and improving its efficiency. Yet many of our executive agencies report to multiple committees and subcommittees of Congress. While we recognize that some overlap is inevitable, the current situation is ridiculous. For example, the Environmental Protection Agency now reports on a regular basis to 28 committees and 43 subcommittees. There are 19 congressional committees and 33 subcommittees that have jurisdiction over federal programs for children and families. Surely there is room for significant streamlining and improvement here.

Now that we set multiyear goals for overall budgeting, do we really need to stick to single-year appropriations? Can we move to more multiyear appropriations so that government managers have a more stable environment in which to plan and to invest, and so that all of the local and state governments that wait each year for the federal government to conclude its annual appropriations can also have more flexibility to plan ahead? Surely the answer must be yes, even though I know these are contentious issues.

Both parties in Congress have put forward some interesting and sound reform proposals. However, the point I want to make is that Congress must join us in the reinvention effort. In 1994 Congress passed and President Clinton signed the “Government Performance and Results Act,” which provides the framework for strategic planning for almost all federal agencies. This historic piece of legislation, which had bipartisan support, sets us on a path to a performance-based government. What Congress has passed for the executive branch should be matched by its own internal re-examination. Only by working together can Congress and the executive branch, along with the states and local governments, achieve the reinvention of government in a balanced-budget era, and the provision of public services necessary for the American people.

Increase the Use of Information Technology. Today’s information technology is the great enabler for reinvention. It allows us to rethink, in fundamental ways, how people work and how we serve customers. For example, in Miami, compliance officers of the U.S. Customs Service can use their computers to compare passenger manifests with up-to-the-minute risk lists. Before the planes land, officers identify passengers who will be the focus of their inspections. Similarly, on the World Wide Web, the Social Security Administration lets you order your personal benefits estimate by filling out a form on screen, taking only 5 minutes to do so.

Not all technology applications require high-end components. More Americans contact the government by phone than any other way, so the Internal Revenue Service built Telefile to allow 20 million filers to submit their 1040EZ tax forms using touch-tone phones. It takes 8 minutes, is paperless, and has an error rate a fraction of that found on paper returns.

The potential payoff from technology is huge, but not automatic. Workable solutions can be had at reasonable costs by following these principles, derived from the best practices of the private and public sectors:

- Don’t automate the old process, reengineer. The new technologies bring new possibilities, like putting services on the Web and letting customers get them when they want.
- Buy off the shelf. Commercial products provide big variety and capability, and new products are added every day. It almost always makes sense to give up a few performance features to get something that costs less and has been thoroughly tested.
- Check on investments. Tracking not just costs and schedules, but whether the new technology is paying off as promised, is critical in spending the taxpayers’ money and in applying good management principles to large and small government programs.
- Integrate information. Many agencies duplicate data collected by others. For example, 40 agencies gather trade information. We are constantly looking for chances for agencies to share workload and data, thereby reducing the number of federal programs and activities, while providing outstanding service to our customers.

Focus Regulators on Compliance, Not Enforcement. The President has issued directives which told agency heads to follow the following five strategies:

- Cut obsolete regulations
- Reward results, not red tape
- Visit grassroots partnerships
- Negotiate, don't dictate
- Reduce regulatory reporting

The first strategy deals with what is in the rulebooks. We are taking steps to get rid of what's outdated, and rewrite the rest in plain English. We believe that better compliance occurs when people understand what's expected of them.

The remaining strategies deal with what is most important in reinventing regulation—improving the relationships between regulators and the regulated community. Experience shows that most businesses and communities do want to comply with regulations and will do so if they can figure out what they're supposed to do. Agencies are proving that, working with new partners, agreeing on the goals, allowing room for innovation, and providing all the help possible to those who want to comply. We are finding that because regulatory time is no longer being wasted on the good guys, agencies can better focus their attention on the few cheaters.

CREATING A MORE BUSINESSLIKE GOVERNMENT

We have asked agencies to take steps to make their agency programs and operations more businesslike. In order to help them do so, I have approached many of our country's finest companies, and have received guidance from their CEOs as to how a more businesslike government may be achieved. Help from such companies as the Cadillac Division of General Motors, Disney, Federal Express, Harley- love to my horse is an hour awa and Davidson, Ritz-Carlton, Wal-Mart, and Xerox enabled us to take first steps in creating a businesslike environment.

All this help from America's best companies is paying off for the American people:

- Social Security Administration 1-800 telephone service has been ranked the "best in business."
- General Services Administration is managing inventory like General Electric.
- National Aeronautics and Space Administration's Martian explorer phones home through an off-the-shelf Motorola modem.
- U.S. Department of Agriculture's Rural Development Agency runs its mortgage portfolio just like Citicorp.
- Food and Drug Administration is partnering with medical researchers to get safe, effective treatment to the people who need it really fast.

We believe that Americans are already receiving good service and good value from top American companies. These same Americans deserve and have the right to expect no less from government. We are grateful that America's best companies are helping us to deliver in the same outstanding manner.

IN CONCLUSION

In conclusion, as we continue to reinvent the federal government, we know that the challenge facing us is very large but not impossible to conquer. We have singled out a few agencies for special attention, those mentioned in this report, to provide an idea of the range and type of services currently

being reengineered. The challenge is great, but the desire of federal employees and agency constituents is even greater: to achieve a more customer-friendly, streamlined, and effective government. We must work together with leaders from business, state and local governments, and the university community if we are to succeed in the challenge of reinventing our government.

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