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GEORGE MASON UNIVERSITY

Legislative Hearing on H.R. 4719 and H.R. 5487

TESTIMONY

Before the House Subcommittee on Water and Power
Committee on Natural Resources

By Hon. Maurice McTigue
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Thursday, June 17, 2010, at 10:00 a.m.
2 1334 Longworth House Office Building

Mr. Chairman, I am honored to have been invited to testify before you on the current legislation related to the Water Resources Research Amendments Act.

The Mercatus Center at George Mason University where I work has been advancing the principles of transparent and accountable government at the state and federal level for over a decade. During my time as an elected Member of the New Zealand Parliament and a Member of the New Zealand Cabinet, the government implemented a series of reforms that dramatically increased the government's transparency and resulted in better government, heightened prosperity, and improved public approval ratings for government organizations. This is the philosophy driving the Mercatus Government Accountability Project, which strongly advocates reforms that make government more open, transparent, and accountable to the people.

The research done at the Mercatus Center at George Mason University over the last ten years shows evidence of a very strong linkage between high levels of transparency and improved decision-making. This research has also shown us that there is a direct link between transparency and accountability. In the absence of transparency there can be no accountability.

However, the effectiveness of transparency mechanisms is very dependent on the quality of the performance information produced. If the wrong measures of performance are used, then the whole system of accountability fails. For performance information to be effective, the information released must enable the reader to easily and accurately develop an informed opinion of the state of affairs in the subject area under consideration.

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Defining Accountability

The Government Accountability Project at Mercatus constructed the following definition of accountability as *“that process that requires us to disclose fully and truthfully our performance to those who are entitled to know.”* We took considerable care in developing this definition to see that it could apply in all situations, not just limited to government. To understand the full implications of this definition it is best to deconstruct it and look at each of the obligations separately.

First, it contains the *“requirement to disclose.”* Disclosure is not a matter of choice but a matter of compulsion. Disclosure must mean to publish in some manner either by verbal statement or by written document. Just acting in a responsible manner is not enough. Preferably the disclosure of actions taken must be published in a form able to be scrutinized by others.

Second, it says *“fully and truthfully,”* meaning partial disclosure is not enough. Partial disclosure might lead those who are entitled to make judgments on performance to arrive at the wrong conclusion because they were not fully informed. Truthfully means that disclosure must be based on fact, not conjecture, supposition, or impression. That also means that facts stated in disclosure reports must be backed up by evidence and verifiable in some way.

Third, *“performance”* in this context means the results of actions taken or what was achieved must also be described. Simply disclosing actions taken is not indicative at all of actual progress achieved towards an actual outcome.

Finally, *“to those who are entitled to know”* means those who employ you, those who place their trust in you, and those on whose behalf you take actions that may affect their lives. You do not necessarily need to disclose to everyone but only those to whom you owe a duty as you execute your actions.

My expertise is not in science or research methods, but rather in the field of organizational performance and understanding organizations’ potential to improve their performance measured in terms of increased benefits to the public.

When assessing the performance of organizations, one of the first considerations is to define the product and then identify the primary utility of that product to its users. For the institutes referred to in this Act, their product is research. Their outcome is the creation of knowledge and its users fall mainly into the categories of decision makers or other researchers.

Therefore, the parties to this act are what I would describe as enabling organizations. They enable decision makers—whether they are Members of Congress, state and local government, regulators or the business community—to make better decisions.

You have chosen in your legislation to be quite specific about what you expect this public investment to achieve so the goals are established by the law. The challenge then is to identify if those goals are being achieved.

Those goals are:

- To commission research, and through that research achieve:
 - Improvement in water supply reliability
 - Resolution of other water problems
 - The entry of new research scientists, engineers, and technicians into water resource fields
 - The dissemination of research results to water managers and the public

The goals are quite clear; the component that now needs to be addressed is how we know if those goals have been achieved. The answer of course is that we measure what is done and what is achieved. However the real challenge is to ensure we measure the right things to determine the performance of those involved.

This brings us to the issue of accountability. The accountability requirements for federal agencies are laid down in the Government Performance and Results Act of 1993. Currently that law is in the process of being strengthened particularly with reference to the focus on outcomes and outcome measures.

I am now going to take the goals laid out in the law and attach to each outcome a measure that I think would be appropriate for these goals. Others, of course, may have equally valid measures. My only contention is that valid measures must provide information on the effect of an activity on the public benefit.

Examples of Outcome Oriented Measures

To commission research and through that research achieve:

Measure: Contracts to conduct the research were awarded to competent researchers in the time frame specified.

Improvement in water supply reliability

Measure: Evidence that actions taken will actually improve the reliability of water supplies. Further evidence to quantify the increase in reliability.

Resolution of other water problems

Measure: Each specific water problem identified and evidence produced to show the problem has been eliminated. If the problem is not eliminated, then evidence of the amount by which the problem is diminished.

The entry of new research scientists, engineers, and technicians into water resource fields

Measure: Evidence of new scientists, engineers, and technicians entering the water resources field as a result of this program. Further evidence of the period of time these professionals remain occupied in the water resources field and linking

evidence that this investment in skilled personnel is improving the outcomes specified in the act.

The dissemination of research results to water managers and the public

Measure: Evidence that the research results are producing informed debate and evidence that decisions consistent with the research findings is being made.

Research Grant Management Process:

- The grants should be subject to competitive bidding with peer review of the bids.
- The successful bids should be converted into a binding contract.
- Contracts should specify the research to be done.
- Contracts should specify the time for completion of the research.
- Contracts should specify the form required for the publication of the results of the contract.
- Contracts should specify the requirements for financial reporting.
- Failure to complete any part of the contract to the satisfaction of the funder should eliminate the researcher or the contracted organization from participation in any other bids until the contract is completed.

Conclusion:

There are a limited number of principles that must be addressed if this project is to be successful. The objectives need to be clear and that seems to be evident in the legislation. The grant making organization needs to develop clear terms of reference for the research projects. The same organization must prepare contractual undertakings that have clear outcome performance measures and grant monitoring needs to enforce the conditions specified in the contract.