

What ever happened to program evaluation?

Canada is facing a huge financial challenge brought on by massive stimulus spending that will be paid for by deficit financing. Under the best of circumstances, government is big business. For example, during the fiscal year 2008-2009, the federal government spent approximately \$240 billion on a wide range of programs and services in the following areas:

Spending Area	Actual Spending (\$)
Economic Affairs	105.4 billion
Social Affairs	48.8 billion
International Affairs	28.3 billion
Government Affairs	11.7 billion
Public debt servicing	31.0 billion
Accrual and other adjustments	2.8 billion
Tax credits and repayments	9.4 billion
Consolidated specified purpose accounts (excluding EI)	1.5 billion
Total Expenses	238.8 billion

Aside from the \$31 billion that was spent on servicing the debt load, more than \$180 billion was disbursed through more than 130 federal departments and agencies to improve the quality of life and economic conditions of Canadians.

To keep track of the spending, the Treasury Board Secretariat (TBS) has over the past decade developed a very sophisticated government-wide system for allocating and approving expenditures within all federal departments and agencies. At the heart of the Treasury Board system are the Reports on Priorities and Planning (RPPs) followed by Departmental Performance Reports (DPRs) that collectively provide a framework for a whole-of-government perspective on planned and actual spending.

This complex and very time-consuming exercise ensures that each department and agency has a coherent spending plan that, each year, is approved by Parliament in advance of actual spending.

To further explain the purpose of the spending, all of the government's expenditures are grouped around 15 strategic outcomes that in turn are related back to the strategic outcomes of each department, and to more than 400 individual program activities. Within this complex matrix, Treasury Board ministers, parliamentarians and the public can monitor the spending intentions of the government and subsequently link outcomes to program inputs.

To limit the natural tendency to increase the size of the federal government and to validate current expenditures, the Treasury Board recently initiated a process for systematically reviewing all departmental spending. This effort, known as the Strategic Review, promises to review all spending on a four-year cycle by examining one quarter of the departments each year. Through a comprehensive review of programming, the government can identify opportunities to redirect funding to areas of higher priority that better meet the needs of Canadians.

Most recently, in 2008, 21 departments and agencies that represent approximately 27 percent of total government program spending completed a strategic review for Cabinet consideration. As a result, reallocations identified in the 2008 reviews were \$349 million slated for 2009–10, \$449 million for 2010–11, and \$586 million for 2011–12.

Additionally, TBS is currently leading several other initiatives intended to develop excellence across the public service in the management of and accountability for government resources. Wayne Wouters spearheaded one very crucial initiative while he was the Secretary of the Treasury Board, namely the Web of Rules Action Plan for 2008-2009. The purpose of this effort has been to unburden public service employees from complex rules, reporting requirements, and administrative process that were developed as a result of

the Gomery Commission and other administrative responses to the occasional administrative lapses in the federal government. The Web of Rules Action Plan for 2008–09 included “over 60 coordinated measures undertaken by different departments to improve how business is done and make government more efficient and effective, while safeguarding transparency and accountability.”

As a result, achievements in 2008–09 included reducing the reporting requirements of Treasury Board policies by 25 percent, of online human resources reporting across government by 85 percent, and Management Accountability Framework assessments by 50 percent. The Secretariat also rescinded almost 60 percent of its policies (80 out of the 136 targeted).

The continuing implementation of the web of rules initiative is intended to improve the government's capacity to enhance management performance, deliver value while minimizing inefficiency, protect against key risks, and preserve accountability.

Whither evaluation?

At this point, it would appear that TBS is to be commended for developing a sophisticated system of managing federal government spending. Moreover, the use of strategic reviews has been a most welcome addition to the budgetary process as it removes “low hanging fruit” from each department’s budget. As well, the attack on the web of rules is a most important recent initiative since it will eliminate costs that only add to the outlay of government without providing any value added services.

However, there is one further component in the budgetary cycle that appears to have been dropped from the carefully crafted budgetary framework that is currently in use. I am referring to the feedback loop, usually referred to as program evaluation, which appears to have disappeared from the vocabulary used in Treasury Board’s expenditure management system. When properly used program evaluations would have the potential to provide indicators of efficiency and effectiveness for more than 400 programs currently managed by the government.

In fact, program evaluation has a long and proud tradition in the federal government. During the 1970s, evaluation became an important career path for high-powered policy analysts, many of whom became deputy ministers in the 1980s and 1990s. As a result, during the heyday of program evaluation, Canada established a reputation among the OECD countries for having one of the best systems of evaluating programs.

Documenting the decline of program evaluation in the federal government would occupy too much space for this article. However, there are some important explanatory factors that are relevant to the current situation. First, it is clear that parliamentarians who control the purse strings have little interest in expenditures and evaluation since they usually approve all of the government’s spending plans in less than one day of scrutiny. To further exacerbate the situation, MPs have limited expertise in policy analysis, and more importantly, few of their staff have the basic evaluation skills to assess the value of government programs and activities.

As well, government backbenchers are not likely to champion changes to existing programs and the opposition parties do not appear to have much interest in holding the government to account for single programs.

In addition, according to some observers, the rush to implement performance measurement systems in order to comply with the new accountability measures has crowded out program evaluation. Moreover, the many internal debates within the program evaluation community about methodology and measurement issues have tended to confuse the potential user. To those looking for policy answers, the bickering and arguments simply weakened the value of the evaluations and brought into question the value of such work for policy decision making. At a minimum, these factors diverted resources and talent away from program evaluation into other more “fashionable” measurement areas such as performance measurement and auditing.

Ironically, at the same time that the Canadian government appears to be distancing itself from program evaluation, President Obama is pushing forward with new initiatives. For example, the Office of Management and Budget, which is located in the Executive Office of the President, has issued a number of challenges to the operating departments of the U.S. government to determine whether “government programs are achieving their intended outcomes as well as possible and at the lowest

possible cost.”

To achieve this objective the OMB is making information more available about all federal evaluations focused on program impacts. As well, it is planning to provide funding to demonstrate how programs are evidence-based, to propose new evaluations that could improve programs in the future, and to identify impediments to rigorous program evaluation in their statutes or regulations. Most important, the OMB is encouraging the creation of an inter-agency working group to promote stronger evaluation across the federal government.

Even though parliamentarians have shown little interest in program evaluation, all levels of government are now being forced to restrain public funding and to decide whether to support those programs that are deemed to be effective. Currently, both performance measures and audits do not provide the type of information that can help decision-makers differentiate between effective and non-effective programs.

If there ever was a time where rational, evidence-based decision making is needed, it is now as the pressure increases on Parliament to cut back on program spending in order to keep the deficit within affordable levels.

David Zussman holds the Jarislowsky Chair in Public Sector Management in the Graduate School of Public and International Affairs and at the Telfer School of Management at the University of Ottawa (This email address is being protected from spam bots, you need Javascript enabled to view it).