

PERFORMANCE ENHANCEMENT REFORM
ACT

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

H.R. 2617

TO AMEND SECTION 1115 OF TITLE 31, UNITED
STATES CODE, TO AMEND THE DESCRIPTION OF HOW
PERFORMANCE GOALS ARE ACHIEVED, AND FOR OTHER
PURPOSES



SEPTEMBER 27, 2022.—Ordered to be printed

U.S. GOVERNMENT PUBLISHING OFFICE

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PERFORMANCE ENHANCEMENT REFORM ACT

SEPTEMBER 27, 2022.—Ordered to be printed

Mr. PETERS, from the Committee on Homeland Security and
Governmental Affairs, submitted the following

R E P O R T

[To accompany H.R. 2617]

[Including cost estimate of the Congressional Budget Office]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (H.R. 2617) to amend section 1115 of title 31, United States Code, to amend the description of how performance goals are achieved, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

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I. PURPOSE AND SUMMARY

H.R. 2617, the *Performance Enhancement Reform Act*, revises provisions regarding agency reporting of performance goals by requiring agencies to include the following in their descriptions of how the performance goals are to be achieved: (1) the human capital, training, data and evidence, information technology, and skill sets required to meet such goals; and (2) the technology modernization investments, system upgrades, staff technology skills and expertise, stakeholder input and feedback, and other resources and strategies required to meet such goals. The bill also requires an agency's chief performance improvement office to provide the de-

scription instead of an agency’s chief human capital office which is the current requirement.

II. BACKGROUND AND THE NEED FOR LEGISLATION

Federal agencies are required by law to create annual performance plans, which preview an agency’s strategic goals and objectives, help leaders align resources and guide decision-making to accomplish priorities, and improve how agencies deliver services to the public.¹ The current law requires an agency’s Chief Human Capital Officer to contribute to the creation of the agency’s performance plan but does not require agencies to incorporate data and evidence or information technology measurements into plans.²

This bill would require collaboration between executive suite leaders including the Chief Human Capital Officer, Chief Information Officers, Chief Financial Officers, and Chief Performance Officers (where applicable) in developing agencies’ annual performance plans.³ This bill would also require plans to include descriptions of: human capital, training, data and evidence, information technology, and skill sets needed for the agency to meet the agency’s performance goals; and technology modernization investments, system upgrades, staff technology skills and expertise, stakeholder input and feedback, and other resources and strategies needed to meet the agency’s performance goals.

By requiring the collaboration of these senior officials that have expertise in the areas they oversee and ensuring agencies have the resources needed to achieve their performance goals, agencies can maximize human capital, technology, and time to better serve the public and meet their performance milestones.

III. LEGISLATIVE HISTORY

Representative Gerry Connolly (D–VA) introduced H.R. 2617, the Performance Enhancement Reform Act, on April 16, 2021, with Representative Jody Hice (R–GA). Delegate Eleanor Holmes Norton joined as a cosponsor on April 19, 2021. This bill passed the House under suspension of the rules on September 28, 2021 by a roll call vote of 414–10 and was referred to the Senate Committee on Homeland Security and Governmental Affairs.

The Committee considered H.R. 2617 at a business meeting on November 3, 2021. The bill was ordered reported favorably by voice vote *en bloc*. Senators Peters, Hassan, Sinema, Rosen, Padilla, Ossoff, Portman, Johnson, Lankford, Romney, Scott, and Hawley were present.

IV. SECTION-BY-SECTION ANALYSIS OF THE BILL, AS REPORTED

Section 1. Short title

This section establishes the short title of the bill as the “Performance Enhancement Reform Act.”

¹ Subcommittee on Government Operations Chairman Gerald Connolly and Ranking Member Jody Hice, *Performance Enhancement Reform Act One Pager* (April 16, 2021) (https://oversight.house.gov/sites/democrats.oversight.house.gov/files/Performance%20Enhancement%20Reform%20Act_one-pager.pdf).

² 31 U.S.C. § 1115(g).

³ Committee on Oversight and Reform: *Chairman Connolly, Ranking Member Hice Introduce Bipartisan Performance Enhancement Reform Act* (April 16, 2021).

Sec. 2. Amendment

This section amends section 1115 of title 31 of the U.S. Code to require a description of how performance goals are to be achieved. The requirements to meet the performance goals include: human capital, training, data and evidence, information technology, and skill sets. The requirements also include technology modernization investments, system upgrades, staff technology skills and expertise, stakeholder input and feedback, and clearly defined milestones. The description must also include the external and internal factors that contribute to performance goals, which could be organizations, program activities, regulations, policies, operational processes; and how the agency is working with the aforementioned entities. The description also requires the identification of “goal leaders” who will be responsible for the achievement of a performance goal.

This section also requires the Performance Improvement Officer of an agency to collaborate with the Chief Human Capital Officer, the Chief Information Officer, the Chief Data Officer, and the Chief Financial Officer on preparing agency performance goals. If the positions listed do not exist at an agency, an equivalent position may fulfill these requirements.

Sec. 3. Determination of budgetary effects

This section states that the legislation complies with PAYGO.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill and determined that the bill will have no regulatory impact within the meaning of the rules. The Committee agrees with the Congressional Budget Office’s statement that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

VI. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, January 18, 2022.

Hon. GARY PETERS,
Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2617, the Performance Enhancement Reform Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

PHILLIP L. SWAGEL,
Director.

Enclosure.

H.R. 2617, Performance Enhancement Reform Act			
As ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on November 3, 2021			
By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	0	*	*
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Statutory pay-as-you-go procedures apply?	Yes	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

Under current law, federal agencies must publicly release plans that detail performance goals and measurements for all program activities. H.R. 2617 would require agencies to include information about the human capital, technology, and other resources necessary to achieve those goals. The act also would require collaboration among the chief performance officer and other executives within the agency as they prepare those plans.

Because most of the act's requirements would codify existing guidance from the Office of Management and Budget (OMB), CBO estimates that implementing H.R. 2617 would cost less than \$500,000 over the 2022–2026 period. Those costs would be for OMB to amend that guidance and for federal agencies to expand their current reporting. Any spending would be subject to the availability of appropriated funds.

Enacting the legislation could affect direct spending by some agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO estimates that any net changes in direct spending by those agencies would be negligible because most of them can adjust amounts collected to reflect changes in operating costs.

On July 23, 2021, CBO transmitted a cost estimate for H.R. 2617, the Performance Enhancement Reform Act, as ordered reported by the House Committee on Oversight and Reform. The two pieces of legislation are similar and CBO's estimates of their budgetary effects is the same.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows: (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

UNITED STATES CODE

* * * * *

TITLE 31—MONEY AND FINANCE

* * * * *

SEC. 1115. FEDERAL GOVERNMENT AND AGENCY PERFORMANCE PLANS.

- (a) * * *
(b) * * *

* * * * *

(5) provide a description of how the performance goals are to be achieved, including—

(A) [the operation processes, training, skills and technology, and the human, capital, information, and other resources and strategies] the human capital, training, data and evidence, information technology, and skill sets required to meet those performance goals;

(B) the technology modernization investments, system upgrades, staff technology skills and expertise, stakeholder input and feedback, and other resources and strategies needed and required to meet the performance goals;

[(B)] (C) clearly defined milestones;

[(C)] (D) an identification of the organizations, program activities, regulations, policies, operational processes, and other activities that contribute to each performance goal, both within and external to the agency;

[(D)] (E) a description of how the agency is working with other agencies and the organizations identified in subparagraph (D) to measure and [to] achieve its performance goals as well as relevant Federal Government performance goals; and

[(E)] (F) an identification of the agency officials responsible for the achievement of each performance goal, who shall be known as goal leaders;

* * * * *

(g) [CHIEF HUMAN CAPITAL OFFICERS.—With respect to each agency with a Chief Human Capital Officer, the Chief Human Capital Officer shall] PREPARATION OF PERFORMANCE PLAN.—The Performance Improvement Officer of each agency (or the functional equivalent) shall collaborate with the Chief Human Capital Officer (or the functional equivalent), the Chief Information Officer (or the functional equivalent), the Chief Data Officer (or the functional equivalent), and the Chief Financial Officer (or the functional equivalent) of that agency to prepare that portion of the annual performance plan described under subsection (b)(5)[(A)].