AGA Research

PIO/CFO Summit Executive Summary

The Road to Evidence-based Decision-making

AGA™

Acknowledgements

AGA is proud to recognize our Corporate Partner Advisory Group's (CPAG) Performance Improvement Committee for supporting this effort, as well as the event sponsors listed on page 8.

2023 PIO/CFO Summit Executive Summary Report

Table of Contents

AGA is *the* association that connects and empowers financial-related professionals who support government, from financial management to IT, human resources, grants management, cybersecurity and more, to advance good government initiatives, grow their expertise and accelerate their careers. Through our national and chapter-level events, AGA brings together professionals to share best practices and experiences to promote accountability and transparency in government with a goal of improving citizen trust in government.

Introduction

At AGA's annual Performance Improvement Officer/ Chief Financial Officer (PIO/CFO) Summit, held May 4, 2023, at the Washington Convention Center, participants explored topics related to performance management; evidence-based decision-making; collaboration with the chief data officer (CDO); the Environmental, Social and Governance (ESG) risk framework, and updates to the President's Management Agenda (PMA). The panelists represented a wide spectrum of organizations, including federal and local governments, private enterprises, and nonprofits. Their presentations detailed progress made over the last several years, enumerated challenges ahead, and shared information on initiatives designed to overcome the challenges.

TOP 10 TAKEAWAYS

The top 10 takeaways from this day of learning include:

1 Strategic planning is essential in organizing evidence-building activities.

2 The resources for evidence-building are there if you look hard enough.

3 Agencies budget for evidence-based decision-making.

4 Leaders foster a culture of data- and evidence-building.

5 Leaders emphasize the mission in the drive for a data culture.

6 Leaders create an environment in which data talent and expertise can flourish.

7 Evidence-building is everyone's job.

8 Storytelling strengthens evidence-building and helps rebuild trust.

9 Standardized, machine-readable, auditable ESG data are critical to accurate reporting and decision-making.

10 As employees return to work, measure and monitor their workforce engagement.

Progress and Opportunities Toward Evidence-based Program Decisions

Panelists: Nichole Dunn, Vice President for Federal Policy, Results for America; Diana Epstein, Evidence Team Lead, U.S. Office of Management and Budget; and Matt Sokol, Interim Chief Data Officer, Government of the District of Columbia

Moderator: Mary Goldsmith, National Federal Sector Director, RSM

In the first session, Mary Goldsmith of RSM set the stage for the summit with a discussion of the Evidence Act, its importance, and examples of the way organizations manage its demands four years after enactment. Nichole Dunn, Vice President for Federal Policy at Results for America, highlighted the progress recognized at all levels of government by using data and evidence for better decision-making. She emphasized the positive impact of federal actions to support the capacity of state and local governments to utilize data and evidence effectively.

Diana Epstein, Evidence Team Lead at the U.S. Office of Management and Budget (OMB), shared exciting developments in the implementation of the Evidence Act and the need for agencies to think systematically about building evidence. She emphasized the importance of a strategic framework for organizing and prioritizing evidence-building efforts. Matt Sokol, Interim CDO of the District of Columbia, discussed various ways the district follows federal government activities, requirements, and resources to drive agency results and promote data-driven decision-making. He emphasized the importance of breaking down silos and fostering a culture of decision-making based on data and evidence.

An interesting thread in the summit discussions was the reluctance of some to embrace evidence-based policymaking. Dunn pointed to certain professionals who consider setting aside funds for evaluation "taking money away from children." On the other hand, she argued, it is a problem when organizations do not assess the extent to which a program reaches targeted children and whether

it is making an impact. When asked which agencies cause problems for OMB, Epstein cautioned, "Even though an agency may be a problem child, pockets of excellence will be there somewhere."

Panelists stressed the need for inclusivity in evidence-building and to engage communities from the outset. They highlighted the importance of building evidence into existing reporting processes and the challenges for agencies undergoing modernization efforts. The session concluded with a discussion on resources available to support evidence-building efforts. Dunn reminded summit participants that funding from the American Rescue Plan can be used for data infrastructure, staff capacity, and evaluations. "Evidence-building should be everyone's job," Epstein added, "not just the evaluation team. Ultimately, it will help everyone do their job better, including service delivery folks."

The panel referenced a number of external resources. Dunn discussed budget proposals related to evidence-building. In fact, two chapters in the Analytical Perspective Volume of President's Budget dive into the Administration's evidence building efforts: Building and Using Evidence to Improve Government Effectiveness and Leveraging Federal Statistics to Strengthen Evidence-based Decisionmaking, Nichole referenced evidence building resources available through the American Rescue Plan, one example of which is explicit guidance related to investment in use of evidence called out in Department of the Treasury guidance related to State and Local Fiscal Recovery Funds.

Working with Chief Data Officers to Advance Your Mission

Panelists: Scott Gibbons, Chief Data Officer, U.S. Department of Labor and Ted Kaouk, Chief Data Officer, Office of Personnel Management

Moderator: Alex Beck, Data Science Senior Consultant, Guidehouse

The panel in the second session was moderated by Alex Beck, Data Science Senior Consultant at Guidehouse, and included Ted Kaouk, CDO of the Office of Personnel Management and Chair of the CDO Council, and Scott Gibbons, CDO of the U.S. Department of Labor. They discussed the role of CDOs in advancing the missions of public sector organizations.

Kaouk discussed challenges for CDOs in diverse agencies and their focus on addressing workforce-related issues. He highlighted the importance of data sharing, breaking down data silos, and leveraging shared services. Gibbons shared his experience as a CDO and noted the importance of understanding the current state of data before implementing data governance. He also emphasized the need for collaboration and peer reviews to improve data quality and identified culture change as a critical factor in building a data-driven environment. Rather than focusing on mandatory training, he added, focus on need: "We want the data functions to be something that causes staff to say, 'It resonates with me; it helps me do my job better.'"

The panel underscored the involvement of all employees in evidence-building efforts. Their discussion also explored roadblocks in hiring and retaining data professionals in the federal government and the value of a work environment that is conducive to success: "If we don't have the environment and the tools to succeed, they won't stay." Discussion concluded with an overview of technological developments and the potential of new technologies, such as generative AI, in data usage to bring transformational impact.

The panel referenced a number of critical resources, such as the CDO Council's 2022 Report to Congress, which details a range of activities the Council undertook to try to strengthen federal evidence-building efforts. They also discussed a recent GAO report that lauded the CDO Council for taking significant actions in each of its statutory obligations. Kaouk pointed to the recent release of OPM's Data Strategy and Data Dashboards. Taken together, he explained, they are intended to have a transformative effect on agencies, "lifting up the use of data and advanced analytics across agencies and their partners to new heights in data-driven and evidence-based decision-making." Finally, the audience was directed to the CDO Playbook, which is intended to explore and define the CDO role.

Use ESG to Measure Federal Performance

Panelists: Ashley Nelle-Davis, Director of Special Projects, Data Foundation and Zach Liscow, Chief Economist, U.S. Office of Management and Budget

Moderator: Corinne Dougherty, Partner, KPMG

The third session panel, moderated by Corrine Dougherty, a Partner at KPMG., included Ashley Nelle-Davis, Director of Special Projects at the Data Foundation, and Zach Liscow, OMB's Chief Economist. Discussion covered the measurement and monitoring of organizational ESG performance, as well as efforts to advance Diversity, Equity, Inclusion and Accessibility.

Liscow opened with a sobering overview of challenges in measuring ESG and the paucity of recourses for it in the U.S. Nelle-Davis stressed the importance of standardized, machine-readable, and auditable ESG data for accurate reporting and decision-making. She also reviewed challenges in data reporting, including the lack of common definitions and standards, and called for cultural change to promote the disclosure of ESG information. The entire panel emphasized the need for collaboration across the public and private sectors in developing agreed-upon standards and frameworks.

Liscow shared information about White House initiatives to reduce greenhouse gas emissions and incorporate climate effects into budgeting and forecasting. He noted challenges in climate modeling and the need for continuous learning and improvement. Panelists discussed difficulties in measuring human capital and the current scarcity of methodologies for measuring impact in the private sector, and they reviewed the Federal Accounting Standards Advisory Board's efforts in this arena, pointing to its Climate-Related Financial Reporting Project.

The initiatives and resources referenced in this session underpin ambitious White House initiatives in climate and staffing. Executive Order 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*; Executive Order 14035, *Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce*; and Executive Order 13990, *Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis*. The session shed light on the intersection of these policy initiatives with advancements in evidence-based government decision-making.

Update on White House Initiatives

Panelist: Loren DeJonge Schulman, Associate Director, Performance & Personnel Management, U.S. Office of Management and Budget

Moderator: Sarah Cunningham, Director, Summit Consulting

Summit Consulting's Sarah Cunningham led the fourth session discussion with Loren DeJonge Schulman, OMB Associate Director for Performance and Personnel Management, who provided the latest information on White House initiatives related to evidence-based decision-making and performance improvement. She emphasized the importance of storytelling and evidence in transforming government operations and suggested the PMA initiatives are "ingredients in rebuilding trust, a vital part of a strong democracy."

Schulman expounded on the role of "knowledge mobilizers" in the public sector who translate insights into important decisions and highlighted three PMA pillars:

1. Strengthening the Federal Workforce,

2. Improving Federal Services and the Citizen Experience,

3. Managing the Business of Government.

Discussion explored ways to enhance federal finance and data capabilities, nurture a culture of evidence-based policymaking, and include initiatives in agency budgets. Schulman emphasized an urgent need for effective storytelling to communicate data effectively and avoid buzzwords and jargon. She said investing in data and evidence capabilities and training leaders and decisionmakers to interpret data effectively are vital tasks.

In reviewing recent guidance from OMB, "Measuring, Monitoring, and Improving Organizational Health and Organizational Performance in the Context of Evolving Agency Work Environments," (M-23-15), Schulman described the evidence-based approach OMB encourages agencies to take as they design their future of work. She urged summit participants to evaluate employee management tools and capabilities, improve data collection and use, and measure the impact of policies on employee engagement and outcomes.

Conclusion

The 2023 AGA PIO/CFO Summit offered a breadth of valuable insights into evidence-based decision-making, collaboration with CDOs, data-driven ESG and DEIA initiatives, and promoting a culture of evidence and performance improvement in the federal government. The event remains an important juncture for the performance improvement and financial management communities to convene to share what's working and what's ahead in these important fields.

PIO/CFO Summit Sponsors

Thanks to our sponsors

AGA

www.agacgfm.org