13 PROGRAM EVALUATION

Fundamental to public support of innovation (Chapter 3) is the public sector's awareness of its accountability of its use of public resources. The concept of public accountability can be traced as far back as President Woodrow Wilson's reforms, and in particular to the Budget and Accounting Act of 1921.[1] This Act of June 10, 1921 not only required the President to transmit to Congress a detailed budget on the first day of each regular session, but also it established the General Accounting Office (GAO) to settle and adjust all accounts of the government. We note this fiscal accountability origin because the GAO has had a significant role in the evolution of accountability-related legislation during the past decade.

What follows is a review of the legislative history of initiatives that falls broadly under the rubric of public accountability. As Collins (1997, p. 7) notes:

> As public attention has increasingly focused on improving the performance and accountability of Federal programs, bipartisan efforts in Congress and the White House have produced new legislative mandates for management reform. These laws and the associated Administration and Congressional policies call for a multifaceted approach—including the provision of better financial and performance information for managers, Congress, and the public and the adoption of integrated processes for planning, management, and assessment of results.

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[1] This section draws from Link and Scott (1998b), Link (1999b), and Link and Scott (2005a).

Fundamental to any evaluation of resources allocation to any program is the recognition that the institution allocating the resources or administering the program is accountable to the public—that is to taxpayers—for its activities. With regards to technology-based institutions, this accountability refers to being able to document and evaluate research performance using metrics that are meaningful to the institutions' stakeholders, meaning to the public.

PERFORMANCE ACCOUNTABILITY

Chief Financial Officers Act of 1990

The GAO has a long-standing interest and a well documented history of efforts to improve governmental agency management through performance measurement. For example, in February 1985 the GAO issued a report entitled "Managing the Cost of Government—Building An Effective Financial Management Structure" which emphasized the importance of systematically measuring performance as a key area to ensure a well-developed financial management structure.

On November 15, 1990, the 101st Congress passed the Chief Financial Officers Act of 1990. As stated in the legislation as background for this Act:

> The Federal Government is in great need of fundamental reform in financial management requirements and practices as financial management systems are obsolete and inefficient, and do not provide complete, consistent, reliable, and timely information.

The stated purposes of the Act are to:

(1) Bring more effective general and financial management practices to the Federal Government through statutory provisions which would establish in the Office of Management and Budget a Deputy Director for Management, establish an Office of Federal Financial Management headed by a Controller, and designate a Chief Financial Officer in each executive department and in each major executive agency in the Federal Government.