

# **CIRCULAR NO. A-11**

## **PART 6**

### **PREPARATION AND SUBMISSION OF STRATEGIC PLANS, ANNUAL PERFORMANCE PLANS, AND ANNUAL PROGRAM PERFORMANCE REPORTS**



**EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
JUNE 2008**



**SECTION 200—OVERVIEW OF STRATEGIC PLANS, PERFORMANCE BUDGETS, AND  
PERFORMANCE AND ACCOUNTABILITY REPORTS**

**Table of Contents**

- 200.1 Overview
- 200.2 What do I need to know about complying with the Government Performance and Results Act?
- 200.3 Definitions
- 200.4 What is the FY 2008 Pilot Program for Alternative Approaches to Performance and Accountability Reporting?
- 200.5 Applicability

**Summary Schedule**

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| Updated and revised strategic plan sent to Congress and OMB.....                                  | within three years of the date of transmittal of the previous updated and revised strategic plan to Congress |
| FY 2010 performance budget to OMB.....  | September 10, 2008   |
| FY 2010 performance budget completed .....  | TBD  |
| FY 2008 Performance and Accountability Reports to President and Congress.....                     | by November 17, 2008   |
| FY 2008 Annual Financial Reports to President and Congress (pilot agencies) .....                 | by November 17, 2008   |
| FY 2008 Budget, Performance, and Financial Snapshot due to OMB                                    | December 15, 2008  |
| FY 2008 Citizens' Reports Published.....  | January 15, 2009   |
| FY 2008 Performance and Financial Highlights to Congress and the President (pilot agencies) ..... | TBD  |
| FY 2010 congressional justification (incorporating performance budget) sent to Congress.....      | TBD  |
| FY 2008 Annual Performance Report to President and Congress (pilot agencies) .....                | TBD  |
| Interim adjustments to strategic plans sent to Congress.....                                      | TBD<br>(with performance budget for FY 2010)   |

Agencies should note that OMB Circular No. A-19 on legislative coordination and clearance applies to plans and reports sent to Congress.

## **200.1 Overview.**

Strategic plans, annual performance plans, and annual program performance reports comprise the main elements of the Government Performance and Results Act (GPRA, or the Results Act). (See, 31 U.S.C. § 1115.) Together, these elements create a recurring cycle of reporting, planning and execution. Performance measures included in these plans should be consistent with those used in PART assessments.

Agencies should prepare performance budgets in lieu of the annual performance plans that satisfy all statutory requirements for the annual performance plan. Please see sections [51](#) and [220](#) for further information on performance budgets. Section [230](#) covers the preparation and submission of annual performance reports, which are included in the performance and accountability report (PAR) or the Congressional Justification/Performance Budget for agencies that participate in the PAR pilot.

## **200.2 What do I need to know about complying with the Government Performance and Results Act?**

Performance-based management and budgeting begins with an overarching strategic plan. Such plans are required by the Government Performance and Results Act (see, 31 U.S.C. § 1115). In addition to a strategic plan, GPRA requires agencies to prepare related annual performance plans and annual performance reports (See, 31 U.S.C. § 1115). The legal requirements for an annual performance plan are met by a performance budget. The annual performance report requirement will be fulfilled by either the annual performance and accountability report (PAR) or by the Congressional Budget Justification for agencies that participate in the PAR pilot.

Sections 200–230 contain a comprehensive discussion of the requirements for these plans and reports. Agencies are asked not only to meet the basic requirements, but to describe the relationship between the results they expect to achieve and the resources they are requesting.

The Performance Assessment Rating Tool (PART) is a vehicle for achieving the goals of the Government Performance and Results Act. Section 2(b) of the Government Performance and Results Act of 1993 identified the following purposes of the Act:

- Improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;
- Initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;
- Improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;
- Help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;
- Improve Congressional decision-making by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending; and
- Improve internal management of the Federal Government.

The PART strengthens and reinforces performance measurement under GPRA by encouraging careful development of performance measures according to the outcome-oriented standards of the law and by requiring that agency goals be appropriately ambitious. All PARTed programs also have improvement plans that should be ambitious, include actions with completion dates and designed to improve program results. Performance measures included in GPRA plans and reports and those developed or revised through the PART process must be consistent. When developing performance measures, agencies should consult with stakeholders, as appropriate.

Agency performance plans and reports vary in their level of detail and how they address the different programs the agency operates. When annual plans and reports include programs that have been assessed in the PART, the measures used for GPRA should be the same as those included in the PART. In all cases, performance measures included in GPRA plans and reports should meet the standards of the PART—they must be outcome oriented, relate to the overall purpose of the program, and have ambitious targets.

### **200.3 Definitions.**

***Strategic Goal or Strategic Objective.*** A statement of aim or purpose included in a strategic plan (required under GPRA). In a performance budget/performance plan, strategic goals should be used to group multiple program outcome goals. Each program outcome goal should relate to and in the aggregate be sufficient to influence the strategic goals or objectives and their performance measures.

***Program.*** A “program” shall be designated to include any organized set of activities directed toward a common purpose or goal that an agency undertakes. The term may describe an agency’s mission, functions, activities, services, projects, and processes, and is defined as an organized set of activities directed toward a common purpose or goal that an entity undertakes or proposes to carry out its responsibilities. The Government Performance and Results Act of 1993 requires that the Annual Performance Report (see, 31 U.S.C. § 1115) contain information on program evaluations that are relevant to the agency’s efforts to achieve goals and objectives identified in its Strategic Plan or to performance measures and goals reported at the agency level. The evaluations identified should have been performed with sufficient scope, quality, and independence as defined in guidance for the Program Assessment Rating Tool (PART). The Performance Improvement Officer, established by Executive Order 13450 of November 13, 2007, will independently determine whether evaluations meet PART criteria for scope, quality and independence. Although agencies may cite rigorous evaluations commissioned independently by organizations such as the Government Accountability Office, Office of the Inspector General, or other groups, these evaluations should not completely supplant rigorous evaluations commissioned by the agencies themselves.”

***Performance Goal.*** A target level of performance over time expressed as a tangible, measurable objective, against which actual achievement can be compared. A performance goal is comprised of a performance measure with targets and timeframes.

***Performance Measures.*** Indicators, statistics or metrics used to gauge program performance.

***Target.*** Quantifiable or otherwise measurable characteristic that tells how well or at what level a program aspires to perform.

***Outcome Measures.*** Outcomes describe the intended result of carrying out a program or activity. They define an event or condition that is external to the program or activity and that is of direct importance to the intended beneficiaries and/or the public. For a tornado warning system, outcomes could be the number of lives saved and property damage averted. While performance measures must distinguish between outcomes and outputs, there must be a reasonable connection between them, with outputs supporting (i.e., leading to) outcomes in a logical fashion.

**Output Measures.** Outputs describe the level of activity that will be provided over a period of time, including a description of the characteristics (e.g., timeliness) established as standards for the activity. Outputs refer to the internal activities of a program (i.e., the products and services delivered). For example, an output could be the percentage of warnings that occur more than 20 minutes before a tornado forms.

**Citizens' Report.** A document that summarizes key performance and financial results from the prior year in a brief, user-friendly format that can be easily understood by a novice reader with little technical background in these areas.

**Efficiency Measures.** Effective programs not only accomplish their outcome performance goals, they strive to improve their efficiency by achieving or accomplishing more benefits for a given amount of resources. Efficiency measures reflect the economical and effective acquisition, utilization, and management of resources to achieve program outcomes or produce program outputs. They may also reflect ingenuity in the improved design, creation, and delivery of services to the public, customers, or beneficiaries by capturing the effect of intended changes made to outputs aimed to reduce costs and/or improve productivity, such as the improved targeting of beneficiaries, redesign of goods or services for simplified customer processing, manufacturability, or delivery.

**Program Assessment.** A determination, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.

**Performance Budget.** A budget presentation that clearly links performance goals with costs for achieving a target level of performance. In general, a performance budget links strategic goals with related long-term and annual performance goals (outcomes) as well as with the costs of specific activities to influence these outcomes about which budget decisions are made.

For additional information on developing performance measures and definitions, please see [www.whitehouse.gov/omb/part/](http://www.whitehouse.gov/omb/part/) for Instructions for Completing the PART, Examples of Performance Measures, and Performance Measurement Challenges and Strategies.

#### **200.4 What is the FY 2008 Pilot Program for Alternative Approaches to Performance and Accountability Reporting?**

For FY 2007, eleven agencies elected to participate in a pilot to produce an alternative to the consolidated Performance and Accountability report (PAR). The pilot will continue in FY 2008 to allow agencies to explore different formats to enhance their presentation of performance and financial information. The goal of the pilot is to make the performance and financial information more meaningful and transparent, and therefore more accessible to the public.

Agencies participating in the pilot will produce an Agency Financial Report (AFR) on November 17. The AFR will include at a minimum the high level performance information in the Management Discussion and Analysis. The detailed annual performance reporting information required by the Government Performance and Results Act (see, 31 U.S.C. § 1115) will be included in the agency's Congressional Budget Justification and published with the President's FY 2010 budget. Agencies participating in the pilot will also prepare a Citizens' Report document summarizing key performance and financial information. Additional guidance on the PAR pilot and the Highlights document is provided in Section 230.

#### **200.5 Applicability.**

For the purposes of sections 220 and 230 of this Circular, "agency" means cabinet departments and other establishments of the Federal Government, including independent agencies and Government corporations.

**SECTION 200—OVERVIEW OF STRATEGIC PLANS, PERFORMANCE BUDGETS,  
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A Government corporation is a corporation owned or controlled by the Federal Government. The Legislative Branch and the Judiciary are not subject to GPRA requirements.

Except as noted below, agencies are required to submit strategic plans, annual performance budgets, and annual performance and accountability reports to the President, Congress, and OMB in accordance with these instructions. The Central Intelligence Agency and the Postal Rate Commission are not subject under this statute to the requirements for strategic plans, annual performance plans, or program performance reports. However, to ensure the best use of taxpayer resources, the CIA, as well as the rest of the Intelligence Community has agreed to produce these documents in accordance with these instructions. These instructions also do not apply to the Postal Service; preparation and submission of the Postal Service's strategic plan and performance plan are covered by section 7 of GPRA.

OMB may exempt independent agencies with \$20 million or less in annual outlays from the requirements for a strategic plan, annual performance plan (performance budget), and annual program performance report. GPRA does not authorize any exemption of a component of a department or independent agency, such as a bureau or office that annually spends \$20 million or less.

