Managing For Results

Budget and Performance Integration: Program Performance Assessment

Office of Management and Budget
June 2002

"Government should be results-oriented - guided not by process but guided by performance. There comes a time when every program must be judged either a success or a failure. Where we find success, we should repeat it, share it, and make it the standard. And where we find failure, we must call it by its name. Government action that fails in its purpose must be reformed or ended."

Governor George W. Bush
Philadelphia
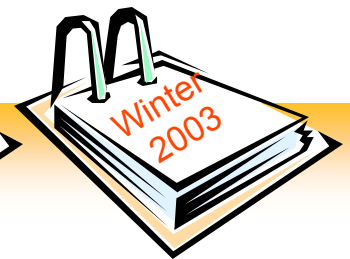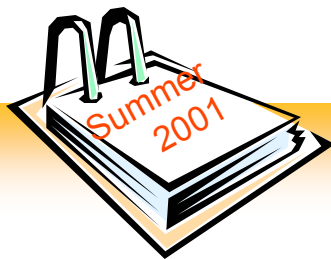June 9, 2000
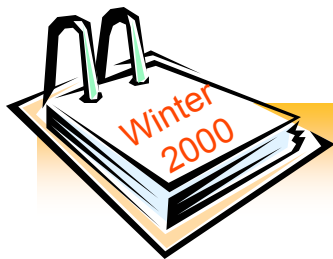
MANAGING FOR RESULTS WHERE WE ARE

George W. Bush Campaigns on Getting Gov. Accountable to Perform

President's Management Agenda

FY 2003 President's Budget

Program Assessment Rating Tool (PART Developed)

FY 2004 President's Budget

Winter 2000

Summer 2001

Winter 2002

Spring 2002

Winter 2003

The President's Management Agenda (PMA)

The PMA consists of five cross-cutting initiatives:

- Strategic Management of Human Capital

- Competitive Sourcing

- Improved Financial Performance

- Expanded Electronic Government

- **Budget and Performance Integration**

Budget and Performance Integration

Agencies are performing a number of activities to "get to green":

- Common Measures
  - ∗ Establishes performance measures to compare federal programs with similar goals

- Full Cost Budgeting
  - ∗ Agency capacity to describe the full cost, at the margin, of getting results. The agency must be able to articulate the costs of increments of change and the unit costs of achieving outcomes

- Government Performance and Results Act (GPRA)
  - ∗ Revision of GPRA Plans over the next two years

- **Program Performance Assessment**

  - ∗ **Program Assessment Rating Tool (PART) measures and diagnoses program performance in four critical areas; agencies work to improve performance.**

Improving Program Performance Ratings For FY 2004

- FY 2003 President's Budget

  ∗ OMB published program performance ratings for over 120 programs and activities

  ∗ This initiative was a good start but needed improvement

- Goals for FY 2004 President's Budget

  ∗ Improve ratings by making them more robust, credible, consistent, transparent and defensible

  ∗ Rate 20% of federal programs, and establish criteria for defining and selecting these programs

  ∗ Establish the Performance Management Advisory Council (PMAC) to assist in implementing this initiative

  ∗ **Develop Program Assessment Rating Tool (PART) to be used by agencies and OMB to rate programs**

Program Assessment Rating Tool (PART)

The purpose of the PART is to:

- Measure and diagnose program performance

- Evaluate programs in a systematic, consistent, and transparent manner

- Inform agency and OMB decisions for management, legislative or regulatory improvements, and budget decisions

- Focus program improvements and measure progress (compare with prior year ratings)

What is the PART?

- Set of questions designed to assess program performance in four critical areas:
  - ✳ Purpose
  - ✳ Strategic Planning
  - ✳ Program Management
  - ✳ Program Results

- Seven tools tailored for seven types of federal programs
  - ✳ competitive grants, block/formula grants, regulatory programs, direct federal programs, procurement programs, credit programs, and research and development

- Rating worksheets translate the analysis into a numeric score to highlight strengths and weaknesses for each area and to rate overall program effectiveness

- Ratings are not determinative but inform the budget process

How does the PART work?

- Asks basic questions about programs in a relatively simple format to maximize consistency in application

- Allows flexibility in weighting of individual questions, as well as skipping questions deemed not relevant, to tailor tool to specific programs

- Requires a yes/no answer with an explanation. Providing evidence of the answer is encouraged.

- Measures program performance relative to a high standard of clear purpose, solid planning, strong management, and demonstrable results

- Reflects the framework established in GPRA: Long-term outcome goals supported by annual performance goals
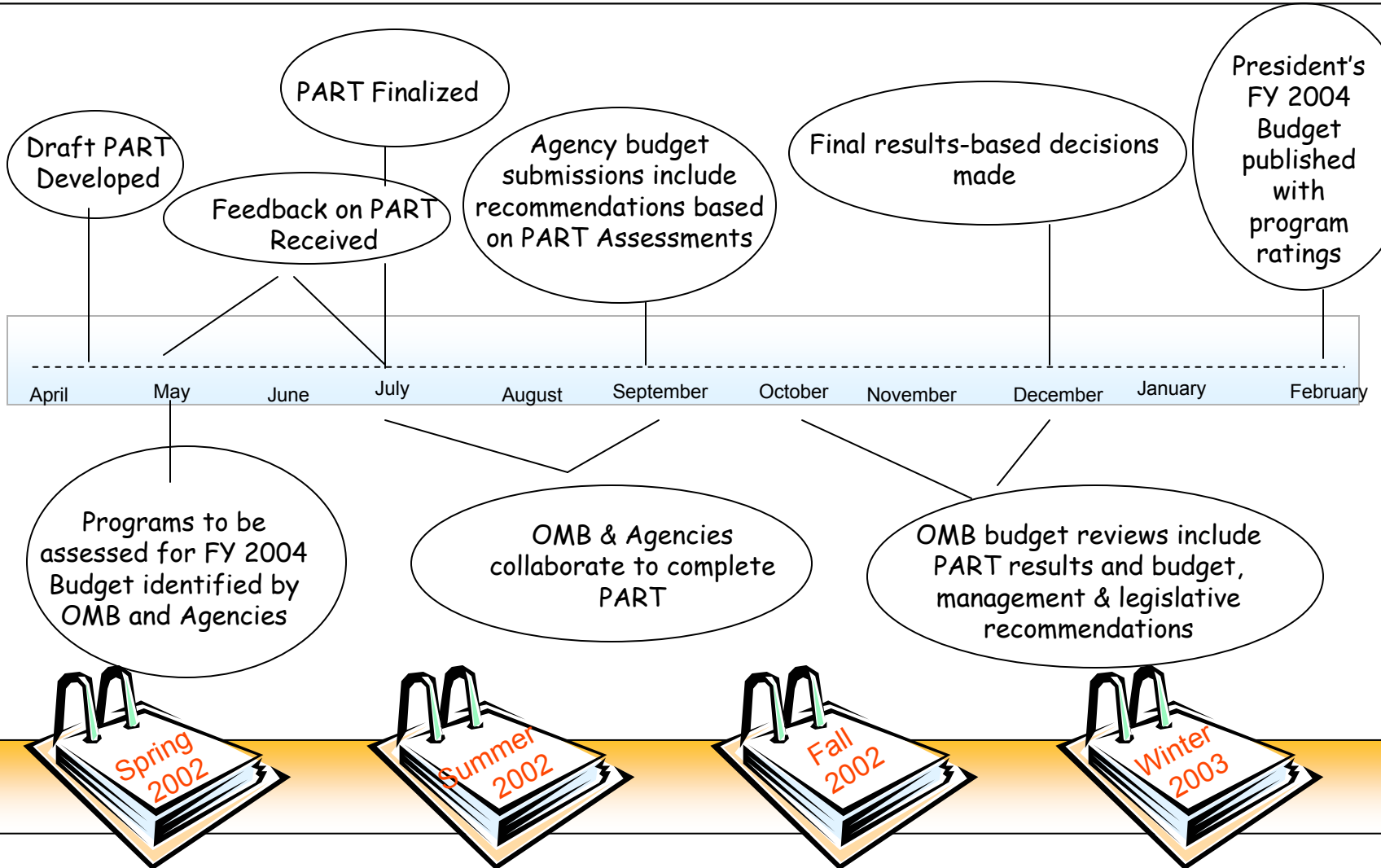
The "P" in PART

- The goal of rating programs is to develop information that will be useful to the budget process. The identification of programs should therefore related to budget decisions.

- Program designations will vary be area, but should generally have the following characteristics:
    * Be an activity or set of activities that is recognized as a program by the public, OMB, and/or Congress
    * Have a discrete funding level associated with it
    * Correspond to the level at which budget decisions are made

The PART and the FY 2004 Budget

- May - July
  - PART vetted inside and outside Executive Branch. OMB conducts "beta test" of PART
  - OMB, in consultation with Agencies, selects 20% of programs to be reviewed

- End of June
  - OMB revises PART after consultation and feedback

- July - September
  - OMB and Agencies collaborate on completing PART for selected programs

- October - December
  - OMB Examiners present PART results with budget and management recommendations to the OMB Director
  - FY 2004 President's Budget includes decisions supported by the PART analyses

- February
  - President's Budget published with program effectiveness ratings.
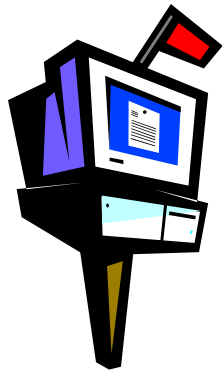
The PART and the FY 2004 Budget

PART Finalized

Draft PART Developed

Feedback on PART Received

Agency budget submissions include recommendations based on PART Assessments

Final results-based decisions made

President's FY 2004 Budget published with program ratings

April	May	June	July	August	September	October	November	December	January	February

Programs to be assessed for FY 2004 Budget identified by OMB and Agencies

OMB & Agencies collaborate to complete PART

OMB budget reviews include PART results and budget, management & legislative recommendations

Spring 2002

Summer 2002

Fall 2002

Winter 2003

12

© 2002 GDSS, INC.

Improving the PART

- OMB is seeking feedback to improve the PART from those who:
  * Use the PART to assess programs
  * Use the ratings to allocate funding
  * Work on performance-based budgeting
  * Are stakeholders in Federal programs

- Extensive Outreach will invite comments from:
  * EXOP including DPC, NEC, OSTP, NSC, and ONDCP
  * Agencies (through the PMC and other OMB contacts)
  * Presidential Council on Integrity and Efficiency (PCIE)
  * Congressional committees
  * General Accounting Office (GAO)
  * Public interest groups

- Feedback can be provided through June 30 at http://hydra.gsa.gov/survey/ombfeedback/ or performance@omb.eop.gov
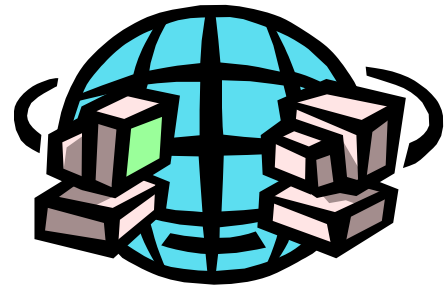
Feedback Channels

Agencies Congress PMC   PMAC Interest Groups Interested Parties

E-mail Mailbox

Internet

performance@omb.eop.gov

http://hydra.gsa.gov/
survey/ombfeedback/