

US DEPARTMENT OF THE INTERIOR

**IMPLEMENTATION PLAN FOR
IMPROVING GOVERNMENT PROGRAM
PERFORMANCE**

(Executive Order 13450)

February 1, 2008

AUTHORITY

Executive Order # 13450 Improving Government Program Performance, November 13, 2007.

ROLES AND RESPONSIBILITIES

The Performance Improvement Officer is responsible for supervising the performance management activities across the Department of the Interior, including:

- Development and improvement of the agency's strategic plans, annual performance plans, and annual performance reports
- Ensuring program goals are aggressive, realistic, and accurately measured
- Regularly convening agency personnel to assess and improve program performance and efficiency
- Assisting the head of the agency in the development and use within the agency of performance measures in personnel performance appraisals, particularly those of program managers

The Performance Improvement Officer is the Deputy Assistant Secretary—Human Capital, Performance, and Partnerships, who chairs the Management Initiatives Team. The Management Initiatives Team is comprised of senior Department office and bureau officials providing a forum for initiating, discussing, recommending, planning, prioritizing, and implementing the President's and the Secretary's management and administrative agenda and policies.

The Deputy Performance Improvement Officer is the Director for the Office of Planning and Performance Management, who is responsible for providing leadership, guidance, and consulting services on strategic planning, performance management, and organizational streamlining to improve programs and operate more efficiently. The Director's responsibilities include implementing the Government Performance and Results Act (GPRA) and chairing the Performance Management Council. This year, under the terms of the Executive Order, the Deputy Performance Improvement Officer will also be initiating the Performance Improvement Team which has bureau representation similar to the Council, but will directly engage more senior management of the bureaus in a centralized forum, with improved opportunities to integrate planning/performance, budget, and financial communities across the bureaus.

STRATEGY FOR IMPROVING PROGRAMMATIC PERFORMANCE

Along with conduct of developing and implementing the Strategic Plan, coordinating Program Assessment Rating Tool (PART) reviews, and preparing Performance and Accountability Reports, the key strategy for improving effectiveness across DOI is to better integrate the performance assessments that are being performed across the Department, and further ensure the continued attention to improving performance throughout all levels of the organization. To promote and facilitate a more performance-oriented culture, a hierarchical process has been developed for senior managers and leadership to more readily assess overall performance and identify areas of success vs. those that need further attention. This more integrated, structured approach allows senior leaders and managers to direct their attention to areas with the greatest potential to improve performance while inspiring further attention to performance improvement at all levels of the organization.

There are already plenty of performance assessments being conducted across the Department's nine bureaus using hundreds of performance measures, including 205 performance measures in the Strategic Plan and approximately 400 performance measures throughout nearly 70 PARTs. Finding areas of success to promote as examples for other programs to follow, and discovering where improvements can be made, involves wading through a sea of data points that is very time consuming and sometimes daunting from an overall perspective. With a more integrated, hierarchical performance overview at

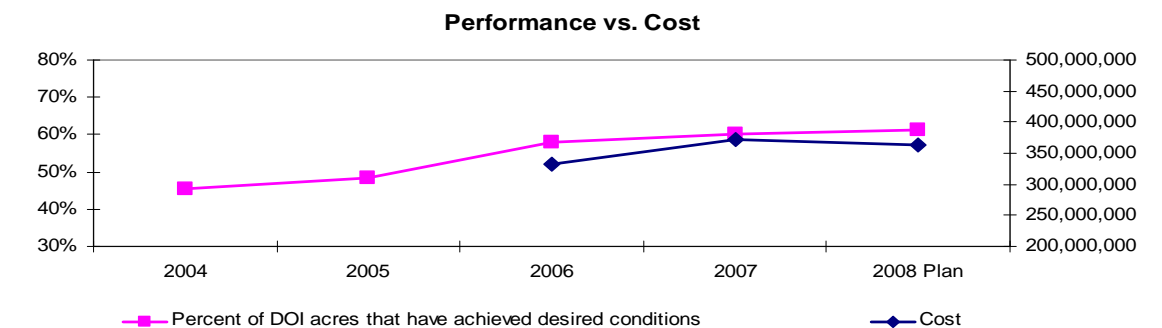
senior levels, attention can be better directed to those areas that offer the greatest potential for performance improvement for further analysis especially during the budget formulation process. By incorporating evaluation of selected candidate programmatic areas for improvement during the budget planning process, performance improvement can be evaluated along with the related funding levels. This level of attention and emphasis to applying performance information, especially during the budget planning process, will also encourage improved use, accuracy and reliability of performance data, and promote the pursuit of continuous programmatic performance improvement.

Key principles:

- Conduct the appropriate scope and detail of the performance assessment at the appropriate level of oversight to facilitate effective decision making
- Better utilize as many existing processes and information as possible, rather than creating new additional data requirements
- Employ a select set of strategic level performance measures as the backbone, or framework of a hierarchical performance assessment construct. These select measures are considered to indicate, or represent, the overall performance across the major programmatic areas, as reflected in the Strategic Plan, and are therefore called Representative Performance Measures
- Utilize the hierarchy of the performance assessment, ensuring linkages from each level in the hierarchy are related to each successive level to provide the supporting details as needed

Use of Representative Performance Measures to assess performance across the Department

The Representative Performance Measures form the backbone of the Department's approach to overseeing performance assessment, planning, and improvement. These select measures were chosen based on their relatively broad scope relative to the goals in the Strategic Plan, compared to other more specifically defined performance measures, and their potential to represent the Department's overall performance from a national or government policy perspective. Our intent is to routinely use these representative measures so that our yearly progress can be tracked more readily with each subsequent Performance and Accountability Report (PAR). We will also use them to identify strategies for performance improvement and possible agency-wide initiatives.



	2004	2005	2006	2007	2008 Plan
Performance	45%	48%	58%	60%	61%
Acres in desired condition	118,862,916	127,055,258	200,715,412	218,864,783	223,492,266
Acres with known condition	262,659,257	263,115,511	345,580,083	364,460,411	364,460,411
Cost (\$)	Not Available	Not Available	333,382,810	372,177,563	364,308,687

Figure 1.1 Example of multi-year Representative Performance Measure with corresponding full costs

The Representative Performance Measures reflect more than the past year's performance by providing a 5-year trend of performance information that relates preceding years to the current year and projects what is planned for the following fiscal year. The corresponding levels of funding provided for each representative measure provides insight into the cost of achieving these results and how the programs have performed relative to the funding spent. An example of one Representative Performance Measures from the FY 2007 Performance and Accountability Report is depicted in Figure 1.1.

The usefulness of the representative measures is based on their quantity (few) and scope (broad), which provides a more practical tool for overseeing performance from an executive level, while pointing to where further drill-down is needed. Supporting Strategic Plan and PART metrics can be used to hone in on which particular programs should be targeted to improve performance. Most of the PARTs are related to the Representative Performance Measures through a comparable performance measure. A few PARTs are not covered directly with a comparable performance measure in that they involve externally directed block-formula grants, including Indian self determination funds, where the Department has no authority to define specific details as to what the funds purchase, but rather to ensuring that they are used responsibly and effectively in a relatively more general sense.

Figure 1.2 displays how the Representative Performance Measures relate to the larger number of more narrowly-defined Strategic Plan and PART measures. An outline of the full set of the Representative Performance Measures with the Department's Strategic Plan goal structure and corresponding PARTs is provided at the end of the report in Figures 2.1 and 2.2.

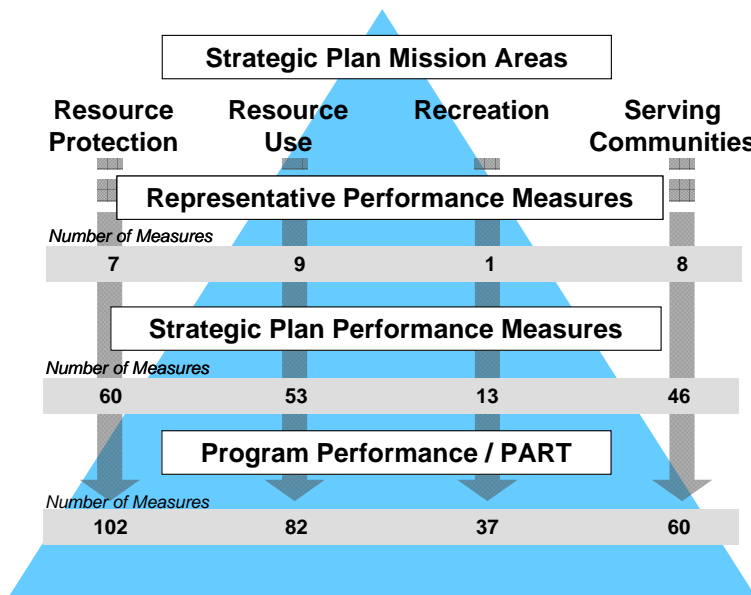


Figure 1.2 Relationship of Representative Performance Measures to Strategic Plan Measures and Relevant PARTs

Capturing the costs of performance and calculating direct funding

While the present costs provided with each representative performance measure reflect the full cost of achieving performance, including the indirect institutional costs, overhead, and effects of depreciation, it is necessary to separate out the direct costs associated with each added increment of performance. These incremental costs represent the direct program funds that need to be added to specific budget activities to achieve an increase in programmatic performance. While most bureaus can calculate their full costs associated with the performance measures and identify the increment of funding that needs to be added to budget activities to achieve more performance, a centralized system for capturing this information in a consistent manner across the bureaus is needed. Ideally, the system will capture cost information based

on the existing ABC work activities and provide the resulting incremental direct funding in terms of the present Congressionally-approved budget activity structure.

DEPARTMENT-WIDE PERFORMANCE ASSESSMENT PROCESS

Annually

Based on performance reported in the PAR, performance measures will be placed into one of the following categories, considering the results relative to the funding spent:

- a) Positive performance
 - o increasing performance results while costs are level or decreasing
 - o level performance results while costs are decreasing
 - o performance results are decreasing, but less than costs are decreasing
- b) Sustained performance
 - o Sustained (“level”) performance and costs
 - o Trends in performance and costs change similarly (appear parallel to each other graphically)
- c) Challenged performance
 - o level or decreasing performance results while costs are increasing
 - o performance results and/or cost data is incomplete and/or questionable
 - o level of accomplishment could be perceived as low

In the annual planning cycle, programs under those measures categorized as “challenged” will be reviewed to determine if changes in funding, management, and/or program scope could help achieve greater levels of performance for less or the same level of funding. In regards to proposing changes in funding, a proposal to increase funding does not necessarily require an augmentation to the agency total, but could involve a redistribution of funds among a collection of programs. Reviewing these potential opportunities for improvement as part of the budget planning cycle allows for a thorough review of findings and resulting recommendations by all the appropriate levels of management and leadership, without creating a separate planning process. During the review process, both performance and the related costs would be quantified and considered together.

Quarterly

- a) Bureaus
 - conduct internal assessment of progress (e.g., by each region) being made toward achievement of performance targets, need for program or funding adjustments to improve likelihood of achieving the target, and completion of PART follow-on actions
- b) Department
 - conduct assessment through the Performance Management Council of likelihood of achieving performance targets coupled with the need for program or funding adjustments to improve that probability, and completion of PART follow-on actions
 - present progress in conducting the analysis of the potential for increasing performance at same or less funding for representative performance measures identified as “challenged”; report on any other activities underway in the program or bureau that is realizing an improvement in performance
 - discuss findings with Performance Improvement Team, composed of bureau deputy directors and chaired by the Deputy Performance Improvement Officer
- c) Senior Leadership
 - report to the Management Initiatives Team or Management Excellence Council on progress being made primarily against the Representative Performance Measures and completion of PART follow-on actions

IMMEDIATE TASKS FOR FY 2007/2008:

a) Improve Public Visibility/Understanding: Create a more effective/readable annual performance assessment in the Performance and Accountability Report

This year the Department produced a more complete and readily understandable performance assessment in its Management's Discussion and Analysis of the 2007 Performance and Accountability Report (PAR) utilizing the Representative Performance Measure construct. The Representative Performance Measures reflect more than just that past year's performance by providing a 5-year trend of performance information that relates the preceding years to the current year and projects what is planned for the next year. The corresponding costs are provided for each representative measure to provide insight into the amount of funding necessary to achieve these results and how the programs have performed relative to the funding spent. While there are only 26 Representative Performance Measures, the supporting lower levels of detail are accessible on an enclosed compact disk, the Department's website, and ExpectMore.gov / PARTWeb.

A FY 2007 PAR Highlights Report was distributed in January, 2008, as a model of what a PAR could look like in the future: the printed report provides a clearer overview for the typical reader supported by the necessary compliance details on a compact disk. This a more public-friendly PAR, while the auditors still have access to all of the data items they need to review without over-complicating the document. Such a PAR could replace and fulfill the need to provide as many as three reports—an annual financial report, an annual performance report, and a highlights report.

b) Create the first FY 2007 Performance Assessment Report to advise the FY 2010 Planning Process

An analysis of the performance results and cost trends from the FY 2007 PAR provided a categorization of the Representative Performance Measures in terms of positive, sustained, or challenged performance. For those programmatic areas characterized under "challenged" performance, bureaus have been asked to analyze the potential to make changes in these areas so as to achieve increases in performance, especially if it can be accomplished without additional funding. These "changes" to the programmatic area could take the form of redistributing funding; changes in management, processes, and/or program priorities/scope. Increasing emphasis on these assessments as part of the annual planning process will also encourage improved collection, verification, and validation of the related information, resulting in increased accuracy and reliability of the performance data.

c) Develop an automated system that integrates the full cost of performance while also providing the marginal direct-program funding component by contributing budget activities or sources

While bureaus have automated systems that relate funding to performance, a Department system is needed to:

- a) integrate the activity based "full" costs across bureaus to appropriate performance measures, particularly Representative Performance Measures
- b) determine the resulting marginal change in funding to specific budget activities which is needed to obtain a different level of performance

APPENDIX

PERFORMANCE ASSESSMENT HIERARCHY

RELATING:
STRATEGIC GOALS
REPRESENTATIVE PERFORMANCE
MEASURES
PARTS

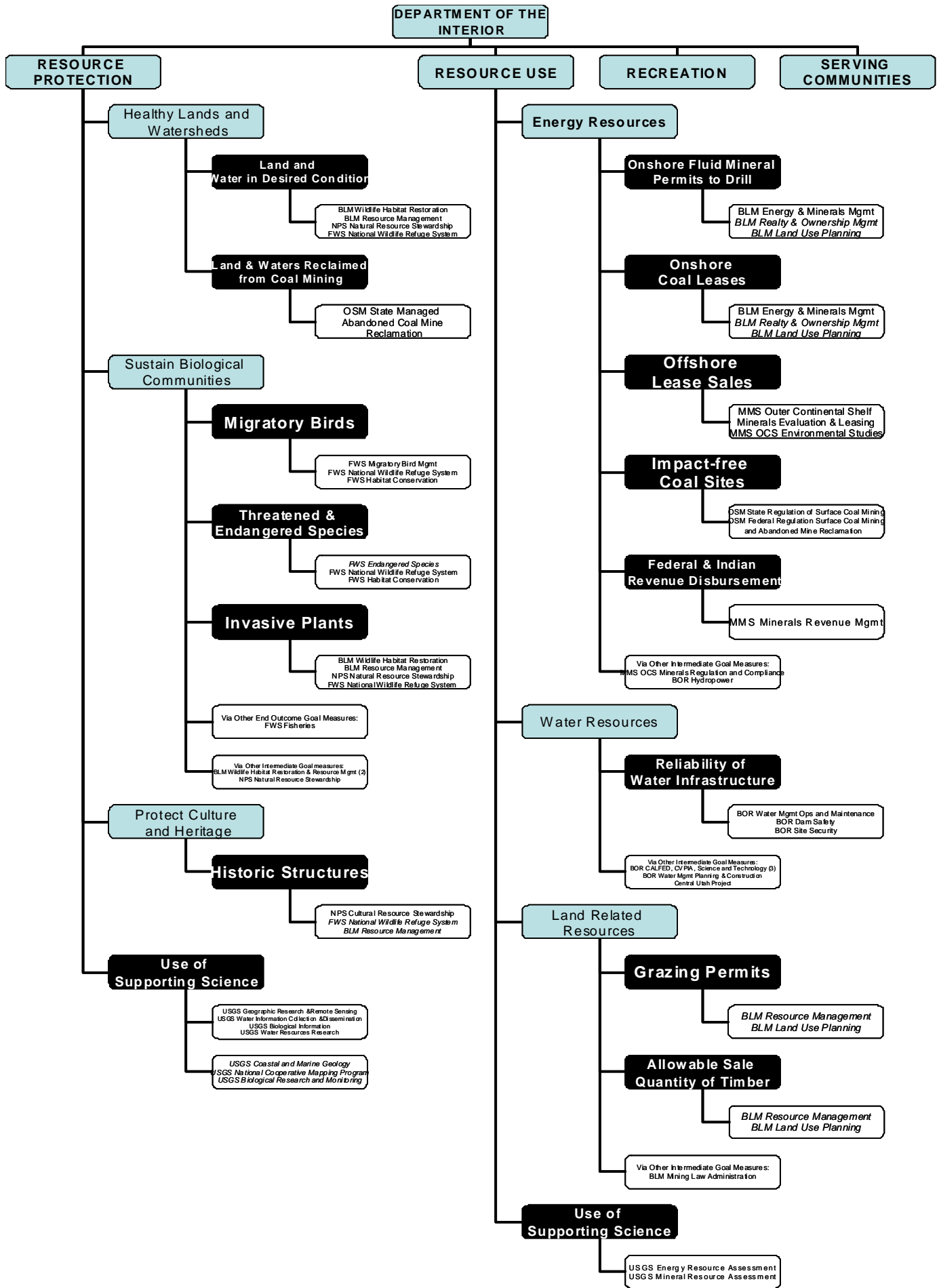


Figure 2.1 Detailed mapping of Representative Performance Measures to Strategic Plan goals and PARTs (Resource Protection and Resource Use Mission Areas only)

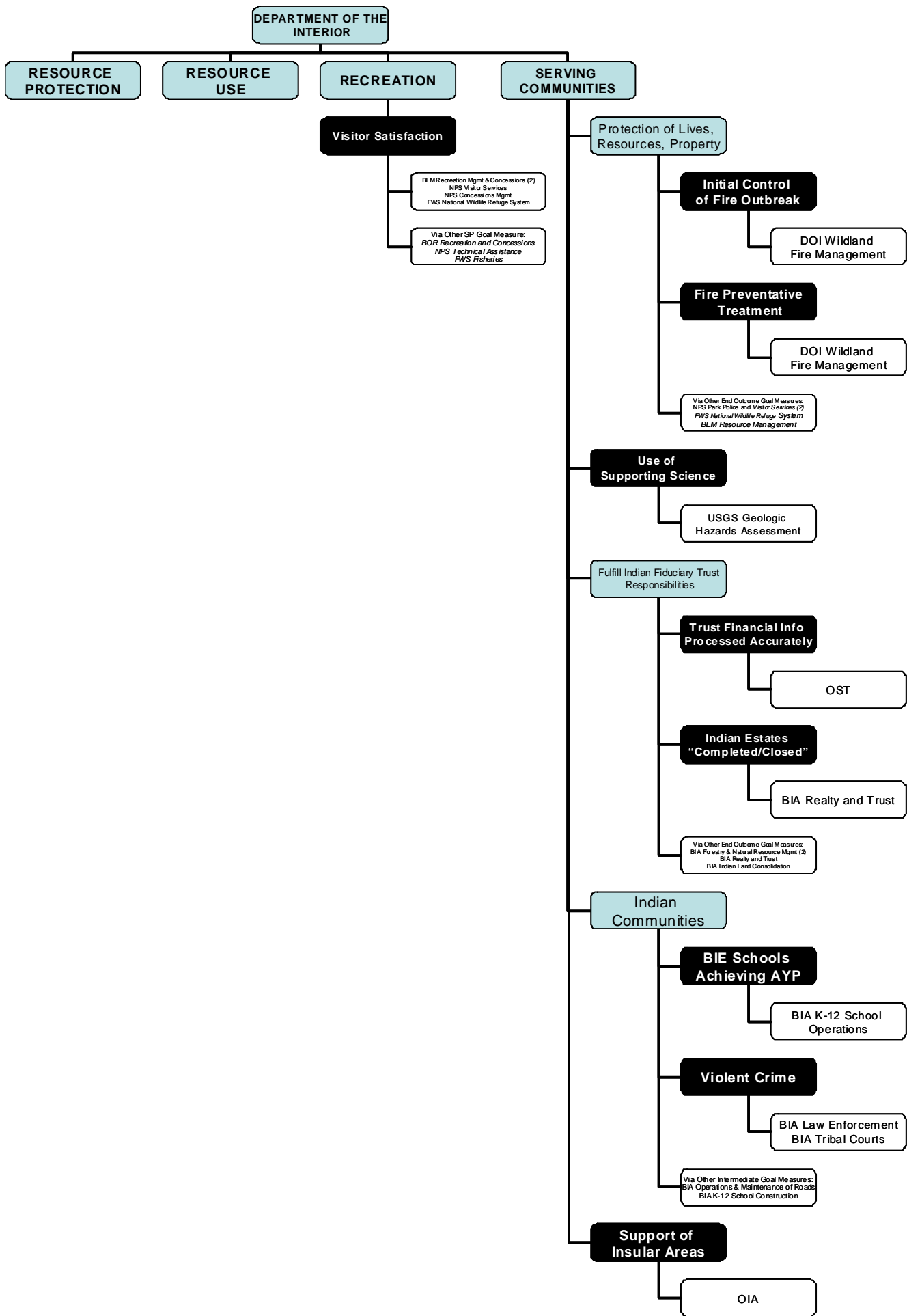


Figure 2.2 Detailed mapping of Representative Performance Measures to Strategic Plan goals and PARTs (Recreation and Serving Communities Mission Areas only)