

# **CIRCULAR NO. A-11**

## **PART 6**

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



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

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## SECTION 200—OVERVIEW OF PERFORMANCE PLANNING AND REPORTING

### Table of Contents

- 200.1 To which agencies do sections 200–240 apply?
- 200.2 A Performance Management Framework
- 200.3 Overview of the GPRA Modernization Act of 2010
- 200.4 What is the purpose of the GPRA Modernization Act of 2010 as compared to GPRA passed in 1993?
- 200.5 What laws are relevant to sections 200–240?
- 200.6 Our agency is subject to special laws or other governing regulations related to our agency’s performance planning or reporting specifically. How do the new GPRA Modernization Act requirements relate?
- 200.7 How is the Executive Order 13450—Improving Government Program Performance of 2007 affected by this guidance?
- 200.8 How will performance planning and reporting change due to the GPRA Modernization Act? When will these changes from document to web-based reporting occur?
- 200.9 May agencies still publish their performance plans and reports in print?
- 200.10 How should agencies engage the public on agency performance? How should performance plans and reports be made available for the public?
- 200.11 Performance Timeline
- 200.12 Definitions

### Summary of Changes

Describes GPRA Modernization Act 2010 (section [200.4](#)).

Describes changes in performance planning and reporting this year, such as how performance information will shift to more dynamic, web-based format instead of delivering in print (section [200.8](#)).

Includes performance planning and reporting timeline (section [200.11](#)).

Defines performance terms related to GPRA Modernization Act (section [200.12](#)).

#### 200.1 To which agencies do sections 200–240 apply?

For the purposes of sections 200-240 of this Circular, "agency" is defined by section 306(f) of title 5, which includes executive departments, [government corporations](#) and independent establishments but does not include the Central Intelligence Agency, the Government Accountability Office, the Panama Canal Commission, the United States Postal Service, and the Postal Regulatory Commission. The Legislative Branch and the Judiciary are not subject to these requirements.

Except for statutory exemption, agencies are required to submit strategic plans, Annual Performance Plans, and Annual Performance Reports to the President, Congress, and OMB in accordance with these instructions. OMB may exempt independent agencies with \$20 million or less in annual outlays from the requirements for a strategic plan, Annual Performance Plan, and Annual Performance Report. The GPRA Modernization Act 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.

Organizational [components](#) of agencies are not considered independent establishments or separate from executive departments, rather are a part of them. Therefore, agency components are not defined as

‘agency’ in the GPRA Modernization Act or in this guidance. Agencies subject to this guidance should work with their components to implement the GPRA Modernization Act in a manner that is most useful to the whole organization.

Sections 200-240 address some implementation of the GPRA Modernization Act; however, OMB will issue other guidance to address Agency Priority Goals, Federal Priority Goals and other topics related to the law.

## **200.2 A Performance Management Framework**

The Administration is focused on three performance improvement strategies that emphasize:

- Using performance information to lead and learn to improve outcomes;
- Communicating performance information clearly and concisely to improve results and transparency; and
- Strengthening problem-solving networks inside and outside government to improve outcomes and performance management practices.

Performance goals and measurement are powerful tools to advance agencies’ missions. Agencies should constantly strive to achieve meaningful progress and find lower-cost ways to achieve positive results. They must be clear about what they are trying to accomplish, explain why it is important, and be disciplined in their delivery. Critical to success is a culture where agencies constantly ask, and try to answer, questions that help them find, sustain, and spread effective programs, practices, and policies that support the agency mission. The GPRA Modernization Act requires agencies to identify and focus on their highest priorities and create a culture where data and empirical evidence play a greater role in policy, budget, and implementation decisions.

## **200.3 Overview of the GPRA Modernization Act of 2010**

On January 4, 2011, President Obama signed the GPRA Modernization Act of 2010. The Act modernizes the federal government’s performance management framework, retaining and amplifying some aspects of the Government Performance and Results Act of 1993 (GPRA) while also addressing some of its weaknesses. The GPRA in 1993 had established strategic planning, performance planning, and reporting as a framework for agencies to communicate progress in achieving their missions. The GPRA Modernization Act establishes some important changes to existing requirements that move toward a more useful approach to performance planning and reporting. The GPRA Modernization Act serves as a foundation for helping agencies to focus on their highest priorities and creating a culture where data and empirical evidence plays a greater role in policy, budget, and management decisions.

## **200.4 What is the purpose of the GPRA Modernization Act of 2010 as compared to GPRA passed in 1993?**

In 1993, the GPRA provided the foundation for performance planning, reporting, and budgeting for federal agencies. The purposes of the GPRA were to:

- 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 goals 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.

In 2010, the purposes of the GPRA Modernization Act were to:

- Apply the latest technologies and lessons learned from nearly two decades of GPRA implementation;
- Modernize and refine the requirements established by GPRA in order to produce more frequent, relevant data which can then inform decision makers and agency operations;
- Codify and strengthens existing resources for performance management, including the Performance Improvement Officers (PIOs) within the federal agencies and the interagency Performance Improvement Council (PIC);
- Lead to more effective management of government agencies at a reduced cost.

#### **200.5 What laws are relevant to sections 200–240?**

Aside from the Government Performance and Results Act of 1993 and the GPRA Modernization Act 2010, several other laws affect agency requirements included in sections 200-240. The first law is the Chief Financial Officers (CFO) Act of 1990 which requires the head of the 24 major executive agencies to prepare and submit to the Director of OMB audited financial statements. The list of agencies identified in the CFO Act is used to identify agencies that must develop Agency Priority Goals under the GPRA Modernization Act. The second law is the Reports Consolidation Act of 2000, which allows agencies to consolidate financial and performance reports. Finally, the Chief Human Capital Officers Act of 2002 (CHCO Act) established the role of the Chief Human Capital Officer's Council to advise and coordinate the activities of its member agencies. The GPRA Modernization Act identifies a role for CHCOs in the preparation of agency performance plans.

#### **200.6 Our agency is subject to special laws or other governing regulations related to our agency's performance planning or reporting specifically. How do the new GPRA Modernization Act requirements relate?**

Agencies that are subject to other governing laws or policies related to their strategic or performance planning and reporting should consider the GPRA Modernization Act requirements an accompaniment to existing requirements. For example, where agencies are authorized under policy or law to keep information secret in the interest of national defense or foreign policy, agencies should continue to follow those existing laws or policies in their performance planning and reporting. If agencies find that the GPRA Modernization Act requirements conflict, they should contact OMB to resolve the issue.

#### **200.7 How is the Executive Order 13450—Improving Government Program Performance of 2007 affected by this guidance?**

The GPRA Modernization Act and related OMB guidance further clarifies and updates Executive Order 13450. Executive Order 13450 established roles and responsibilities of the head of the agency and created Performance Improvement Officers (PIO) in every federal agency and a Performance Improvement Council comprised of PIOs and chaired by the Deputy Director of OMB.

**200.8 How will performance planning and reporting change due to the GPRA Modernization Act? When will these changes from document to web-based reporting occur?**

The GPRA Modernization Act passed in 2010 establishes some important changes to existing requirements. For example, the GPRA Modernization Act requires:

- Quarterly updates via a central, government-wide website on [Agency Priority Goals](#) and [Federal Priority Goals](#).
- Availability of an agency strategic plan, annual plan, and performance updates through a central government-wide website in a standardized, [machine-readable format](#).
- Identification of a full list of agency programs.

To work toward these changes, this year agencies should:

- Update their strategic plan, annual plan, and annual report for the new content required by the GPRA Modernization Act.
- Prepare plans and reports in existing formats, but instead of printing, deliver them electronically except when requested to print for Congress.
- Work with OMB to develop government-wide performance reporting data standards.

In the future, OMB will work with agencies to develop performance data standards to help agencies meet the web-based planning and reporting requirements.

**200.9 May agencies still publish their performance plans and reports in print?**

Agencies should not incur expenses for the printing of performance plans and reports. Rather, agencies should publish plans and reports electronically, until such time that agencies can transition performance reporting to a central, government-wide website in a standardized machine-readable format. It should be noted, however, that the legislation does provide for an exception for Congress, such that upon request agencies should provide Congress with printed versions of their plans and reports.

**200.10 How should agencies engage the public on agency performance? How should performance plans and reports be made available for the public?**

When developing performance plans and reports agencies should consider the core principles identified in the Open Government Directive. Three principles—transparency, participation, and collaboration—are the basic tenets of Open Government. To promote these three principles, agencies shall respect the presumption of openness by publishing information online, consistent with the Federal Records Act, privacy and security restrictions, and other applicable law and policy. Agencies are encouraged to publish information online in an interactive, open format where cost-effective, so that information can be retrieved, downloaded, indexed and searched by commonly used web search applications. Agencies should also consider electronic file formats such as a PDF where more appropriate.

Agencies should establish communications strategies consistent with the Open Government Directive that will engage the public and various stakeholders either through websites, social media, or other

collaborative efforts, taking care to do so at a [reasonable administrative burden](#). It is important that agencies communicate relevant, reliable, and timely performance information within and outside their organizations. Agencies are required to provide more information at a quicker pace and to engage in collaborative efforts with the public.

To enhance transparency of agency performance data, agencies should make information as easy to locate as possible, including prior plans and reports. For example, planning documents such as the human capital and workforce plans, information resources management plans, acquisition plans, or others should be linked, as appropriate, to the strategic plan or annual plan. Agencies should include a link on their main agency webpage to a single page that includes, but is not limited to, the following:

- Strategic Plan
- Performance and Accountability Report or Agency Financial Report and Annual Performance Report
- Annual Performance Plan
- GAO High-Risk Improvement Plans with status of implementation
- Inspector General Audits and Investigative Reports and a method for reporting evidences of waste, fraud, or abuse to the Inspector General
- Program evaluations, studies, and reports
- Links to the central, government-wide performance website, when published

#### **200.11 Performance Timeline**

- June 2011: Agencies with Priority Goals begin quarterly reviews on existing FY 2010–2011 Priority Goals.
- June 2011: Agencies with Priority Goals begin to work with OMB on drafting FY 2012–2013 Priority Goals.
- July 29, 2011: Agencies will notify OMB how they plan to update their agency strategic plan for publication in February 2012.
- September 2011: Agencies submit to OMB, concurrent with the budget,
  - ▶ Draft FY 2013 Annual Performance Plan (includes low-priority program activity list)
  - ▶ Draft FY 2012–2013 Agency Priority Goals (if applicable)
  - ▶ Draft list of unnecessary plans and reports (see new section [240](#))
- October 2011–January 2012: Agencies work to finalize:
  - ▶ FY 2013 Congressional Budget Justifications
  - ▶ FY 2013 Annual Performance Plan
  - ▶ Strategic Plans or Addendums
  - ▶ FY 2012–2013 Agency Priority Goals (if applicable).
- November 15, 2011: FY 2011 Agency Financial Reports (or Performance and Accountability Report) delivered to President and Congress
- December 22, 2011: Draft strategic plans or addendums submitted to OMB for review

- February 2012: Concurrent with release of FY 2013 Budget, agencies deliver to Congress:
  - ▶ Agency FY 2013 Congressional Budget Justifications which should include:
    - FY 2013 Annual Performance Plans
    - FY 2011 Annual Performance Report (for agencies doing Agency Financial Reports)
    - Final Agency Strategic Plans or Addendums
    - FY 2012–2013 Agency Priority Goals (if applicable)

## 200.12 Definitions

**Actionable Information.** Information may be described as facts, news, data or evidence that is sufficiently accurate, timely, and relevant to affect a decision, behavior or outcome.

**Agency.** A–11 Part 6, Sections 200–240, uses the same definition of agency as the GPRM Modernization Act section 306(f) of title 5. This definition of agency includes executive departments, government corporations and independent establishments but does not include the Central Intelligence Agency, the Government Accountability Office, the Panama Canal Commission, the United States Postal Service, and the Postal Regulatory Commission.

**Alternative Form.** The GPRM Modernization Act requires performance goals to be expressed in an objective, quantifiable, and measurable form unless agencies in consultation with OMB determine that it is not feasible. In such cases an “alternative form” performance goal may be used. This requirement applies to performance goals only.

**Agency Financial Report (AFR).** A report on agency end of year financial position that includes, but is not limited to, financial statements, notes to the financial statements, and a report of the independent auditors. The report also includes a performance summary. The Agency Financial Report, combined with an Annual Performance Report, serves as an option to reporting the agency’s end of fiscal year status through a consolidated Performance and Accountability Report.

**Annual Performance Report (APR).** A report on agency performance that is delivered with the Congressional Budget Justification to Congress in February. Alternatively, the APR may also refer to the performance section of the PAR that is published by agencies in November. The APR contains information on the agency’s progress to achieve goals during the past year.

**Annual Performance Plan (APP).** For the purposes of this guidance, Performance Budget is synonymous with Annual Performance Plan. Under GPRM Modernization Act, an agency’s Annual Performance Plan covers each program activity set forth in the budget, identifying the agency’s performance goals and how those goals will be achieved. The plan should be used to structure the agency’s budget submission, or be a part of the agency’s budget submission. The plan clearly links performance goals with resources for achieving a target level of performance on an annual basis. An Annual Performance Plan aligns activities under the agency’s strategic goals, showing budget information for specific activities intended to influence outcomes. The Annual Performance Plan draft is submitted with the agency’s budget in September to OMB and is delivered in final to OMB and Congress as a part of the agency’s Congressional Budget Justification.

**Component (of an agency).** Used to describe organizational units within an agency or its bureaus.

**Crosscutting.** Across organizational boundaries within an agency or across multiple agencies.

**Delivery Partner.** Organizations or entities outside a federal agency that help to provide federal services to the public (e.g., grantees, contractors, non-profits, associations, other agencies etc.)

**Efficiency.** For the purposes of this guidance, efficiency gains in a program may be described as maintaining a level of performance at a lower cost, improving performance levels at a lower cost,



improving performance levels at the same cost, or improving performance levels to a much greater degree than costs are increased.

**Goal.** (or objective) The result or achievement toward which effort is directed. Goals can be long or short-term and may be expressed specifically or broadly. Progress against goals should be monitored using a suite of supporting targets, measures and timeframes. For the purpose of this guidance, there are Agency Priority Goals, Federal Priority Goals, performance goals and strategic goals all of which have uniquely defined properties.

**Goal, Agency Priority.** A limited number of goals, usually 2–8, that are identified by a CFO Act agency. An Agency Priority Goal supports improvements in near-term outcomes, customer responsiveness, or efficiencies, or advances progress toward longer-term outcome-focused goals in the agency’s strategic plan. It is a near-term result or achievement that leadership wants to accomplish within approximately 24 months that relies predominantly on agency implementation (as opposed to budget or legislative accomplishments). Agency Priority Goals reflect the top near-term performance improvement priorities of agency leadership, not the full scope of the agency mission. These were previously referred to as near-term “High Priority Performance Goals” in FY 2011.

**Goal, Federal Priority.** (also referred to as Federal Government Priority Goal) A long-term desired performance improvement for which government-wide goals are set. These include Cross-Agency Priority Goals that are outcome-oriented goals that cover a limited number of crosscutting policy areas, and Management Priority Goals for management improvements in areas such as financial management, human capital management, IT, and others.

**Goal Leader.** The person designated by the agency head, COO, or the Director of OMB, to lead, oversee and be accountable for the implementation of a goal. A goal leader will lay out strategies to achieve the goal, manage execution, regularly review performance and make course corrections when needed. The agency’s goal leaders should be empowered to coordinate across the agency to improve performance.

**Goal, Performance.** A target level of performance against which actual achievement or progress can be compared, preferably expressed as a tangible, measurable objective or as a quantitative standard, value, or rate. This can include goals containing key milestones or goals framed as a position relative to the past or relative to peers.

**Goal, Strategic.** A statement of aim or purpose that is included in a strategic plan. Strategic goals articulate clear statements of what the agency wants to achieve to advance its mission and address, relevant national problems, needs, and challenges. Each performance goal should relate to the strategic goals of the agency.

**Government Corporation.** A corporation owned or controlled by the federal government.

**GPRA.** Refers to the Government Performance and Results Act of 1993. Note that the GPRA Modernization Act refers to the update of the law in 2010.

**Indicator, Contextual.** (or explanatory indicator) Data that provides situational information for the purpose of understanding trends or other information related to a goal or a program. Agencies usually do not provide targets for contextual indicators. Examples could include data about warning signals; unwanted side effects; outcomes an agency is trying to influence; external factors the government can influence or external factors where the government may have a limited effect.

**Indicator, Performance.** A particular value or characteristic used to measure progress toward goals, and also used to find ways to improve progress, reduce risks, or improve cost-effectiveness.

**Inherently Governmental.** An inherently governmental function is defined in the Federal Activities Inventory Reform Act of 1998, P.L. 105–270. From the 1993 GPRA legislation to the 2010 GPRA

Modernization Act, the application of the term inherently governmental for functions described in the legislation does not change. For example, the preparation of agency strategic and performance plans and reports is considered an inherently governmental function. COOs, PIOs and Deputy PIOs must be government employees. Contractors may provide support to these officials in executing their functions.

**Intended Use.** The concept implied by ‘intended use’ of data in the GPRA Modernization Act refers to considering the level of accuracy of information needed for the specific purpose for which the information will be used. For example, a randomized control trial testing drug safety may need a high level of accuracy for decision (e.g., statistical significance); however, data used to trigger focused follow up questions at quarterly performance reviews will not require the same level of accuracy. Agencies should consider the intended use of data to determine the level of accuracy needed.

**Machine Readable Format.** Format in a standard computer language (not English text) that can be read automatically by a web browser or computer system. (e.g., xml). For performance information, machine readable format will conform to a government-wide performance management data standard based on extensible markup language (xml).

**Management Function.** Describes federal activities or offices within agencies that support programs that deliver on agency mission, but do not directly deliver or execute mission programs. (e.g., financial, human capital, acquisition, information technology, legal, communication or performance management offices.) These functions are common across agencies and contribute indirectly to the agency’s core mission.

**Management Challenge.** Programmatic or management functions, within or across agencies, that have challenges in achievement of performance goals and may have greater vulnerability to waste, fraud, abuse, and mismanagement (such as issues the Government Accountability Office identifies as high risk or issues that an Inspector General identifies) where failure to perform well could seriously affect the ability of an agency or the federal government to achieve its mission.

**Measure, Customer Service.** A type of measure that indicates or informs the improvement of government’s interaction with the public those it serves or regulates and others.

**Measure, Efficiency.** A type of measure, specifically a ratio of a program activity’s inputs (such as costs or hours worked by employees) to its outputs or outcomes. Efficiency measures reflect the resources used to achieve outcomes or produce outputs. Efficiency measures may not be appropriate for every program, project, or goal. Measuring the cost per unit of outcome or output tends to be most useful for similar, repeated practices.

**Measure, Performance.** See performance indicator.

**Measure, Process.** A type of measure that indicates how well a procedure, process or operation is working, (e.g., timeliness, accuracy, or completeness).

**Measure, Outcome.** A type of measure that indicates progress against achieving the intended result of a program. Indicates changes in conditions that the government is trying to influence.

**Measure, Output.** A type of measure, specifically the tabulation, calculation, or recording of activity or effort usually expressed quantitatively. Outputs describe the level of activity that will be provided over a period of time. Outputs refer to the activities or products of a program. While output measures can be useful, there must be a reasonable connection between outputs used as performance indicators and outcomes. Agencies should select output measures based on evidence supporting the relationship between outputs and outcomes, or in the absence of available evidence, based on a clearly established argument for the logic of the relationship.

**Milestone.** A scheduled event signifying the completion of a major deliverable or a phase of work.

**Output.** Actual products or services delivered by a program, such as the number of inspections conducted or the number of people trained.

**Outcome.** The desired results of a program. For example, an outcome of a nation-wide program aimed to prevent the transmission of HIV infection might be a lower rate of new HIV infections in the U.S.

**Performance and Accountability Report (PAR).** A consolidated annual report of agency performance (APR) and financial results (AFR). The report contains the agency's audited financial statements and detailed information on efforts to achieve goals during the past fiscal year. The Agency Financial Report, combined with an Annual Performance Report, serves as an option to reporting the agency's end of fiscal year status through a consolidated Performance and Accountability Report.

**Performance Budget.** See *Annual Performance Plan*. The Performance Budget/Annual Performance Plan is either used to structure or is a part of the agency's budget submission to OMB and the agency's Congressional Budget Justification.

**Performance Improvement Council (PIC).** The Performance Improvement Council consists of Performance Improvement Officers from the 24 CFO Act agencies and other agencies and is chaired by the Chief Performance Officer and Deputy Director for Management at OMB. The purpose of the Council is to develop recommendations relating to performance management policies, requirements and criteria for evaluation of program performance. In addition, the Council is responsible for facilitating the exchange of performance management information among agencies to accelerate improvements in program performance. The Council also coordinates and monitors continuous reviews of the performance and management of federal programs.

**Performance Management.** Use of goals, measurement, analysis, and data-driven reviews to improve results of programs and the effectiveness and efficiency of agency operations. Performance management activities often consist of planning, goal setting, measurement, analysis, reporting, implementation and evaluation.

**Program.** Any organized set of activities directed toward a common purpose or goal that an agency undertakes or proposes.

**Program Activity.** Activities or projects listed in the program and financing schedules of the annual budget of the United States Government. For the purpose of preparing an agency performance plan, an agency may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

**Program Evaluation.** Individual, systematic studies to assess how well a program is working to achieve intended results or outcomes. They are often conducted by experts external to the program either inside or outside an agency.

**Reasonable Administrative Burden.** The concept of reasonable administrative burden is related to the decision on the frequency of reporting performance in the GPRA Modernization Act. It refers to considering an estimated cost as compared to the estimated benefit of reporting information more frequently than annually. Agencies should increase the frequency of their performance reporting when the expected value exceeds the estimated cost.

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



## SECTION 210—PREPARING AND SUBMITTING AN AGENCY STRATEGIC PLAN

**Table of Contents**

- 210.1 What is an agency strategic plan?
- 210.2 What is the purpose of strategic planning?
- 210.3 What are the parts of an agency strategic plan?
- 210.4 What timeframes for goals are included in strategic plans?
- 210.5 Who should prepare the agency strategic plan?
- 210.6 What input should agencies solicit outside the Executive Branch in the development of strategic plans and when?
- 210.7 When should agencies submit drafts of strategic plans to OMB?
- 210.8 How should agencies publish strategic plans and deliver them to Congress?
- 210.9 When must agencies next update their strategic plan according to the GPRA Modernization Act?
- 210.10 What are the new requirements related to the revised agency strategic plan due in February 2012 as compared to strategic plan requirements that existed prior to the passage of GPRA Modernization Act?
- 210.11 Our agency recently issued a strategic plan. How can our agency meet interim strategic plan requirements outlined in the GPRA Modernization Act in February 2012?
- 210.12 Can strategic plans be updated in the interim, before the end of the four-year revision cycle?
- 210.13 How should interim updates be communicated or published?

**Summary of Changes**

Describes new content and timeframes required in strategic plans according to the GPRA Modernization Act of 2010 (sections [210.3](#) and [210.4](#)).

Describes electronic drafts and final delivery of plans to OMB via the MAX community (sections [210.7](#) and [210.8](#)).

Explains that agencies may update their strategic plan this year using an addendum (section [210.11](#)).

### **210.1 What is an agency strategic plan?**

An agency's strategic plan defines its missions, long-term goals, and the approaches by which it will monitor its progress in addressing specific national problems, needs, or challenges related to its mission. It appraises the agency's capabilities, assesses the operating environment, and provides for evaluation of the agency's strategy. A strategic plan presents a commitment to perform by describing goals the agency aims to achieve, what actions the agency will take to realize those goals, and how the agency will deal with challenges and risks that may hinder achieving results. The strategic plan should explain why goals and strategies were chosen.

An agency's strategic plan should provide the context for decisions about annual performance goals, priorities and budget planning. Agencies need to translate the long-term goals in their strategic plans to annual goals and performance goals. Agencies should update performance goals in the Annual Performance Plans to help the agency achieve the long-term goals in its strategic plan.

The GPRA Modernization Act of 2010 requires agencies to prepare a strategic plan, make it available on the agency website, and notify the President and Congress of its availability.

### **210.2 What is the purpose of strategic planning?**

In addition to fulfilling the GPRA Modernization Act requirements, the strategic plan serves a number of important management functions related to achieving an agency's mission. An agency's strategic plan is a valuable tool for communicating to agency managers, employees, delivery partners, suppliers, Congress, and the public a vision for the future. Above all, an agency's strategic plan should be used to align resources and guide decision-making to accomplish priorities and improve outcomes. It should inform agency decision-making about the need for major new acquisitions, updated information technologies, hiring, skill development, and evaluations. Strategic plans can also help agencies invite ideas and stimulate innovation to advance agency goals. An agency formulates its strategic plan with inputs from the OMB, Congress, the public, and the agency's personnel, partners, and stakeholders and makes the plan easily accessible to all.

- **Leadership.** The strategic plan allows agency leadership to establish and communicate priorities and direction through a strategic and unified vision.
- **Planning.** The strategic plan is the foundation of an agency's planning system because it provides direction for programmatic and management functions to help execute the strategies needed to reach goals. Executives should use the strategic plan to provide guidance to agency [components](#) for planning their program implementation. The strategic plan should not be a binding document that prevents agencies from learning from experiences and adapting their plans to changing circumstances.
- **Measurement.** The strategic plan features strategic goals that state what the agency wants to accomplish in terms of outcomes or results. Each strategic goal should be supported by performance goals with progress monitored using targets, measures and timeframes. Agency strategic plans provide the framework for other plans and reports where agency performance goals and related analyses should be communicated and monitored.
- **Aligning organizational and individual results.** The activities of each employee should clearly link to the strategic plan. For example, the Senior Executive Service personnel system requires the Office of Personnel Management certify the agencies' performance appraisal systems, with OMB concurrence. Overall, employee performance drives organizational performance. Individual performance plans should have appraisal standards that sufficiently link to successful accomplishment of program performance goals included in the agency's Annual Performance Plans and reports. Similarly, the performance goals appearing in performance plans and reports should clearly link to successful accomplishment of the agency's strategic goals.

### **210.3 What are the parts of an agency strategic plan?**

There is no prescribed format for the agency strategic plan. However, the plan should present a structured format that contains the specific elements required by the GPRA Modernization Act and by OMB. The strategic plan must include:

- **Mission statement.** A brief, easy-to-understand narrative, usually no more than two or three sentences long, that defines the basic purpose of the agency and is consistent with the agency's core programs and activities expressed within the broad context of national problems, needs, or challenges. Strategic goals and supporting activities should further the agency's mission. In addition to the mission statement, many agencies also include a vision statement to express how the agency intends to accomplish its mission in broad terms, especially when an agency has a diverse set of related missions, or numerous sets of strategic goals.

- [Strategic goals](#). The GPRA Modernization Act requires general, outcome-oriented, long-term goals for the major functions and operations of the agency. Agencies use strategic goals to articulate clear statements of what the agency wants to achieve relevant to its national problems, needs, or challenges, and how it expects to achieve them.
- [Performance goals](#). The GPRA Modernization Act requires the strategic plan to describe the how the agency's performance goals support strategic goals. For each strategic goal included in the strategic plan, the agency should describe a limited number of performance goals. At agency discretion, the specific, measurable, performance goals may be grouped or organized under other general goals or objectives that support the agency's longer-term strategic goals in the strategic plan.
- [Priority Goals](#). Agencies with Priority Goals must incorporate their FY 2012-2013 Agency Priority Goals that are established concurrent with the FY 2013 Budget release. If applicable, the agency should briefly describe with whom and how it is working with other agencies to achieve its Agency Priority Goals.
- [Federal Priority Goals](#). Agencies that are asked to lead or contribute to Federal Priority Goals must integrate in to their strategic plan a description of how relevant agency goals contribute to the Federal Priority Goals. The agency will include the commitments of goal partners where applicable.
- External factors. The GPRA Modernization Act requires the identification of key factors external to the agency and beyond its control that could significantly affect the achievement of its goals. External factors are those that are not of the agency's own making. External factors may be economic, demographic, social, or environmental. A strategy's dependence on the actions of Congress, other federal agencies, states, local governments, or other non-federal entities are also external factors that need to be addressed in the agency strategy.
- Strategies. In discussing each strategic goal, the agency should describe the following in a level of detail appropriate for a long-term plan:
  - Program or management strategies the agency is planning to take to further the achievement of its goals and the processes, workforce needs, technology, and other information needed to carry out its mission and achieve its goals. The resources informed by the agency's resource management plans that estimate requirements and address the opportunities and challenges in making resources usable and effective.<sup>1</sup>
  - Evidence explaining why the agency thinks the strategies described are likely to work.
  - The roles and responsibilities of key agency programs, administrative activities, and external agency partners (e.g., other federal programs, grantees; state, local, tribal, and foreign governments; major long-term contractors, etc.).

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<sup>1</sup> A strategic plan is not a budget request; the projected levels of goal achievement must be commensurate with anticipated resource levels. The strategic plan should not bind the Administration to new budget or legislative commitments.

- Links to Supporting Documents, where useful. (see details [200.10](#))
- Consultation with Congress. All agencies must include a description of how the strategic plan's goals incorporate views and suggestions obtained through the agency's congressional consultations. While agencies are required to consult with Congress at least once every two years on their strategic plans, a timing that reflects the regular changes in congressional membership, agencies are not required to update their strategic plan every two years. (See [210.12](#) for more on interim updates)
- Program Evaluations. The strategic plan should describe the program evaluations used in establishing or revising strategic goals with a schedule for future evaluations. The agency's schedule of future evaluations should go beyond simply listing evaluation topics for planned studies and instead should briefly describe the objectives of planned evaluations and why they are relevant to decision-making.

#### **210.4 What timeframes for goals are included in strategic plans?**

The strategic plan will cover a period of not less than four years forward from the fiscal year in which it is published, starting the first Monday in February of any year following the year in which the term of the President commences. Agencies may set strategic plan goals for longer periods of time, and are encouraged to provide context for understanding the goals and strategies in their plans.

For interim strategic plan updates published in February 2012, concurrent with the President's Budget, the update should cover a period through February 2014 at minimum, when the next strategic plan is due.

#### **210.5 Who should prepare the agency strategic plan?**

Agencies should engage their organizational components and delivery partners in the development of the strategic plan. The preparation of a strategic plan is an inherently governmental function, and the plan is to be drafted only by federal employees. However, when preparing a plan, agencies may be assisted by non-federal parties, such as consultants or contractors who are hired specifically to provide technical input on the design and assembly of the plan, and who are not solicited for their input on policy or budget issues. The transmittal should include an acknowledgment and brief description of the contribution by a non-federal entity in preparing the plan.

#### **210.6 What input should agencies solicit outside the Executive Branch in the development of strategic plans and when?**

When preparing a strategic plan, agencies must consult with the Congress and OMB, and should consider the views of other interested and potentially-affected parties, taking care to conduct external consultations at a [reasonable administrative burden](#). Consultation with external stakeholders could include hosting public meetings on the draft plan, posting the draft plan on the internet and inviting comment, after OMB has reviewed the draft. Agencies must consult with Congress at least every two years on their strategic plans and should briefly note how feedback was integrated either in their strategic plan updates or in Annual Performance Plans. (See also [210.3](#) on strategic plan content and [210.12](#) on interim updates)

#### **210.7 When should agencies submit drafts of strategic plans to OMB?**

Consistent with current policy and practice regarding interagency clearance of certain material being sent to the Congress, agencies should submit to OMB for review and clearance an advance copy of an updated strategic plan or addendum at least 45 days prior to the date for transmitting the plan to the Congress. This coming fiscal year, agencies should submit draft strategic plans or addendums for OMB review on December 22, 2011 by posting the draft document on MAX at <https://max.omb.gov/community/x/C5VxIQ>. If key content related to the strategic plan draft, such as



defined Agency Priority Goals, is not ready for review by this date, due to the budget process, agencies may submit a draft with placeholders or may email OMB at [performance@omb.eop.gov](mailto:performance@omb.eop.gov) and the appropriate Resource Management Office contact to request an extension.

### **210.8 How should agencies publish strategic plans and deliver them to Congress?**

The GPRA Modernization Act of 2010 requires agencies to make the strategic plan available on the agency website and notify the President and Congress of its availability. Notification to Congress is transmitted electronically by the agency head. Transmittal letters are addressed to the Speaker of the House of Representatives, the President and the President pro tempore of the Senate.

When delivering notification to Congress, agencies should also notify the OMB Director by posting a copy of the final document on MAX at <https://max.omb.gov/community/x/C5VxIQ>. Related submission questions may be emailed to [performance@omb.eop.gov](mailto:performance@omb.eop.gov).

### **210.9 When must agencies next update their strategic plan according to the GPRA Modernization Act?**

Agencies are required to publish an updated strategic plan, which meets several requirements of the GPRA Modernization Act, concurrent with the publication of the FY 2013 Budget in February 2012. After the February 2012 update, agencies must issue a new strategic plan in February 2014.

### **210.10 What are the new requirements related to the revised agency strategic plan due in February 2012 as compared to strategic plan requirements that existed prior to the passage of GPRA Modernization Act?**

Section [210.3](#) should be used as a basis for updating agency strategic plans; however, the following three parts of strategic plans are new in statute and must be considered for the February 2012 publications or updates; 1) Federal Priority Goals, where applicable, 2) Agency Priority Goals, where applicable and 3) congressional consultation.

### **210.11 Our agency recently issued a strategic plan. How can our agency meet interim strategic plan requirements outlined in the GPRA Modernization Act in February 2012?**

Agencies that were planning to issue a strategic plan in 2011 may choose to wait to publish their new plan until February 2012. Depending on the extent to which the agency needs to integrate new content in its strategic plan in accordance with the GPRA Modernization Act, in February 2012 agencies may choose to publish either:

- A new strategic plan
- An addendum for their existing strategic plan with updates.

By July 29, 2011, agencies must notify OMB how the agency will update its strategic plan (i.e. new plan or addendum) in 2012. A table will be posted on MAX for agencies to notify OMB how they intend to update the agency strategic plan at <https://max.omb.gov/community/x/BwVwIg>. Related questions should be emailed to [performance@omb.eop.gov](mailto:performance@omb.eop.gov)

### **210.12 Can strategic plans be updated in the interim, before the end of the four-year revision cycle?**

Agencies may make adjustments to their strategic plan in advance of the four-year revision cycle prescribed by GPRA Modernization Act. Interim adjustments do not alter the four-year revision cycle for strategic plans.

An agency need not consult with Congress or conduct outreach to potentially interested or affected parties when preparing interim adjustments, unless such adjustments reflect significant changes in the environment in which the agency is operating. Significant changes to an agency's strategic plan should be made using a more extensive update process with review by OMB. Consultation requirements apply in these instances.

**210.13 How should interim updates be communicated or published?**

Interim adjustments to the strategic plan, such as new Agency Priority Goals, generally do not require a new publication of the full strategic plan. For example, an agency may append an interim adjustment (e.g., newly defined Priority Goals) to its budget submission to OMB as a separate, easily found section that presents the needed adjustments to the strategic plan if any. Such interim adjustments should be communicated in the Annual Performance Plan that is sent to OMB in September and to Congress in February and should be made easily accessible to the public. Interim adjustments to the strategic plan should be made available on the agency website with the most current strategic plan so that readers can understand the most current agency plans (e.g., addendum).

## SECTION 220—PREPARING AND SUBMITTING AN ANNUAL PERFORMANCE PLAN

### Table of Contents

- 220.1 What is an Annual Performance Plan?
- 220.2 What is the purpose of a performance plan?
- 220.3 How does the performance plan relate to the strategic plan?
- 220.4 What is the relationship between the Annual Performance Plan, Performance Budget and Congressional Budget Justification?
- 220.5 How do agency Annual Performance Plans need to relate to the Federal Priority Goals?
- 220.6 What is the relationship between the agency budget development and performance plan?
- 220.7 What content should be included in the Annual Performance Plan?
- 220.8 What is required by the GPRA Modernization Act on low-priority program activities?
- 220.9 How should agencies prepare the list of low-priority program activities?
- 220.10 What criteria should agencies use when selecting their low-priority program activities to be included in the Annual Performance Plans?
- 220.11 How do old GPRA or the Performance Assessment Rating Tool (PART) measures relate to the performance budget this year?
- 220.12 How will agencies deliver the Annual Performance Plan to OMB, Congress and the public?
- 220.13 How does the agency performance plan relate to the enterprise architecture?

### Summary of Changes

Describes new content required in the annual plan according to the GPRA Modernization Act of 2010 (section [220.7](#)).

Explains how agencies designate low-priority program activities (sections [220.8 – 220.10](#)).

Describes electronic drafts and final delivery of plans to OMB via the MAX community (section [220.12](#)).

#### 220.1 What is an Annual Performance Plan?

The Annual Performance Plan (APP) is a description of the level of performance to be achieved during the year in which the plan is submitted and the next fiscal year. It should also be specific in describing the strategies the agency will follow and explaining why those strategies have been chosen, identifying performance targets and key milestones that will be accomplished in the fiscal year ahead.

#### 220.2 What is the purpose of a performance plan?

Agencies prepare an Annual Performance Plan to communicate the agency's performance goals with other elements of the agency budget request, showing the relationship between proposed funding levels and planned results.

#### 220.3 How does the Annual Performance Plan relate to the strategic plan?

The APP should align to the agency's strategic plan (see section [210.3](#)). Strategic goals are supported by specific performance goals which are communicated in the Annual Performance Plan. For each strategic goal, the APP should show the supporting annual performance goals that are being implemented by one or more program activities. The measures developed to track performance goals are also included in the

APP. If applicable, the plan should discuss how the Agency Priority Goals contribute to or support the strategic goals.

#### **220.4 What is the relationship between the Annual Performance Plan, Performance Budget and Congressional Budget Justification?**

The term Annual Performance Plan is used synonymously with Performance Budget for the purposes of this guidance. The Annual Performance Plan supports the agency's budget request. The performance plan should be used to either structure the budget submission or should be a part of the agency's budget submission to OMB and to Congress. Section [51](#) of OMB Circular A-11 outlines agency budget justification requirements.

#### **220.5 How do agency Annual Performance Plans need to relate to the Federal Priority Goals?**

Annual Performance Plans should discuss the agency's contribution to any Federal Priority Goals which OMB has asked the agency to lead or support.

#### **220.6 What is the relationship between the agency budget development and performance plan?**

Integrating performance information in the budget process remains a priority. The performance goals, measures and targets in agency performance plans should be consistent with those set through agency strategic and performance planning processes, and updated to reflect final congressional action on FY 2012 appropriations, if complete. The FY 2013 budget submission should reflect the amount needed to meet FY 2013 targets. At a minimum, resources are aligned at the program level within this framework, and agencies are encouraged to align resources at the performance goal level.

#### **220.7 What content should be included in the Annual Performance Plan?**

This section should be considered in conjunction with OMB Circular A-11 section [51](#), on Basic Justification Materials. The agency's congressional committees may also require additional information for the performance plan submitted to Congress.

Agencies may format the Annual Performance Plan as desired; however, plans should include narrative, budget and performance information which address the following:

- I. Overview
- II. Goals and Priorities
- III. Strategies and Supporting Analysis
- IV. Measures and Milestones
- V. Budget

Agencies may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency. Large agencies may want to present more detailed plans and include information on their agency's [components](#).

#### **I. Overview**

The Annual Performance Plan should start with a brief overview of what the agency intends to accomplish in the budget year. The plan overview should provide background on what has been accomplished including an analysis of the past goals, strategies and programs used to influence outcomes and how the goals, strategies and programs could be improved. Major changes in the agency's operating environment that may impact results should be noted in the overview.

## II. Goals and Priorities

The plan should describe goals and priorities that will be pursued during the year in which it is submitted and the budget year. These goals advance the outcome-objectives set forth in the agency strategic plan, and should be supported by measures and milestones that illustrate how progress will be monitored by the agency. The agency should identify goals, for program activities for which resources have been requested, including base programs and new programmatic initiatives. Finally, agencies should clearly identify priorities among the goals presented.

The GPRA Modernization Act specifically requires agencies to:

- establish [performance goals](#) to define the level of performance to be achieved during the year in which the plan is submitted and the next fiscal year.
- express performance goals in an objective, quantifiable, and measurable form unless authorized by OMB to be in an [alternative form](#). If performance goals are specified in an alternative form, the results will be described in a way that makes it possible to discern in the short term, if progress is likely to be made toward the goal.
- describe actual program results as compared to the established performance goals.
- if applicable, describe how the agency performance goals contribute to any of the [Federal Priority Goals](#) established.
- identify among the Annual Performance Plan goals those which are designated as Agency [Priority Goals](#), if applicable.
- describe major [management challenges](#) the agency faces and identify planned actions to address such challenges; performance goals, performance indicators, and milestones to measure progress toward resolving such challenges; and the agency official (goal leader) responsible for resolving such challenges.
- identify low-priority program activities based on an analysis of their contribution to the mission and goals of the agency and include an evidence-based justification for designating a program as low-priority. (see sections [220.8–220.10](#) for more information on low-priority program activities)

If programs in different agency components contribute to the same goal, the Annual Performance Plan should describe how the programs contribute to the broadly stated aims of the goal. Agencies may also link to other, more detailed plans to the extent necessary to support the Annual Performance Plan.

## III. Strategies and Supporting Analysis

The Annual Performance Plan should describe, at a level of detail suitable for the time period, how agency goals will be achieved, with the reason for choosing the strategies informed by evidence and analysis.

The GPRA Modernization Act requires agencies to describe how the budgeted programs will help achieve performance goals, including specifically:

- the operation processes, training, skills and technology, and the human, capital, information, and other resources and strategies required to meet those performance goals.

- an identification of the organizations, program activities, regulations, policies, and other activities that contribute to each performance goal, both within and external to the agency.
- if applicable, a description of how the agency is working with other agencies to achieve the performance goal.
- an identification of the agency officials responsible for the achievement of each performance goal, who are named as goal leaders.
- if applicable, a description of how the agency is working with other agencies to achieve any Federal Priority Goals to which the agency contributes.

Agencies should include a brief description of the performance management and review processes leadership is putting in place to ensure effective and efficient implementation of their programs and components. Agencies should include analysis, evidence and evaluation findings where possible.

Agency strategic human capital plans should describe human capital programs, initiatives or projects that will be used to advance agency performance goals (e.g., clear lines of responsibility to drive progress on specific goals, workforce planning and talent management to acquire or develop the skills needed to advance goals.)

#### **IV. Measures and Milestones**

The performance plan must include a suite of measures and milestones that will be used to monitor progress and promote continuous improvement. While quantitative and outcome-focused performance goals and measures are preferred, agencies may use output goals and measures or other alternatives when such proxies are strongly linked, by evidence or logic, to the outcomes the agency is trying to achieve. Agencies should use major milestones to mark progress toward a goal that is not easily measured in other units. Agencies may link to more detailed milestones where useful.

The GPRA Modernization Act requires agencies to:

- establish a balanced set of performance indicators, milestones or appropriate evidence to be used in assessing progress toward each performance goal, including, as appropriate, customer service, efficiency, output, and outcome indicators.
- describe actual program results as compared to the established performance goals.

The GPRA Modernization Act also requires agencies to describe how the organization will ensure the accuracy and reliability of the data used to measure progress towards its performance goals, including:

- the means to be used to verify and validate measured values;
- the sources for the data;
- the level of accuracy required for the intended use of the data;
- any limitations to the data at the required level of accuracy; and
- how the agency will compensate for such limitations if needed to reach the required level of accuracy.

Section [230.13](#) addresses approaches the agency should use to meet this data quality requirement for both agency annual plans and annual reports.

Agencies should include an addendum that lists and briefly explains changes in performance measures as compared to the prior year's performance plan.

The performance plan displays up to six years of data for every performance goal, but at minimum should include for the budget year, current year, past year, and two additional past years of data where available. Only three years of funding data are required. When current performance data are not available, the date when the data will be available should be listed.

## V. Budget

The Annual Performance Plan contains information needed to justify the agency's budget request. Agencies should refer to OMB Circular A-11 section [51](#) for basic requirements for the agency's budget submission to OMB.

### 220.8 What is required by the GPRA Modernization Act on low-priority program activities?

Agencies are required to identify low-priority program activities in their FY 2013 Annual Performance Plans.

### 220.9 How should agencies prepare the list of low-priority program activities?

Agency budget submissions to OMB must include a draft list of the agency's proposed low-priority program activity designations. Agencies should submit to OMB in their FY 2013 budget submissions a draft list of low-priority program activities that total at least 5% of the agency's FY 2011 discretionary budget.

The agency's draft submission to OMB must include an explanation of the low-priority program activity selection based on the agency's:

- analysis of the programs' contribution to the mission and goals of the agency, and
- evidence-based justification for designating a program activity as low-priority.

OMB will work with agencies to approve and finalize low-priority program activity lists under the budget process, prior to the publication of individual agency FY 2013 performance plans. While many low priority programs will be published in the *Terminations, Reductions and Savings* (TRS) volume accompanying the 2013 Budget, agencies may also propose low priority program activities that may not meet the scope of the TRS volume. For meeting this requirement, agencies must publish only the low-priority program activities that have been approved by OMB.

### 220.10 What criteria should agencies use when selecting their low-priority program activities to be included in the Annual Performance Plans?

Criteria that agencies could consider, in combination, for identifying low-priority programs may include:

- Alignment—Program activities that are not aligned with mission of the organization or a Federal Priority Goal.
- Duplication—Program activities addressing issues that are already addressed by another entity within or outside the federal government.
- Scope—Program activities considered to be small scope, low-budget, inconsequential or insignificant.

- Impact—Program activities that do not affect the public significantly, directly or indirectly.
- Stakeholders—Program activities that, if reduced or eliminated, would not have significant negative impacts on stakeholders.

**220.11 How do old GPRA or the Performance Assessment Rating Tool (PART) measures relate to the performance budget this year?**

If an agency wants to discontinue tracking measures that it feels are no longer useful in its published Annual Performance Plans, it should propose the list of measures for deletion to OMB to the relevant Resource Management Office and [performance@omb.eop.gov](mailto:performance@omb.eop.gov) before dropping the measures. The list of dropped measures should be included in the Annual Performance Plan.

**220.12 How will agencies deliver the Annual Performance Plan to OMB, Congress and the public?**

Agencies submit electronically the draft Annual Performance Plan to OMB in September, by posting the draft plan on MAX at <https://max.omb.gov/community/x/C5VxIQ>. In February, agencies will make the plan available on the agency website, and notify the President and Congress of its availability. Notification to Congress is transmitted electronically by the agency head. When delivering notification to Congress, agencies should also notify the OMB Director by posting a copy of the final document on MAX at <https://max.omb.gov/community/x/C5VxIQ>. Related submission questions should be emailed to [performance@omb.eop.gov](mailto:performance@omb.eop.gov).

Agencies should not print Annual Performance Plans, unless specifically requested by Congress. Agencies are encouraged to create interactive reports, where cost-effective, while also making the report available in an electronic file format (e.g., pdf).

Agencies may choose to consolidate the delivery of their Annual Performance Plans, Annual Performance Reports and Congressional Budget Justification. Agencies should consult with relevant congressional appropriations committees to ensure their support for modifications to the format of the Congressional Budget Justification.

**220.13 How does the agency performance plan relate to the enterprise architecture?**

Once an agency's performance plan is established, agencies should ensure the enterprise architecture planning documents are consistent with achieving the agency goals. This will require a direct coordination of the capital planning and enterprise architecture planning efforts that together demonstrate the action steps the agency will take to meet the performance goals to the extent that information technology resources can be attributed to the achievement of such goals.



## SECTION 230—PREPARING AND SUBMITTING AN ANNUAL PERFORMANCE REPORT

### Table of Contents

- 230.1 What is the Annual Performance Report (APR)?
- 230.2 The GPRA Modernization Act requires more frequent updates [than annual] of actual performance on indicators that provide data of significant value to the government, Congress, or program partners. How will agencies meet this requirement before the full transition to central government-wide website reporting has taken place?
- 230.3 The GPRA Modernization Act requires an annual performance update on the web to be provided to Congress no less than 150 days after the end of the fiscal year with more frequent updates that provide data of significant value. How does this change existing Annual Performance Reports this year?
- 230.4 How are agencies expected to work with OMB or Congress in the preparation of FY 2011 APR?
- 230.5 When are FY 2011 APRs published?
- 230.6 How do agencies deliver the APR to the President, Congress and the public?
- 230.7 Are agencies allowed to consolidate the APR with other reports?
- 230.8 What does the GPRA Modernization Act require for performance reports (i.e. APR)?
- 230.9 What does the Annual Performance Report contain?
- 230.10 Explaining variances between performance targets and actuals.
- 230.11 Agency plans for improving program performance
- 230.12 Other parts of the Annual Performance Report
- 230.13 Assessing the completeness and reliability of performance data

### Summary of Changes

Describes requirements for more frequent performance reporting according to the GPRA Modernization Act of 2010 (sections [230.2](#) and [230.3](#)).

Describes electronic drafts and final delivery to OMB via the MAX community (section [230.5](#) and section [230.6](#)).

Describes new content required in performance reporting (sections [230.8 – 230.9](#)).

#### 230.1 What is the Annual Performance Report (APR)?

The Annual Performance Report (APR) provides information on the agency's actual performance and progress in achieving the goals described in the agency's strategic plan and Annual Performance Plan. The term Annual Performance Report means the same as the performance section of the Performance and Accountability Report (PAR) published by agencies in November or the Annual Performance Report that is published by agencies in February. The GPRA Modernization Act requires agencies to report performance.

#### 230.2 The GPRA Modernization Act requires more frequent updates [than annual] of actual performance on indicators that provide data of significant value to the government, Congress, or program partners. How will agencies meet this requirement before the full transition to central government-wide website reporting has taken place?

Agencies may report performance more frequently than annually. The GPRA Modernization Act requires agencies to provide more frequent than annual updates of actual performance that provide significant value at a [reasonable level of administrative burden](#). Each agency should consider the needs of their programs' external stakeholders, especially field offices and delivery partners, to determine the areas and kinds of information where more frequent data will lead to better decisions, generating more value and/or lower cost. Until a central, government-wide website has been established to publicize more frequent performance updates, agencies shall use their websites to provide more frequent performance updates.

**230.3 The GPRA Modernization Act requires an annual performance update on the web to be provided to Congress no less than 150 days after the end of the fiscal year with more frequent updates that provide data of significant value. How does this change existing Annual Performance Reports this year?**

Agencies will be given flexibility to publish their Annual Performance Report for FY 2011 on the agency's website either as a Performance and Accountability Report (PAR) or an Annual Performance Report (APR) using their respective publication timeframes, November 15, 2011 or with the Congressional Budget Justification in February 2012. However, agencies are encouraged to combine their Annual Performance Reports with their Annual Performance Plans to communicate goals in the context of historic performance trends.

**230.4 How are agencies expected to work with OMB or Congress in the preparation of FY 2011 APR?**

When preparing Annual Performance Reports, agency staff and OMB should discuss the presentation and work out any concerns in advance of the submission of the reports to Congress. Agencies are encouraged to reach out to Congress, where possible, to obtain input on how they might improve their communication of performance information to Congress.

**230.5 When are FY 2011 APRs published?**

For agencies choosing to issue a Performance and Accountability Report (PAR), the FY 2011 PAR is to be transmitted to the President, Congress, and OMB not later than November 15, 2011, after early consultation with OMB regarding format and content. Agencies must provide the final draft PAR to OMB for review and clearance at least 10 business days before the publication due date (November 1, 2011).

For agencies choosing to issue an Annual Performance Report as a part of their Congressional Budget Justification, agencies should publish the report with the agency's Congressional Budget Justification and Annual Performance Plan. Throughout the budget process, agencies should work with OMB to finalize format and content of their Annual Performance Report. In addition, agencies should provide the final draft APR to OMB for review and clearance at least 10 business days before the publication date by posting the draft plan on MAX at <https://max.omb.gov/community/x/C5VxIQ>. Related submission questions may be emailed to [performance@omb.eop.gov](mailto:performance@omb.eop.gov).

**230.6 How do agencies deliver the APR to the President, Congress and the public?**

Agencies should make Annual Performance Reports available on the agency website. If an agency performance update includes any program activity or information that is specifically authorized under criteria established by an Executive Order to be kept secret in the interest of national defense or foreign policy and is properly classified, the head of the agency will make such information available in the classified appendix.

Notification of the availability of final Performance and Accountability Reports and Annual Performance Reports are sent electronically to Congress. For notification to the President and Director of OMB, agencies should post final reports on <https://max.omb.gov/community/x/C5VxIQ>.

Agencies are encouraged to work with their legislative affairs and congressional staff to determine the optimal way to transmit notification of these reports to Congress. The report notification should be transmitted by the head of the agency. An agency may add other signatories, such as the Deputy Secretary, Chief Operating Officer, or Chief Financial Officer, as necessary to the transmittal, thus recognizing a shared responsibility within the agency.

Transmittal letters to Congress are addressed to the Speaker of the House of Representatives and the President and President pro tempore of the Senate. Copies of the congressional transmittal are sent electronically, unless otherwise requested in print by Congress, to the chair and ranking minority members of the budget committees, relevant authorization and oversight committees, appropriation subcommittees, and the chair and ranking minority member of the Senate Committee on Homeland Security and Governmental Affairs and the House Government Reform Committee.

### **230.7 Are agencies allowed to consolidate the APR with other reports?**

Yes. Agencies are encouraged to consolidate reports when it is likely to improve the quality of reported information and reduce reporting duplication. For example, agencies are encouraged to show strategic and annual performance goals in the context of historic performance trends, and can do this by combining their Annual Performance Reports with their Annual Performance Plans. Alternatively, agencies may consolidate their Annual Performance Report with the Agency Financial Report (AFR). Agencies should reference [OMB Circular A-136](#) for information on financial reporting.

### **230.8 What does the GPRA Modernization Act require for performance reports (i.e. APR)?**

Agency performance reports must:

- show performance trends for the five preceding fiscal years, if available. If [performance goals](#) are specified in an [alternative form](#), the results shall be described in relation to such specifications.
- explain and describe where a performance goal, relating to activities proposed in the budget, has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity):
  - why the goal was not met;
  - plans and schedules for achieving the established performance goal; and
  - if the performance goal is impractical or infeasible, why that is the case and what action is recommended;
  - describe the use and assess the effectiveness in achieving performance goals;
- review of the performance goals and evaluation of the performance plan relative to the agency's strategic human capital management;
- describe how the agency ensures the accuracy and reliability of the data used to measure progress towards its performance goals, including an identification of—
  - the means used to verify and validate measured values;
  - the sources for the data;
- the level of accuracy required for the [intended use](#) of the data;
  - any limitations to the data at the required level of accuracy; and
  - how the agency has compensated for such limitations if needed to reach the required level of accuracy; and
- include the summary findings of those program evaluations completed during the period covered by the update.

### 230.9 What does the Annual Performance Report contain?

The most useful performance reports clearly articulate how the work of the agency benefits the public, enables the public to understand progress or the lack thereof toward performance goals, explains why progress is or is not being made, and gives confidence that the agency is doing everything it can to improve shortfalls in performance. Agencies may format the Annual Performance Report as desired; however, should address the following:

- From their strategic plan, agencies shall include a summary of their mission statement, description of their organizational structure, and strategic goals.
- Annual performance goals from the Annual Performance Plan, showing alignment to outcome-oriented goals in the strategic plan.
- A comparison of actual performance with target levels of performance at least for the prior year (See [230.10](#) for more on variance) and an analysis and explanation of the causes of any variance or change in trends including plans and schedules for addressing challenges (See [230.11](#) for more on plans for improving performance). The Annual Performance Report must state the actual performance for every performance goal in the agency's Annual Performance Plan, even if the goal was discontinued after that fiscal year. Agencies may describe where mid-year budget changes or delayed appropriations affected the agency's targets or achievement of targets previously established for the full performance year.
- An assessment by the agency head of the reliability and completeness of the performance data included in the report (see details on data validation and verification in section [230.13](#)).
- Identification of performance goals where actual performance information is missing, incomplete, preliminary, or estimated. For such goals, the APR should indicate the date when the actual performance information will be available.
- A table/chart showing historical performance trends for the goals set forth in the agency's Annual Performance Plan for at least five years prior to the year covered by the report. Where useful, trend data may be presented from its earliest point available even if the agency is publishing the indicator for the first time in the APR. Agencies should also consider publishing trends for the period showing how the government affected the trend.
- Description of how the agency uses data to promote improved outcomes. Agencies should share information on new insights gained during the year and should highlight promising practices. Examples include descriptions of experiments, completed or underway, to test new practices; results of efforts to validate or replicate promising practices; and efforts to promote or expand proven practices.
- A summary of the findings of those program evaluations completed during the fiscal year covered by the report. If no evaluations were completed, the performance report should note this. Appropriately rigorous program evaluations are a key resource in determining whether government programs are achieving intended outcomes. Evaluations can help policymakers and agency managers strengthen the design and operation of programs and can help determine how best to spend taxpayer dollars effectively and efficiently. OMB encourages agencies to increase on-line information about existing evaluations, and to participate in the interagency working group to promote stronger evaluations across government. Evaluations identified should be performed with appropriate scope, quality, and independence.
- Direct web links to reference information relevant about problems or opportunities discussed in the report (see [200.10](#)).

- Identification and brief explanation of measures changed or dropped since publication of the preceding Annual Performance Plan. If an agency wants to eliminate measures it feels are not useful, it should propose the list of measures for deletion to the OMB before dropping the measures.
- Government Accountability Office (GAO) High Risk List Items. The agency must describe plans to address any issues designated by the GAO as High-Risk. With respect to any High-Risk issue affecting multiple agencies or designated as High-Risk on a government-wide basis by the GAO, the Director of OMB shall identify one or more agencies, which may include OMB, as responsible for purposes of developing performance improvement plans. All such plans will include: a) a description of the high-risk issue the plan is addressing; b) performance goals that reduce risk and demonstrate whether the plan is successful; and c) specific milestones the agency will accomplish to achieve the goal described d) the agency official responsible for the milestone and e) the date by which it will be achieved.

### **230.10 Explaining variances between performance targets and actuals.**

If a performance goal was not achieved or exceeded the targeted level of performance the annual report must explain the variance. There are two types of explanations: specific and generic.

A specific explanation is included if goal non-achievement or over-achievement is significant and material. A specific explanation should show an understanding of why a performance shortfall occurred, and the consequences. The specific explanation should also describe actions the agency is taking to eliminate or reduce future shortfalls for this goal. Agencies may apply the following criteria when determining if a specific explanation is required. A specific explanation should always be provided if:

- The manager(s) of the program, activity, or component experiencing a performance shortfall/gain alerts or informs senior agency officials about actual performance levels, and the implications of these levels on overall program accomplishment; or
- The manager(s) made or is taking substantive action to address a shortfall or learn more from a gain (e.g., evaluation impact) in performance; or
- Performance levels for future years are being adjusted downward/upward to reflect actual performance levels; or
- Outside parties will likely conclude that the non-achievement was significant and material or there are potential areas to replicate success.

A generic explanation is provided if the difference between the goal target level and actual performance is slight. An agency may use the following language for its generic explanation: “The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.”

If actual performance data shows that a goal was not achieved, but the explanation for why the goal was not achieved or a description of steps being taken to meet the unachieved goal in the future cannot be completed by the time of transmittal, then the data are included in the report and marked as preliminary. Future reports should include the data and the deferred explanation and next steps.

### **230.11 Agency plans for improving program performance**

All programs should work to become more effective and efficient and the APR should describe the agency’s actions to improve its performance. Where a program failed to meet or exceeded a performance

goal, the APR should provide a specific explanation, as well as describe the actions the agency will take to achieve the goal in the future, with associated timelines. The description of future actions should be limited to those which can be achieved with existing resources. If future actions are dependent on funding or policy changes to be proposed in the President's Budget, they should be discussed in the performance plan, not in the APR.

An agency may conclude, based on actual performance, that a performance goal cannot be achieved in the future. For such goals, the APR should explain the basis for this conclusion, including data where available, and identify what course of action the agency will take.

### **230.12 Other parts of the Annual Performance Report**

The following parts selectively apply to agencies and should be included in the Annual Performance Report where applicable.

*Information on use of non-federal parties.* The GPRA Modernization Act states that preparation of an annual report is an inherently governmental function. However, the report should include an acknowledgment of the role and a brief description of any significant contribution made by a non-federal entity in supporting preparation of the report.

*Classified appendices not available to the public.* Agencies that conduct classified activities may prepare a classified appendix for the Annual Performance Plan. However, agencies do not need to prepare a non-public appendix for certain law enforcement or revenue collection activities in their APR. Retrospective reporting of actual performance for these activities should not interfere with achieving goals for the same activities. If an agency believes that reporting of actual performance will impede goal achievement, a non-public appendix may be prepared. Agencies should consult with OMB to determine whether such an appendix is necessary.

*Budget information.* The APR may include relevant budget information.

### **230.13 Assessing the completeness and reliability of performance data**

The GPRA Modernization Act requires agencies to prepare information on the reliability of data presented. The transmittal letter included in Annual Performance Reports must contain an assessment by the agency head of the completeness and reliability of the performance data presented. Agencies may develop a single data verifications and validation appendix used to communicate the agency's approaches, and/or may also choose to provide information about data quality wherever the performance information is communicated (e.g., websites). Agencies should discuss their verification and validation techniques with their respective OMB Resource Management Office, if necessary.

*Data limitations.* In order to assess the progress towards achievement of performance goals, the performance data must be appropriately accurate and reliable for [intended use](#). Significant or known data limitations should be identified to include a description of the limitations, the impact they have on goal achievement, and the actions that will be taken to correct the limitations. Performance data need not be perfect to be reliable; however, significant data limitations can lead to inaccurate assessments and distort performance results. Examples of data limitations include imprecise measurement and recordings, incomplete data, and inconsistencies in data collection procedures.

*Verification and validation.* Verification and validation of performance data support the general accuracy and reliability of performance information, reduce the risk of inaccurate performance data, and provide a sufficient level of confidence to the Congress and the public that the information presented is credible. The GAO defines verification as a process of checking or testing performance information to assess other types of errors, such as errors in keying data. The GAO defines validation as an effort to ensure that data are free of systematic error or bias and that what is intended to be measured is actually measured. The

GAO information can be found in the GAO publication GAO/GCD-10.1.20 *The Results Act. An Evaluator's Guide to Assessing Agency Annual Performance Plans*.

Agencies should have in place verification and validation (V&V) techniques that will ensure the completeness and reliability of all performance measurement data contained in their Annual Performance Plans and reports. The guidance that follows provides agencies with a list of reasonable V&V criteria that when applied should increase the level of confidence Congress and the public have in the performance information presented.

*Agency internal assessments.* Agencies are encouraged to consider the verification and validation factors outlined below.

1. Standards and procedures

- a. Source data are well defined, documented; definitions are available and used.
- b. Collection standards are documented/available/used.
- c. Data reporting schedules are documented/distributed/followed.
- d. Supporting documentation is maintained and readily available.
- e. Collection staffs are skilled/trained in proper procedures.

2. Data entry and transfer

- a. Data entry methodology is documented and followed.
- b. Data are verified.
- c. Procedures for making changes to previously entered data are documented and followed.
- d. Data are available when needed for reporting and other critical decision making cycles.
- e. Data entry staff are skilled and trained in proper procedures.

3. Data integrity

- a. Equipment and program reliability cannot compromise data accuracy.
- b. Accountability for data integrity clearly rests with the person entering the data, and the responsible program specialist and manager.

4. Data quality and limitations

- a. Accuracy limits of all data are defined in the context of [intended use](#).
- b. Any other data limitations are explained and documented.
- c. Method for handling anomalous data is established and used.
- d. Third party evaluations are conducted.
- e. Use of externally controlled data is documented.

5. Oversight and certifications

- a. Accountability for data accuracy exists in responsible employee performance standards.
- b. Responsible officials certify that procedures were followed each reporting period.
- c. Responsible officials certify that data accuracy has been checked each reporting period.

*External Assessments.* External assessments such as evaluations, peer reviews, and performance audits can mitigate the risk of bias in performance reporting. It is important to note the GPRA Modernization Act does not require the use of audits for performance data contained in Annual Performance Plans or reports. However, agencies may use audits or any other procedure that would support the credibility of the performance information at their discretion. Agencies should consider the most cost-effective means for achieving the desired level of credibility of the verification and validation of performance data relative to its intended use.

*Scope.* Because most agencies process a large amount of performance measurement data, agencies should apply judgment when deciding which performance measures will be verified and validated. Agencies should consider priorities, spending, GAO high risk lists, IG reports and [management challenges](#).

*Frequency of Validation and Verification.* Data quality should be known to users and the sufficiency of its accuracy for answering key questions. Agencies should determine the appropriate frequency of validation and verification needed for the intended use and should allocate appropriate resources to carry out validation and verification on an appropriately periodic basis. Data presented annually should typically be validated annually or biennially.

*Agency Head Responsibility.* Agency heads are officially accountable for the accuracy and reliability of performance data. The agency head shall include in the transmittal letter of the agency's APR a brief statement on the completeness and reliability of the performance data, and on what data limitations exist.



SECTION 240—ELIMINATION OF UNNECESSARY AGENCY PLANS AND REPORTS

**Table of Contents**

- 240.1 What does the GPRA Modernization Act require with regard to agency reporting on unnecessary reports to Congress?
- 240.2 Our agency already provided a list of unnecessary plans and reports to OMB during FY 2010. What was done with that information and is this requirement different?
- 240.3 What information should agencies provide to OMB?

**Summary of Changes**

Describes requirements according to the GPRA Modernization Act of 2010 for providing a list of agency-proposed unnecessary, outdated, or duplicative plans and reports.

**240.1 What does the GPRA Modernization Act require with regard to agency reporting on unnecessary reports to Congress?**

The GPRA Modernization Act requires that agencies annually:

1. compile a list that identifies all plans and reports the agency produces for Congress, in accordance with statutory requirements or as directed in congressional reports;
2. analyze the list compiled to identify which plans and reports are outdated or duplicative of other required plans and reports, and refine the list to include only the plans and reports identified to be outdated or duplicative;
3. consult with the Congressional committees that receive the agency-proposed outdated or duplicative plans and reports to determine whether they could be eliminated or consolidated with other plans and reports; and
4. provide a total count of plans and reports compiled and the list of outdated and duplicative reports identified to the Director of the Office of Management and Budget.

The list of outdated and duplicative plans and reports submitted to OMB should be at least 10% of the grand total of the agency-specific reports that the agency produces. The 10% should not include government-wide plans and reports (e.g., PAR); however, OMB will consider recommendations submitted from agencies for streamlining such government-wide documents. OMB will propose recommendations for government-wide plans and reports.

OMB must provide the complete list of agency-proposed outdated or duplicative reports to Congress with the FY 2013 Budget. In future years, after agencies compile an initial list of these reports, the lists will be updated annually, using the initial year's list as a basis for developing the list in future years.

In the coming months, OMB will coordinate a process to collect agency-proposed lists of outdated and duplicative plans and reports under the budget process. Starting immediately, agencies should begin:

1. compiling a list of congressionally-mandated plans and reports throughout the agency.

2. consulting with appropriate congressional committees on the list of agency-specific plans and reports the agency would like to propose to OMB as outdated or duplicative.

**240.2 Our agency already provided a list of unnecessary plans and reports to OMB during FY 2010. What was done with that information and is this requirement different?**

In 2010, to reduce the reporting burden on agencies, OMB worked with each management council (e.g., PIC, CFOC, etc.) to identify reports submitted to OMB that could be eliminated without great consequence. Based on that analysis, some previously required reporting to OMB has been streamlined or eliminated. The GPRA Modernization Act asks agencies to identify all reports Congress requires.

**240.3 What information should agencies provide to OMB?**

As agencies identify their list of outdated or duplicative plans and reports, they should be prepared to provide OMB the following information related to their list:

- Name of plan or report
- Statute (or other congressional requirement) which mandates the agency to create the report and deliver it to Congress or the public
- To whom it is delivered in Congress
- When it is delivered to Congress
- Recommendation for elimination or streamline by selecting one option below. Total of 10% of all plans/reports must fall into these categories, but the agency may also identify more. If the agency does not easily get to 10%, they should include those plans and reports with the lowest cost benefit in the third category.
  1. Should be eliminated because the plan or report is outdated, duplicative, or already covered by other plan or report (Reports in this category are proposed for elimination without the option of streamlining the content with other existing reports)
  2. Should be consolidated with other plan or report (If option 2 is selected for streamlining with another/existing plan or report, agency should include name and statute with which it could be combined or consolidated.)
  3. Should be eliminated based on an estimated cost/benefit assessment for agency and users of the plan or report (Plans or reports in this category may not be outdated or duplicative, but should be considered for elimination because the benefit provided by issuing the report does not outweigh the challenges, time or resources needed to produce it.)
- Brief rationale for categorization
- Proposed legislative language for those the agency would prioritize for elimination or streamlining