

M-96-18, Performance Measurement Pilot Projects for 1995

MEMORANDUM OMB-96-18 Performance Measurement Pilot Projects for 1995

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March 22, 1996

M-96-18

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES DESIGNATED AS PERFORMANCE MEASUREMENT PILOT PROJECTS FOR FY 1995 UNDER P.L. 103-62

FROM: Alice M. Rivlin /s/
Director

SUBJECT: Submission of FY 1995 Program Performance Reports for Pilot Projects under P.L. 103-62, the Government Performance and Results Act of 1993 (GPRA)

This memorandum covers the submission of program performance reports for FY 1995 by the designated performance measurement pilot project agencies under the Government Performance and Results Act.

An attachment to this memorandum has been prepared to assist your staff in developing these reports. The attachment sets forth basic information on the scope and general content of the program performance report. This guidance is similar to that provided by OMB Memorandum 95-07 on the preparation and submission of pilot project program performance reports for FY 1994. If you have any

further questions on the pilot project program performance reports, please call your OMB Resource Management Office.

By separate cover, we will be providing the pilot project agencies with a copy of GAO's recently completed review of the FY 1994 program performance reports.

Your agency's continuing participation in these performance measurement pilot projects is appreciated.

Attachment

Attachment

SUBMISSION OF PILOT PROJECT

PROGRAM PERFORMANCE REPORTS FOR FY 1995

Submission Date

The FY 1995 program performance report should be sent to OMB by March 31, 1996. (GPRA does not require agencies to send the pilot project program performance reports to the President or Congress.) The report may be submitted either by the agency head, or by a senior official (one who is appointed by the President and Senate-confirmed) having direct responsibility for the programs and activities covered in the report.

Report Content

The basic content of an annual program performance report is defined in Section 4(b) of the Government Performance and Results Act. For the individual pilot projects, the FY 1995 report should contain the following elements:

- (1) a comparison of the actual performance achieved with the performance level(s) specified for each performance goal and performance indicator in the annual performance plan;
- (2) if a performance goal was not met, an explanation of why the goal was not met, along with either:
 - (a) the plans and schedules for achieving the performance goal in the future, or

(b) a statement that the performance goal as established is impractical or infeasible, and expressing the agency's intention to modify or discontinue the goal.

(3) the summary findings of any program evaluations completed during fiscal year 1995 and materially bearing on the program(s), activities, or organizational component covered by the pilot project;

(4) a description of the contribution (if this was significant) made by non-Federal parties (e.g., consultants, contractors, States, local governments, grantees) in the preparation of the report. This contribution can include the collection and reporting of performance data.

Report Format

No presentation format is prescribed. An agency with more than one pilot project may choose to submit a consolidated report covering all its pilot projects, or submit individual reports for each pilot.

Missing or Preliminary Performance Data

If actual FY 1995 performance data are not yet available for a performance goal or indicator, the report should note this, and indicate (by quarter and year) when FY 1995 performance data will be available. Similarly, if the FY 1995 performance data are preliminary, this should also be noted, along with an indication of when final data will be available.

Including Performance Data for FY 1994

GPRA program performance reports are to include performance trend data from previous years. For those pilot projects that prepared a FY 1994 performance plan and program performance report, the FY 1995 report should include data on the actual performance achieved in FY 1994 for those performance goals and indicators present in both the FY 1994 and 1995 performance plans.

Threshold for Explaining Non-Achievement

Explanations for why goals were not met are a distinctive feature of the program performance report, and a report will be judged as incomplete if these explanations are not included.

For the FY 1995 program performance reports, there is no hard and fast rule as to when the non-achievement of a performance goal or indicator warrants an explanation. Much depends on the preciseness with which a performance target was set forth in the goal or indicator, previous year performance trends, and the significance of the shortfall. Depending on the program, a one percent deviation between actual and planned might be trivial or critical.

A test for when to provide an explanation could be as follows. Include an explanation if:

* the manager(s) of the pilot project program, activity, or component shortfall were sufficiently concerned about actual performance levels to alert or inform senior agency officials about such and the implications thereof on overall program accomplishment; or

* the managers took or are taking substantive action(s) to address the shortfall in performance; or

* performance levels for future years are being adjusted downward to reflect actual FY 1995 performance levels.

If an agency wishes to defer providing an explanation where the performance data is preliminary, and (based on the experience of previous years) subject to significant correction, it may do so. The deferral should be noted in the report along with the future schedule for submitting an explanation, if such is still required. In these instances, agencies should submit the explanation whenever the final data becomes available, and not delay until the submission of a subsequent year's program performance report.

Use of an Annual Financial Statement

Agencies may choose to use their annual financial statement for FY 1995 as the program performance report for a pilot project. If a financial statement is used, the statement must cover the programs, activities, or components covered by the pilot project, and must include the specified content described above.

An agency using the FY 1995 financial statement as its program performance report should note such either in a covering memorandum, or in a separate letter to OMB.

When a financial statement is being used as the program performance report, the program performance information included within is subject to audit requirements for the statement. OMB Bulletin 93-06, "Audit Requirements for Federal Financial Statements," prescribes the limited procedures to be applied to performance information included in the financial statement.

Time-period Covered

The program performance report should cover the entire fiscal year.