

# M-99-05, Submission of FY 1996 Performance Plans for Pilot

**Memorandum: OMB-95-05**

**Submission of FY 1996 Performance Plans for Pilot Projects under P.L. 103-62, the Government Performance and Results Act of 1993 (GPRA)**

## Contents

### Submission Date

- [Plan Content](#)
- [Submission of a Plan Revision and Additional Content Therein](#)
- [Waivers of Administrative Requirements and Controls](#)
- [Timeperiod Covered](#)
- [Grouping of Goals, Indicators, and Related Information](#)
- [Nonquantifiable Performance Goals](#)
- [Strategic Plans](#)

### [Questions and Answers Regarding SUBMISSION OF PILOT PROJECT PERFORMANCE PLANS](#)

---

March 8, 1995

**M-95-05**

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

FROM: Alice M. Rivlin, Director

SUBJECT: Submission of FY 1996 Performance Plans for Pilot Projects under P.L. 103-62, the Government Performance and Results Act of 1993 (GPRA)

This memorandum covers the submission of performance plans for FY 1996, the concluding year of performance measurement pilots under the Government Performance and Results Act.

Two significant changes are being made to the guidance for the FY 1994 and 1995 plans. First, the annual performance plan is to be submitted in mid-April, some months before fiscal year 1996 begins. (Previously, the pilot plans were due either during or at the start of the fiscal year.) A mid-April date is being set for several reasons. By having pilots submit plans somewhat before the fiscal year begins, we move halfway toward the September date when agencies will be sending annual performance plans to OMB with their budget requests. This earlier submission will help in assessing how well the plans can be prepared in advance. The due date also coincides with the Spring Review on Program Performance, and the plans will be useful in determining the current and future availability of performance information. The second change allows agencies the option of submitting a plan revision later in 1995 that reflects Congressional action.

Two attachments to this memorandum have been prepared to assist your staff in developing these plans. With several changes, these are otherwise similar to those appended to the two previous OMB memoranda on pilot project performance plans. Attachment 1 sets forth basic information on the scope, content, and general format of the performance plan. Attachment 2 consists of questions which were raised regarding particular aspects of the performance plan as well as its review by OMB, and the answers to those questions. If you have any further questions on the pilot project performance plans, please call Walter Groszyk at (202) 395-6824.

As this is the final submission of the pilot project performance plans, we ask that you particularly focus on how information is displayed -- both in format and style -- in these plans. As we define in the months ahead suitable templates for the FY 1999 plan submissions (which are due about 30 months from now), we continue to look for the better ways of presenting performance information. The GPRA pilot project plans are our best resource for developing these formats.

Let me again express how much the staff of OMB and I appreciate your agency's participation in these performance measurement pilot projects. This has been a valuable learning experience throughout the pilot agencies, and is helping to create a sound basis for the forthcoming phase of GPRA implementation government-wide.

Attachments

---

Attachment 1

## **SUBMISSION OF PILOT PROJECT PERFORMANCE PLANS FOR FY 1996**

### **Submission Date**

The plan should be sent to OMB by April 14, 1995. If a department or agency chooses to prepare a revision to this plan, the plan revision should be sent to OMB by September 30, 1995, or within 30 days of enactment of the department or agency's FY 1996 appropriations, whichever is later.

### **Plan Content**

The basic content of an annual performance plan is defined in Section 4(b) of the Government Performance and Results Act. A plan contains the following elements:

- (1) one or more performance goals for the program activity (ies) covered by the pilot project
- (2) performance indicators that will be used in measuring outputs and outcomes
- (3) a description of the means to be used to verify and validate measured values
- (4) a brief description of the operational processes, skills, and technology, and the human, capital, information, or other resources required to meet the performance goals.  
  
(This description may be omitted for any operational or resource factor that has not changed significantly from fiscal year 1993 or 1994 levels.)
- (5) a description of the contribution (if any) made by non-Federal parties (e.g., consultants or contractors) in the preparation of the plan.

The performance goals and indicators should establish target levels of achievement for the programs and activities covered by the pilot project.

In choosing which goals and indicators to include in the plan, agencies should be guided by the following principles:

- Goals and indicators should primarily be those used by program managers to determine how well a program or activity is doing in achieving its intended objectives.
- Include measures that will be useful to agency heads and other stakeholders in framing an assessment of what the program or activity is accomplishing. (For pilot projects for which audited financial statements are also prepared, agencies should consider including in the plan performance measures from those statements.

Agencies should also consider including any other publicly established standards of performance.)

### **Submission of A Plan Revision and Additional Content Therein**

Congress allows agencies to revise an annual performance plan to reflect the significant effects of Congressional action on the achievement of performance goals. As the FY 1994 and FY 1995 pilot project performance plans were submitted either during or at the start of the fiscal year, this revision option was not feasible. Thus, the FY 1996 performance plan is the first plan submitted sufficiently in advance of the fiscal year to allow this option to be exercised.

An agency may elect to prepare and submit a plan revision. If a plan revision is prepared, it need only include changes from the plan submitted in April, and not replicate the complete content of the plan submitted in April.) A plan revision should include the following:

- Adjustments made in the target levels of achievement (as expressed in the performance goals and/or indicators). The levels in both the April plan and the subsequent plan revision should be presented to show the adjustment.
- Identification of any performance goals dropped from the April plan.
- A brief summary of the nature and scope of Congressional action(s) which significantly affected the April plan.

Plans should not be revised to reflect the consequences of factors or actions -- other than Congressional action -- that may have occurred since the April plan was prepared. (However, see also questions 2 and 7 in attachment 2 on revisions resulting from OMB review of the April plan, and

describing the performance-related effects of managerial accountability and flexibility waivers, respectively.)

### **Waivers of Administrative Requirements and Controls**

GPRA specifies that annual performance plans, beginning with FY 1999, are to include any requests for waivers of administrative procedural requirements and controls. These future-year plans are also to include endorsements of proposed waivers by those agencies (other than OMB) establishing the requirements. However, during the pilot project phase, requests for new waivers will be handled separately from the submission and review of performance plans. Agencies designated as pilot projects for managerial accountability and flexibility should not submit proposed waivers of administrative procedural requirements and controls for FY 1996 as part of their performance plan. (See also question 7 in attachment 2 on including the effects on performance resulting from approved waivers.)

### **Time-period Covered**

The performance plan for fiscal year 1996 covers a 12 month period beginning on October 1, 1995 and ending on September 30, 1996. The measurement of actual performance compared to the target levels established in the performance goals and indicators should generally coincide with this 12 month period. (See also question 3 in attachment 2 on lags in obtaining actual performance data.)

### **Grouping of Goals, Indicators, and Related Information**

To relate performance with spending, GPRA aligns the performance plans with the "Program by activities" listing appearing in the Program and Financing Schedules in the Budget Appendix. (Each listing usually contains from two to 10 or more specific projects or activities.) To make this alignment, the performance goals, performance indicators, and related descriptions or information should be grouped according to the relevant Program and Financing Schedule(s) for that pilot project. The relevant schedule(s) are those containing (either all or in part) the funding obligations for the individual programs and activities constituting the pilot project.

Many large-scale pilot projects will likely span several schedules, and the goals and indicators should be grouped and matched to the appropriate schedule. (See also question 4 in attachment 2.) If a small-scale pilot project cannot be identified in a "Program by activities" listing because it is embedded within a more sizeable program, please identify the specific project or activity in the listing that covers the pilot project.

For each grouping of goals and indicators, please provide the Appendix page number of the appropriate Program and Financing Schedule, as well as the Identification Code which appears just above the "Program by activities" heading in the schedule. Please use the Budget Appendix for FY 1996. (Agencies believing that the "Program by activities" listing should be revised can request

changes to these listings. See Section 11.6 (c) of OMB Circular A-11.) For those pilot projects that are included in annual financial statements under the Chief Financial Officers Act, please provide the name of the reporting entity for which the statement is prepared.

### **Non-quantifiable Performance Goals**

Quantifiable measures are preferred because of their objective nature. However, if a performance goal cannot be expressed in quantitative terms, GPRA allows OMB to authorize the agency to use an alternative, descriptive form of goal. GPRA defines one alternative form as containing separate descriptive statements of (1) a minimally effective program, and (2) a successful program with sufficient precision and in such terms that allow for an accurate, independent determination of whether the program's performance met the criteria of the description. Pilot project agencies may use this alternative form and include it in the FY 1996 performance plans, without advance OMB authorization.

GPRA also permits an agency to propose its own alternative form, provided that this form also is a description stated with sufficient precision and in such terms that would allow an accurate, independent determination to be made of whether the program's performance met the criteria of the description. There is no advance OMB authorization for an individualized alternative form. Pilot project agencies proposing to use an individualized alternative form should include this in the submitted plan. OMB authorization for the use of an individualized alternative form will be provided after its review of the submitted plan.

### **Strategic Plans**

GPRA requires a strategic plan be used when preparing one or more of the performance plans during the pilot period. So that a notation can be made of which of the three annual pilot project plans satisfies this requirement, please indicate if a strategic plan was used for the FY 1996 plan. (Agencies should note that the strategic plan used for this purpose need not meet all specifications for the strategic plans required under GPRA to be submitted to OMB by September 30, 1997. Also, the strategic plan need only cover the pilot program or activity.)

---

Attachment 2

**Q.1 Who should submit the agency's performance plan to OMB?**

A.1 The plan should be submitted by the head of the agency. However, at the agency's discretion, a plan may be submitted 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 plan.

**Q.2 After OMB reviews the FY 1996 performance plans, should agencies expect to revise these FY 1996 plans based on this review?**

A.2 Requested revisions of the FY 1996 performance plans will generally be confined to those plans where measurement of performance appears to be infeasible because of the lack of sufficient goals or indicators for accomplishing such. In these cases, OMB may request the agency to revise and re-submit its FY 1996 plan. (See also question 8 on withdrawing pilot project designations.) As this is the final submission of the pilot project performance plans, OMB's review and critique of the FY 1996 plans is being directed toward establishing a foundation for the performance plans being submitted in September 1997 as part of the agencies' FY 1999 budget request. (Previously, the critiques emphasized changes and improvements to be incorporated in the next year's pilot project plan.)

**Q.3 May an agency include a performance goal for which it will be unable to measure actual performance against that goal during the fiscal year 1996 time-period?**

A.3 Yes. There is often a substantial lag in obtaining actual performance data for a particular period. The Congressional committees, in their reports on this legislation, recognized this, and made allowances for such in the content of the annual program performance report. When a lag occurs, agencies should use the most current relevant data (even if it is several years old), and indicate, in the program performance report for FY 1996, approximately when the actual performance data for the October 1995/September 1996 time-period will be available.

**Q.4 If a pilot project is funded under several "Program and Financing Schedules", and the performance goals and indicators are mainly relevant for only one of these schedules, should the goals and indicators be arrayed against all the schedules?**

A.4 No, this is not necessary. Agencies should group performance goals and indicators against the schedule that is the main source of funding for the pilot project, and note only by Appendix page number and identification code the other schedules that provide partial funding for the pilot project. Also, several agencies have indicated it may be difficult to align every goal and indicator to a specific schedule. In such instances, these goals and indicators should be separately grouped together in the plan and note made of the reason for doing so.

**Q.5 How should a generic or agency-wide performance goal be included in the performance plan?**

A.5 If an agency's performance plan contains a generic performance goal (i.e., a goal applying to all programs and activities of an agency, and not just the pilot project), the goal should be categorized as such, and presented separately from the groupings of performance goals and indicators that are specific to the pilot project.

**Q.6 Should the FY 1996 performance plan indicate anticipated changes in performance goals or measurement in future years?**

A.6 This is at the discretion of the agency. Because the capacity to measure performance and set performance goals differs between and within agencies, the pilot project phase of GPRA was established to give agencies time for developing and improving this capacity. The quality and scope of the initial performance plans will be uneven. An agency's self-appraisal of limitations in its FY 1996 plan and an indication of how the FY 1999 plan will likely be changed will assist OMB significantly in its review and critique of the FY 1996 plans, and in the discussions on various performance initiatives (including GPRA implementation) to be held with the agencies during the Spring 1995 Program Performance Review.

**Q.7 How should the performance plans address changes in performance expected to occur as a result of waivers of administrative requirements given as part of a managerial accountability and flexibility pilot project?**

A.7 There is insufficient time between the April submission date for the FY 1996 performance plans and the approval of waiver requests for the managerial flexibility pilots to require that the effect(s) of these waivers be reflected in the FY 1996 plans. A performance measurement pilot project that is also designated as a managerial flexibility pilot has several options for addressing the anticipated changes in performance:

(1) Rely on the information provided in support of the waiver request as part of the managerial flexibility pilot project nomination. OMB would subsequently append this information to the performance plan. (Waiver-related performance information will be appended to the submitted FY 1995 performance plans, so that this can be covered -- to the extent feasible -- in the program performance reports for FY 1995.)

(2) If a revised FY 1996 performance plan is prepared, include in the revised plan the anticipated effects on performance from the approved waivers.

**Q.8 Can the designation of a pilot project end before FY 1997?**

A.8 Yes. While GPRA has no specific procedure to annul a designation, the number of designated agencies substantially exceed the ten required by the statute. Thus, OMB will consider withdrawing the designation of a pilot project that: (a) is unable to meet the GPRA requirement that a strategic plan be used in preparing the performance plan for at least one of the years of the pilot project; or, (b) is experiencing major difficulties in establishing and expressing performance goals in its plan, and is unlikely to overcome these difficulties in its FY 1996 plans. (Several pilot project designations were withdrawn in FY 1995.)

An agency seeking to withdraw the designation of a pilot project need not submit a performance plan for FY 1996 for the pilot project. A withdrawal request should be sent to OMB by April 14, 1995. Agencies considering withdrawal should discuss this in advance with the cognizant OMB program division staff. OMB may also initiate discussions with an agency on a possible withdrawal based on its review of the FY 1994 and FY 1995 plans.