

# OMB BULLETIN NO. 00-04 - Integrating the Performance Plan and Budget



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON D.C. 20503

June 6, 2000

**BULLETIN NO. 00-04**

**TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES**

**SUBJECT: Integrating the Performance Plan and Budget**

**Purpose.** As part of preparation for the FY 2002 Budget, agencies will be asked to submit an *integrated* Annual Performance Plan with goals based on current services levels, associating budget authority and outlay estimates insofar as possible with each goal. This document will provide a succinct description of the agency's mission and goals, based on the strategic plan that you will have sent to OMB and the Congress by September. It will explain the agency's programs and activities, and the way these contribute to its outputs and outcomes. The agency's recent performance results will be presented, and factors other than the agency's programs that affect its outcome goals will be discussed. Budget authority and outlay estimates will be associated with the goals, and the budget accounts that finance them will be identified. In this initial draft, targets for the objectives would be based on enacted appropriations and a continuation of current funding in the budget year.

In preparation for production of these integrated documents, agencies will need to focus over the next six months on better understanding the relationships between budgetary resources and performance results. To begin the process, this Bulletin requests the agencies listed at Attachment A to prepare written reports to OMB assessing agency progress to date on certain aspects of the integration of performance planning with the budget, and outlining their current plans for further improvement.

**Background and coverage.** One of the Administration's top priority management objectives in the FY 2001 Budget is to "Use performance information to improve program management and make better budget decisions." The objective is to continue improving the implementation of the Government Performance and Results Act and specifically to integrate planning and budgeting. This Bulletin focuses on assessing and deepening that integration, following up the questions on "Linking Planning,

Performance Measurement, and Budgeting" attached to the transmittal memo of OMB Circular A-11 for FY 2001.

Progress in the use of performance information relies heavily on the ability of agency policy makers and program managers to relate goals and objectives to resource requirements. Judging by the increased use of performance information in the FY 2001 budget process, agencies are making steady progress; the momentum toward improvement must continue. Strategic goals and performance measures should have meaning in the context of real program management and resource allocation.

Over the coming year, OMB and the agencies should be taking steps to build on the progress achieved in implementing GPRA to date by:

- integrating performance planning and budgeting;
  
- budgeting for resources where they are used;
  
- developing greater organizational accountability for program results;
  
- improving the content and usefulness of agency strategic and annual performance plans;
  
- ensuring that the annual program performance reports meet GPRA requirements and are of satisfactory quality;
  
- deepening understanding of how results are achieved; and,
  
- using performance measures to improve program management.

The reports required by this Bulletin will serve as a Government-wide snapshot of the progress that has been made toward integration, and as a summary of agencies' analyses of and plans for improving integration in preparation for the integrated current services document and the FY 2002 Budget. Over the coming months, there will be discussions between OMB staff and agency representatives designed to encourage further development of integrated annual performance plans, both before and after the submission of written reports responding to this Bulletin.

**Required Action.** The agencies listed at Attachment A should submit a report that assesses agency progress in the directions indicated by the questions at Attachment B by Friday, June 30th. ***The responses to these questions should be as specific as possible, and should incorporate actual experience from agency programs in integrating performance measurement with resources.***

**Contact.** Questions regarding this Bulletin should be directed to the relevant agency's OMB representative.

**Jacob J. Lew**

*Director*

Attachments

---

**Attachment A**  
**Bulletin No. 00-04**

**Covered Agencies**

Agriculture  
Commerce  
Defense  
Education  
Energy  
HHS

HUD  
Interior  
Justice  
Labor  
State  
Transportation  
Treasury  
Veterans Affairs  
AID  
Corporation for National and Community Service  
Corps of Engineers  
EPA  
FCC  
FEMA  
GSA  
NASA  
NRC  
NSF  
OPM  
RRB  
SBA  
SEC  
SSA  
TVA

---

**Attachment B**  
**Bulletin No. 00-04**

**Integrating the Annual Performance Plan and the Budget**

<b>Agency Name</b>	<b>Contact Name, Telephone, E-Mail</b>
--------------------	--

Please provide an assessment of your agency's progress in the directions indicated by the questions below, and your current plans for further improvement.

1. **Presentation.** Did your agency include its annual performance plan and budget justification in a single document last year? Had they done so in previous years?

a. If so: What were its strengths and weaknesses? Did it provide a tightly crafted overview of the agency's activities, plans, and resources?

b. What actions are needed to develop an integrated presentation this year?

c. What plans does your agency have for improvements in presentation?

2. **Linkage with resources.** Are there areas where your agency identifies in its plan and/or budget justification the amount of budget authority and outlays devoted to each of the plan's objectives and the budget account(s) from which these come?

a. If so, are these "ballpark estimates" or are they more solidly grounded? For example, are they based on historical data on spending for these objectives? Please explain.

b. Where this is not done, please explain as specifically as possible what obstacles or issues the agency encountered in making such estimates.

c. What actions are needed to make estimates this year? Is planning to do this underway?

d. Are the amounts of resources roughly appropriate to reach the performance target?

e. If the amount of resources in the policy budget were to be changed, up or down, by 10 percent, can you estimate the corresponding change in each performance target?

3. **Account and activity alignment.** With your current budget account structure, to what extent do (or can) the resource estimates for your agency's objectives align with program activity lines, budget account totals, or aggregations of these? Please explain in detail which objectives' resources already align with these "building blocks" or aggregations thereof.

a. For objectives that are not now aligned with budget lines or aggregates thereof, please analyze whether and how they could be tracked in the budget. To what extent would additional program activity lines be useful? To what extent can resources for more than one objective jointly be tracked in the budget? In these cases, could cost accounting disentangle the amounts devoted to each objective?

b. Would changes in the structure of the agency's plans and/or budget accounts be useful to bring them into closer alignment with each other? If so, please specify what changes might be considered. What is the status of consideration of such changes?

c. Would these suggested changes be problematic if policies change, or are they aligned with programs, activities, and organizations that are unlikely to change?

d. Would it be useful to have the capability in MAX to collect P&F program-by-activity by GPRA performance activity code?

4. **Staff relationships.** Are the Annual Performance Plan and the budget developed by the same staff? If different staffs work on the plan and the budget, please describe how these staffs interact.

5. **Program accountability.** How does the agency identify the official (below the Secretary's office) who is held accountable for achievement of each goal and objective?
  - a. Are program managers held accountable? Do the central and regional staffs that run the program report to the accountable official? Please explain.
  - b. Are the budgetary resources needed to achieve each objective (mostly) under the control of the agency official responsible for achieving the objective? Or are they linked to the objective only in an information system?
  - c. For OMB use, please provide the name, title, telephone, and E-mail address for the official responsible for each objective.
6. **Suggestions.** What plans and suggestions do you have for improving the integration of planning and budgeting in this agency? What questions or issues would you like to raise for discussion with OMB?