

SECTION 220—PREPARING AND SUBMITTING PERFORMANCE BUDGETS

(a) *In general.*

Agencies will prepare a performance budget, which fully integrates the annual performance plan ([31 U.S.C. § 1115](#)) required by the Government Performance and Results Act (GPRA) with other elements of the agency budget request, for submission to OMB in September and then to the Congress in February as part of the congressional budget justification (CBJ). *Agencies should consult with relevant congressional appropriations committees* to ensure their support for modifications to the format. Budget submissions to OMB and congressional budget justifications should highlight effectiveness and efficiency gains and how the agency has used or plans to use them.

Agencies will be required to submit the FY 2011 performance plan components of their budget materials in September. Integrating performance information in the budget process remains a priority. The performance goals in these plans should be consistent with those set through agency strategic and performance planning processes, and updated to reflect final congressional action on FY 2010 appropriations, if complete. Program goals may need to be updated to reflect new Administration policies, and will be published as part of the agency's FY 2011 CBJ.

(b) *What is in a performance budget?*

A performance budget is a presentation that clearly explains the relationship between performance goals and the costs for achieving targeted levels of performance. In general, a performance budget links strategic goals with related outcome-oriented long-term and annual performance goals and with the costs of specific activities that contribute to the achievement of those goals.

A performance budget starts with an overview of what the agency intends to accomplish in the budget year. For each strategic goal, the overview provides background on what has been accomplished, analyses of the strategies the agency uses to influence outcomes and how they could be improved, and analyses of the programs that contribute to that goal. The overview should include expected outcomes for each strategic goal, and performance targets for the supporting programs. It should also summarize how the agency expects to manage the "portfolio" of programs for each strategic goal together to maximize the larger strategic outcome.

The GPRA requirements for the annual performance plan ([31 U.S.C. § 1115](#)) should all be addressed in the performance budget, so a separate plan is not needed. (See section [200](#) for further definitions of performance terms.)

The remainder of the performance budget may be presented by bureau or other organization. Each entity's budget should start by analyzing its contributions to strategic goals, as defined within a segment of the agency's enterprise architecture (EA), followed by a detailed analysis of supporting programs, based on performance information whenever possible. The agency's budget request should be justified on the basis of resources needed to make planned progress toward the strategic goals.

The resources requested for each program should be the amount needed to achieve the program's target levels of performance. 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. Resources should be fully costed with centrally funded administrative services and support costs allocated to each program.

The performance budget also includes other information needed to justify the agency budget request. Section [51](#) specifies the basic justification requirements for the performance budget sent to OMB. An agency's congressional committees may require additional information for the performance budget submitted to Congress.

(c) *What performance data should be included in the performance budget?*

The performance budget includes long-term and annual performance goals (performance measures with targets and time frames). Performance goals should be outcome-oriented and targets should be ambitious, that is, they must be set at a level that promotes significant achievements or continuous improvements.

The performance budget displays up to six years of data for every performance goal, including for the budget year, current year, past year, and three additional past years of data. Only three years of resource data are required. Agencies need not include historical performance data for newly established goals.

As noted in section [51](#), the means and strategies the agency intends to use to help achieve the performance goals should also be included.

The performance information (measures and actual data) included in the CBJ will need to be updated to reflect 1) the most recent performance information available (most likely FY 2009 actuals), 2) any necessary adjustments to FY 2010 performance targets to make them consistent with FY 2008 appropriations, 3) the budgetary resources and associated performance targets corresponding to the President's Budget, 4) efficiency measures, and 5) a rationale for why the performance targets are ambitious. When current performance data (i.e., FY 2008 or FY 2009) are not available, the date when the data will be available should be listed. All "actuals" fields are required to be filled in.

It is also helpful for the performance budget to include an addendum that lists and explains changes in performance measures as compared to the prior year's performance budget.

(d) *How do GPRA and the PART measures relate to the performance budget?*

To enhance the transparency and integration of performance management information while minimizing redundancies of separate performance management systems, agencies are expected to continue to integrate their GPRA performance measures, and PARTWeb measures as appropriate, in the annual performance plans within the CBJ, consistent with the Administration's priorities and quality standards. OMB is continuing to work with the Performance Improvement Council to develop a government-wide performance measurement system that facilitates this integration effort. Additional guidance will be issued based on steps taken over the coming months to implement a more useful and less burdensome unified performance measurement system.

Agency performance plans and reports vary in their level of detail and how they address the programs the agency operates. Performance measures included in GPRA plans and reports should be outcome oriented, relate to the overall purpose of the program, and have ambitious targets.

(e) *How does the performance budget relate to the strategic plan and the annual performance report?*

The performance budget is organized as a hierarchy goal structure like the agency's strategic plan. At the top of the pyramid are strategic goals, which are statements of aim or purpose that are set out in the agency strategic plan. Several agency programs may contribute to achievement of a strategic goal. If programs in different agency components contribute to the same strategic goal, the performance budget should describe how a portfolio of inter-agency programs will help attain the broadly stated aims of a strategic goal.

For each strategic goal, there are usually several underlying strategic objectives or outcome goals. For each of the underlying outcome goals, there typically are several output goals. The program performance measures and targets developed to track these underlying goals are included in the performance budget.

The Annual Performance Report (APR) presents information on how well the agency achieved the target levels for its goals in the past year. Some of this past year information is included in the performance budget with the data for program performance measures and targets. Most agencies will prepare an annual Performance and Accountability Report (PAR) that satisfies all of the past-year requirements for the APR. However, agencies may choose to produce a consolidated PAR, or to produce a separate Annual Financial Report and APR. Agencies that choose to produce separate reports will combine the APR with the annual performance plan for inclusion in the CBJ, and include an acknowledgement that the agency is using an alternative to the PAR. The strategic plan, performance budget and PAR together satisfy the GPR requirements for a strategic plan, an annual performance plan and annual performance report.

(f) *Ensuring that the performance budget is publicly available.*

Release of the performance budget and agency justification and underlying materials concerning presidential decisions must be done in accordance with the requirements of section 22. After the performance budget is submitted to the Congress, it should be made available to the public on an agency's website.

To further enhance transparency of agency performance data, agencies are required to include a link on their main agency webpage to a single page with access to the following, but not limited to:

- Strategic Plan
- Annual Performance Plan and report (or PAR)
- Annual Financial Statements
- Status of Program Performance and Improvement Efforts
- 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

(g) *Ensuring the agency enterprise architecture addresses agency performance plans.*

Once an agency's performance plan is established, agencies should ensure the enterprise architecture (EA) planning documents are focused on how the agency will achieve its performance planning goals. This will require a direct coordination of the capital planning and EA planning efforts that together demonstrate the action steps the agency will take to meet the performance goals. See FSAM.GOV, and the FEA website (<http://www.whitehouse.gov/omb/e-gov/fea/>) for more information on addressing performance planning with EA.

The agency should submit an Enterprise Architecture Segment Report (EASR) to OMB for each segment of the agency's EA. The EASR should provide a decision analysis documenting the agency's needs, gaps, and alignment of transition steps and IT resources to agency performance priorities.

