THE DIRECTOR

January 15, 2021

M-21-13

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Russell T. Vought
            Director

SUBJECT: Implementation of Performance Management Statutes

A December 23, 2020, revision to OMB Circular A-11 included the removal from the Circular of Part 6, "The Federal Framework for Improving Program and Service Delivery."
Part 6 provided guidance to Executive Branch agencies on implementing the requirements of various Government management statutes, with a focus on the Government Performance and Results Act of 1993 (GPRA; Public Law 103-62) and successor legislation, the Government Performance and Results Modernization Act of 2010 (GPRAMA; Public Law 111-352). These laws require Executive Branch agencies to periodically establish goals and metrics for measuring the performance of agency programs and activities and to report on whether they are meeting their established goals and metrics.

Agencies should continue to adhere to these statutory requirements and the timelines for achieving them established in previously issued guidance from OMB. Prior guidance from OMB concerning high-impact service providers and the Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act; Public Law 115-435) also remains in effect.

As I described in the memorandum accompanying the recent revision to Circular A-11, the manner in which this Administration -- and preceding ones – have implemented the performance management laws must be revisited. There is scant evidence of benefit for the time and expense that agencies annually invest in compliance with these laws under the legacy practices that have been employed to date. Congress and the public have long turned a blind eye to the performance information produced, and senior Executive Branch officials struggle to meaningfully incorporate the information into management efforts due to the questionable quality of the data yielded. This situation should not go unaddressed; valid, meaningful performance data is critical to oversight and adaptation of Executive Branch operations.

A more effective implementation of GPRA and GPRMA going forward requires that the Executive Branch focus its reporting efforts to facilitate higher quality performance data and a clear delineation of Executive Branch priorities, instead of the production of reams of data of

little utility that ultimately serves to obscure, rather than clarify, what an Administration's priorities are -- and the extent to which they are achieved.

Managing the Executive Branch effectively requires priority-setting. The all-encompassing legacy process has failed to adequately amplify the highest agency priorities and to isolate and track the key metrics that could meaningfully measure progress toward those priorities. If everything is a priority, nothing is a priority.

Therefore, agencies should seek to appropriately narrow the volume of performance and priority goals they are tracking, enabling them to better measure what is measurable, and to track performance toward those objectives they are most committed to attaining. In addition, agencies should work closely with their OMB counterparts to identify no more than two agency priority goals that represent the areas where the agency is committed to making the most important and enduring change – and for which the agency should be prepared to be held accountable for the results.

Further, agencies are to work with their OMB counterparts to identify those program activities for which it is not feasible to express performance goals in an objective, quantifiable, and measurable form. In these instances, the OMB Director will consider authorizing an alternative form of reporting, in accordance with relevant statutes.

This streamlined approach will ultimately lead to the production of more relevant performance data that brings the Executive Branch closer to achieving the vision of transparency and accountability that originally animated proponents of Federal performance management legislation.

Federal Program Inventory

GPRAMA also directed OMB to develop a single website providing a "coherent picture of all Federal programs, and the performance of the Federal Government as well as individual agencies." A valuable inventory would facilitate more informed decision-making and further enhance Federal policymakers' ability to make resource allocation decisions. Creating this type of inventory requires the collection of a wide variety of information about each program, including, for example, the mission and goals of a program, funding information, and performance data.

Since GPRAMA's enactment, establishing a meaningful inventory has proved challenging. In particular, identifying programs that stakeholders can readily compare and contrast requires a definition of "program" that can be consistently applied by agency budget, Chief Financial Officer, and performance management communities across the Federal Government. GPRAMA does not define "program" for these purposes, and other laws do not provide further guidance. Agencies themselves define "programs" in varying ways, often using categorizations that are recognizable and identifiable to certain participants and other stakeholders but not on a consistent basis from a Government-wide perspective.

Furthermore, agency data about individual programs is located in disparate locations and systems, with no linkages that would allow for automatic identification. While

USASpending.gov, built to implement the Digital Accountability and Transparency Act, developed connections across agency budget, award, and spending data, the platform does not map these data to agency mission, goals, and performance data across the Federal Government.

To identify solutions to overcome these challenges, OMB issued guidance in December 2020 to launch a Federal Program Inventory exploratory pilot as the next interim step towards creating a coherent and comprehensive inventory. The pilot is intended to identify where there may be gaps in guidance and inconsistencies or conflicting definitions across agencies and is not intended to replace any existing Federal guidance. The pilot consists of the following phases:

- **Phase One – December 2020:** OMB introduces the Federal Program Inventory pilot and identifies programmatic categories.

- **Phase Two – December 2020 and January 2021:** Agencies, working with OMB counterparts, identify associated programs and provide data about those programs.

- **Phase Three – January 2021 onward:** OMB publishes data on a public website and obtains input from stakeholders.

- **Phase Four – TBD:** OMB synthesizes feedback and lessons learned through the pilot. OMB issues updated guidance in advance of the next iteration of data collection from the agencies.

Based on data collected so far through the pilot, OMB has observed a combination of successes and challenges in collating data from disparate and antiquated reporting systems and processes around a particular program or category of activities aligned to a particular mission need, and has identified a need to align these data to a larger information architecture in a standardized, consistent approach.

Under Phase Three of the pilot, OMB's engagement with stakeholders will solicit feedback on the overall approach of the pilot and identify ways to improve the reporting and display of information. OMB will then use the feedback and lessons learned from these efforts to further refine and iterate on the inventory and issue additional guidance to agencies, as appropriate.

Over time, OMB expects the pilot to result in a mature inventory and provide a Government-wide, centralized, programmatic reporting and decision-making model, that allows Federal policymakers and the public alike to view particular spending and performance information within the larger context of all Federal spending by program.

OMB understands the importance of fully implementing a Federal Program Inventory and the priority of this effort to both Congress and public stakeholders. OMB remains committed to completing this important work.