

SECTION 220—PREPARING AND SUBMITTING PERFORMANCE BUDGETS**(a) *In general.***

Agencies will prepare a performance budget, which fully integrates the annual performance plan (See, 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 justification. *Your agency should consult with relevant congressional appropriations committees* to ensure their support for modifications to the format, including the use of PART findings and other performance information to justify your budget. Budget submissions to OMB and congressional 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 2010 performance plan components of your 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 your strategic planning, performance planning, and Program Assessment Rating Tool process and updated to reflect final congressional action on FY 2009 appropriations, if complete. Of course, program goals may need to be updated to reflect new Administration's policies and will be published as part of your FY 2010 congressional budget justifications.

(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. (For the pilot agencies who have chosen to participate in the alternate approach to performance and accountability report, the Annual Performance Report (APR) will be combined with the performance budget transmitted with the Congressional Budget Justifications.)

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, including their relative roles and effectiveness, using information from Program Assessment Rating Tool (PART) assessments. The overview should include expected outcomes for each strategic goal, and performance targets for the supporting programs. It should 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 (See, 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, followed by a detailed analysis of supporting programs, based on PART and other performance information whenever possible. Your 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. Your agency's congressional committees may require additional information for the justification of the performance budget submitted to the 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) that meet the standards of the PART. Performance goals should be outcome-oriented and targets should be ambitious, that is, they must be set at a level that promotes continuous improvement. When the performance budget discusses programs that have been assessed with the PART, the performance goals included for those programs should be the same ones included in the PART. Due to varying levels of detail, every performance measure documented in an agency's PARTs does not need to be included in the agency's performance budget. See PART guidance for information on selecting performance measures at http://www.whitehouse.gov/omb/part/fy2008/2008_guidance_final.pdf.

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 PARTs, PART summaries and congressional justifications will need to be updated to reflect 1) the most recent performance information available (most likely FY 2008 actuals), 2) any necessary adjustments to FY 2009 performance targets to make them consistent with FY 2007 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 2007 or FY 2008) are not available, the date when the data will be available should be listed. All actuals fields are required to be filled in. Performance goals are considered "met or exceeded" only when the target was reached exactly as stated or exceeded. Results which are lower than the target, but improved over prior year's performance should be labeled as "improved over prior year, but not met." Results that do not meet target and do not improve over prior year should be labeled as "not met target." Finally, data that is not available at the time of publication of the report, e.g., collected later in the year or every other year, should be labeled "data not yet available."

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 does the performance budget relate to the strategic plan and the annual performance report?*

The performance budget is organized as a hierarchy of goals 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 outcome goals, and for each outcome goal, there typically are several output goals. The outcome and output goals for programs are the performance measures and targets validated through the PART process and included in the performance budget.

The annual performance report 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 annual performance report. In addition, agencies participating in the PAR pilot will consolidate their annual performance report along with their annual performance plan (performance budget) in their Congressional Budget Justifications (See section [230](#) for more information on the annual performance report.)

Therefore, the strategic plan, performance budget and performance and accountability report together satisfy the GPRA requirements for a strategic plan, annual performance plan and annual performance report.

(e) *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
- Annual Financial Statements
- Status of Program Performance and Improvement Efforts
- Status of President's Management Agenda Initiatives
- 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

