

# Budgeting for Performance in the U.S.

Using the  
Program Assessment Rating Tool



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U.S. Office of Management and Budget

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# Agenda



- Budget Players and Process in the U.S.
- Why PART Was Created
- PART Basics
- Performance Measurement
- How OMB Uses PART Results
- PART Implementation
- Consistency Check / Quality Control
- Supplemental Information

# The Administration



- **15 Cabinet-level Departments**
- **> 100 agencies, boards, & commissions**
- **Executive Office of the President**

# The Executive Office of the President

- Office of the Vice President\*
- Chief of Staff\*
- Council of Economic Advisers
- Council on Environmental Quality
- Domestic Policy Council
- National Economic Council
- National Security Council
- Office of Homeland Security
- Office of Management and Budget\*
- Office of National Drug Control Policy\*
- Office of Science & Technology Policy
- Office of the United States Trade Representative\*
- Etc...

\* Cabinet rank members

# What does OMB do?

- Leads or participates in the development and resolution of all budget, policy, legislative, regulatory, procurement, e-gov't, and management issues on behalf of the President.
- Oversees the implementation, coordination, and management of agency programs.

# Federal Budget Calendar



- **March – August**
- **May / June**
- **September / October**
- **October / November**
- **December / January**
- **February**
- **Agency internal reviews**
- **OMB sends guidance to agencies**
- **Agencies submit request to OMB. Hearings held.**
- **OMB internal reviews**
- **Budget numbers and text finalized**
- **Budget sent to Congress**



# Congress

**~250 Committees and  
Subcommittees**



**About a dozen appropriations  
subcommittees in both the  
House and the Senate**

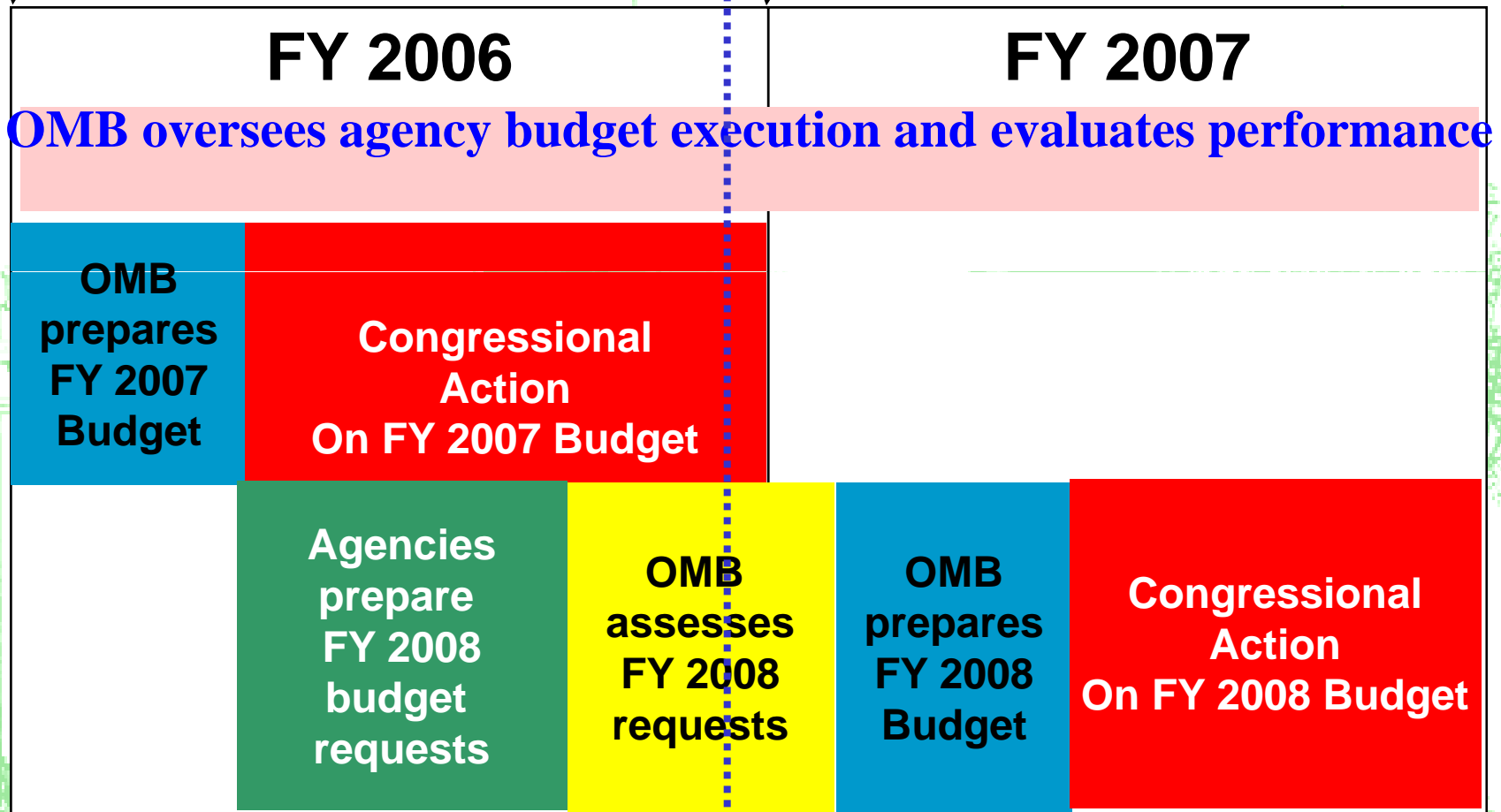
**"No money shall be drawn from the treasury, but in consequence of appropriations made by law; and a regular statement and account of receipts and expenditures of all public money shall be published from time to time."**

**– U.S. Constitution, Article 1, Section 9**

# Overlapping Budget Processes

Oct 1, 2005

Oct 1, 2006



*We are here (not to scale)*



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“Government should be  
results-oriented—guided not  
by process but by performance.”

— *George W. Bush, 2000*

# The Challenge in 2001

- Agency performance information inadequate or not available
- Performance measures not outcome-oriented and not tied to agency mission
- Performance results not integrated into agency decisions and budget requests.
- How do we incorporate program performance into funding and management decisions?

# President's Management Agenda

- In 2001, Bush Administration released the President's Management Agenda (PMA)
  - Identifies problems and defines initiatives for improving management across U.S. Government agencies.
  - Five broad management initiatives, plus several more specific initiatives.

*For more information on the PMA:*

[www.whitehouse.gov/omb/budget/fy2002/mgmt.pdf](http://www.whitehouse.gov/omb/budget/fy2002/mgmt.pdf)

[www.results.gov](http://www.results.gov)

# Budget – Performance Integration

- One of five government-wide initiatives of the President's Management Agenda
- PART is a tool for assessing agency performance in this initiative
  - The “stoplight” scoring system used to assess agency progress in the BPI initiative includes criteria related to PART



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# PART Basics (1)

The PART has four sections:

|                        |              |
|------------------------|--------------|
| I. Purpose and Design  | (20 percent) |
| II. Strategic Planning | (10 percent) |
| III. Management        | (20 percent) |
| IV. Results            | (50 percent) |

- Each section has 5 to 10 questions.
- Sections I, II, and III allow only Yes or No responses.
- Section IV allows partial credit.

# PART Basics (2)



- PART Guidance document
  - elements of a “Yes” response
  - acceptable documentation of evidence
- Products:
  - program score (0 to 100)
  - effectiveness rating
  - summary of findings
  - Improvement plan / follow-up actions

# PARTs Tailored to Program Type

- The PART has seven versions, one for each program “type”:
  - credit
  - competitive grant
  - regulatory
  - capital assets & service acquisitions
  - block/formula grant
  - direct federal
  - research and development
- Questions in the “Direct Federal” version are common to all PARTs
- Other versions include extra questions tailored for program type
- Question weighting can be adjusted

***Issue: Definition of a Program***

# Section I: Purpose & Design

## Highlights

- Clear purpose?
- Address a specific and existing problem?
- Not redundant or duplicative?
- Free of major design flaws that limit the program's effectiveness or efficiency?
- Resources effectively targeted?



# Section II: Strategic Planning

## Highlights:

- Long-term and annual performance measures?
- Baselines and ambitious targets?
- Plan for independent evaluations of sufficient scope, quality, and frequency?
- Budget requests tied to accomplishment of goals?
- Address strategic planning deficiencies?

# Section III: Program Management

## Highlights:

- Collect and use performance info?
- Federal managers and contractors held accountable for cost, schedule, performance?
- Funds spent for intended purpose?
- Effective collaboration and coordination?
- Strong financial management practices?
- Address management deficiencies?

# Section IV: Program Results/Accountability

## Highlights:

- Meeting long-term and annual goals?
- Demonstrate improved efficiency?
- Results of independent evaluations?
- Scoring: partial credit allowed
  - Yes
  - Large Extent
  - Small Extent
  - No

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# Performance Measures

***The PART makes the assessment approach consistent across programs; performance measures make assessment appropriate for each program.***

- Performance measures are key to:
  - assessing program effectiveness
  - incentivizing the right behavior
- Performance measures should be:
  - Salient and meaningful
  - Capture the most important aspects of a program's purpose and priorities



# Goals, Measures, and Targets

**Goal = performance measure + target**

- Targets should be quantitative and trendable over time
- Quantitative baseline required.

# Outcomes and Outputs



Performance goals may focus on outcomes or outputs.

- **Outcomes:** Intended result, effect, or consequence of program. Public benefit should be clear. External factors influence.
- **Outputs:** What the program produced or provided.
- The PART strives for measures of outcomes.
  - Output or process measures should clearly tie to outcomes.

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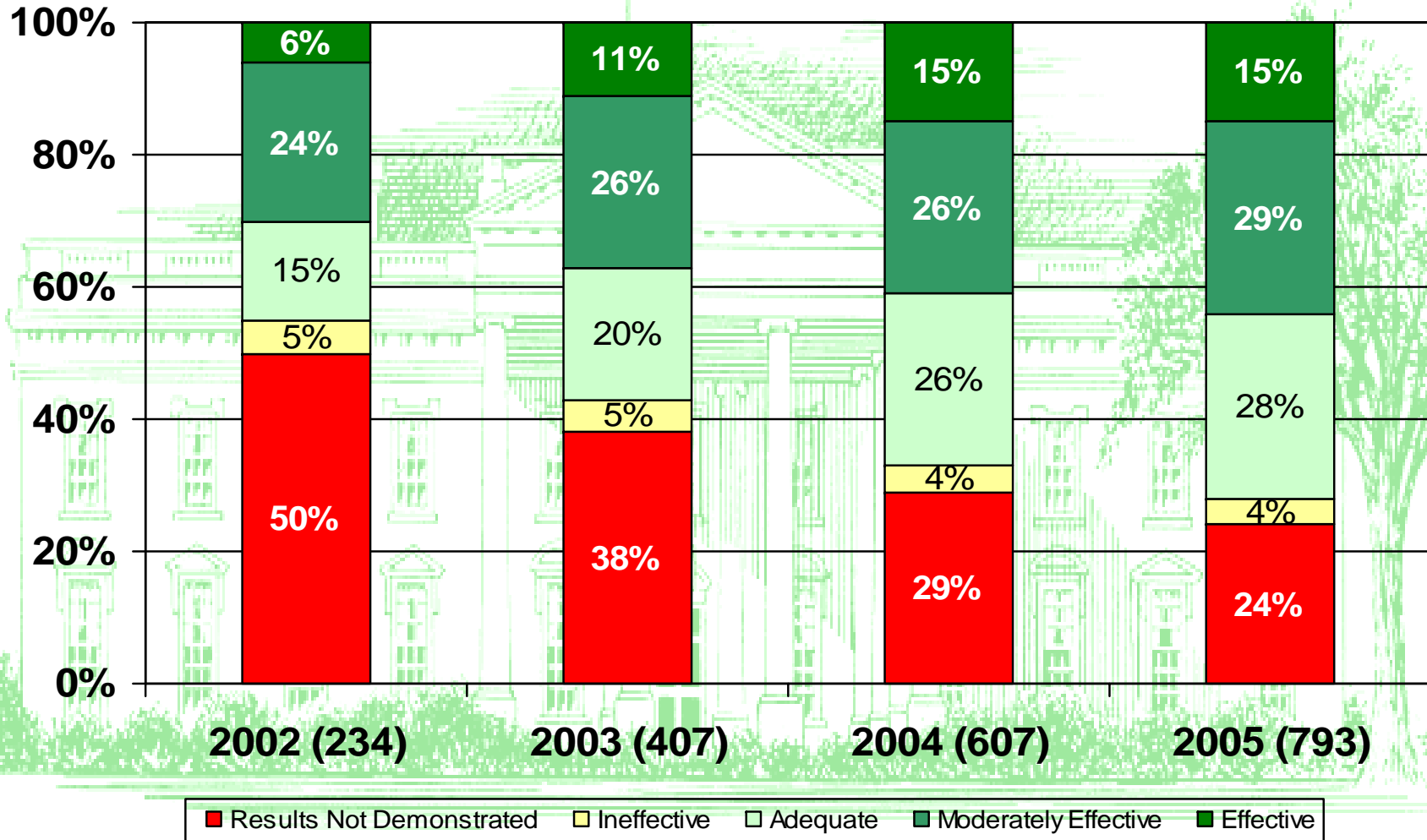
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# What Do We Get Out of PART?

1. Overall program “effectiveness” ratings, based on banding of scores that can range from 0 to 100:
  - Effective
  - Moderately Effective
  - Adequate
  - Ineffective
  - Results Not Demonstrated
2. Specific follow-up actions aimed at improving performance
3. Data to inform decision making processes, including both budget and management decisions

# 1. “Effectiveness Ratings”

(cumulative number of programs assessed)

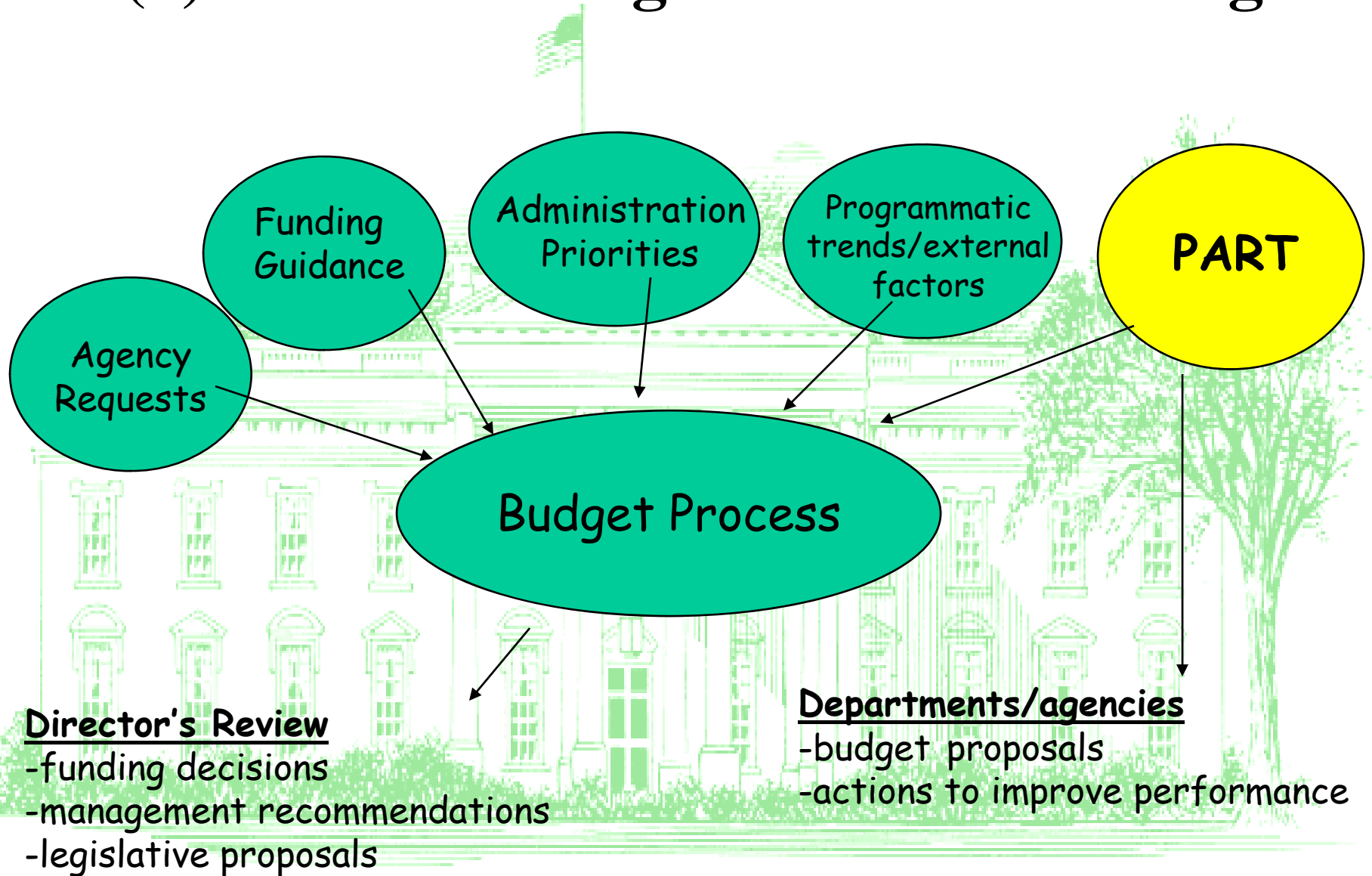


# 2. Follow-Up Actions

## By Type and Year

|                                 | 2003       |               | 2004       |               | 2005       |               |
|---------------------------------|------------|---------------|------------|---------------|------------|---------------|
| Action taken, but not completed | 145        | 44.2%         | 218        | 47.8%         | 493        | 59.1%         |
| Completed                       | 162        | 49.4%         | 220        | 48.2%         | 260        | 31.2%         |
| Enacted                         | 0          | 0.0%          | 0          | 0.0%          | 1          | 0.1%          |
| No action taken                 | 5          | 1.5%          | 7          | 1.5%          | 39         | 4.7%          |
| Not enacted                     | 10         | 3.0%          | 6          | 1.3%          | 22         | 2.6%          |
| Nothing reported                | 6          | 1.8%          | 5          | 1.1%          | 19         | 2.3%          |
| <b>Grand Total</b>              | <b>328</b> | <b>100.0%</b> | <b>456</b> | <b>100.0%</b> | <b>834</b> | <b>100.0%</b> |

# 3(a) Data for Budget Decision Making



## 3(b) Data for Budget Decision Making

- PART *informs* budget decisions; not sole basis for decisions.
  - A good PART score does not necessarily mean more funding.
  - A bad PART score does not necessarily mean less funding.
- PART helps identify needed planning and management improvements.



## 3(c) Data for Management Decisions

- PART results affect agencies' rating on the PMA "stoplight" scorecard
- Standards for Success (Green)
  - <10% of programs rated "Results Not Demonstrated" two years consecutively
  - At least one efficiency measures for all PARTed programs
  - Annual budget documents use PART performance measures
  - "Green Plan" and additional linkages. See:

[www.whitehouse.gov/results/agenda/scorecard.html](http://www.whitehouse.gov/results/agenda/scorecard.html)

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# PART Timeline

- February Agencies/OMB agree on programs.
- March PART Training  
Agencies and OMB start PARTs
- Mid May Agencies complete PART drafts
- June OMB completes PARTs
- July Consistency check (Quality Control)
- August PART appeals process
- *September Agency budget submissions to OMB*
- *December Budget settlement with agencies*
- December PART summaries finalized by OMB
- *February President's Budget released. Includes PART results.*

# Implementation Mechanics

- PARTWeb
  - On-line data entry directly into database
  - Allows “versioning”, multiple access levels, and lock-out of agency and OMB users at various stages of PART completion

# Performance Evaluation Team

- PET is a subgroup of about a dozen OMB examiners with diverse experience
- At least one rep from each OMB Division
- Responsibilities:
  - Update PART guidance
  - Coordinate PART consistency check
  - Coordinate PART appeals process
  - Liaison from OMB staff to OMB management on PART issues

# Implementation Issues



- Definition of a “program”
- Reassessment frequency
- Tracking PART follow-up actions
- Quality control
- Data collection, analysis, and presentation
- Congressional and public interest
- Increasing transparency: [ExpectMore.gov](http://ExpectMore.gov)

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# Consistency Check Purpose

- Ensure OMB examiners are applying PART guidance consistently
  - PART response vs. PART guidance
  - NOT PART response vs. other PART response
- Assessing quality and content of Explanation and Evidence
- Generally no review of evidentiary documents



# Consistency Check Process

- 12 teams of 2 (all PET members plus additional OMB examiners)
- Each team reviews select PART question responses plus all performance measures
- Reviewers remain anonymous

# Consistency Check Results

- BPI Unit memo to OMB staff
  - general feedback to all OMB examiners
  - highlight common needs for improvement
- PET provides specific feedback to each OMB branch
- BPI unit spot checks for implementation

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# Available at [www.omb.gov/part](http://www.omb.gov/part)

- PART guidance
- Link to PARTWeb (restricted access)
- Link to [ExpectMore.gov](http://ExpectMore.gov)
- Supporting materials on performance measurement and evaluation
- Frequently asked questions

# Available at [www.gao.gov](http://www.gao.gov)

- Recent Government Accountability Office reports:
  - “Program Evaluation: OMB’s PART Reviews Increased Agencies’ Attention to Improving Evidence of Program Results” (October 2005)  
<http://www.gao.gov/new.items/d0667.pdf>
  - “Performance Budgeting: PART Focuses Attention on Program Performance, but More Can Be Done to Engage Congress” (October 2005)  
<http://www.gao.gov/new.items/d0628.pdf>
- Other GAO assessments of PART development, implementation, and results also available