

SECTION 220—PREPARING AND SUBMITTING PERFORMANCE BUDGETS**Summary of Changes**

Instructs agencies to consult with their congressional representatives about the use of the results of PART assessments prior to submitting congressional justifications.

(a) *In general.*

Agencies will prepare a performance budget fully integrating the annual performance plan 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 the results of PART assessments, of your agency budget documents.

(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 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 from an overview of what the agency intends to accomplish in the budget year. For each strategic goal, the overview would provide background on what has been accomplished, analyses of the strategies the agency uses to influence outcomes and how they could be improved, analyses of the programs that contribute to that goal, including their relative roles and effectiveness, using Program Assessment Rating Tool (PART) assessments when available. 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.

Because the plan will be incorporated into the performance budget, a separate annual performance plan is not needed to satisfy GPRA requirements. (See section [200](#) for further definitions of performance terms.)

The remainder of the budget may be presented by bureau or other organization, but each entity should start by analyzing its contributions to strategic goals, followed by a detailed analysis of supporting programs, based on PART 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 target levels for the performance goals for the program. 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 the 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.

Best practice last year showed that good performance budgets are often shorter than the sum of the previous plan and budget volumes. They are more analytical and add value by explaining the relationships between past and future performance and budget cost. Well-organized and well-written justifications got notably better reception.

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

The performance budget includes performance goals (performance measures with targets and time frames) that meet the standards of the PART – goals should be outcome-oriented and targets should be ambitious. When the performance budget includes information on programs that have been assessed with the PART, the performance goals included for that program should be the same ones included in the PART. Every performance measure documented in an agency's PARTs does not need to be included in the agency's performance budget; however all measures included in the performance budget should meet the standards of the PART guidance. The same is true for programs not yet assessed by the PART; measures and targets included in the performance budget should meet the standards set by the PART guidance. See PART guidance for questions 2.1–2.4, and 3.4 at: http://www.whitehouse.gov/omb/part/fy2005/2005_guidance.doc.

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 2005 actuals) and 2) the budgetary resources and associated performance targets decided for the President's Budget. This year agencies will provide updates to performance and funding information for PARTed programs through the PARTWeb system.

(d) *How does the performance budget relate to the strategic plan and the annual performance and accountability 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. All agencies will prepare an annual performance and accountability report (PAR) that satisfies all of the past-year requirements for the annual performance report. (See sections 26 and 230 for more information on the performance and accountability 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.

The congressional justification may include additional and updated past year performance data. If additional performance data is used, you should take special care in the design of your congressional justification to identify those performance goals against which actual performance will be compared in your annual performance and accountability 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.

