EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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THE DIRECTOR

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MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

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Director

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SUBJECT: Delivering an Efficient, Effective, and Accountable Government

Since taking office, the President has emphasized the importance of delivering a government that works – one that serves the needs of the American people and delivers programs in highly effective, efficient, and innovative ways. The challenges we face today demand that, now more than ever, every Federal employee must act as a careful steward of taxpayer dollars. The GPRA Modernization Act of 2010 places responsibility for improving the management and performance of the agency squarely on the shoulders of each agency's newly designated Chief Operating Officer (COO), the Deputy head of each agency or equivalent, with support from the agency Performance Improvement Officer.

Two management efforts require immediate COO attention:

First, under the GPRA Modernization Act, COOs are responsible for leading their agency's efforts to set priority goals; designating a senior official responsible for each goal; and reviewing progress quarterly to improve performance and reduce costs. The attached guidance provides more information on the Act's requirements for agencies.

Second, COOs must ensure that their agencies are redoubling their efforts to cut waste, as required by Executive Order 13576, "Delivering an Efficient, Effective and Accountable Government." Executive Order 13576 initiated the Campaign to Cut Waste and charged the Vice President with meeting with Cabinet members to monitor agency progress on waste reduction, performance, and management improvements. Chief Financial Officers are expected to lead agency efforts to implement the requirements of the Campaign to Cut Waste, in accordance with guidance issued by the Controller on June 28, 2011.

To assist COOs with leading these and other management efforts, OMB has also created a MAX page with a summary of all key upcoming waste reduction, performance improvement, and management deadlines, at https://max.omb.gov/community/x/I4OPIg.

Attachments

**Attachment 1**

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## Section 1: Objectives of Federal Performance Management

Federal performance management has four distinct but complementary objectives:

- **Effective government.** Government practices, programs, and policies improve the outcomes they are trying to achieve.
- **Efficient, productive government.** Once effective practices, programs, and policies have been identified, government continually pushes for lower-cost ways to achieve its objectives.
- **Open and transparent government that engages the public.** Government operates in an open, transparent way and encourages participation and collaboration. It uses goals and measures to inform the public about what government is trying to accomplish and how well it is doing. It also communicates performance information to invite external ideas, expertise, and assistance, and to support cooperation with delivery partners to accomplish shared objectives.
- **Fair, equitable, and honest government.** Government operates fairly, equitably, and honestly.

Performance goals and measurement are powerful tools to advance these objectives when agencies regularly collect and analyze performance data to inform decisions. Agencies should constantly strive to achieve meaningful progress and find lower-cost ways to achieve positive impacts. They must be clear about what they are trying to accomplish, explain why it is important, and be disciplined in their program delivery. Critical to success is a culture where agencies constantly ask, and try to answer, questions that help them find, sustain, and spread effective and efficient programs, practices, and policies that support the agency's mission. The Administration is pursuing strategies to increase use of performance information to lead and learn to improve outcomes; communicate performance information clearly to improve results and transparency; and strengthen problem-solving networks.

## Section 2: Roles and Responsibilities of Performance Leaders

This section addresses the GPRA Modernization Act's immediate impact on roles and responsibilities of the agency head, Chief Operating Officer (COO), and the Performance Improvement Officer (PIO), and goal leaders. The GPRA Modernization Act designates the deputy head of each agency or the equivalent, to be the COO. In addition, Executive Order 13567 designates the COO as the Senior Accountable Official responsible for leading performance and management reform efforts, and for reducing wasteful or ineffective programs, policies, and procedures.

Each agency head and/or the COO, with the support of the PIO, will run data-driven progress reviews and include in the reviews key personnel from other components, programs, or agencies, which contribute to the accomplishment of the goals reviewed. As the GPRA Modernization Act is implemented, changes in the use of performance information should start to occur across the organization and in program partners. Those affected will include, but are not limited to:

- Agency head

- Chief Operating Officer (COO)
- Performance Improvement Officer (PIO)
- Goal leaders
- Bureau/Component heads
- Program managers and program office employees
- Evaluation, policy, and planning offices
- Management offices (including management functions such as acquisition, financial, information technology, human capital)
- Regional offices
- Delivery partners
- Performance Improvement Council
- Office of Management and Budget

## Performance Improvement Responsibilities

The GPRA Modernization Act builds upon a performance management leadership structure at the agency that begins with the agency head, the COO, the PIO, and the goal leaders and is expected to translate across the organization. The three primary responsibilities this core performance team needs to fulfill are:

1. ***Goal-setting.*** Leaders at all levels of the organization, starting with the agency head, are responsible for choosing and communicating near-term and long-term goals, distinguishing those that are the highest priority, and for driving progress on those priorities.
2. ***Assuring timely, actionable performance information is available to decision-makers at all levels of the organization.*** COOs and PIOs must make sure that agency managers gather and analyze performance and other evidence to understand better the problems they are trying to tackle, the effectiveness of past efforts to address problems and factors affecting change.
3. ***Conducting frequent data-driven reviews that guide decisions and actions to improve performance outcomes and reduce costs.*** Each agency head and COO, with the support of the PIO, should run data-driven progress reviews and include in the reviews key personnel from other components, programs, or agencies, which contribute to the accomplishment of the goals reviewed.

## COO and PIO Designation

**2.1 How does the agency designate the COO and PIO?** The GPRA Modernization Act requires all agency heads to designate a COO. Agency heads in consultation with the COO, will designate a senior executive as the agency PIO, who will report directly to the COO. Agencies naming a political appointee as PIO should name a career senior executive as the Deputy PIO. For the purposes of assigning a PIO, agencies have flexibility to name a senior executive depending on the organizational needs and structure of the agency. For agencies with 500 or more full-time-equivalent employees (FTEs), a senior executive should be considered at the Executive Schedule, Senior Executive Service, or equivalent level. For Non-CFO Act Agencies with less than 500 FTEs a senior executive should be considered a senior-level manager or leader within the organization.

All agencies with more than five hundred FTE staff must notify OMB of the name of the agency COO and PIO. Agencies with more than five hundred FTE that assign a Deputy PIO must also provide the deputy name to OMB. Agencies that have fewer than 500 FTEs are encouraged, but not required, to notify OMB of the name of the agency COO and PIO. Agencies may update their designations by emailing notifications to performance@omb.eop.gov.

If necessary, and within available resources, agencies subject to the Chief Financial Officers Act of 1990 may submit to the Office of Personnel Management a request for consideration of an SES allocation adjustment for the PIO position.

**2.2 Does an agency have to name an acting COO or acting PIO if the position is vacant?** Yes. If the COO or PIO position is likely to remain vacant for more than one month, agencies should name an acting COO or acting PIO to ensure continuity of organizational performance management processes. When a vacant PIO position had previously been held by a political appointee, the Deputy PIO should serve as the acting PIO unless the COO names another person to serve as the acting PIO. Agencies with more than 500 FTE should notify OMB of these interim appointments by emailing notifications to performance@omb.eop.gov.

**2.3 Will OMB make the COO and PIO designations public?** Yes. OMB will make the names of COOs and PIOs available to the public on a government-wide, central website for those agencies over 500 FTE.

## Chief Operating Officer

**2.4 What is the role of the Chief Operating Officer (COO)?** Critical to the success of agency efforts to improve results and reduce costs is leadership engagement at all levels – especially from the COO. The GPRA Modernization Act states that the COO "shall be responsible for improving the management and performance of the agency," and charges the PIO with advising and assisting the head of the agency and the COO in these efforts. COOs, assisted by PIOs, are expected to assume the following roles and responsibilities for delivering an efficient, effective, and accountable government:

1) **Set clear and ambitious goals to improve results and reduce costs**. COOs will advise and assist the agency heads in selecting and communicating near- and long-term goals for their agencies that accelerate performance on Administration priorities and agency missions, save money, and enhance agency responsiveness to customers and citizens.

2) **Assign and empower senior accountable officials to lead**. COOs will designate a goal leader responsible for driving progress for each goal, including mission-focused goals (such as increasing the supply of clean energy) and savings and management goals (such as reducing the cost and timeliness of claims processing). COOs will assure these senior accountable officials have the tools and authority needed to manage across organization boundaries to deliver better results in the most cost-effective way.

3) **Conduct frequent reviews to accelerate progress**. At least every quarter, the COOs will conduct data-driven reviews to speed performance and efficiency improvements on priority and other goals, including savings and management goals, coordinating with agencies that contribute to shared goals. Quarterly performance reviews on priority goals are required both by Executive Order 13576 and the GPRA Modernization Act of 2010. COOs are responsible for ensuring these reviews are implemented in a way that is useful to their organizations and for strengthening their agency's analytic capacity to support data-driven progress reviews.

4) **Identify and implement actions to improve results, improve efficiency, and reduce waste.** The COOs, working with the Chief Financial Officers (CFOs), Chief Acquisition Officers, Chief Information Officers, Chief Human Capital Officers (CHCO), component managers, and program managers, as well as PIOs, will actively engage in re-directing resources, including budget and staffing, to deliver results in more effective and efficient ways. The COOs will work with the CFOs to ensure that agency leaders, managers, and employees continually look for and act on opportunities to cut waste to increase productivity as required by Executive Order 13576. As part of this effort, COOs will ensure other agency leaders such as program managers, information technology managers, and acquisition leaders are working closely with the CFOs to meet goals for reducing unnecessary spending and to increase agency participation in government-wide savings initiatives, such as strategic sourcing. COOs will also ensure that an agency's leadership team reviews the program improvement and cost saving recommendations identified in the Government Accountability Office's (GAO) annual report on program duplication, overlap, and fragmentation, as well as areas GAO has identified as high-risk, and that the agency, working with other agencies or OMB as appropriate, has a plan in place that addresses the recommendations.

5) **Ensure transparency of performance information to increase accountability and results.** COOs are responsible for making sure that performance information is regularly updated to inform agency and OMB performance reviews, and, on an annual basis, that each agency identify opportunities for eliminating unnecessary reporting. In addition, COOs will make sure that program managers regularly communicate actionable performance metrics and analyses that add value to field operations, other parts of the Federal government, and agency delivery partners in ways that help them improve performance and reduce costs.

6) **Instill a performance and efficiency culture to inspire continual improvement**. COOs, with particular support from CHCOs as well as the PIOs, are responsible for establishing a performance culture within the agency that sets priorities and challenges managers and employees at all levels of the organization to focus on improving outcomes and finding lower-cost ways to operate. For example, the annual Federal Employee Viewpoint Survey provides valuable information to identify areas of strength with likely models and mentors and areas of weakness needing attention.

**2.5 Why is COO leadership engagement important to performance management?**

Engagement of agency leadership in performance management is critical for several purposes. COOs need to:

- Provide organizational leadership to improve performance relative to mission and management functions.
- Bring together other leaders and staff within the agency, including component managers, program managers and other leaders of key lines of business such as the CIO, CFO, CHCO, and CAO, to solve problems and pursue opportunities that help the agency operate more effectively and efficiently.
- Make timely and consequential decisions, including program, practice, budget and staffing decisions, to drive performance results in more effective and cost-effective ways.
- Maintain or shift focus of other leaders and staff to the priorities that advance Administration and agency mission, guiding agency efforts to shift attention and resources from lower priority objectives to higher priority ones.
- Chairing data-driven performance reviews with appropriate representatives from components, other offices, and other agencies if needed, challenging those involved in the review to identify opportunities for improvement and decide next steps.
- Promote adoption of performance improvement practices across the whole organization, fostering a high-performance culture that empowers and engages managers and employees at all levels. (e.g., creating demand for useful performance information during data-driven reviews; and holding managers accountable for knowing what works that is worth continuing and knowing what doesn't that needs to be fixed).

## Performance Improvement Officer

**2.6 What is the role of the Performance Improvement Officer?** The GPRA Modernization Act requires agency heads, in consultation with the COO, to name a PIO who is a senior executive reporting directly to the COO. Agency PIOs are expected to support the agency leadership in driving performance improvement efforts across the organization by using goal-setting, data-driven performance reviews and analysis, cross-agency collaboration, and personnel performance appraisals aligned with organizational priorities.

The PIOs are expected to support the COO in the functions set forth in Section 2.4 and play the following role within their agencies:

1) Support the agency head and COO in leading agency efforts to set goals, review progress, and make results transparent:

- advise and assist the agency head, COO, and organizational components in strategic and performance planning to advance the agency's mission;
- support the COO in driving agency progress toward goals by regularly convening agency officials and others, as appropriate, in data-driven performance reviews to learn from experience and decide next steps to improve program performance and efficiency;
- communicate progress, problems, and actions being taken to address the problems through quarterly reporting of progress on agency priorities and annual performance reports.

2) Reach out to other administrative and program offices to improve operational effectiveness and efficiency:

- involve other agency managers, including component and program office managers, Chief Financial Officer, Chief Human Capital Officer, Chief Acquisition Officer/Senior Procurement Executive, Chief Information Officer, evaluations offices, as well as legislative and communication offices, in efforts to improve and communicate organizational performance;
- assist Chief Human Capital Officer and other agency managers in aligning personnel performance objectives, feedback, appraisals, recognition, and incentive structures effectively to advance agency goals and priorities;
- assist the COO, in collaboration with the CFO, in evaluating the efficient use of resources across all agency activities, incorporating the use of performance information in budget preparation and execution.

3) Help components and program office leaders understand how to find and promote adoption of effective practices to improve outcomes, responsiveness, and efficiency, including helping them to:

- select meaningful goals and measures, designate goal leaders, collect and analyze data in ways that promote adoption of increasingly effective and cost-effective practices, and prepare for and lead data-driven reviews;
- create an outcome-focused, data-driven performance-improvement culture;
- trigger focused follow-up questions that inform future action and research;
- support goal leaders;
- share analyses with program partners to help them implement in more effective and efficient ways.

**2.7 Who will support the work of the PIO?** Agencies may create a dedicated PIO staff and/or identify a cross-agency team that supports the PIO to assist the COO in strengthening the performance improvement culture and practices that improve outcomes and organizational productivity.

## Goal Leader

**2.8 What is the role of a goal leader?** A goal leader is an official named by the agency head or COO who will be held accountable to lead overall implementation of efforts to achieve a goal. A goal leader will lay out strategies to achieve the goal, manage execution, regularly review performance, engage others as needed, and make course corrections as appropriate. Agency's goal leaders will be individual(s) authorized to coordinate across an agency or program to lead efforts to achieve progress on a goal.

**2.9 Do all agencies need to assign a goal leader for every goal?** Agencies responsible for Priority Goals must clearly identify to OMB the goal leader for each Agency Priority Goal. OMB will work with agencies to identify goal leaders for Federal Priority Goals. In addition, all agencies are strongly encouraged to clearly identify in the draft annual performance plan

submitted to OMB with the name of the goal leader(s) responsible for each goal defined in agency annual performance plan.

As stated in OPM's April 2011 guidance to agencies on SES certification, OMB expects that Chief Human Capital Officers and PIOs work together to assure that every goal in agency strategic plans and annual performance plans has an official clearly responsible for it.

## Performance Improvement Council

The Performance Improvement Council (PIC) assists agencies and the Director of OMB in improving the performance of the federal government. It is intended to help make performance management and improvement policies and principles operational. The PIC:

- Advises on how to resolve specific government-wide or cross-cutting issues;
- Facilitates the exchange of useful practices among agencies;
- Coordinates with other interagency management councils;
- Seeks advice and information from non-member agencies;
- Considers the performance management and improvement experience of others (private sector, other levels of government, nonprofit sector, customer, etc);
- Receives assistance, information and advice from agencies;
- Develops and submits recommendations to streamline and improve performance management policies and requirements and, when appropriate, leads implementation of them;
- Develops tips, tools, training, and other capacity-building mechanisms to strengthen agency performance management and facilitate cross-agency learning and cooperation.

**2.10 Who makes up the PIC?** The PIC is chaired by the Chief Performance Officer/Deputy Director for Management of OMB. The CPO may delegate day-to-day management of the PIC to an executive in OMB as appropriate. The PIC is made up of Performance Improvement Officers (PIO) and Deputy PIOs from agencies and other individuals as determined by the chair. The PIC may create working groups, task forces, and subcommittees made up of other agency officials to carry out the work of the Council and support efforts to improve the performance of the federal government.

**2.11 What is the PIC's relationship with agencies?** The PIC is made up of agencies and serves agencies on matters of performance management and improvement. Agency staff, managers and executives can engage PIC resources, such as dedicated staff and detailees reporting to the PIC, PIC working groups, and online collaboration opportunities provided by the PIC, to solicit or generate improvement and solutions to matters that impact mission activity, management functions, and the practice of performance management itself.

## Section 3: Annual Report on Performance Progress

The GPRA Modernization Act requires OMB to determine annually whether agency programs or activities meet performance goals and objectives outlined in the agency annual performance plans and to submit a report on unmet goals to Congress, GAO and the heads of agencies. Because agencies already provide this information in their annual performance reports, OMB will work to leverage the information agencies provide in their reports to streamline the collection for the purposes of a government-wide Annual Report on Performance Progress. Future guidance will direct agencies if any information is required beyond the agency annual reports.

Each fiscal year, starting in spring 2012, OMB will coordinate the preparation of the Annual Report on Performance Progress which will describe the extent to which an agency has made progress on goals. OMB will work with agencies to produce this report in a way that emphasizes performance improvement over target attainment, recognizing that not all goals are likely to be met when agencies adopt ambitious goals.

## Section 4: Agency Priority Goals

**4.1 To which agencies does this section on Agency Priority Goals apply?** The GPRA Modernization Act requires the 24 Federal agencies covered by the Chief Financial Officer's (CFO) Act 1990 to submit Agency Priority Goal information to OMB and to review progress on at least a quarterly basis. The GPRA Modernization Act gives the OMB Director discretion in determining which agencies need or do not need to set Priority Goals.

While non-CFO Act agencies and agency components are not required to set Agency Priority Goals, OMB encourages all agencies to follow the practice of prioritizing the goals they have in their strategic and annual plans and to adopt the measurement and management practices that are established for the Priority Goals. These practices include organization leaders and others responsible for reviewing progress on specific priorities, at least quarterly, to figure out how to improve progress and resolve problems.

**4.2 What is an Agency Priority Goal?** An Agency Priority Goal supports improvements in near-term outcomes, customer service, or efficiencies, and advances progress toward longer-term outcome-focused goals in the agency's strategic plan. It is a near-term result or achievement that leadership wants to accomplish within approximately 24 months that relies predominantly on agency execution to be accomplished (not new legislation or incremental funding). Agency Priority Goals reflect the top implementation-focused, performance improvement priorities of agency leadership and the Administration, and therefore do not reflect the full scope of the agency mission.

The need to identify Agency Priority Goals stimulates conversations and requires decisions about agency priorities, trade-offs, measurement, evidence, strategies, timing, and those responsible for leading implementation efforts. At least quarterly reviews of progress on Agency Priority Goals

led by agency leaders will keep all levels of the organization focused on the goals and ensure that sufficient time, resources, and attention are allotted to addressing specific problems or opportunities related to the goal.

The identification of a limited number of Agency Priority Goals does not mean that other agency goals are unimportant. Agencies may have important goals in their strategic plans or performance plans as well as legislative and policy priorities. They may also have other priorities that do not lend themselves well to specific, measurable, near-term targets. Agencies should consider all agency goals and activities on a spectrum of priority levels and allocate resources and management attention accordingly.

**4.3 What primary criteria must agencies use in their setting FY 2012-FY 2013 Priority Goals?** Agency Priority Goals must:

1. Advance priorities for agency leadership and the Administration;
2. Rely predominantly on strong agency execution to be accomplished, not new legislation or incremental funding;
   a) Align with the resource levels proposed in the FY 2012 and FY 2013 President's Budget (or as appropriated by Congress)
3. Support improvements in near-term outcomes, customer service, or efficiencies, and advance progress toward longer-term outcome-focused goals in the agency's strategic plan;
   a) The submission to OMB demonstrates how the Agency Priority Goal supports a long-term goal or the strategic plan
   b) The goal statement clearly identifies the problem or opportunity the agency is trying to address and is framed in a way that can be easily understood by the public
4. Be able to discern if the goal has been achieved by the end of the 24-month period;
   a) The Agency Priority Goal has measures and quarterly milestones to track progress
   b) The goal statement has a clear completion date, target, and indicator(s) (which can be measured or marked by a milestone to gauge progress)
5. Be ambitious yet achievable within the next 24 months.

OMB encourages agencies to develop clear and concise goal statements that will drive and easily communicate performance improvement throughout the agency and to external audiences. However, if an agency strongly believes that multiple targets in the goal statement are integral to achieving the goal, the agency may ask for an exception to requirement 4.b listed above by contacting OMB.

**4.4 What additional criteria should agencies consider when developing their FY 2012-2013 Priority Goals?** Agencies should consider several additional criteria when developing FY 2012-2013 Agency Priority Goals:

- Objectives set forth in the President's State of the Union Address;
- Whether quarterly, data-driven or milestone-checking reviews are likely to speed progress on the goal;
- Areas where cross-component or cross-agency coordination is needed to improve outcomes;
- Potential to improve understanding of the agency's impact on people or communities;
- Potential to improve efficiencies by

- Maintaining a level of performance at a lower cost
- Improving performance levels at a lower cost
- Improving performance levels at the same cost
- Improving performance levels to a greater degree than costs are increased;

- Potential to reduce overlap and duplication.

**4.5 Is help available to improve agency goal-framing?** The PIC has developed a working group to support agencies as they draft their Agency Priority Goals. OMB's Office of Performance and Personnel Management is also available to help with goal-setting and framing. In addition, the PIC will support best practice sharing, peer reviews and other activities.

**4.6 Do all Agency Priority Goals have to address outcomes?** Agency Priority Goals should support improved outcomes, which can include the quality of agency interactions with the public and improvements in the cost-effectiveness or efficiency of agency operations, and the agency's long-term goals described in its strategic plan, even when qualitative goals, outputs or other proxies are used to drive or monitor performance progress. When output goals are used, the agency must have appropriately robust evidence demonstrating a link between the output and the outcome goal or well-developed logic showing how progress on the output targets is likely to influence the outcomes with a plan to confirm the logic over the longer term.

**4.7 For what purpose will OMB review selection of the Agency Priority Goals?** OMB will review proposed Agency Priority Goals by the criteria outlined above, as well as for submission completeness and quality. Ultimately, Agency Priority Goals should reflect the priorities of the agency's senior leadership, and the Administration.

**4.8 How many Priority Goals should agencies submit for FY 2012-2013?** Agencies should propose between 2 and 8 draft Priority Goals. When determining the number of goals to submit, each agency should consider:

- Agency size and scope; and
- Input, as appropriate, from congressional authorizers and appropriators, OMB, White House policy councils, program and management leadership, delivery partners, the public, and other key stakeholders.

**4.9 What time period do the new Agency Priority Goals span?** The Agency Priority Goals are two year goals for FY 2012 and FY 2013. Annual measures used to track progress against the goals should cover the full fiscal year to the extent possible, and quarterly measures and/or milestones will follow the fiscal year quarters. Agencies may choose monthly measures and milestones, if preferred. Although the Agency Priority Goals will be published along with the FY 2013 President's Budget in February 2012, as the Priority Goals are finalized with OMB, agencies should begin execution and tracking progress on the goals if the agency does not already do so.

**4.10 What is the relationship of Agency Priority Goals to the agency strategic plan and performance plans/reports?** The Agency Priority Goals should represent a subset of an agency's strategic plan that the agency would like to accomplish over the next 24 months. In

most cases, Agency Priority Goals should directly contribute to the advancement of at least one strategic goal.

Agency strategic plans, annual performance plans, congressional budget justifications and annual performance reports provide a framework for communicating the goals and activities the agency will undertake to achieve its mission as well as the results achieved by the agency. Agency strategic plans and annual performance plans should reflect agency priorities, including incorporation of the Agency Priority Goals into both plans and reports.

**4.11 What happens to the existing FY 2010-2011 Priority Goals?** The current Agency Priority Goals (formerly known as the High Priority Performance Goals or HPPGs) will be archived. Agencies may find it useful to continue to track progress on 'retired' Agency Priority Goals and related measures as part of their annual performance report.

In some cases, agencies may choose FY 2012-2013 Priority Goals that continue their FY 2010-2011 Priority Goals. When setting FY 2012-2013 Priority Goals, agencies may opt to reframe or maintain an existing goal if needed.

**4.12 What has changed in the Agency Priority Goal initiative since the FY 2011 President's Budget?** The GPRA Modernization Act establishes in statute many of the existing requirements for Agency Priority Goals. The following key changes to the Agency Priority Goals are addressed in more detail throughout this section:

- Starting June 30, 2011, agency leaders must review progress on their Agency Priority Goals at least quarterly.
- The Act requires Agency Priority Goal information to be made public on a government-wide central website, a requirement that is consistent with existing Administration policy and is in the process of being implemented.
- As the Federal Priority Goals are developed, contributing agencies may have to develop an agency-specific goal or Agency Priority Goal that aligns to the Federal Priority Goal(s).
- This year, the Administration will also use the Agency Priority Goal framework to highlight goals demonstrating gains in efficiencies as well as with high public resonance, especially goals with the potential to improve understanding of the agency's impact on people or communities. Each agency is strongly encouraged to identify at least one Agency Priority Goal that includes efficiencies and at least one goal with high public resonance.

**4.13 What is the relationship between Agency Priority Goals and the FY 2013 President's Budget?** The process for determining, reviewing, and executing Agency Priority Goals will complement the budget process. Agency Priority Goal submission will be linked to the budget submission process, and agencies should align targets with the resource levels proposed in the FY 2012 President's Budget (or as appropriated by Congress) and the FY 2013 President's Budget. If Congress enacted a FY 2011 resource level that differs significantly from the FY 2012 President's Budget, agencies may elect to align FY 2012 targets with FY 2011 enacted levels. To ensure ongoing alignment with Administration budget policy, some targets may need to be revised following annual appropriations or after the enactment of significant authorizations.

However, agencies should choose Priority Goals that rely predominantly on implementation and do not require significant new legislative authorization or additional funding. This does not preclude the agency from selecting a Priority Goal in an area for which the agency is also requesting additional funding; however the success of the goal should not depend on new funding. Agencies can pursue goals that require new legislation or funding, but those goals should be reflected in the strategic and annual performance plans and such requests made through normal legislative and budget channels. While the Agency Priority Goals will be reviewed as part of the FY 2013 budget process, programs supporting Priority Goals are not specifically protected during the FY 2013 budget deliberations.

**4.14 Will Priority Goal information be public?** A list of the final FY 2012-2013 Priority Goals will be made available to the public concurrent with the President's Budget in February 2012. In addition, in the future a brief summary of quarterly progress against Agency Priority Goals will be made public each quarter through a government-wide central website. However, internal agency quarterly reviews and agency submissions of draft Priority Goals to OMB are intended for internal deliberations within the Executive Branch and will not be public.

**4.15 Are agencies required to include specific quantitative targets within the Agency Priority Goal statement?** A quantitative target within a goal statement (e.g., how much of what by when, possibly narrowing by indicating where and/or for whom) is strongly encouraged, as it helps the organization focus on specific actions needed to achieve the goal. However, alternative form or qualitative goal statements may be appropriate for certain cases. Such alternative form goal statements should be supported by milestones that make it possible to assess if progress is being made. Goal statements are encouraged to include baseline data in the goal statement (e.g., reduce by 10 percent), although goals for which data collection will be initiated but for which the data are not yet available are acceptable, provided dates for initiating data collection are set as milestones.

**4.16 Do all Agency Priority Goals have to relate to a Federal Priority Goal?** No. In order for the federal government to make progress towards its Federal Priority Goals, some agencies will have goals that contribute to the Federal Priority Goal. Not all Agency Priority Goals will directly relate to a Federal Priority Goal.

## Agency Priority Goal Submission Process

**4.17 When should agencies begin developing their Agency Priority Goals?** OMB, agencies, the PIC and relevant policy councils have begun discussions on Agency and Federal Priority Goals. Agencies were expected to submit to OMB and the PIC the agency's draft Priority Goal issue areas in July to enable early communication during goal development. Agencies are also encouraged to consult with Congress early in the process and discuss possible goal areas. While specific measures or targets need not be drafted by agencies until September, agencies are strongly encouraged to discuss possible measures and targets with OMB before the September draft submission.

Agencies should define their Agency Priority Goals as part of the FY 2013 budget process. Most Agency Priority Goals will be finalized with the Budget Passback and appeals process before the Agency Priority Goals are published in February 2012. While most Agency Priority Goals should be finalized along with Passback, some may be affected by decisions made throughout the budget process. Therefore, some Agency Priority Goals may not be finalized until the publication of the FY 2013 President's Budget.

The full timeline is as follows:

| Step | Date |
|---|---|
| OMB, agencies, the PIC and relevant policy councils discuss Agency Priority Goals; agencies begin Congressional consultation | July 15, 2011 |
| Agencies submit draft Agency Priority Goal issue areas to OMB | July 15, 2011 |
| OMB provides initial feedback | August 5, 2011 |
| Agencies and OMB discuss draft Agency Priority Goals and consult with Congress | August – September |
| Agencies submit proposed Agency Priority Goals along with FY 2013 budget submissions | September 12, 2011 |
| OMB provide comments to agencies | September 29, 2011 |
| Agencies return any comments to OMB | October 14, 2011 |
| OMB concurrence through the budget process | October-November |
| OMB returns a final list of goals with OMB concurrence in Passback (most Agency Priority Goals should be final) | November 2011 |
| Finalize remaining Agency Priority Goals (as needed)<br>Agencies update a government-wide central website and prepare for publication | December 2011 |
| Publish Agency Priority Goals concurrent with the FY 2013 President's Budget | February 2012 |

**4.18 What must agencies provide to OMB now on their Agency Priority Goals?** Agencies are encouraged to discuss as much information as possible with OMB in order to facilitate an early conversations and alignment. By July 15th, agencies were required to submit the proposed issue area and problem the agency is trying to address for each of the Agency Priority Goals.

**4.19 How does my agency transmit its submission?** Agency draft submissions on July 15, September 12 and October 14 should be posted in a Word document on the MAX link: https://max.omb.gov/community/x/C5VxIQ Detailed information, including the submission template, can also be found on this portal. Once posted, this information will be made available to the OMB Resource Management Office (RMO) with responsibility for the agency FY 2013 budget process, as well as OMB management offices and other offices within the Executive Office of the President. Pre-decisional drafts will not be released outside of the Executive Branch.

**4.20 What are the next steps after official draft Agency Priority Goals are submitted in September?** As part of the deliberative budget process within the Executive Office of the

President, OMB will work with agencies to better understand and help refine the Agency Priority Goal submissions. OMB anticipates that this will involve ongoing discussions between OMB and agencies through November, including sharing iterative revisions of Agency Priority Goals.

**4.21 How much external stakeholder engagement is expected in Agency Priority Goals development?** In accordance with the Director's memo issued on April 14, 2011, agencies should consider stakeholder perspectives when formulating their goals. If stakeholder engagement is a significant barrier, this should be clearly noted. Agencies should keep in mind the importance of engaging stakeholders who will be critical to the success of agency efforts, such as bureaus and delivery partners.

**4.22 How should agencies engage Congress in the Agency Priority Goals development process?** Agencies are expected to work with their legislative affairs offices to determine the best ways to consult with Congress on their Priority Goal areas, in advance of defining Agency Priority Goals with OMB. Agencies should consult with Congress over the summer on their Priority Goal issue areas, prior to submitting defined draft goals to OMB in September.

The GPRA Modernization Act references the following congressional committees with whom agencies should consult:

1. Appropriations of the Senate and the House of Representatives;
2. Budget of the Senate and the House of Representatives;
3. Homeland Security and Governmental Affairs of the Senate;
4. Oversight and Government Reform of the House of Representatives;
5. Finance of the Senate;
6. Ways and Means of the House of Representatives; and
7. Other committees as appropriate

**4.23 Can Agency Priority Goals be changed after they have been approved and published? If so, by what criteria and process?** In general, after they have been approved and published Agency Priority Goals should only be changed in exceptional circumstances. Possible justifications for a change may include:

- The agency wants to make the goal more ambitious;
- The original goal included an error;
- Intervening events have had a significant impact on the agency's ability to accomplish the goal; or
- Enacted appropriations significantly changed the amount of funding available from levels projected during the goal setting process.

The possibility of missing a target is not sufficient justification for a goal change. Proposed changes must be submitted in writing from the agency goal leader with the approval of the agency's Chief Operating Officer and Performance Improvement Officer. The goal change request will be directed to the OMB Chief Performance Office/Deputy Director for Management, the OMB Associate Director for Performance and Personnel Management, and the relevant OMB Program Associate Director. Copies should be provided to the relevant OMB Deputy Associate Director(s) and Branch Chief(s). The letter should explain why the goal change is

needed, what has changed since the goal was published in the President's Budget, why it is necessary to make the change now, and how the change will be explained to the public. Agencies will also have to post a short summary of the reasoning for a goal change on a government-wide, central website.

## Requirements for Quarterly, Data-Driven Priority Goal Performance Reviews

**4.24 What performance reviews does the GPRA Modernization Act require for Agency Priority Goals?** By June 30, 2011, agencies with Priority Goals were required to have begun performance reviews at least quarterly to monitor progress on the Agency Priority Goals published in the FY 2011 President's Budget or as modified since publication. For each Agency Priority Goal, the head of the agency and/or the COO, with the support of the agency PIO, will review progress achieved during the most recent quarter, overall trend data, and the likelihood of meeting the planned level of performance. The reviews should include the designated goal leader for each Agency Priority Goal and relevant personnel within and outside the agency as appropriate. While quarterly progress reviews must cover Priority Goals, OMB encourages agencies to expand progress reviews to include other goals and management areas where useful.

For each internal Agency Priority Goal review, the agency head and/or COO, with support of the PIO and his/her office, should:

- Review with the appropriate goal leader the progress achieved during the most recent quarter, overall trend data, and the likelihood of meeting the planned level of performance. This may need to include an assessment of the credibility of evidence used to review progress or gaps in information available.
- Review variations in performance trends across the organization and delivery partners, possible reasons for the variance, and whether the variance points to promising practices or problems needing greater attention.
- Look for patterns in performance data that may reveal improvement opportunities.
- Include, as appropriate, relevant personnel within and outside the agency who contribute to the accomplishment of each Agency Priority Goal.
- Assess whether relevant organizations, program activities, regulations, policies, and other activities are contributing as planned to the Agency Priority Goals.
- Identify Agency Priority Goals at risk of not achieving the planned level of performance.
- Identify opportunities for replication, promising practices, and promoting faster adoption of effective practices that support performance improvement.
- Identify strategies and clear follow up actions, with milestones for completion, that support performance improvement for those goals at the greatest risk of not meeting the planned level of performance and/or with the greatest opportunity for significant improvement. Strategies for performance improvement that may include changes to agency program activities, regulations, human capital, or policies, should be based on evidence of what works.
- Follow up on actions agreed to at previous meetings.

**4.25 What flexibility do agencies have in developing their own review process?** Agencies can design their review process to fit the agency's mission, leadership and stakeholders, but must

bring analysis of relevant data into the discussion in an open and diagnostic way to identify problems that need focused follow-up attention and to find promising practices and, as appropriate, promote their broader adoption. Agencies should also have a system to assure timely follow-up on the actions agreed to at the meeting.

We encourage agencies to experiment and leverage the experience of others. The PIC has established a working group to support cross-agency learning. Agencies that have not been engaged to date are encouraged to participate.

**4.26 What is the purpose of conducting a performance review at least quarterly?** Regular, data-driven management reviews are a mechanism for assuring agency leaders regularly review agency performance on top priorities and bring together the people, resources, and analysis needed to drive progress on Priority Goals.

**4.27 What performance information will agencies be required to submit to OMB each quarter?** Agencies should update data, including measures and milestones, within six weeks after the end of each quarter.

In addition, each agency goal leader or COO, with support from their PIO, will submit a quarterly *Analysis of Progress* assessment to OMB approximately seven weeks after the end of each quarter that is intended for internal deliberation within the Executive Branch only. The *Analysis of Progress* will not be released outside of the Executive Branch. The agency PIO is responsible for ensuring these analyses are submitted with the clearance of the COO and other agency officials as needed.

**4.28 Can the quarterly performance reviews be conducted through written documents?** No. Agencies should use quarterly, data-driven discussions to probe with those involved in all levels of program delivery the data they are collecting and the qualitative aspects of agency experience. Live performance reviews may be conducted in-person, through teleconferencing or other similar means.

## Section 5: Federal Priority Goals

**5.1 What is a Federal Priority Goal?** The GPRA Modernization Act of 2010 requires that the federal government set two types of Federal Priority Goals:

a. Cross-Agency Priority Goals that are outcome-oriented goals that cover a limited number of crosscutting policy areas; and
b. Management Priority Goals for management improvements across the Federal government in areas such as information technology, financial management, human resources, etc.

OMB will select Federal Priority Goals where increased cross-agency coordination on outcome-focused areas is likely to improve progress toward the goal.

**5.2 To which agencies does this section apply?** This section applies to Executive Branch agencies which have been asked by OMB to participate in or lead the pursuit of a Federal Priority Goal.

**5.3 What is the timeline and process for developing Federal Priority Goals?** The GPRA Modernization Act requires the Federal Priority Goals to be made publicly available concurrently with the submission of the President's Budget in the first full fiscal year following any year in which the term of the President commences. Therefore, the Federal Priority Goals will be published concurrent with the FY 2015 budget in February 2014. However, as required by the Act, OMB will publish interim Federal Priority Goals concurrent with the FY 2013 budget, or February 2012. OMB is working with other offices within the Executive Office of the President, Executive Branch agencies, and others to identify possible Federal Priority Goals.

**5.4 What will be included for each interim Federal Priority Goal?** The interim Federal Priority Goals will include information such as goal leader(s); contributing agencies, organizations, program activities; annual performance targets for the current and following fiscal year; key milestones; and major management challenges and plans to address these challenges.

**5.5 What will be the focus of the interim Federal Priority Goals?** The interim Federal Priority Goals will focus on key problems for which performance could be significantly improved through cross-agency collaboration, are Administration priorities, and would benefit from the designation as a Federal Priority Goal.

**5.6 What time period will the interim Federal Priority Goals span?** The interim Federal Priority Goals to be set with the FY 2013 President's Budget will be long-term, with performance targets for the current (FY 2012) and next (FY 2013) fiscal year. These performance targets can be updated at least each year with the Budget.

**5.7 How will OMB engage with Congress and other partners in setting the Federal Priority Goals?** OMB will meet with Congressional staff to discuss the best process to consult with Congress on the Federal Priority Goals. OMB will work closely with the President's Management Council (PMC), the Performance Improvement Council (PIC), other offices within

the Executive Office of the President, Congress, Executive Branch agencies, and others to identify problems where cross-agency coordination will significantly improve performance.

**5.8 What is the relationship between the Federal and Agency Priority Goals?** While some Agency Priority Goals may be linked to the interim Federal Priority Goals, OMB expects that most Agency Priority Goals will focus on core agency missions. In order for the government to make progress on its Federal Priority Goals, OMB will identify contributing agencies to each goal. OMB anticipates that while some Agency Priority Goals will align to those of the Federal government, not all Agency Priority Goals will directly support the interim Federal Priority Goals.

**5.9 What is the relationship between the Federal Priority Goals and the agency strategic plans?** The GPRA Modernization Act requires that agencies describe how the goals and objectives in their strategic plans contribute to the Federal Priority Goals. Acknowledging that the interim Federal Priority Goals are currently under development, OMB will provide some flexibility in updating agency strategic plans to meet the requirements of the Act. Agencies should reference A-11 Part 6 Section 210 on the process for strategic plan interim updates.

**5.10 How will progress on Federal Priority Goals be assessed?** Starting in June 2012, OMB will run at least quarterly reviews on the progress of the interim Federal Priority Goals. For each Federal Priority Goal, OMB will review the progress achieved during the most recent quarter and identify strategies to improve performance.

## Section 6: General Information

**6.1 When is this guidance effective?** The provisions of this guidance are effective in their entirety upon issuance.

**6.2 To which agencies does this guidance apply?** This guidance applies to Executive Branch agencies, as defined by section 306(f) of title 5, which includes executive departments, government corporations and independent establishments but does not include the Central Intelligence Agency, the Government Accountability Office, the Panama Canal Commission, the United States Postal Service, and the Postal Regulatory Commission. Agencies should consult with their General Counsel if it is unclear whether their organization is subject to this guidance. The Legislative Branch and the Judiciary are not subject to these requirements.

Because the Priority Goal requirements in this guidance vary in their application to agencies, the relevant sections 4 and 5 specifically note that the provisions apply to only a subset of agencies. The Chief Financial Officers (CFO) Act of 1990 is used to identify the agencies that must develop Agency Priority Goals under the GPRA Modernization Act, unless otherwise directed by OMB.

Components of executive departments are not considered independent establishments or separate from executive departments, and therefore are not defined as an 'agency' in the GPRA

Modernization Act or in this guidance. Agencies subject to this guidance should work with their components to implement the GPRA Modernization Act in a manner that is most useful to the organization. Under certain sections, OMB will provide guidance as to how agencies could best engage and support their components in executing this performance management framework.

**6.3 How does this guidance affect Executive Order 13450 (*Improving Government Program Performance*) issued in 2007?** The GPRA Modernization Act and related OMB guidance further clarifies and updates Executive Order 13450. Executive Order 13450 established roles and responsibilities of the head of the agency and created Performance Improvement Officers (PIO) in every federal agency and a Performance Improvement Council comprised of PIOs and chaired by the Deputy Director of OMB.

**6.4 Will additional guidance be issued?** Yes. OMB Circular A-11 Part 6 includes additional guidance on the GPRA Modernization Act. OMB will continue to work with agencies, Congress, delivery partners, and the public to refine performance management guidance to increase the value of goal-setting, measurement, analysis, goal-focused collaboration, and communication of performance information. In addition, future guidance will address aspects of the GPRA Modernization Act that are not addressed in detail in this memo, such as refined reporting standards for a government-wide, central website and more detail on the Annual Report on Performance Progress.

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**Attachment 2**

# One Hundred Eleventh Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Tuesday, the fifth day of January, two thousand and ten*

# An Act

To require quarterly performance assessments of Government programs for purposes of assessing agency performance and improvement, and to establish agency performance improvement officers and the Performance Improvement Council.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the "GPRA Modernization Act of 2010".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Strategic planning amendments.
Sec. 3. Performance planning amendments.
Sec. 4. Performance reporting amendments.
Sec. 5. Federal Government and agency priority goals.
Sec. 6. Quarterly priority progress reviews and use of performance information.
Sec. 7. Transparency of Federal Government programs, priority goals, and results.
Sec. 8. Agency Chief Operating Officers.
Sec. 9. Agency Performance Improvement Officers and the Performance Improvement Council.
Sec. 10. Format of performance plans and reports.
Sec. 11. Reducing duplicative and outdated agency reporting.
Sec. 12. Performance management skills and competencies.
Sec. 13. Technical and conforming amendments.
Sec. 14. Implementation of this Act.
Sec. 15. Congressional oversight and legislation.

**SEC. 2. STRATEGIC PLANNING AMENDMENTS.**

Chapter 3 of title 5, United States Code, is amended by striking section 306 and inserting the following:

**"§ 306. Agency strategic plans**

"(a) Not later than the first Monday in February of any year following the year in which the term of the President commences under section 101 of title 3, the head of each agency shall make available on the public website of the agency a strategic plan and notify the President and Congress of its availability. Such plan shall contain—

"(1) a comprehensive mission statement covering the major functions and operations of the agency;

"(2) general goals and objectives, including outcome-oriented goals, for the major functions and operations of the agency;

"(3) a description of how any goals and objectives contribute to the Federal Government priority goals required by section 1120(a) of title 31;

"(4) a description of how the goals and objectives are to be achieved, including—

"(A) a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to achieve those goals and objectives; and

"(B) a description of how the agency is working with other agencies to achieve its goals and objectives as well as relevant Federal Government priority goals;

"(5) a description of how the goals and objectives incorporate views and suggestions obtained through congressional consultations required under subsection (d);

"(6) a description of how the performance goals provided in the plan required by section 1115(a) of title 31, including the agency priority goals required by section 1120(b) of title 31, if applicable, contribute to the general goals and objectives in the strategic plan;

"(7) an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and

"(8) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations to be conducted.

"(b) The strategic plan shall cover a period of not less than 4 years following the fiscal year in which the plan is submitted. As needed, the head of the agency may make adjustments to the strategic plan to reflect significant changes in the environment in which the agency is operating, with appropriate notification of Congress.

"(c) The performance plan required by section 1115(b) of title 31 shall be consistent with the agency's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

"(d) When developing or making adjustments to a strategic plan, the agency shall consult periodically with the Congress, including majority and minority views from the appropriate authorizing, appropriations, and oversight committees, and shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan. The agency shall consult with the appropriate committees of Congress at least once every 2 years.

"(e) The functions and activities of this section shall be considered to be inherently governmental functions. The drafting of strategic plans under this section shall be performed only by Federal employees.

"(f) For purposes of this section the term 'agency' means an Executive agency defined under section 105, but does not include the Central Intelligence Agency, the Government Accountability Office, the United States Postal Service, and the Postal Regulatory Commission.".

**SEC. 3. PERFORMANCE PLANNING AMENDMENTS.**

Chapter 11 of title 31, United States Code, is amended by striking section 1115 and inserting the following:

**"§ 1115. Federal Government and agency performance plans**

"(a) FEDERAL GOVERNMENT PERFORMANCE PLANS.—In carrying out the provisions of section 1105(a)(28), the Director of the Office of Management and Budget shall coordinate with agencies to develop the Federal Government performance plan. In addition to the submission of such plan with each budget of the United States Government, the Director of the Office of Management and Budget shall ensure that all information required by this subsection is concurrently made available on the website provided under section 1122 and updated periodically, but no less than annually. The Federal Government performance plan shall—

"(1) establish Federal Government performance goals to define the level of performance to be achieved during the year in which the plan is submitted and the next fiscal year for each of the Federal Government priority goals required under section 1120(a) of this title;

"(2) identify the agencies, organizations, program activities, regulations, tax expenditures, policies, and other activities contributing to each Federal Government performance goal during the current fiscal year;

"(3) for each Federal Government performance goal, identify a lead Government official who shall be responsible for coordinating the efforts to achieve the goal;

"(4) establish common Federal Government performance indicators with quarterly targets to be used in measuring or assessing—

"(A) overall progress toward each Federal Government performance goal; and

"(B) the individual contribution of each agency, organization, program activity, regulation, tax expenditure, policy, and other activity identified under paragraph (2);

"(5) establish clearly defined quarterly milestones; and

"(6) identify major management challenges that are Governmentwide or crosscutting in nature and describe plans to address such challenges, including relevant performance goals, performance indicators, and milestones.

"(b) AGENCY PERFORMANCE PLANS.—Not later than the first Monday in February of each year, the head of each agency shall make available on a public website of the agency, and notify the President and the Congress of its availability, a performance plan covering each program activity set forth in the budget of such agency. Such plan shall—

"(1) establish performance goals to define the level of performance to be achieved during the year in which the plan is submitted and the next fiscal year;

"(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form under subsection (c);

"(3) describe how the performance goals contribute to—

"(A) the general goals and objectives established in the agency's strategic plan required by section 306(a)(2) of title 5; and

"(B) any of the Federal Government performance goals established in the Federal Government performance plan required by subsection (a)(1);

"(4) identify among the performance goals those which are designated as agency priority goals as required by section 1120(b) of this title, if applicable;

"(5) provide a description of how the performance goals are to be achieved, including—

"(A) the operation processes, training, skills and technology, and the human, capital, information, and other resources and strategies required to meet those performance goals;

"(B) clearly defined milestones;

"(C) an identification of the organizations, program activities, regulations, policies, and other activities that contribute to each performance goal, both within and external to the agency;

"(D) a description of how the agency is working with other agencies to achieve its performance goals as well as relevant Federal Government performance goals; and

"(E) an identification of the agency officials responsible for the achievement of each performance goal, who shall be known as goal leaders;

"(6) establish a balanced set of performance indicators to be used in measuring or assessing progress toward each performance goal, including, as appropriate, customer service, efficiency, output, and outcome indicators;

"(7) provide a basis for comparing actual program results with the established performance goals;

"(8) a description of how the agency will ensure the accuracy and reliability of the data used to measure progress towards its performance goals, including an identification of—

"(A) the means to be used to verify and validate measured values;

"(B) the sources for the data;

"(C) the level of accuracy required for the intended use of the data;

"(D) any limitations to the data at the required level of accuracy; and

"(E) how the agency will compensate for such limitations if needed to reach the required level of accuracy;

"(9) describe major management challenges the agency faces and identify—

"(A) planned actions to address such challenges;

"(B) performance goals, performance indicators, and milestones to measure progress toward resolving such challenges; and

"(C) the agency official responsible for resolving such challenges; and

"(10) identify low-priority program activities based on an analysis of their contribution to the mission and goals of the agency and include an evidence-based justification for designating a program activity as low priority.

"(c) ALTERNATIVE FORM.—If an agency, in consultation with the Director of the Office of Management and Budget, determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Director of the Office of Management and Budget may authorize an alternative form. Such alternative form shall—

"(1) include separate descriptive statements of—

"(A)(i) a minimally effective program; and

"(ii) a successful program; or

"(B) such alternative as authorized by the Director of the Office of Management and Budget, with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of the description; or

"(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

"(d) TREATMENT OF PROGRAM ACTIVITIES.—For the purpose of complying with this section, an agency may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

"(e) APPENDIX.—An agency may submit with an annual performance plan an appendix covering any portion of the plan that—

"(1) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

"(2) is properly classified pursuant to such Executive order.

"(f) INHERENTLY GOVERNMENTAL FUNCTIONS.—The functions and activities of this section shall be considered to be inherently governmental functions. The drafting of performance plans under this section shall be performed only by Federal employees.

"(g) CHIEF HUMAN CAPITAL OFFICERS.—With respect to each agency with a Chief Human Capital Officer, the Chief Human Capital Officer shall prepare that portion of the annual performance plan described under subsection (b)(5)(A).

"(h) DEFINITIONS.—For purposes of this section and sections 1116 through 1125, and sections 9703 and 9704, the term—

"(1) 'agency' has the same meaning as such term is defined under section 306(f) of title 5;

"(2) 'crosscutting' means across organizational (such as agency) boundaries;

"(3) 'customer service measure' means an assessment of service delivery to a customer, client, citizen, or other recipient, which can include an assessment of quality, timeliness, and satisfaction among other factors;

"(4) 'efficiency measure' means a ratio of a program activity's inputs (such as costs or hours worked by employees) to its outputs (amount of products or services delivered) or outcomes (the desired results of a program);

"(5) 'major management challenge' means programs or management functions, within or across agencies, that have greater vulnerability to waste, fraud, abuse, and mismanagement (such as issues identified by the Government Accountability Office as high risk or issues identified by an Inspector General) where a failure to perform well could seriously affect the ability of an agency or the Government to achieve its mission or goals;

"(6) 'milestone' means a scheduled event signifying the completion of a major deliverable or a set of related deliverables or a phase of work;

"(7) 'outcome measure' means an assessment of the results of a program activity compared to its intended purpose;

"(8) 'output measure' means the tabulation, calculation, or recording of activity or effort that can be expressed in a quantitative or qualitative manner;

"(9) 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate;

"(10) 'performance indicator' means a particular value or characteristic used to measure output or outcome;

"(11) 'program activity' means a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government; and

"(12) 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.".

SEC. 4. PERFORMANCE REPORTING AMENDMENTS.

Chapter 11 of title 31, United States Code, is amended by striking section 1116 and inserting the following:

**"§ 1116. Agency performance reporting**

"(a) The head of each agency shall make available on a public website of the agency and to the Office of Management and Budget an update on agency performance.

"(b)(1) Each update shall compare actual performance achieved with the performance goals established in the agency performance plan under section 1115(b) and shall occur no less than 150 days after the end of each fiscal year, with more frequent updates of actual performance on indicators that provide data of significant value to the Government, Congress, or program partners at a reasonable level of administrative burden.

"(2) If performance goals are specified in an alternative form under section 1115(c), the results shall be described in relation to such specifications, including whether the performance failed to meet the criteria of a minimally effective or successful program.

"(c) Each update shall—

"(1) review the success of achieving the performance goals and include actual results for the 5 preceding fiscal years;

"(2) evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals during the period covered by the update;

"(3) explain and describe where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 1115(c)(1)(A)(ii) or a corresponding level of achievement if another alternative form is used)—

"(A) why the goal was not met;

"(B) those plans and schedules for achieving the established performance goal; and

"(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended;

"(4) describe the use and assess the effectiveness in achieving performance goals of any waiver under section 9703 of this title;

"(5) include a review of the performance goals and evaluation of the performance plan relative to the agency's strategic human capital management;

"(6) describe how the agency ensures the accuracy and reliability of the data used to measure progress towards its performance goals, including an identification of—

"(A) the means used to verify and validate measured values;

"(B) the sources for the data;

"(C) the level of accuracy required for the intended use of the data;

"(D) any limitations to the data at the required level of accuracy; and

"(E) how the agency has compensated for such limitations if needed to reach the required level of accuracy; and

"(7) include the summary findings of those program evaluations completed during the period covered by the update.

"(d) If an agency performance update includes any program activity or information that is specifically authorized under criteria established by an Executive Order to be kept secret in the interest of national defense or foreign policy and is properly classified pursuant to such Executive Order, the head of the agency shall make such information available in the classified appendix provided under section 1115(e).

"(e) The functions and activities of this section shall be considered to be inherently governmental functions. The drafting of agency performance updates under this section shall be performed only by Federal employees.

"(f) Each fiscal year, the Office of Management and Budget shall determine whether the agency programs or activities meet performance goals and objectives outlined in the agency performance plans and submit a report on unmet goals to—

"(1) the head of the agency;

"(2) the Committee on Homeland Security and Governmental Affairs of the Senate;

"(3) the Committee on Oversight and Governmental Reform of the House of Representatives; and

"(4) the Government Accountability Office.

"(g) If an agency's programs or activities have not met performance goals as determined by the Office of Management and Budget for 1 fiscal year, the head of the agency shall submit a performance improvement plan to the Office of Management and Budget to increase program effectiveness for each unmet goal with measurable milestones. The agency shall designate a senior official who shall oversee the performance improvement strategies for each unmet goal.

"(h)(1) If the Office of Management and Budget determines that agency programs or activities have unmet performance goals for 2 consecutive fiscal years, the head of the agency shall—

"(A) submit to Congress a description of the actions the Administration will take to improve performance, including proposed statutory changes or planned executive actions; and

"(B) describe any additional funding the agency will obligate to achieve the goal, if such an action is determined appropriate in consultation with the Director of the Office of Management and Budget, for an amount determined appropriate by the Director.

"(2) In providing additional funding described under paragraph (1)(B), the head of the agency shall use any reprogramming or transfer authority available to the agency. If after exercising such authority additional funding is necessary to achieve the level determined appropriate by the Director of the Office of Management and Budget, the head of the agency shall submit a request to Congress for additional reprogramming or transfer authority.

"(i) If an agency's programs or activities have not met performance goals as determined by the Office of Management and Budget for 3 consecutive fiscal years, the Director of the Office of Management and Budget shall submit recommendations to Congress on actions to improve performance not later than 60 days after that determination, including—

"(1) reauthorization proposals for each program or activity that has not met performance goals;

"(2) proposed statutory changes necessary for the program activities to achieve the proposed level of performance on each performance goal; and

"(3) planned executive actions or identification of the program for termination or reduction in the President's budget.".

**SEC. 5. FEDERAL GOVERNMENT AND AGENCY PRIORITY GOALS.**

Chapter 11 of title 31, United States Code, is amended by adding after section 1119 the following:

**"§ 1120. Federal Government and agency priority goals**

"(a) FEDERAL GOVERNMENT PRIORITY GOALS.—

"(1) The Director of the Office of Management and Budget shall coordinate with agencies to develop priority goals to improve the performance and management of the Federal Government. Such Federal Government priority goals shall include—

"(A) outcome-oriented goals covering a limited number of crosscutting policy areas; and

"(B) goals for management improvements needed across the Federal Government, including—

"(i) financial management;

"(ii) human capital management;

"(iii) information technology management;

"(iv) procurement and acquisition management; and

"(v) real property management;

"(2) The Federal Government priority goals shall be long-term in nature. At a minimum, the Federal Government priority goals shall be updated or revised every 4 years and made publicly available concurrently with the submission of the budget of the United States Government made in the first full fiscal year following any year in which the term of the President commences under section 101 of title 3. As needed, the Director of the Office of Management and Budget may make adjustments to the Federal Government priority goals to reflect significant changes in the environment in which the

Federal Government is operating, with appropriate notification of Congress.

"(3) When developing or making adjustments to Federal Government priority goals, the Director of the Office of Management and Budget shall consult periodically with the Congress, including obtaining majority and minority views from—

"(A) the Committees on Appropriations of the Senate and the House of Representatives;

"(B) the Committees on the Budget of the Senate and the House of Representatives;

"(C) the Committee on Homeland Security and Governmental Affairs of the Senate;

"(D) the Committee on Oversight and Government Reform of the House of Representatives;

"(E) the Committee on Finance of the Senate;

"(F) the Committee on Ways and Means of the House of Representatives; and

"(G) any other committees as determined appropriate;

"(4) The Director of the Office of Management and Budget shall consult with the appropriate committees of Congress at least once every 2 years.

"(5) The Director of the Office of Management and Budget shall make information about the Federal Government priority goals available on the website described under section 1122 of this title.

"(6) The Federal Government performance plan required under section 1115(a) of this title shall be consistent with the Federal Government priority goals.

"(b) AGENCY PRIORITY GOALS.—

"(1) Every 2 years, the head of each agency listed in section 901(b) of this title, or as otherwise determined by the Director of the Office of Management and Budget, shall identify agency priority goals from among the performance goals of the agency. The Director of the Office of Management and Budget shall determine the total number of agency priority goals across the Government, and the number to be developed by each agency. The agency priority goals shall—

"(A) reflect the highest priorities of the agency, as determined by the head of the agency and informed by the Federal Government priority goals provided under subsection (a) and the consultations with Congress and other interested parties required by section 306(d) of title 5;

"(B) have ambitious targets that can be achieved within a 2-year period;

"(C) have a clearly identified agency official, known as a goal leader, who is responsible for the achievement of each agency priority goal;

"(D) have interim quarterly targets for performance indicators if more frequent updates of actual performance provides data of significant value to the Government, Congress, or program partners at a reasonable level of administrative burden; and

"(E) have clearly defined quarterly milestones.

"(2) If an agency priority goal includes any program activity or information that is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and is properly

classified pursuant to such Executive order, the head of the agency shall make such information available in the classified appendix provided under section 1115(e).

"(c) The functions and activities of this section shall be considered to be inherently governmental functions. The development of Federal Government and agency priority goals shall be performed only by Federal employees.".

SEC. 6. QUARTERLY PRIORITY PROGRESS REVIEWS AND USE OF PERFORMANCE INFORMATION.

Chapter 11 of title 31, United States Code, is amended by adding after section 1120 (as added by section 5 of this Act) the following:

**"§ 1121. Quarterly priority progress reviews and use of performance information**

"(a) USE OF PERFORMANCE INFORMATION TO ACHIEVE FEDERAL GOVERNMENT PRIORITY GOALS.—Not less than quarterly, the Director of the Office of Management and Budget, with the support of the Performance Improvement Council, shall—

"(1) for each Federal Government priority goal required by section 1120(a) of this title, review with the appropriate lead Government official the progress achieved during the most recent quarter, overall trend data, and the likelihood of meeting the planned level of performance;

"(2) include in such reviews officials from the agencies, organizations, and program activities that contribute to the accomplishment of each Federal Government priority goal;

"(3) assess whether agencies, organizations, program activities, regulations, tax expenditures, policies, and other activities are contributing as planned to each Federal Government priority goal;

"(4) categorize the Federal Government priority goals by risk of not achieving the planned level of performance; and

"(5) for the Federal Government priority goals at greatest risk of not meeting the planned level of performance, identify prospects and strategies for performance improvement, including any needed changes to agencies, organizations, program activities, regulations, tax expenditures, policies or other activities.

"(b) AGENCY USE OF PERFORMANCE INFORMATION TO ACHIEVE AGENCY PRIORITY GOALS.—Not less than quarterly, at each agency required to develop agency priority goals required by section 1120(b) of this title, the head of the agency and Chief Operating Officer, with the support of the agency Performance Improvement Officer, shall—

"(1) for each agency priority goal, review with the appropriate goal leader the progress achieved during the most recent quarter, overall trend data, and the likelihood of meeting the planned level of performance;

"(2) coordinate with relevant personnel within and outside the agency who contribute to the accomplishment of each agency priority goal;

"(3) assess whether relevant organizations, program activities, regulations, policies, and other activities are contributing as planned to the agency priority goals;

"(4) categorize agency priority goals by risk of not achieving the planned level of performance; and

"(5) for agency priority goals at greatest risk of not meeting the planned level of performance, identify prospects and strategies for performance improvement, including any needed changes to agency program activities, regulations, policies, or other activities.".

**SEC. 7. TRANSPARENCY OF FEDERAL GOVERNMENT PROGRAMS, PRIORITY GOALS, AND RESULTS.**

Chapter 11 of title 31, United States Code, is amended by adding after section 1121 (as added by section 6 of this Act) the following:

**"§ 1122. Transparency of programs, priority goals, and results**

"(a) TRANSPARENCY OF AGENCY PROGRAMS.—

"(1) IN GENERAL.—Not later than October 1, 2012, the Office of Management and Budget shall—

"(A) ensure the effective operation of a single website;

"(B) at a minimum, update the website on a quarterly basis; and

"(C) include on the website information about each program identified by the agencies.

"(2) INFORMATION.—Information for each program described under paragraph (1) shall include—

"(A) an identification of how the agency defines the term 'program', consistent with guidance provided by the Director of the Office of Management and Budget, including the program activities that are aggregated, disaggregated, or consolidated to be considered a program by the agency;

"(B) a description of the purposes of the program and the contribution of the program to the mission and goals of the agency; and

"(C) an identification of funding for the current fiscal year and previous 2 fiscal years.

"(b) TRANSPARENCY OF AGENCY PRIORITY GOALS AND RESULTS.—The head of each agency required to develop agency priority goals shall make information about each agency priority goal available to the Office of Management and Budget for publication on the website, with the exception of any information covered by section 1120(b)(2) of this title. In addition to an identification of each agency priority goal, the website shall also consolidate information about each agency priority goal, including—

"(1) a description of how the agency incorporated any views and suggestions obtained through congressional consultations about the agency priority goal;

"(2) an identification of key factors external to the agency and beyond its control that could significantly affect the achievement of the agency priority goal;

"(3) a description of how each agency priority goal will be achieved, including—

"(A) the strategies and resources required to meet the priority goal;

"(B) clearly defined milestones;

"(C) the organizations, program activities, regulations, policies, and other activities that contribute to each goal, both within and external to the agency;

"(D) how the agency is working with other agencies to achieve the goal; and

"(E) an identification of the agency official responsible for achieving the priority goal;

"(4) the performance indicators to be used in measuring or assessing progress;

"(5) a description of how the agency ensures the accuracy and reliability of the data used to measure progress towards the priority goal, including an identification of—

"(A) the means used to verify and validate measured values;

"(B) the sources for the data;

"(C) the level of accuracy required for the intended use of the data;

"(D) any limitations to the data at the required level of accuracy; and

"(E) how the agency has compensated for such limitations if needed to reach the required level of accuracy;

"(6) the results achieved during the most recent quarter and overall trend data compared to the planned level of performance;

"(7) an assessment of whether relevant organizations, program activities, regulations, policies, and other activities are contributing as planned;

"(8) an identification of the agency priority goals at risk of not achieving the planned level of performance; and

"(9) any prospects or strategies for performance improvement.

"(c) TRANSPARENCY OF FEDERAL GOVERNMENT PRIORITY GOALS AND RESULTS.—The Director of the Office of Management and Budget shall also make available on the website—

"(1) a brief description of each of the Federal Government priority goals required by section 1120(a) of this title;

"(2) a description of how the Federal Government priority goals incorporate views and suggestions obtained through congressional consultations;

"(3) the Federal Government performance goals and performance indicators associated with each Federal Government priority goal as required by section 1115(a) of this title;

"(4) an identification of the lead Government official for each Federal Government performance goal;

"(5) the results achieved during the most recent quarter and overall trend data compared to the planned level of performance;

"(6) an identification of the agencies, organizations, program activities, regulations, tax expenditures, policies, and other activities that contribute to each Federal Government priority goal;

"(7) an assessment of whether relevant agencies, organizations, program activities, regulations, tax expenditures, policies, and other activities are contributing as planned;

"(8) an identification of the Federal Government priority goals at risk of not achieving the planned level of performance; and

"(9) any prospects or strategies for performance improvement.

"(d) INFORMATION ON WEBSITE.—The information made available on the website under this section shall be readily accessible and easily found on the Internet by the public and members and committees of Congress. Such information shall also be presented in a searchable, machine-readable format. The Director of the Office of Management and Budget shall issue guidance to ensure that such information is provided in a way that presents a coherent picture of all Federal programs, and the performance of the Federal Government as well as individual agencies.".

SEC. 8. AGENCY CHIEF OPERATING OFFICERS.

Chapter 11 of title 31, United States Code, is amended by adding after section 1122 (as added by section 7 of this Act) the following:

**"§ 1123. Chief Operating Officers**

"(a) ESTABLISHMENT.—At each agency, the deputy head of agency, or equivalent, shall be the Chief Operating Officer of the agency.

"(b) FUNCTION.—Each Chief Operating Officer shall be responsible for improving the management and performance of the agency, and shall—

"(1) provide overall organization management to improve agency performance and achieve the mission and goals of the agency through the use of strategic and performance planning, measurement, analysis, regular assessment of progress, and use of performance information to improve the results achieved;

"(2) advise and assist the head of agency in carrying out the requirements of sections 1115 through 1122 of this title and section 306 of title 5;

"(3) oversee agency-specific efforts to improve management functions within the agency and across Government; and

"(4) coordinate and collaborate with relevant personnel within and external to the agency who have a significant role in contributing to and achieving the mission and goals of the agency, such as the Chief Financial Officer, Chief Human Capital Officer, Chief Acquisition Officer/Senior Procurement Executive, Chief Information Officer, and other line of business chiefs at the agency.".

SEC. 9. AGENCY PERFORMANCE IMPROVEMENT OFFICERS AND THE PERFORMANCE IMPROVEMENT COUNCIL.

Chapter 11 of title 31, United States Code, is amended by adding after section 1123 (as added by section 8 of this Act) the following:

**"§ 1124. Performance Improvement Officers and the Performance Improvement Council**

"(a) PERFORMANCE IMPROVEMENT OFFICERS.—

"(1) ESTABLISHMENT.—At each agency, the head of the agency, in consultation with the agency Chief Operating Officer, shall designate a senior executive of the agency as the agency Performance Improvement Officer.

"(2) FUNCTION.—Each Performance Improvement Officer shall report directly to the Chief Operating Officer. Subject to the direction of the Chief Operating Officer, each Performance Improvement Officer shall—

"(A) advise and assist the head of the agency and the Chief Operating Officer to ensure that the mission and goals of the agency are achieved through strategic and performance planning, measurement, analysis, regular assessment of progress, and use of performance information to improve the results achieved;

"(B) advise the head of the agency and the Chief Operating Officer on the selection of agency goals, including opportunities to collaborate with other agencies on common goals;

"(C) assist the head of the agency and the Chief Operating Officer in overseeing the implementation of the agency strategic planning, performance planning, and reporting requirements provided under sections 1115 through 1122 of this title and sections 306 of title 5, including the contributions of the agency to the Federal Government priority goals;

"(D) support the head of agency and the Chief Operating Officer in the conduct of regular reviews of agency performance, including at least quarterly reviews of progress achieved toward agency priority goals, if applicable;

"(E) assist the head of the agency and the Chief Operating Officer in the development and use within the agency of performance measures in personnel performance appraisals, and, as appropriate, other agency personnel and planning processes and assessments; and

"(F) ensure that agency progress toward the achievement of all goals is communicated to leaders, managers, and employees in the agency and Congress, and made available on a public website of the agency.

"(b) PERFORMANCE IMPROVEMENT COUNCIL.—

"(1) ESTABLISHMENT.—There is established a Performance Improvement Council, consisting of—

"(A) the Deputy Director for Management of the Office of Management and Budget, who shall act as chairperson of the Council;

"(B) the Performance Improvement Officer from each agency defined in section 901(b) of this title;

"(C) other Performance Improvement Officers as determined appropriate by the chairperson; and

"(D) other individuals as determined appropriate by the chairperson.

"(2) FUNCTION.—The Performance Improvement Council shall—

"(A) be convened by the chairperson or the designee of the chairperson, who shall preside at the meetings of the Performance Improvement Council, determine its agenda, direct its work, and establish and direct subgroups of the Performance Improvement Council, as appropriate, to deal with particular subject matters;

"(B) assist the Director of the Office of Management and Budget to improve the performance of the Federal Government and achieve the Federal Government priority goals;

"(C) assist the Director of the Office of Management and Budget in implementing the planning, reporting, and

use of performance information requirements related to the Federal Government priority goals provided under sections 1115, 1120, 1121, and 1122 of this title;

"(D) work to resolve specific Governmentwide or cross-cutting performance issues, as necessary;

"(E) facilitate the exchange among agencies of practices that have led to performance improvements within specific programs, agencies, or across agencies;

"(F) coordinate with other interagency management councils;

"(G) seek advice and information as appropriate from nonmember agencies, particularly smaller agencies;

"(H) consider the performance improvement experiences of corporations, nonprofit organizations, foreign, State, and local governments, Government employees, public sector unions, and customers of Government services;

"(I) receive such assistance, information and advice from agencies as the Council may request, which agencies shall provide to the extent permitted by law; and

"(J) develop and submit to the Director of the Office of Management and Budget, or when appropriate to the President through the Director of the Office of Management and Budget, at times and in such formats as the chairperson may specify, recommendations to streamline and improve performance management policies and requirements.

"(3) SUPPORT.—

"(A) IN GENERAL.—The Administrator of General Services shall provide administrative and other support for the Council to implement this section.

"(B) PERSONNEL.—The heads of agencies with Performance Improvement Officers serving on the Council shall, as appropriate and to the extent permitted by law, provide at the request of the chairperson of the Performance Improvement Council up to 2 personnel authorizations to serve at the direction of the chairperson.".

**SEC. 10. FORMAT OF PERFORMANCE PLANS AND REPORTS.**

(a) SEARCHABLE, MACHINE-READABLE PLANS AND REPORTS.—For fiscal year 2012 and each fiscal year thereafter, each agency required to produce strategic plans, performance plans, and performance updates in accordance with the amendments made by this Act shall—

(1) not incur expenses for the printing of strategic plans, performance plans, and performance reports for release external to the agency, except when providing such documents to the Congress;

(2) produce such plans and reports in searchable, machine-readable formats; and

(3) make such plans and reports available on the website described under section 1122 of title 31, United States Code.

(b) WEB-BASED PERFORMANCE PLANNING AND REPORTING.—

(1) IN GENERAL.—Not later than June 1, 2012, the Director of the Office of Management and Budget shall issue guidance to agencies to provide concise and timely performance information for publication on the website described under section

1122 of title 31, United States Code, including, at a minimum, all requirements of sections 1115 and 1116 of title 31, United States Code, except for section 1115(e).

(2) HIGH-PRIORITY GOALS.—For agencies required to develop agency priority goals under section 1120(b) of title 31, United States Code, the performance information required under this section shall be merged with the existing information required under section 1122 of title 31, United States Code.

(3) CONSIDERATIONS.—In developing guidance under this subsection, the Director of the Office of Management and Budget shall take into consideration the experiences of agencies in making consolidated performance planning and reporting information available on the website as required under section 1122 of title 31, United States Code.

**SEC. 11. REDUCING DUPLICATIVE AND OUTDATED AGENCY REPORTING.**

(a) BUDGET CONTENTS.—Section 1105(a) of title 31, United States Code, is amended—

(1) by redesignating second paragraph (33) as paragraph (35); and

(2) by adding at the end the following:

"(37) the list of plans and reports, as provided for under section 1125, that agencies identified for elimination or consolidation because the plans and reports are determined outdated or duplicative of other required plans and reports.".

(b) ELIMINATION OF UNNECESSARY AGENCY REPORTING.—Chapter 11 of title 31, United States Code, is further amended by adding after section 1124 (as added by section 9 of this Act) the following:

**"§ 1125. Elimination of unnecessary agency reporting**

"(a) AGENCY IDENTIFICATION OF UNNECESSARY REPORTS.—Annually, based on guidance provided by the Director of the Office of Management and Budget, the Chief Operating Officer at each agency shall—

"(1) compile a list that identifies all plans and reports the agency produces for Congress, in accordance with statutory requirements or as directed in congressional reports;

"(2) analyze the list compiled under paragraph (1), identify which plans and reports are outdated or duplicative of other required plans and reports, and refine the list to include only the plans and reports identified to be outdated or duplicative;

"(3) consult with the congressional committees that receive the plans and reports identified under paragraph (2) to determine whether those plans and reports are no longer useful to the committees and could be eliminated or consolidated with other plans and reports; and

"(4) provide a total count of plans and reports compiled under paragraph (1) and the list of outdated and duplicative reports identified under paragraph (2) to the Director of the Office of Management and Budget.

"(b) PLANS AND REPORTS.—

"(1) FIRST YEAR.—During the first year of implementation of this section, the list of plans and reports identified by each agency as outdated or duplicative shall be not less than 10

percent of all plans and reports identified under subsection (a)(1).

"(2) SUBSEQUENT YEARS.—In each year following the first year described under paragraph (1), the Director of the Office of Management and Budget shall determine the minimum percent of plans and reports to be identified as outdated or duplicative on each list of plans and reports.

"(c) REQUEST FOR ELIMINATION OF UNNECESSARY REPORTS.—In addition to including the list of plans and reports determined to be outdated or duplicative by each agency in the budget of the United States Government, as provided by section 1105(a)(37), the Director of the Office of Management and Budget may concurrently submit to Congress legislation to eliminate or consolidate such plans and reports.".

**SEC. 12. PERFORMANCE MANAGEMENT SKILLS AND COMPETENCIES.**

(a) PERFORMANCE MANAGEMENT SKILLS AND COMPETENCIES.—Not later than 1 year after the date of enactment of this Act, the Director of the Office of Personnel Management, in consultation with the Performance Improvement Council, shall identify the key skills and competencies needed by Federal Government personnel for developing goals, evaluating programs, and analyzing and using performance information for the purpose of improving Government efficiency and effectiveness.

(b) POSITION CLASSIFICATIONS.—Not later than 2 years after the date of enactment of this Act, based on the identifications under subsection (a), the Director of the Office of Personnel Management shall incorporate, as appropriate, such key skills and competencies into relevant position classifications.

(c) INCORPORATION INTO EXISTING AGENCY TRAINING.—Not later than 2 years after the enactment of this Act, the Director of the Office of Personnel Management shall work with each agency, as defined under section 306(f) of title 5, United States Code, to incorporate the key skills identified under subsection (a) into training for relevant employees at each agency.

**SEC. 13. TECHNICAL AND CONFORMING AMENDMENTS.**

(a) The table of contents for chapter 3 of title 5, United States Code, is amended by striking the item relating to section 306 and inserting the following:

"306. Agency strategic plans.".

(b) The table of contents for chapter 11 of title 31, United States Code, is amended by striking the items relating to section 1115 and 1116 and inserting the following:

"1115. Federal Government and agency performance plans.
"1116. Agency performance reporting.".

(c) The table of contents for chapter 11 of title 31, United States Code, is amended by adding at the end the following:

"1120. Federal Government and agency priority goals.
"1121. Quarterly priority progress reviews and use of performance information.
"1122. Transparency of programs, priority goals, and results.
"1123. Chief Operating Officers.
"1124. Performance Improvement Officers and the Performance Improvement Council.
"1125. Elimination of unnecessary agency reporting.".

**SEC. 14. IMPLEMENTATION OF THIS ACT.**

(a) INTERIM PLANNING AND REPORTING.—

(1) IN GENERAL.—The Director of the Office of Management and Budget shall coordinate with agencies to develop interim Federal Government priority goals and submit interim Federal Government performance plans consistent with the requirements of this Act beginning with the submission of the fiscal year 2013 Budget of the United States Government.

(2) REQUIREMENTS.—Each agency shall—

(A) not later than February 6, 2012, make adjustments to its strategic plan to make the plan consistent with the requirements of this Act;

(B) prepare and submit performance plans consistent with the requirements of this Act, including the identification of agency priority goals, beginning with the performance plan for fiscal year 2013; and

(C) make performance reporting updates consistent with the requirements of this Act beginning in fiscal year 2012.

(3) QUARTERLY REVIEWS.—The quarterly priority progress reviews required under this Act shall begin—

(A) with the first full quarter beginning on or after the date of enactment of this Act for agencies based on the agency priority goals contained in the Analytical Perspectives volume of the Fiscal Year 2011 Budget of the United States Government; and

(B) with the quarter ending June 30, 2012 for the interim Federal Government priority goals.

(b) GUIDANCE.—The Director of the Office of Management and Budget shall prepare guidance for agencies in carrying out the interim planning and reporting activities required under subsection (a), in addition to other guidance as required for implementation of this Act.

**SEC. 15. CONGRESSIONAL OVERSIGHT AND LEGISLATION.**

(a) IN GENERAL.—Nothing in this Act shall be construed as limiting the ability of Congress to establish, amend, suspend, or annul a goal of the Federal Government or an agency.

(b) GAO REVIEWS.—

(1) INTERIM PLANNING AND REPORTING EVALUATION.—Not later than June 30, 2013, the Comptroller General shall submit a report to Congress that includes—

(A) an evaluation of the implementation of the interim planning and reporting activities conducted under section 14 of this Act; and

(B) any recommendations for improving implementation of this Act as determined appropriate.

(2) IMPLEMENTATION EVALUATIONS.—

(A) IN GENERAL.—The Comptroller General shall evaluate the implementation of this Act subsequent to the interim planning and reporting activities evaluated in the report submitted to Congress under paragraph (1).

(B) AGENCY IMPLEMENTATION.—

(i) EVALUATIONS.—The Comptroller General shall evaluate how implementation of this Act is affecting performance management at the agencies described in section 901(b) of title 31, United States Code,

including whether performance management is being used by those agencies to improve the efficiency and effectiveness of agency programs.

(ii) REPORTS.—The Comptroller General shall submit to Congress—

(I) an initial report on the evaluation under clause (i), not later than September 30, 2015; and

(II) a subsequent report on the evaluation under clause (i), not later than September 30, 2017.

(C) FEDERAL GOVERNMENT PLANNING AND REPORTING IMPLEMENTATION.—

(i) EVALUATIONS.—The Comptroller General shall evaluate the implementation of the Federal Government priority goals, Federal Government performance plans and related reporting required by this Act.

(ii) REPORTS.—The Comptroller General shall submit to Congress—

(I) an initial report on the evaluation under clause (i), not later than September 30, 2015; and

(II) subsequent reports on the evaluation under clause (i), not later than September 30, 2017 and every 4 years thereafter.

(D) RECOMMENDATIONS.—The Comptroller General shall include in the reports required by subparagraphs (B) and (C) any recommendations for improving implementation of this Act and for streamlining the planning and reporting requirements of the Government Performance and Results Act of 1993.

*Speaker of the House of Representatives.*

*Vice President of the United States and*
*President of the Senate.*