

Background Material on the Federal Context for Performance Based Goals

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I. Overview: The Federal Context for Performance Based Goals

- Each federal executive agency¹ must develop a **Strategic Plan** for achieving its general goals over a period of 5 or more years (5 USC §306).² For all agencies except for the Department of Defense, this plan must be updated and revised at least every 3 years. (GPRA requires agencies to consult with stakeholders when developing this plan).
- For each fiscal year, the agency must develop a **Performance Plan** with measurable goals that outlines how the agency will progress toward the general objectives in the strategic plan (GPRA requirement). The agency must also develop an annual **Performance Budget** that identifies the amount of resources required to achieve the Performance Plan (required under OMB Circular A-11). In 2003, OMB modified Circular A-11 to require CFO Act agencies to submit performance budgets in lieu of a separate performance plan, so that as a practical matter, this “performance budget” incorporates the performance plan, PART assessments, and the budget itself.
- The agency must submit an annual **Program Performance Report** (often combined with the agency’s accountability report) to Congress that reports on the outcomes of the preceding year related to the Performance Plan (GPRA requirement).
- The agency awards grants with the intent that the work of the grant projects will ultimately assist the agency in meeting the goals described in its Performance and Strategic Plans.
- The grants that establish performance goals, tie those goals to one or more the funding agency’s goals, identify how the results will be measured, and set targets for performance might also be called **Performance-Based Grants**.
- The progress reports submitted by a grantee to the federal agency, which detail progress on a grant project, might also be called **Project Performance Reports** (grantee reports).

¹ Includes any executive department, government corporation, or independent establishment; with the exception of the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission.

² The *Program Assessment and Results Act* (H.R. 185) introduced January 4, 2005, proposes to modify 5 USC §306 as follows: “Each strategic plan shall cover the 4-year period beginning on October 1 of the year following a year in which an election for President occurs.”

are required under OMB Circulars A-102 and A-110, whether they are “performance-based” or not).

II. Basic Definitions

The following definitions and example are excerpted from:

Management Concepts Incorporated. (2004). *Grants and GPRA: A Performance Based Approach to Federal Assistance*. Vienna, VA: Author.

Measures

- **Performance Measure** (also called a performance indicator) means a particular value or characteristic used to measure output or outcome. Performance measures are used to observe progress and measure actual results compared to expected results.
- **Output measure** means the tabulation, calculation, or recording of an activity or measure that can be expressed in a quantitative or qualitative manner.
- **Outcome measure** means an assessment of the results of a program activity compared to its intended purpose.
- **Performance baseline** is the value of a performance measure at the beginning of a planning and/or performance period. The baseline is the point used for comparison when measuring progress toward a specific goal or objective.

Goals

- **General goal** defines how the entity will carry out its mission over a period of time.
- **Strategic objective** is an intermediate goal between lower-level performance goals and the broadest general goals.
- **Performance goal** is a tangible, measurable objective, the specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed.
- **Output goal** means a description of the level of activity or effort that will be produced or provided over a period of time or by a specified date.
- **Outcome goal** means a description of the intended result, effect, or consequence that will occur from carrying out a program or activity.

Example

General goal	Eliminate STDs from the USA through prevention, education, and research into cures.
Strategic objective	Reduce the rate of STD infections in the most heavily infected areas of the country through educational programs.
Performance goals (with performance baselines)	<ol style="list-style-type: none">1. Reduce the rate of STD infections among the target population (currently 15%) by at least 0.5% annually.2. Reach 4,000 people (5% pf the target population) with information about STDs. In the last fiscal year, we reached 2,400 residents (3% of the target population) with training or leaflets about STDs.
Output goal	Reach 4,000 people.
Outcome goal	Reduce the rate of infections by at least 0.5% annually.

III. Strategies for Designing Performance-Based Project Goals

- **Tie project goals to the funding agency’s goals.**
The funding agency’s goals should be clear from the request for proposals, the agency’s Performance Budget, and in any authorizing legislation.
- **Establish performance goals.**
The underlying concept of performance goals is that they are goals (or results) that the project intends to achieve within a specific timeframe (i.e., the term of the grant). Ideally, performance goals might include a reference to a performance baseline.
- **Identify how the results will be measured.**
Progress toward achieving those goals should be able to be documented. Identify the performance measures to be used that will document progress toward achieving the project goals.
- **Set targets for performance.**
Identify the performance targets (outcomes or outputs) to be used that will document the achievement of the project goals.

IV. Strategies to Address Common Measurement Challenges

The ideal outcome measurement scenario exists when there is reliable baseline data, attainable performance targets, effective data collection processes, and ongoing opportunities for data analysis. In number of situations however, the nature of the projects may not lend themselves to straightforward assessment of their outcomes. References you might use for more information are provided.

Advocacy and public education programs

A challenge to measuring advocacy and public education programs that are designed to change systems is that the results of such programs generally stem from a gradual accumulation of attention and focus, with occasional precipitous events. Additionally, these programs operate in contexts with multiple, uncontrolled variables that make it difficult to assess any one program's contribution to systems change.

The Foundation for Development Cooperation (an international, non-profit organization that works for sustainable development and poverty reduction through strategic research, policy development and advocacy) suggests that advocacy programs should (a) develop a clear analysis of the context, available resources, and potential for change and (b) set short-term, specific, and achievable objectives for programs as well as long-term transformational goals.

Reference:

Kelly, L. (2002). *Research and Advocacy for Policy Change: Measuring Progress*. Brisbane, Australia: Foundation for Development Cooperation. Accessible at <http://www.fdc.org.au/files/lkellyfinal.pdf>

Intangible results

Intangible results (such as developing or enhancing self-advocacy or leadership skills) are those that can only be inferred or indirectly observed. The US Agency for International Development (USAID) suggests that subjective participant measures of capacity, process, and impact may be used to demonstrate the achievement of intangible results.

Reference:

Charles, C. & McNulty, S. (1999). *Partnering For Results: Assessing the Impact of Inter-Sectoral Partnering*. Washington, DC: US Agency for International Development (USAID). Accessible at <http://www.usaid.gov/pubs/isp/handbook/isp2toc.html>

Outcomes that cannot be expected to manifest for years beyond the scope of the project

An organization's mission or general goals serve as the context in which a project is operated in; they should not also serve as the goals of any performance-based project. The performance goals of any performance-based project should consist only of outcomes and outputs that you intend to achieve within the term of the project.

Reference:

Management Concepts Incorporated. (2004). *Grants and GPRA: A Performance Based Approach to Federal Assistance*. Vienna, VA: Author.

Prevention Programs

A particular challenge of demonstrating the results of prevention programs is in attempting to measure something that did not happen. The Substance Abuse and Mental Health Services Administration (SAMSHA), Center for Substance Abuse Prevention, Center for the Application of Prevention Technologies (CAPT) has prepared materials that illustrate the concept of "scientifically defensible" prevention programs. "Scientifically defensible" prevention programs have efforts that (a) reflect the scientific process and (b) are designed and implemented in ways that are likely to be effective, based on past evaluations of those strategies.

References:

Center for the Substance Abuse and Prevention Central Center for Application of Prevention Technologies (CAPT), *CAPT Approaches to Prevention Evaluation Training* modules accessible at http://www2.miph.org/capt_eval/

Substance Abuse and Mental Health Services Administration (SAMSHA), Center for Substance Abuse Prevention. (webpage). Accessible at <http://prevention.samhsa.gov/>

Programs with one-time, short-term, or anonymous contact with service recipients

Assessing the impact of services provided to recipients in these situations presents a significant challenge because it may not be possible to make follow-up contacts with service recipients. In these situations, output performance goals (number of contacts made, resources distributed, or services provided) may be appropriate. Alternatively, outcome performance goals that use immediate recipient satisfaction measures might be designed.

Reference:

Management Concepts Incorporated. (2004). *Grants and GPRA: A Performance Based Approach to Federal Assistance*. Vienna, VA: Author.

Research Performance

Measuring performance on research projects presents a challenge, first because we cannot not know how to measure “knowledge” while it is being generated, and second because practical use to which the research may be put (a) might not occur until many years after the research occurs and (b) cannot be envisioned at this time.

Basic Research. The Committee on Science, Engineering, and Public Policy of the National Academy of Sciences (COSEPUP) suggests that strategies to observe progress and measure actual results of basic research projects might use characteristics such as (a) the generation of new knowledge, (b) research quality, (c) attainment of leadership in the field, (d) and the development of human resources (e.g., providing opportunities for graduate students).

Applied Research. GPRA (codified in 31 USC §1115 (b)) allows federal agencies to establish descriptive performance goals for research. COSEPUP suggests that **expert review** is the optimal method for evaluating applied research and identifies 3 categories of expert review: peer review, relevance review, and benchmarking. Peer review is the judgment by a scientist’s peers. Relevance review is a judgment of a panel of potential users of the research results. Benchmarking is a judgment of international experts on the relative international standing of the research effort.

References:

Committee on Science, Engineering, and Public Policy, National Academy of Sciences, National Academy of Engineering, Institute of Medicine Policy and Global Affairs. (1999). *Evaluating Federal Research Programs: Research and the Government Performance and Results Act*. Washington, DC: National Academy Press. Accessible at <http://www.nap.edu/catalog/6416.html>

Committee on Science, Engineering, and Public Policy, National Academy of Sciences, National Academy of Engineering, Institute of Medicine Policy and Global Affairs. (2001). *Implementing the Government Performance and Results Act for Research: A Status Report*. Washington, DC: National Academy Press. Accessible at <http://www.nap.edu/catalog/10106.html>

Appendix A

Details on the Federal Agencies, Laws, and Regulations Referenced in This Document

CFO Act: Chief Financial Officers Act of 1990

The act establishes a leadership structure, provides for long-range planning, requires audited financial statements, and strengthens accountability reporting. The purposes of this Act are to:

1. Bring more effective general and financial management practices to the Federal Government through statutory provisions which would establish in the Office of Management and Budget a Deputy Director for Management, establish an Office of Federal Financial Management headed by a Controller, and designate a Chief Financial Officer in each executive department and in each major executive agency in the Federal Government.
2. Provide for improvement, in each agency of the Federal Government, of systems of accounting, financial management, and internal controls to assure the issuance of reliable financial information and to deter fraud, waste, and abuse of Government resources.
3. Provide for the production of complete, reliable, timely, and consistent financial information for use by the executive branch of the Government and the Congress in the financing, management, and evaluation of Federal programs.

Agencies covered by the CFO Act are:

Department of Agriculture
Department of Commerce
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services
Department of Housing and Urban Development
Department of the Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of the Treasury
Department of Veterans Affairs
Environmental Protection Agency
National Aeronautics and Space Administration

DD Act: Developmental Disabilities Assistance and Bill of Rights Act of 2000

The purpose of this act is to assure that individuals with developmental disabilities and their families participate in the design of and have access to needed community services, individualized supports, and other forms of assistance that promote self-determination, independence, productivity, and integration and inclusion in all facets of community life, through culturally competent programs authorized under this title, specifically including

- State Councils on Developmental Disabilities in each State to engage in advocacy, capacity building, and systemic change activities;
- Protection and advocacy systems in each State to protect the legal and human rights of individuals with developmental disabilities; and
- University Centers for Excellence in Developmental Disabilities Education, Research, and Service to provide interdisciplinary pre-service preparation and continuing education of students and fellows, provide community services, conduct research, and disseminate information.

GPRA: Government Performance and Results Act of 1993

As a practical matter, GPRA is implemented through modifications to the United States Code (USC), the Code of Federal Regulations (CFR), and the policies of federal agencies. The purposes of this Act are to:

1. Improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;
2. Initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;
3. Improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;
4. Help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;
5. Improve congressional decision making by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending; and
6. Improve internal management of the Federal Government.

OMB: Office of Management and Budget

OMB's predominant mission is to assist the President in overseeing the preparation of the federal budget and to supervise its administration in Executive Branch agencies. In helping to formulate the President's spending plans, OMB evaluates the effectiveness of agency programs, policies, and procedures, assesses competing funding demands among agencies, and sets funding priorities. OMB ensures that agency reports, rules, testimony, and proposed legislation are consistent with the President's Budget and with Administration policies.

In addition, OMB oversees and coordinates the Administration's procurement, financial management, information, and regulatory policies. In each of these areas, OMB's role is to help improve administrative management, to develop better performance measures and coordinating mechanisms, and to reduce any unnecessary burdens on the public.

PART: Program Assessment Rating Tool

The PART was developed to assess and improve federal program performance so that the Federal government can achieve better results. A PART review helps identify a program's

strengths and weaknesses to inform funding and management decisions aimed at making the program more effective. The PART therefore looks at all factors that affect and reflect program performance including program purpose and design; performance measurement, evaluations, and strategic planning; program management; and program results. Because the PART includes a consistent series of analytical questions, it allows programs to show improvements over time, and allows comparisons between similar programs. Agency and OMB staff work together to fill out the PART.

USC: United States Code

The USC is the codification by subject matter of the general and permanent laws of the United States. It is divided by broad subjects into 50 titles and published by the Office of the Law Revision Counsel of the U.S. House of Representatives. Since 1926, the United States Code has been published every six years. In between editions, annual cumulative supplements are published in order to present the most current information.

Appendix B

Selected Federal Agency Web Sites Related to GPRA Requirements

Government Wide Performance Plan:

OMB home: <http://clinton4.nara.gov/textonly/OMB/mgmt-gpra/gpptoc.html>

General Accounting Office

Special Publications and Software: <http://www.gao.gov/special.pubs/z3publist.htm>

Department of Agriculture

2002 Strategic Plan: <http://www.usda.gov/ocfo/usdasp/usdasp.htm>

2004 Performance and Accountability Report: <http://www.usda.gov/ocfo/usdarpt/usdarpt.htm>

Department of Education

2002 Strategic Plan: <http://www.ed.gov/about/reports/strat/plan2002-07/index.html>

2005 Performance Plan: <http://www.ed.gov/about/reports/annual/2005plan/index.html>

2006 Performance Plan: <http://www.ed.gov/about/reports/annual/2006plan/index.html>

Office of Health and Human Services

2004 Strategic Plan: <http://aspe.hhs.gov/hhsplan/>

2005 Performance Plan:

<http://www.hhs.gov/budget/05budget/FY05AnnualPerformancePlan.pdf>

2006 Performance Plan: <http://www.hhs.gov/budget/06budget/FY2006AnnualPlan.pdf>

2005 ACF Performance Plan:

http://www.acf.hhs.gov/programs/opre/acf_perfplan/ann_per/apr2005/apr_toc.html

Department of Housing and Urban Development

2003 Strategic Plan: <http://www.hud.gov/offices/cfo/reports/03strategic.pdf>

2004 Performance and Accountability Report: <http://www.hud.gov/offices/cfo/pafinal.pdf>

2005 Performance Plan: <http://www.hud.gov/offices/cfo/reports/2005/2005app.pdf>

Department of Justice

2003 Strategic Plan: <http://www.usdoj.gov/jmd/mps/strategic2003-2008/index.html>

2004 Performance and Accountability Report:

<http://www.usdoj.gov/ag/annualreports/pr2004/TableofContents.htm>

Department of Labor

2003 Strategic Plan: <http://www.dol.gov/sec/stratplan/main.htm>

2004 Performance Plan: <http://www.dol.gov/sec/Budget2004/2004app-toc.htm>

Department of Transportation

2003 Strategic Plan: http://www.dot.gov/stratplan2008/strategic_plan.htm

2003 Performance and Accountability Report: <http://www.dot.gov/perfacc2003/contents.htm>