



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

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MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Jacob J. Lew
Director

Jeffrey Zients
Deputy Director for Management and Chief Performance Officer

SUBJECT: Delivering on the Accountable Government Initiative and Implementing the
GPRA Modernization Act of 2010

Building a government that works smarter, better, and more efficiently for the American people is a cornerstone of the President's Accountable Government Initiative. The Administration is committed to delivering a Federal Government that uses taxpayer dollars in more effective and cost-effective ways. Critical to that is creating a culture of performance where agencies constantly strive to achieve meaningful progress and find lower-cost ways to achieve positive impacts. Government leaders must know what works on the ground and what does not, and speed adoption of best government practices. We owe it to the American people to be clear about what we are trying to accomplish and to be disciplined in our delivery.

On January 4, 2011, President Obama signed into law the GPRA Modernization Act of 2010 (the Act), Public Law 111-352. The Act modernizes the Federal government's performance management framework, retaining and amplifying aspects of the Government Performance and Results Act of 1993 (GPRA) while also addressing some of its weaknesses. In addition, the Act reinforces key elements of the Administration's approach to improving the effectiveness and efficiency of government:

- Leaders set clear, ambitious goals for a limited number of outcome-focused and management priorities;
- Agencies measure, analyze, and communicate performance information to identify successful practices to spread and problematic practices to prevent or correct; and
- Leaders frequently conduct in-depth performance reviews to drive progress on their priorities.

The Act emphasizes the use of goals and measures to improve outcomes, and requires the Federal Government to adopt a limited number of crosscutting goals, defined as objectives that cut across organizational (such as agency) boundaries. These goals are expected to focus on

outcomes in a limited number of crosscutting policy areas, as well government-wide management objectives in the areas of financial management, human capital, procurement and acquisition, information technology, and real property. The Act also requires agencies to report performance against those goals through a single Federal website.

Over the next year OMB will issue guidance and provide tools to help agencies implement the Act. In the interim, the attachment alerts you to a few of the Act's key requirements and the related immediate actions required of agency leaders. These include identification of the agency's Chief Operating Officer (Deputy Secretary or equivalent) by May 2, 2011, naming a senior executive to be the agency's Performance Improvement Officer by June 1, 2011, and beginning data-driven progress reviews on near-term Priority Goals (High Priority Performance Goals identified in the FY2011 Budget) by agency leaders or COOs no later than June 30, 2011. In addition, the attachment asks agencies to begin selecting Priority Goals for FY2012-FY2013, to be submitted to OMB concurrent with submission of the FY2013 Budget.

If you have questions or need more information on this subject, please contact Shelley Metzenbaum, OMB Associate Director for Performance and Personnel Management, at smetzenbaum@omb.eop.gov or 202-395-1496.

Attachment

ATTACHMENT

Overview of Organizational Changes

- **Chief Operating Officer.** The Act designates the deputy head of each agency, or the equivalent, to be the Chief Operating Officer (COO). Among other responsibilities, the COO is responsible for providing 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 results.
- **Performance Improvement Officer.** The law requires agency heads, in consultation with the COO, to designate a senior executive as the agency Performance Improvement Officer (PIO), who shall report directly to the COO. Agency PIOs are expected to support the COO in leading performance improvement efforts across the agency. The Act elevates the PIO role to support the agency head and COO in conducting regular performance reviews, as well as in goal selection, analysis, cross-agency collaboration, alignment of personnel performance appraisals, and communication of performance information.
- **Goal Leaders.** The Act requires that Goal Leaders be identified for Agency Priority Goals and Federal priority crosscutting outcome and management goals.

Major Changes to the Federal Performance Management Framework

- **Agency Leaders Required to Run Reviews on Priority Goals.** Starting in the first full quarter following enactment of the law and no later than June 30, 2011, the agency head and COO, with the support of the PIO, are required to run data-driven progress reviews, at least quarterly, on the agency's near-term Priority Goals.
- **Agency Requirements Timed with the FY 2013 Budget Process.** Several requirements in the Act are timed to align with FY 2013 budget development:
 - CFO Act agencies must set new Priority Goals (referred to as High Priority Performance Goals during the FY 2011 budget process) every two years.
 - Agencies must update their agency strategic plans concurrent with the publication of the FY 2013 Budget to incorporate Federal crosscutting and agency Priority Goals. OMB will provide further guidance on implementing this requirement, including flexibility for agencies that recently published strategic plans.
 - Agencies must identify a list of all reports they are legally required to submit to Congress, identifying at least 10% that are duplicative or outdated.
- **Government-wide requirements timed with the FY 2013 Budget Process.** OMB, working with Federal agencies, will develop a Federal government performance plan with outcome-oriented Priority Goals in a limited number of crosscutting policy areas, as well as Priority Goals for government-wide management. OMB will coordinate the process for identifying these Federal Crosscutting Priority Goals and regularly reviewing progress on their achievement, working closely with other offices in the Executive Office of the President and with Federal agencies.

- Transparency requirements. The Act establishes significant new transparency requirements, including a requirement for quarterly updates on agency and Federal Crosscutting Priority Goals, as well as a broader requirement to make performance information from agency strategic plans, annual plans, and annual reports available through a central website in a standardized, machine-readable format.

Commitment and Next Steps

The Administration is committed to practical, useful performance management. Our goal is to create a performance management framework that encourages good management and innovation without fear of penalty for failing to achieve every ambitious target that has been set but with heightened pressure to achieve breakthrough gains on priorities. As a first step toward implementing the GPRA Modernization Act, agencies with more than five hundred FTEs should take the following steps:

- By May 2, 2011, confirm to OMB the name of their agency COO (deputy head of each agency or the equivalent.)
- By June 1, 2011, the agency COO should provide the name of the agency PIO, who must be a senior executive reporting directly to the COO. Agencies naming a political appointee as PIO should also name a career senior executive as deputy PIO. If necessary and within available resources, CFO Act agencies may submit a request to the Office of Personnel Management for an SES allocation adjustment for consideration.
- By June 30, 2011, each agency head and COO, with the support of the PIO, shall run data-driven progress reviews, at least quarterly, on the agency's current near-term Priority Goals.
- As part of their internal budget processes, agencies should begin selecting Priority Goals for FY 2012-FY 2013 and, after consultation with OMB, submit their final proposed Priority Goals to OMB concurrent with submission of the FY 2013 budget. In choosing Priority Goals, as a starting point agencies should look to the themes and objectives set forth in the President's State of the Union Address and the FY 2012 budget, as well as their own strategic plans and inter-agency priority efforts. The Priority Goal criteria largely mirror the requirements for the FY2010-FY2011 Priority Goals. Goals should be chosen that are outcome-oriented with stretch targets relative to available resources; agencies should highlight efficiency gains in the goal statement.

In the coming months, OMB will issue additional guidance on specific aspects of the GPRA Modernization Act and work with agencies on developing Federal crosscutting goals. Please send the names and contact information of your COO and PIO to Dustin Brown at dbrown@omb.eop.gov and to your OMB Resource Management Office.