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Outcome-focused Management in the United States

by

Walter Groszyk*

1. The general framework for performance management and budgeting in the United States and the progress to date

The Government Performance and Results Act of 1993 (GPRA, the Results Act) established a performance management framework for federal departments and agencies. The framework consists of agency Strategic Plans, Annual Performance Plans and Annual Performance Reports. Additionally, the Director of the Office of Management and Budget (OMB) annually prepares a Government-wide Performance Plan. Approximately 100 Cabinet departments, independent agencies and government corporations prepare these plans and reports.¹ These departments and agencies comprise nearly the entire Executive branch of government. (The Central Intelligence Agency is statutorily exempted, and OMB has exempted about 15 very small agencies from having to comply with GPRA requirements.)

GPRA applies to the Executive branch (the departments and agencies) of government. The legislative branch (Congress) and the judicial branch (the courts) are not subject to this law.

Agencies produce three sets of documents under the performance management framework. Strategic plans define both the agency mission and a set of long-range goals and objectives for the agency's major programmes and functions. Performance plans include measurable performance goals with target levels for a particular fiscal year. The Performance Plans cover all programmes and functions² of an agency. Performance plans usually display past, current and future year data for the performance goals. Between three and seven years of data are typically presented. Performance reports compare actual performance with the projected performance levels in the Performance Plan, and are prepared annually. The Government-wide Performance Plan contains key performance goals as excerpted from the agency Performance Plans. The Government-wide Plan is part of the President's budget.³

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Following a pilot project phase, the Results Act took effect government-wide in 1997. Through April 2002, agencies have prepared and transmitted two sets of Strategic Plans, five sets of Annual Performance Plans and three sets of Annual Performance Reports. Four Government-wide Performance Plans were prepared and included in presidential budgets sent to Congress. (The Performance Plans individually cover fiscal years 1999 through 2002, the Annual Performance Reports covered fiscal years 1999 and 2000, and the Government-wide Performance Plans cover fiscal years 1999 through 2002.)

The sequence for submitting Strategic Plans, Annual Performance Plans and Annual Performance Reports is timed to provide government decision-makers with the performance information in this material as they consider and decide resource and programme levels and priorities.

Two sets of documents comprise the budget requests of federal agencies. The first set of documents is the President's annual budget, which includes a Budget Appendix volume. The Appendix includes detailed resource and financing tables for all of the government's budget accounts. A small agency may have only one budget account; larger agencies might have 50 or more. Within an account, funding amounts are displayed for one or more programme activities. These programme activities correspond to projects or specific functions.⁴ The number of programme activities by account varies. Once monies are appropriated, agencies may shift a limited amount of funds between accounts, and usually must notify Congress of their intention to do this. An agency's Annual Performance Plan should set performance goals that cover, in some manner, every listed programme activity for that agency in the Budget Appendix.

The second set of documents are the individual agency budget requests to Congress. These documents are called Congressional Justifications, and are sent after the President transmits his budget to Congress. The Congressional Justifications, which must be consistent with the President's budget, provide much greater detail for the agency's budget accounts than is presented in the President's budget. Congress appropriates funds by account (rather than a single sum for the entire agency), and largely relies on information in the agency Congressional Justification when determining the appropriation amounts.

The Annual Performance Plans are linked to the agency budget requests. The Annual Performance Plans and the budget requests are initially submitted to OMB, and reviewed by OMB as it develops the President's budget. After the President sends his budget to Congress, agencies then send their Performance Plans to Congress. (The plans are adjusted as needed to reflect the President's budget decisions.) The Performance Plans are usually sent to Congress with the Congressional Justifications; some agencies are now merging the Performance Plan with the Justification.

Agencies may prepare a third, optional version of the Annual Performance Plan. This version primarily reflects changes to the performance goals resulting from congressional action on an agency's budget request. The third version is prepared near the start of the fiscal year and is sometimes termed an "Operating Plan".

Several terms, including outcome and output goals, are defined in federal law. These definitions are shown below.

2. Outcomes, outputs, impacts and inputs

The Strategic Plans and Annual Performance Plans must include goals for an agency's programmes. Most goals in a Strategic Plan should be outcome goals; the goals in an Annual Performance Plan are a mix of outcomes and outputs. Some agencies choose to differentiate between intermediate outcome goals and final outcome goals. Intermediate outcomes generally represent partial accomplishment of a final outcome. The following examples illustrate the differences between various types of performance-related measures, including inputs and impacts, that might exist for an employment training programme:

Input measure

- US\$900 million in funds appropriated to a job training account.

Output goal

- Annually provide job training and job search assistance to one million welfare recipients within two months of their initial receipt of welfare assistance.

Outcome goal

- 40% of welfare recipients receiving job training are employed three months after completing job training.

Impact goal

- Job training increases the employment rate of welfare recipients from 30% (the employment level of comparable welfare recipients who did not receive job training) to 40% (the employment rate of those welfare recipients who did receive job training).

Outcome goals are the optimal set of goals in the GPRA performance framework. Conceptually, these goals should constitute the majority of goals in a Strategic Plan and an Annual Performance Plan. While this is true for Strategic Plans, output goals still predominate in most of the agency Performance Plans. This is understandable, as outcome goals may not be useful in day-to-day programme management.

Typically, performance data for an outcome goal are collected infrequently. In some instances, the data only becomes available following a lengthy programme evaluation. In other cases, the date for achieving an outcome goal may be in the distant future, or measurement of goal achievement is to be done every several years. For this reason, the Annual Performance Plans typically contain a large number of output goals. The collection and reporting of data for output goals is much more frequent, and the timeliness allows agency officials to actively manage a programme, and intervene when problems arise.

The measurement of outcomes cannot be done until the results expected from a programme or activity are first defined. Outcome measurement also cannot be done until a programme (of fixed duration) is completed, or until a programme (which is continuing indefinitely) has reached a point of maturity or steady state operations.

Output goals are often used to measure progress in achieving an outcome goal. Some commentators classify this type of output goal as an intermediate outcome. For example, the outcome goal is to sequence the complete chimpanzee genome by 2006. An output, or intermediate outcome, goal would be to sequence 40% of the chimpanzee genome by 2004.

Agencies are not encouraged to set impact goals, as it is often difficult or costly to show how an agency's programmes brought about the impact. Impacts typically result from a number of programmes and factors. However, sometimes it can be difficult to distinguish between an outcome and an impact. The hypothetical examples below define outcome and impact goals for several programmes:

a) *Outcome goal*: Ensure that American school children from lower-income families receive at least two nutritious meals a day.

Impact goal: End child hunger in the United States. (In this example, the child nutrition programme would be one programme among several, both governmental and private, working to end hunger.)

b) *Outcome goal*: Reduce traffic congestion on urban highways.

Impact goal: Save the American economy US\$50 billion annually by avoiding the loss of economically productive time due to traffic congestion. (In this example, an attempt to calculate whether US\$50 billion was actually gained in productivity would be a costly and challenging task.)

c) *Outcome goal*: Improve the quality of federally-funded hospital care.

Impact goal: Increase American life expectancy by 1.5 years. (In this case, the agency would need to calculate what portion of the increase in life expectancy was due to improved hospital care. Other factors, such as a lower accidental death rate, better disease prevention, etc. would also need to be considered. This is an example of the potential attribution problem.)

Goals for inputs should not appear in Strategic Plans or Annual Performance Plans. A description of inputs needed to achieve outcomes or outputs is included in the “means and strategies” section of a Strategic Plan and Annual Performance Plan. “Means and strategies” include resources, skills, facilities and equipment.

The means and strategies section of both the Strategic Plan and the Annual Performance Plan describe the internal management, process and investment steps that the agency intends to take to achieve its goals and objectives. In most instances, these steps are directly controlled by the agency. (Inputs, such as services or products by another agency, would also be described in the means and strategies section.)

3. Defining outcome goals and developing the Strategic Plan

An agency uses its Strategic Plan to develop and present most of its outcome goals. A Strategic Plan consists of several elements, including a mission statement and a set of long-term goals (which are mainly outcome goals). The mission statement describes the purpose of the agency, its *raison d'être*. The long-term goals (called general goals and objectives) describe how an agency will carry out its mission and these goals should be based on the mission statement.

The long-term goals in a Strategic Plan must cover all the major programmes and functions of the agency. Thus, the agency Strategic Plans will collectively cover all the major programmes and functions of the Executive branch.⁵

The long-term goals need not be directly measurable. If achievement of a goal cannot be directly measured, it must be defined in a way that allows a future assessment to be made of whether the goals were, or are, being achieved.

- An example of a directly measurable outcome goal is President Kennedy's goal of “landing a man on the moon and returning him safely to Earth before the end of the decade.”
- An example of an outcome goal that is not directly measurable is a goal of “improving the health of older Americans”.

Nearly all outcome goals in the GPRA performance framework are programmatic. Outcome goals covering an agency's internal operations or administrative management are rare. Taking steps to assure that no agency computer systems failed – and the systems were critical to national safety or the functioning of the national economy – because of Y2K is an example of an outcome goal for an internal operation.

The Strategic Plan is an agency product, with agency officials being responsible and accountable for achieving the goals set out in the plan. The goals and objectives in a Strategic Plan are ultimately set by the head of the agency.⁶ Many of these outcome goals are based on laws that established the programmes. The development of a Strategic Plan is an open process involving Congress and the public.

The Results Act requires that an agency consult with Congress when preparing its Strategic Plan. An agency has discretion in how it carries out this consultation. Typically, this consultation involves discussions between congressional and agency staff. Usually, an agency will provide a draft copy of its plan to facilitate the discussion.

Strategic plans are about carrying out programmes, and programme execution is the responsibility of the Executive branch. Congress has no authority under the Results Act to approve a Strategic Plan, nor is there any vote in Congress to accept or otherwise ratify a Strategic Plan after it is submitted. If Congress (or the public) disagrees with particular goals or an agency's course of direction or approach, the agency publicly records and reports these contrary views when it transmits the Strategic Plan to Congress. (By amending laws, Congress could redefine an agency's mission and modify or eliminate programmes, which would subsequently produce major changes in an agency's Strategic Plan.)

During preparation of a Strategic Plan, an agency is also required to seek the views of interested or potentially affected parties on the agency's proposed strategic direction. These parties include other federal agencies, states, local governments, interest groups and associations, stakeholders and customers.

This solicitation of views is commonly called outreach. How outreach is done is at the agency's discretion. Among the approaches often used are holding national or regional meetings, publishing a draft plan on the World Wide Web for comment, and using formally established advisory groups. There is often extensive interaction with other federal agencies and states for programmes which cross agencies or are administered by the states. OMB reviews all agency Strategic Plans at both the draft stage and prior to official transmittal to Congress. OMB does not technically "approve" agency Strategic Plans, but it can prevent the transmittal of a plan that does not meet GPRSA statutory requirements or is fundamentally at odds with national policy. The President does not directly participate in the preparation of Strategic Plans.

A Strategic Plan covers a period of at least six years. A longer period may be covered; for example, an agency might include goals that will not be achieved until 10 or more years in the future. (Strategic plans must be updated and revised at least every three years. Agencies may make minor changes annually, thus making the Strategic Plan a more dynamic document.)

In preparing a Strategic Plan, agencies are discouraged from defining long-term goals that seek to resolve major policy issues. Resolution of these policy issues will usually require future legislation and the goals in a Strategic Plan should be based on existing laws and policy directives. If a Strategic Plan becomes a forum for policy debate, uncertainties over the ultimate resolution of the debate will diminish the plan's usefulness in managing and implementing programmes.

Some agencies are setting outcome goals for federal-aid activities or programmes where there is no direct agency control over the outcome. The lack of direct control frequently happens when a federally-funded programme is being administered by a non-federal agency, such as a state or city. Setting outcome goals for some federal-aid programmes can be difficult. There may be resistance to having a national standard of performance be met by all the governmental units receiving federal monies for the programme they are administering, or no agreement on what the outcome goal target level should be, or the governmental units have discretion to spend federal funds over a wide range of activities. A few agencies have set outcome goals that will depend on people changing their behaviour. The behavioural changes can only be encouraged, not forced, by the federal agency. Examples of such goals include greater use of automobile seatbelts and less use of tobacco products.

A Strategic Plan does not indicate how much money will be spent to achieve a particular long-term goal. Strategic plans identify future resource needs in a general way. Agencies are instructed that performance levels for the long-term goals in a Strategic Plan should be consistent with anticipated future resource levels.⁷ The Strategic Plan is not intended to be a budget request, particularly a request for more money than otherwise might reasonably be expected. If the projected performance levels are based on an unrealistic budget, the Strategic Plan will become useless. This would also affect the Annual Performance Plan, as it describes how the goals in the Strategic Plan will be achieved in a particular fiscal year.

If a long-term (or outcome) goal is not directly measurable, an agency indicates the measures (including output goals) that will be used to determine whether the outcome goal was achieved. The Strategic Plan includes a set of illustrative annual performance goals, and describes the relationship between these goals and the long-term goals in the Strategic Plan.

A Strategic Plan also includes a description of those factors external to the agency that might impede achievement of the long-term goals. These factors may be economic, social, environmental or demographic and are introduced by outside forces or parties. Agencies may choose to describe external factors in their Annual Performance Plan.

External factors can be seen as an identification of future risks. Agencies do not calculate probabilities of a risk actually occurring, nor are agencies encouraged to describe mitigating actions to be taken if an external factor actually affects goal achievement. Identification of mitigating actions is discouraged for several reasons: *i*) there may be no action an agency can take to mitigate a condition caused by an external factor; *ii*) arraying a number of alternative scenarios will be speculative and likely to be confusing; *iii*) the primary focus for most agencies during the initial years of GPRA implementation is in preparing good quality plans, not sophisticated plans presenting a range of possible scenarios.

Agencies are expected to take prudent steps to minimise risks resulting from their own actions. The possibility of adverse circumstances arising within the agency and impeding achievement of an outcome or output should be calculated when setting the target level. In a plan, agencies do not include alternative target levels to cover the actual occurrence of an adverse circumstance.

Once sent to Congress and OMB, an agency's Strategic Plan becomes a reference for how the performance goals in an Annual Performance Plan demonstrate progress toward achieving the long-term goals and objectives (outcomes).

4. The Annual Performance Plan, achieving outcome goals and linking the budget with performance

The Annual Performance Plan defines a set of measurable performance goals that will be achieved during a fiscal year.⁸ These performance goals are usually a combination of outcome and output goals. The outcome goals are derived from the long-term goals in the Strategic Plan. Occasionally, an agency will include an outcome goal in its Performance Plan that was not a long-term goal in its Strategic Plan.

If an outcome goal is scheduled to be achieved in the fiscal year covered by an Annual Performance Plan, the plan will include a performance goal for that outcome. In some instances, several performance goals (outputs) are used to cover the achievement of a particular outcome.

An agency is required to prepare two versions of an Annual Performance Plan and may prepare a third. The first version, the initial plan, is sent to OMB with the agency budget request. OMB uses this plan in reviewing the budget request and in making budget recommendations to the President. The second version is the final Performance Plan. The final Performance Plan is sent to Congress with the agency Congressional Justification. A third, optional version is the revised final Performance Plan, and is often called an operating plan. The revised final plan reflects congressional action on the agency budget request.

In the initial Performance Plan, the target levels for the performance goals correspond to the agency's funding request for its programmes and activities. Following OMB review and the President's decisions on the budget requests, agencies revise the target levels as needed to reflect changes in the funding levels resulting from the President's decisions. Later, agencies may again revise the performance goal target levels to reflect congressional action.

The performance goal target levels are set by the agency managers who are responsible for the programmes covered by the goals. Both OMB and Congress have deferred to the agency and its managers on setting these targets. By doing so, the concept of direct managerial accountability for achieving the expected performance levels is reinforced.

The Annual Performance Plan should include information on how much money will be spent to achieve a set of performance goals. (Agencies are asked to indicate the funding for a set (a related group) of performance goals. Individual goals need not be costed, although some agencies selectively provide this data for certain goals.)

Congress appropriates funds by agency and budget account. Congress may reference in a report (accompanying a law) the level of performance it expects will be achieved through the spending of these funds. Congress does not appropriate monies by performance goal. Occasionally, Congress will establish performance goal targets in law.⁹

Congress intends that the Results Act be used to bring about greater linkage between programme performance and budget resources. However, these linkages are not easily made, as neither Congress nor the Executive can unilaterally change the budget account structure.

The alignment of budget resources with performance goals is critical if the agency Performance Plans are to be used to inform decisions on the appropriate funding levels for programmes and activities. The structure and timing of the Annual Performance Plans and Annual Performance Reports is designed to provide this information. However, much additional work still remains to improve the scope and quality of the performance data and bring about the necessary resources alignment with that data.

Most agencies are having difficulty in aligning budgetary resources with sets of performance goals. Much of the difficulty stems from the current set of budget accounts, which was created and evolved over time to satisfy the needs of many different users. Currently, many accounts are structured to allocate funds by organisational unit, not by programme. Most performance goals are by programme, not organisational unit. The budget account structure is historical, and was largely set long before the Results Act became law. OMB and the agencies are currently focusing on how to improve the linkage between the performance goals and the budget. Improvements will take time and significant modifications to agency financial management systems may be needed. Some changes would require congressional agreement as Congress plays a major role when altering the budget account structure.

A particular improvement that is presently being considered is to present the "full cost" of a programme as part of the resources calculation. "Full costs" can include personnel retirement benefits and non-reimbursed services provided by other agency components or facilities, *e.g.*, legal counsel and information technology, which are now paid for centrally or by other agencies.

Another current difficulty is that different organisational units within the agency often contribute to the achievement of a performance goal, particularly an outcome goal. With their separate budget accounts, this can complicate the

calculation of how money is being spent to achieve the goal. In other instances, a single budget account may contribute to the achievement of several outcome goals and it is difficult to differentiate what portion of the account would be spent on a particular goal.

5. Accountability and reporting on achievement of outcome and output goals

Agency officials use the Annual Performance Plan in managing programmes and administering operations. These officials are accountable for achieving the goals in the Performance Plan and must report on how well they achieved the goals in the annual programme Performance Report.

The Annual Performance Report indicates how well an agency and its managers did in achieving the performance goals. An agency's Performance Report:

- compares actual performance with the performance goal target levels in the Annual Performance Plan;
- for any goals that were not met, gives an explanation for why the goal was not met and describes the schedule and steps the agency will take to meet the goal in the future;
- includes a summary of the findings and recommendations of any programme evaluation completed during the fiscal year.

Programme Performance Reports are signed by the agency head and transmitted to the President, Congress and the director of OMB. The reports are publicly available; most agencies post their reports on the World Wide Web. The reports are due within 150 days of the end of the fiscal year covered by the report. This timing allows Congress to review past year's performance when reviewing the Performance Plan and Congressional Justification for the next fiscal year.

The public nature of the Annual Performance Reports highlights the degree of success agency managers had in achieving performance goals and introduces the element of accountability for programme results. Most agency Performance Reports do not identify individual managers by name, but the performance of a component organisation within an agency can usually be readily determined.

Some agencies rely on programme evaluations to determine whether an outcome goal was achieved. The results of a completed programme evaluation are also used by the agency when preparing its next Strategic Plan.

Programme evaluation capabilities in the Executive branch had declined from their peak 25 years ago. Some agencies are rebuilding this capability to meet their need to conduct programme evaluations as they assess whether outcome goals were achieved.

In their Annual Performance Plans, agencies are to describe the means the agency will use to verify and validate the performance data it collects and reports.

Presently, data quality is receiving increased emphasis from Congress and the General Accounting Office (GAO) and agencies are now required to assess the completeness and reliability of the performance data included in their annual reports. Actions that need to be taken to improve data quality should also be described in the Annual Performance Plans and Performance Reports. The sources of reported performance data may often be outside the agency. This may be particularly true for outcomes. A general test for data quality is that it should be sufficiently reliable to be used in making decisions. Data need not be “perfect”, and agencies should consider the cost of improved data quality relative to both total programme costs and the extent that better data quality will aid decision-making.

The agency Inspectors General¹⁰ have no statutorily defined role to review or audit performance goals. The Inspectors General are encouraged to devote resources to reviewing the systems, processes and practices used by the agencies to collect and report information, rather than corroborating the accuracy of the reported data through independent tabulations. Inspectors General may also conduct programme evaluations. The GAO, an agency of Congress, is very active in reviewing the agency plans and reports. The GAO has also prepared a series of monographs to help agencies improve the quality of their plans and reports.

Presently, the yearly performance appraisals of most federal employees do not consider the performance of the programme or activity on which the employee works as a factor in the appraisal. Only senior managers and officials are likely to have programme performance as a factor in their appraisals and use of such a criterion is not widespread even at this level. This may change in the years ahead as an emphasis is emerging on linking programme performance to individual appraisals.

6. Consultation, outreach and transparency of Performance Plans

The initial Performance Plan is considered privileged material and is not released outside the Executive branch. The final Performance Plan is sent to Congress and is publicly available. While a revised final Performance Plan is not formally sent to Congress or OMB, it is publicly available when completed.

There is no consultation with Congress or outreach to interested parties when preparing an Annual Performance Plan. Agencies do receive comments from Congress following congressional review of the plan. A new congressional rule now requires that performance goals be identified by congressional committees for many of the proposed laws that will be considered over the next two years by the House of Representatives. These goals will be identified in Committee reports, and not incorporated into law. If the goals were written into law, an agency would likely need to incorporate them into its Annual Performance Plan. As this is a new

rule, no determination can currently be made of how many of the identified goals are identical to those included in the agency Annual Performance Plans.

OMB reviews the initial Performance Plan as it prepares the President's budget. OMB also reviews the final Performance Plan before the agency sends it to Congress, and subsequently can use it for oversight purposes. OMB does not generally review a revised final Performance Plan.

7. Major emphases

As the federal government nears the fifth year of government-wide implementation of the Results Act, several areas of focus are emerging. These are:

- obtaining a much better linkage between budget resources and performance, and initiating efforts to calculate the full' budgetary cost of outcomes and outputs;
- ensuring that the set of programme outcomes are the best that can be defined at this time;
- increasing the use of performance data by the Executive and Congress in making resource and programme decisions, and the value of this data in decision-making;
- significantly improving agency descriptions of the various means and strategies they intend to use in achieving outcomes and outputs;
- having increasing numbers of agency managers use the performance information in the regular course of administering their programmes and operations;
- expanding the use of programme performance achievements when reviewing the performance of managers and staff..

8. Examples of goals for selected federal agencies

8.1. Department of Defense

Outcome goal

Support US regional security alliances through the routine presence of ready military forces overseas.

Performance goals

- Percentage of time during the year that a geographic region is covered by an aircraft carrier battle group (regions are Pacific, Europe and Southwest Asia).

- Percentage of time during the year that a geographic region is covered by a Marine Corps Expeditionary Unit/Amphibious Ready Group (regions are Pacific, Europe and Southwest Asia).

Outcome goal

Maintain ready forces with the ability to respond to a full spectrum of crises.

Performance goals

- Unit military readiness ratings are classified information.
- Number of individual Army units that deploy more than 179 days per year.
- Percentage of Air Force personnel assigned to combat aircraft, weaponry or combat-support systems who are deployed under 120 days per year.

Outcome goal

Maintain capability to move military forces from the United States to any location in the world in response to aggression.

Performance goals

- Total million-ton-miles per day airlift capacity that can be transported by military and civil reserve aircraft (fiscal year 2001 goal is 46 million-ton-miles per day (41 billion kilogram miles per day)).
- Total million square feet of sealift capacity that can be transported in available ships owned or chartered by the Department of Defense (fiscal year 2001 goal is 9.2 million square feet (836 000 square meters)).
- Number of Army Heavy Brigades and Marine Expeditionary Forces supported by prepositioning of equipment either land-based or afloat in Europe, Southwest Asia and the Pacific.

Outcome goal

Maintain military pre-eminence by developing new defence-related technologies.

Performance goal

Percentage of Defense Technology Objectives (technology and research projects) evaluated as annually making satisfactory progress in achieving budget, schedule and technical performance goals for the objective.

8.2. Department of Education

Outcome goal

Increase the percentage of all students who meet or exceed basic, proficient and advanced performance levels in national and state assessments of reading, math and other core subjects.

Performance goal

The percentages of students scoring at or above basic levels. Percentages are for reading and math for grades 4, 8 and 12. Testing year is biennial or quadrennial. No testing goals for fiscal year 2001.

Outcome goal

Build a solid foundation for learning for all children.

Performance goal

The percentage of 3- to 5-year olds whose parents read to them or tell them stories regularly will continuously increase. (Fiscal year 1999 actual performance was 82%. Next survey will be fiscal year 2002.)

Outcome goal

Ensure access to post-secondary education and lifelong learning.

Performance goals

- Post-secondary education enrolment rates each year for all students while the enrolment gap between low- and high-income and minority and non-minority high school graduates will decrease each year. (Percentages available for fiscal years 1994-1998; fiscal year 1999 data not yet available.)
- Completion rates for all full-time degree-seeking students in 4-year and 2-year post-secondary institutions will improve, while the gap in completion rates between low- and high-income and minority and non-minority students will decrease. (Percentages available for 1997. Next data updates will be in 2000 and 2002.)

Outcome goal

All educationally-disadvantaged adults strengthen their literacy skills and improve their earning power over their lifetime.

Performance goal

The percentage of all persons receiving adult vocational training who obtain employment after receiving this training will be maintained at 61%.

8.3. Department of State*Outcome Goal*

Achieve comprehensive Arab-Israeli Peace.

Performance goals:

- Secure agreements between Israel and Syria and Israel and Lebanon.
- Permanent status agreement concluded between Israel and the Palestinians.
- Normalised relations occur between Israel and Arab countries.

Outcome goal

End the threat of local and regional instabilities in Southeast Europe. Integrate stabilised, transformed Southeast European countries into the European and transatlantic mainstream.

Performance goal

(One goal (for fiscal year 2000) is shown as an example, with accompanying criteria for successful, minimally-effective and unsuccessful levels of performance for this goal. Most State Department performance goals define three levels of performance.)

Free and fair elections lead to democratic transition in Serbia. Montenegro remains stable, democratic and within the Federal Republic of Yugoslavia.

- Successful performance: Democratic opposition wins elections at municipal level and for Serbian Republic Assembly. Milosevic resigns, flees or is removed from the presidency by coercion. Montenegro independence referendum postponed.
- Minimally effective performance: Democratic opposition agrees on common approach to early elections and mobilises Serbian public against Milosevic and ruling parties. Montenegro continues to resist Serbian provocations.
- Unsuccessful performance: Current ruling parties (SPS, JUL, SRS) win municipal and assembly elections. Democratic opposition continues to be weak and unorganised. Milosevic activates military or paramilitary operations against Djukanovic Government in Montenegro.

Outcome goal

Achieve further reductions in nuclear-capable strategic offensive arms and strategic and sub-strategic nuclear weapons, nuclear weapon stockpiles and related infrastructure.

Performance goals:

- Continued reductions in Russian strategic offensive arms, denuclearisation of Ukraine, Belarus and Kazakhstan; elimination of intermediate- and shorter-range nuclear forces in all INF Treaty successor states.
- Negotiation of an effectively verifiable Start III Treaty based on the Helsinki Summit agreements.
- Restraint in the modernisation and deployment of strategic and sub-strategic weapons by China.

8.4. Department of Transportation

Outcome goal

Reduce the number of transportation-related deaths.

Performance goals

- Highway fatalities per 100 million vehicle miles of travel will not exceed 1.5 in fiscal year 2001.
- Percentage of front occupants using seat belts will rise to 86% in fiscal year 2001.
- Fatal aviation accidents (US commercial air carriers) will not exceed 0.031 per 100 000 flight hours.
- The number of airport runway incursions in fiscal year 2001 will not exceed 241.
- The number of recreational boating fatalities will not exceed 749 in fiscal year 2001.
- 85% of all mariners in imminent danger will be rescued in fiscal year 2001.
- The number of rail-related fatalities per million train miles will not exceed 1.23.
- The number of transit fatalities per 100 million passenger miles travelled will not exceed 0.497.

Outcome goal

Ensure that the transportation system is accessible, integrated, efficient and offers flexibility of choices.

Performance goals

- 91.9% of the miles on the national highway system will meet pavement performance standards for an acceptable ride.
- Reduce to 7.9 hours in fiscal year 2001, the hours of delay per 1,000 vehicle miles travelled on federal-aid highway systems. (A measure of traffic congestion.)
- Aviation delays per 100 000 flight activities will not exceed 171 in fiscal year 2001.
- Locks in the St. Lawrence Seaway will be available for transit for 99% of the days in the shipping season.
- Average condition of the rail vehicle fleet (mass transit) will be 3.24 on a scale of 1 (poor) to 5 (excellent).
- 83% of bus fleets in fiscal year 2001 will be accessible for riders that are disabled.

Outcome goal

Protect and enhance communities and the natural environment affected by transportation.

Performance goals

- 11.78% of the country's urban population will live within 400 meters (approximate) of a transit stop with service frequency of 15 minutes or less (non-rush hour).
- No more than 4.62 gallons of oil will be spilled per million gallons shipped by maritime sources in fiscal year 2001.

8.5. Environmental Protection Agency

Outcome goal

By 2010, improve air quality for Americans living in areas that do not meet the National Ambient Air Quality Standard for ozone and particulate matter.

Performance goals

- Maintain healthy air quality for 33.4 million people living in 43 areas attaining the ozone standard.
- Increase by 1.9 million, the number of people living in five areas that newly attain the ozone standard.

Outcome goal

By 2010, reduce air toxics emissions by 75% from 1993 levels of 4.3 million tons per year.

Performance goal

Reduce air toxics emissions nation-wide from stationary and mobile sources combined by 35% from the 1993 level.

Outcome goal

By 2005, 95% of the population served by community water supply systems will receive water that meets drinking water standards.

Performance goal

In fiscal year 2001, 91% of the served population will receive drinking water meeting all health-based standards.

Outcome goal

By 2005, 75% of the nation's waters will support healthy aquatic communities.

Performance goal

In fiscal year 2001, 550 of the nation's 2 150 watersheds will have at least 80% of their waters meeting all water quality standards.

Outcome goal

By 2005, substantially eliminate the use on food of current pesticides that do not meet the standard of "reasonable certainty of no harm".

Performance goal

Assess 1 200 of the 9 721 existing pesticide tolerances to ensure that these meet the standard of reasonable certainty of no harm (cumulative assessments will total 60%).

Notes

1. Within the federal government, there are 14 Cabinet departments, each headed by a Secretary. There are approximately 100 independent agencies. With several exceptions, these agencies are not an organisational component of a department. Independent agencies are headed by an individual or a commission, and most agency heads report directly to the President and are appointed by him. In this paper, "agency" means a department, independent agency or government corporation. There is no difference between departments and independent agencies in having to meet GPRA requirements.
2. An agency function can be characterised as a general area of responsibility. For example, operating the Air Traffic Control system is a function of the Department of Transportation.
3. There is no requirement for a Government-wide Performance Report. If ever prepared, a Government-wide Report would likely be a counterpart to the Government-wide Performance Plan. Uncertainties about a Government-wide Report centre on its timing (it would appear after agencies had published their Annual Performance Reports) and ultimate value. Compensating to an extent for the lack of a Government-wide Report is the Government-wide Plan, which often includes actual performance data showing baselines or trends for the performance goals included in this plan.
4. For example, the Federal Emergency Management Agency's budget account for Emergency Management Planning and Assistance includes the following programme activities: response and recovery; preparedness; fire prevention and training; operations support; information technology services; mitigation programmes; policy and regional operations; and executive direction.
5. The Results Act does not require that a strategic plan be prepared for the entire Executive branch of government. Although preparation of such a plan is occasionally suggested, much uncertainty arises over how this plan might be developed and who would produce it.
6. The head of the agency is required by law to be the official who sends a finished Strategic Plan to Congress and also to OMB. The completed plan is available to the public. All large agencies and many smaller agencies now place their Strategic Plans on the World Wide Web.
7. The federal budget identifies the amount of funding by budget account for several years into the future. For example, the fiscal year 2001 Budget included projected funding over the fiscal year 2001-2005 period. This budget was the reference budget for agencies transmitting Strategic Plans in September 2000. In these Strategic Plans, the levels of performance achievement should be consistent with the projected resource amounts. An agency may make small adjustments to the projected budget amounts to establish a funding range as it develops the related performance levels.

8. An agency need not have a performance goal in an annual plan for a particular year if there will be no collecting or reporting of performance data for that goal.
9. In those instances where Congress includes performance goal target levels in a law, the law will usually be a programme authorisation law rather an appropriations law.
10. The Inspector General function is covered by annual performance plans and reports, and performance goals set for this function. Many agency Strategic Plans also cover the Inspector General function, but coverage is not required by the Results Act. Not all federal agencies have an Inspector General.

Annex

Terminology

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| General goal: | Included in a Strategic Plan, this goal defines how an agency will carry out its mission over a period of time. The goal is expressed in a manner which allows a future assessment to be made of whether the goal was or is being achieved. The goal may be of a programmatic, policy or managerial nature. General goals are predominately outcome-type goals. |
| General objective: | Included in a Strategic Plan, the objective(s) are paired with a general goal and can be used to help assess whether a general goal was or is being achieved. An objective usually describes a more specific level of achievement than a general goal. |
| Impact goal: | A goal that represents the direct or indirect effect or consequence resulting from achieving an outcome or output goal. An example of a measure of impact is the comparison of actual programme outcomes with estimates of the outcomes that would have occurred in the absence of the programme. |
| Input measure: | A measure of what an agency or agency manager has available to achieve an output or outcome. Inputs can include: Employees, funding, equipment or facilities, supplies on hands, goods or services received, work processes or rules. |
| Intermediate outcome: | A goal describing the partial accomplishment in a particular year of a future year outcome goal. |
| Long-range goal: | A general goal or objective. |
| Outcome goal: | A description of the intended result, effect or consequence that will occur from carrying out a programme or activity. (Defined in law.) |
| Output goal: | 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, including a description of the characteristics and attributes (<i>e.g.</i> timeliness) established as standards in the course of conducting the activity or effort. (Defined in law.) |
| Performance goal: | Included in the Annual Performance Plan. 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. Performance goals can be either outcome or output goals. (Defined in law.) |

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| Performance indicator: | A particular value or characteristic used to measure output or outcome. Performance indicators are associated with performance goals in the Annual Performance Plan. (Defined in law.) |
| Performance measure: | A performance goal or performance indicator. |
| Programme activity: | A specific activity or project as listed in the programme and financing schedules of the annual budget of the United States Government. (Defined in law.) |
| Programme evaluation: | <p>An assessment, through objective measurement and systematic analysis, of the manner and extent to which federal programmes achieve intended objectives. (Defined in law.)</p> <p>Also, an assessment of programme implementation processes and operating policies and practices when the primary concern is about implementation rather than programme outcomes. (This form of programme evaluation is called a “process” evaluation.) (Defined by Congress in a report.)</p> |