Federal Budgeting and the Program Assessment Rating Tool (PART)

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Acknowledgements

- David Trinkle, OMB
- Joel Parriott, OMB

Agenda

- The Budget Process
- FY 2005 Budget Overview
- President's Management Agenda
  - Program Assessment Rating Tool
- Questions

The Administration

- **15 Cabinet-level Departments**
- **> 100 agencies, boards, & commissions**
- **Executive Office of the President**

The Executive Office of the President

- Office of the Vice President*
- Chief of Staff*
- Council of Economic Advisers
- Council on Environmental Quality
- Domestic Policy Council
- National Economic Council
- National Security Council
- Office of Homeland Security
- Office of Management and Budget*
- Office of National Drug Control Policy*
- Office of Science & Technology Policy
- Office of the United States Trade Representative*
- Etc…

* Cabinet rank members

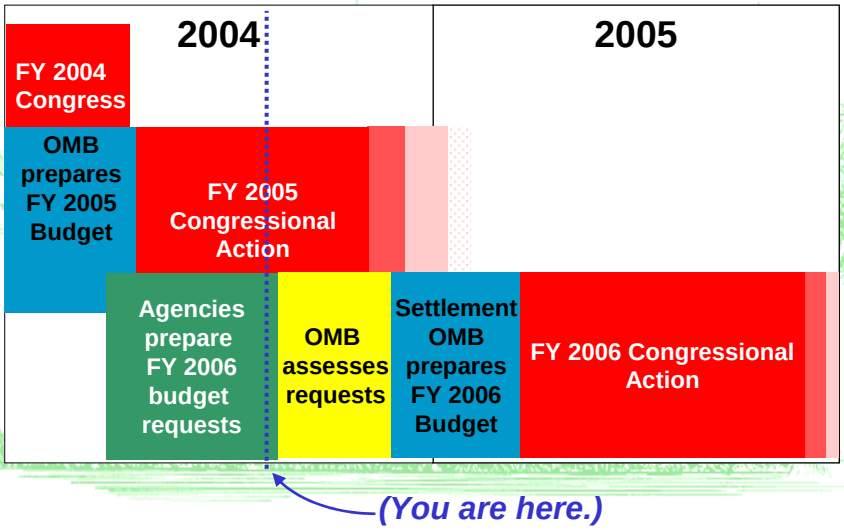
What does OMB do?

- Leads or participates in the development and resolution of all budget, policy, legislative, regulatory, procurement, e-gov't, and management issues on behalf of the President.
- Oversees the implementation, coordination, and management of agency programs.

Administration Budget Calendar

- Agency internal reviews: March-August
- OMB sends guidance to agencies: May/June
- Agencies submit their request to OMB, and hearings are held: September-October
- OMB internal reviews: October-November
- OMB response ("passback"): Thanksgiving
- Appeal and settling process: Early December-Early January
- Budget numbers & text locked: January
- Budget sent to Congress: Early February

Overlapping Budget Processes



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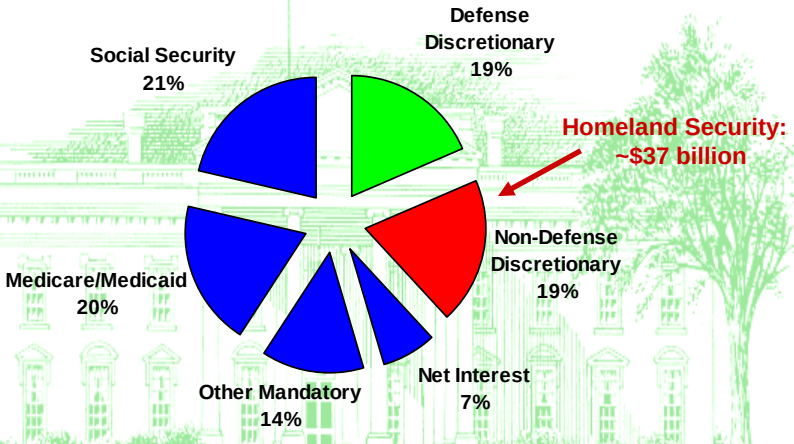
Different colors of money

President's 2005 Budget ($2.4 Trillion in Outlays)



"It helps to think of the government as an insurance company with an army." (Mike Holland, OSTP; *Science*, 4/11/03

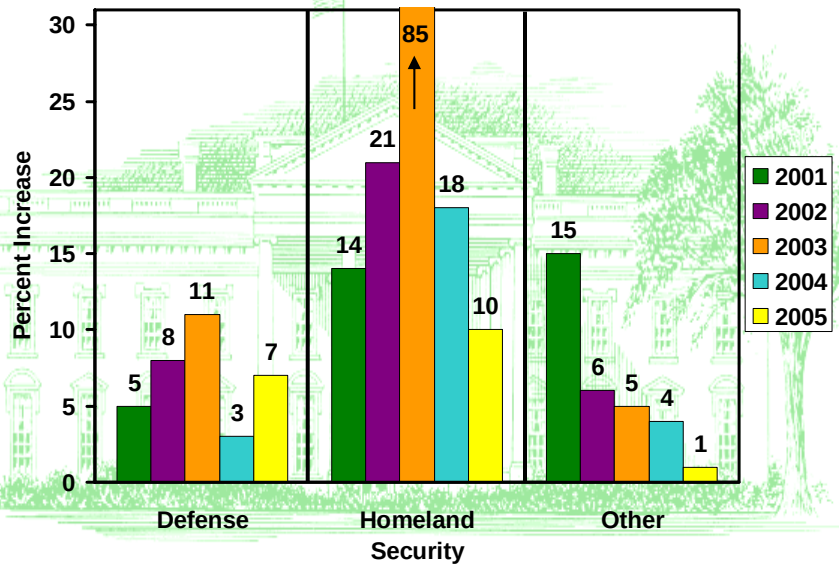
President's FY 2005 Budget Reflects Administration's Priorities

- Winning the War on Terror
- Protecting the Homeland

} Spending Increases

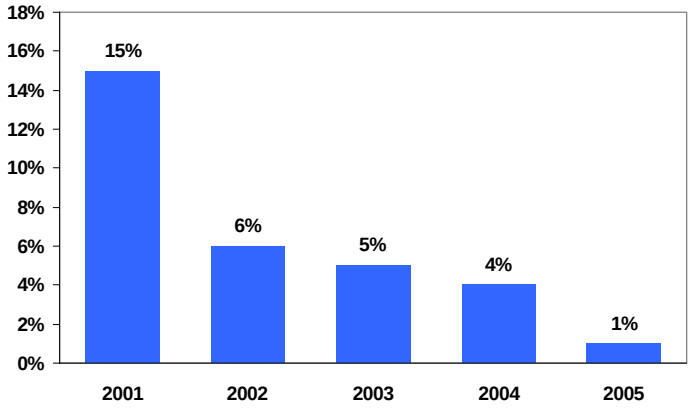
- Strengthening the Economy } Tax cuts

Enhanced Security – Restraint Elsewhere

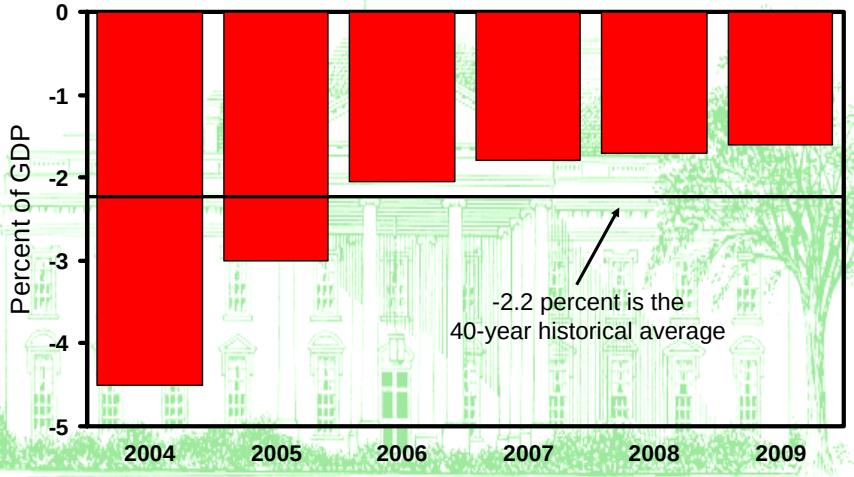


Growth in Discretionary Spending Declines

Percent Growth in non-defense, non-homeland budget authority excluding supplementals



Cutting the Deficit in Half



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The "M" in OMB

"Government should be results-oriented—guided not by process but by performance." – *George W. Bush, 2000*

In other words….

Focus on results, not dollars.

Motivation and Context

- The focus for the Bush Administration – and for the U.S. Congress – must not be just the amount of funding provided to a program, but also on how effective the program is.
- This focus is only strengthened by the current need for fiscal restraint. The U.S. is current in a period of deficit spending, and the Administration intends to reduce the deficit by half in the next five years.

The Challenge

- Challenge: How to incorporate program results into funding and management decisions?
- The Government Performance Results Act (GPRA) currently requires detailed plans and reports on agency performance.
- However, these requirements:
  - Do not yield useful information for funding decisions and management reform.
  - Do not provide performance reports in time for Executive Branch decisions.

President's Management Agenda

- In 2001, the Bush Administration released its President's Management Agenda (PMA) to provide standards and goals for improving management across U.S. Government agencies.
- The President's Management Agenda features five broad management initiatives, plus several more specific initiatives, including one on Federal R&D.

For more information on the PMA:

http://www.whitehouse.gov/omb/budget/fy2002/mgmt.pdf

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The Program Assessment Rating Tool (PART)

- OMB developed the PART as a tool for assessing programs consistently across the government.
- The PART has four sections:
  1. Program Purpose and Design
  2. Strategic Planning
  3. Program Management
  4. Program Results/Accountability
- Each section has 5 to 10 questions.

PARTs Tailored to Program Type

- The PART has seven versions, one for each program "type":
  - credit
  - competitive grant
  - regulatory
  - research and development
  - block/formula grant
  - direct federal
  - capital assets
- Most questions in each version of the PART are identical; there are simply a few tailored questions based on program "type" at the end of some sections.

Section I: Purpose & Design

- Is the program purpose clear?
- Does the program address a specific and existing problem?
- Is the program designed so that it is not redundant or duplicative of any other Federal, State, local or private effort?
- Is the program design free of major flaws that limit the program's effectiveness or efficiency?
- Is the program effectively targeted, so that resources will reach intended beneficiaries?

Section II: Strategic Planning

Does the program have:

- Long-term performance measures that focus on outcomes and reflect the program's purpose?
- Ambitious targets for long-term measures?
- Specific annual performance measures that can demonstrate progress toward long-term goals?
- Baselines and targets for annual measures?

Are budget requests tied to accomplishment of the annual and long-term performance goals?

Section III: Program Management

Questions focus on:

- Effective management of the program
- Financial oversight
- Evaluation of program improvements
- Data collection
- Accountability of Federal managers and program partners (including contractors, etc.)

Section IV: Program Results/Accountability

Highlights:

- Focus is results – is program meeting goals?
- Linked to Measures & Targets from Section II
- Scoring (other sections are Yes or No):
  - Yes
  - Large Extent
  - Small Extent
  - No
  - Not Applicable

Section IV: Program Results/Accountability

Has program:

- Demonstrated adequate progress achieving long-term performance goals?
- Achieved its annual performance goals?
- Demonstrated improved efficiencies in achieving program goals?
- Demonstrated performance that compares favorably with similar programs?

Do independent evaluations indicate program is effective and achieving results?

Performance Measures

- The PART includes a strong focus on performance measures because the key to assessing program effectiveness is measuring the right things.
- Performance measures should be salient, meaningful, and capture the most important aspects of a program's mission and priorities.
- Key distinctions to consider:
  1) performance goals, measures, and targets
  2) measures of outcome and output
  3) annual and long-term timeframes

Goals, Measures, and Targets

- To be complete, performance goals should incorporate targets and timeframes into a performance measure.

Goal = performance measure + target

Goals, Outcomes, and Outputs

Performance goals may focus on outcomes or outputs.

- **Outcomes** are the intended result, effect, or consequence that will occur from carrying out a program or activity. These tend to have long-term timeframes.
- **Outputs** are what the program produced or provided as it strives to achieve the intended outcomes.
- There are also aspects of program **process** that are also measurable.

- The PART strives for measures of outcomes. When applicable, outputs or process measures should support outcomes in a logical fashion, including showing short-term progress toward long-term outcome goals.

PART Results

- PART assessments yield overall program "effectiveness" rating.
- More importantly, PART assessments provide detail of specific strengths and weaknesses.
- Together, these observations provide input to budget and management decisions.
- Agencies and programs are accountable for recommendations.

PART Status

- In 2004, we have had the most sweeping, detailed assessment of U.S. Government programs - 400 programs (about $1 trillion).
- 20% of programs to be added each year.

For more information on the PART

www.whitehouse.gov/omb/part/

FY 2006 PART Timeline

- February — Agencies/OMB agree on programs.
- March — PART Training
  Agencies and OMB start PARTs.
- Mid May — Agencies complete PART drafts.
- June — OMB completes PARTs.
- June-July — Consistency checks.
- July — Agency appeals on PARTs due.
- July — OMB resolves appeals on PARTs.
- *September — Agency budget submissions to OMB.*
- *December — Budget settlement with agencies.*
- December — PART summaries finalized by RMOs.
- *February 2005 — President's FY 2006 Budget released*

Program Assessment: Status and Next Steps

This year, we will:

- Assess another 20% of the government using the PART.
- Work with the Congress to improve the integration of the President's Management Agenda into decisions and reforms.

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Questions?