The Performance Institute

Performance Budgeting

Consulting and Training Services Available

Linking Resources to Results in Government

Performance budgeting links agency budget resources with performance results in a way that provides decision makers and the public with a clear picture of whether they are getting the "biggest bang for the taxpayer buck" from individual government programs. If implemented properly, performance budgeting can be the most transformational reform in government management.

The Performance Institute has set the national standard in government performance budgeting through its "Logic Model" approach to linking agency budgets to performance results. PI training and consulting services address every facet of performance budgeting, including:

1. Performance Measurement Development

At the heart of performance budgeting is the challenge of devising timely, accurate, relevant and useful performance information on individual agency programs. Through a mix of training and facilitation, PI will help define program-level and agency-wide performance measures that meet the following key criteria:

- **Outcome-oriented**: focus on core mission results
- **Simple**: Three to five "strategic" measures or less per program
- **Meaningful**: Reflect key management challenges and "tell the story" of each program
- **"SMART"**: Meet the "S-M-A-R-T" criteria for methodological soundness for measure quality and integrity
- **Cost-relevant**: tied to the core budget-program activity structure

2. Full Cost Accounting

Government agencies are increasingly using Activity-Based Consting is one financial accounting method of linking resources to activities and processes. PI's Logic Model approach is enhanced to include work processes to which specific activities are aligned which results in both performance and costs of a program in a formal budget justification. The result will be accurate, timely, useful and revealing cost information provided to agency managers, leaders and policy makers.

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Meet the Criteria of the President's Management Agenda and "PART" Budget Review

While performance budgeting is a reality at all levels of government, budget-performance integration and improved financial management are two goals of the federal President's Management Agenda (PMA). The federal government has adopted a Program Assessment Rating Tool (PART) to evaluate individual program attempts to link performance and budgeting. 20% of all programs underwent the PART analysis in 2002, with all programs scheduled to complete assessments by the end of 2005. PI has been actively assisting and supporting the Administration in the implementation of the PART.

The Institute's performance budgeting services are directly designed to produce success on the PMA and PART. Whether for a federal, state or local agency, the PART process provides substantial benefit in the evaluation of budget-performance linkage. For more information on the Federal PART, visit PI's specialized website at **TRANSPARENTGOVERNMENT.org**

3. Integrated Financial-Performance Management Systems

To ensure accountability and use of performance information for management, agency measures must be supported by a simple and streamlined reporting system—that fully integrates budget, financial and performance data. This need not be a complicated process. By keeping measures to the "vital few" and harnessing any existing and new agency IT systems, PI has created fully integrated budget, financial and performance management systems that allow for strategic management within government.

4. Strategic Planning Facilitation

Obviously a key step at the beginning of any performance budgeting process, the strategic plan must map the issue environment an agency faces and establish a strategic rationale behind its program activities. PI's expertise in performing issue landscape and program evaluation studies for agencies as well as our standard methodology for facilitating stakeholder dialogue, provide comprehensive solutions for agencies looking to create an integrated strategic plan.

5. Performance Data Quality Improvement

Performance information is only as strong as it is reliable and accurate. PI uses a maturity model to assess agency performance information that sets "reasonable accuracy" standards for performance information—an approach that wins rave reviews from managers and auditors alike.

6. Individual Program Evaluations

Periodically, agencies will be under pressure to evaluate the effectiveness of an individual program. PI forms expert advisory boards to conduct in-depth program evaluations, resulting in performance assessments, suggestions for reforms, and improved performance measurements.

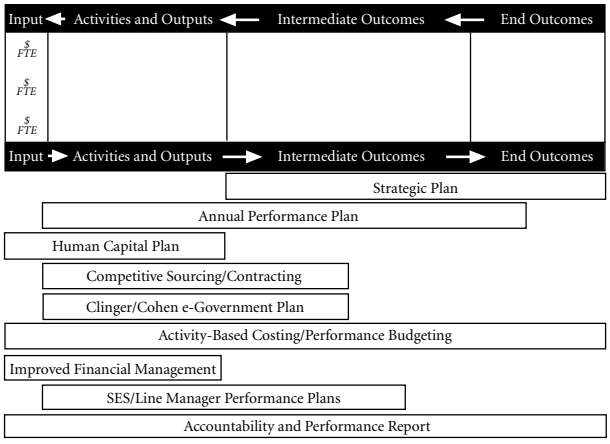
7. Budget Justification Development

The most relevant service provided by the Institute is the development of budget justifications using solid performance cases. PI's ability to bridge political-career and executive-legislative mindsets is a main element of its success in creating strong budget justifications. PI can provide training, facilitation, or reviews and comments on budgets. It can also "model" alternative budget structures and ways of presenting and justifying budget requests based on feedback of appropriators, stakeholders and other budget reviewers.

Unparalleled Expertise in Performance Budgeting

The Performance Institute offers the nation's leading authority on performance budgeting in government: Carl D. DeMaio. From his work with Congressional appropriators on implementation of the federal "Results Act" to his work on the President's Management Agenda (PMA), DeMaio provides solid expertise to navigate the challenges of performance budgeting. His "Logic Model" approach to budget-performance integration has been successfully adopted by federal, state and local government agencies. The Institute's full-time staff also have "Centers of Excellence" in virtually every mission area of government, providing ready access to comparative performance measurements and benchmark data.

The Logic Model as a Tool for Budget-Performance Integration



By adopting Performance Budgeting, government agencies can improve resource allocation, maximize efficiencies, and effectively make their case to budget decision makers in tight fiscal environments.

GSA FSS Contractor

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Free One-Hour Consultation

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