Another edition of the monthly PMA newsletter. This has been the busiest month on the PMA since the President launched the initiative—with the "Proud-to-Be" milestones unveiled, with OMB issuing new guidance for A-76 competitions and reducing improper payments, OPM finalizing new human capital flexibilities, and the Legislative-Executive Dialogue on the PART. I feel the momentum, do you? -Carl



June 2003

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To assist agency program managers in improving their PART evaluations and communicating their budget justifications to Congress, The Performance Institute is sponsoring a PART and performance budgeting summit in August 2003. This summit will feature opening comments from OMB on how the first round of the PART has affected presidential budget requests and how the PART will be further integrated in the next round.

Participants will then be walked through the PART process and have their program budget evaluations reviewed by experts. Finally, participants will have the opportunity to undertake a mock congressional review and hearing to learn how to communicate their budget justifications to appropriators. For more information or to receive an agenda for this summit, contact Vincent Badolato at

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1. Government-Wide News

a. President Bush Nominates Josh Bolten to Head OMB

-President Bush has nominated Josh Bolten to take the reigns at the Office of Management and Budget in the place of Mitch Daniels, who resigned to return to Indiana. Mr. Bolten served as the president's deputy chief of staff for policy before being nominated to direct OMB. To read remarks from the president and Mr. Bolten at the personnel announcement, go to: White House - Bolten

b. Clay Johnson Confirmed as Deputy Director of Management

-United States Senate confirmed President Bush's appointment of Clay Johnson as Deputy Director for Management for the Office of Management and Budget (OMB). The Deputy Director for Management provides government-wide leadership to Executive Branch agencies to improve agency and program performance. He will lead the implementation of the President's Management Agenda and all management activities throughout OMB. To read the release of his confirmation, go to: White House - Johnson

c. "Proud to Be" PMA Milestones Deemed Very Attainable by July 2004

-In a May 21 memo, Clay Johnson states where the owners of the five government-wide

initiatives would be “proud to be” on the PMA scorecard by July 1, 2004. Each of the five goals have specific assessments and “proud to be” goals to be reached by that date. These goals are both specific and easily measurable, making achieving these goals very attainable. To read more about the proud to be goals for the five PMA initiatives, go to: Government Executive - Proud to Be

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2. Integrating Performance and Budgeting

a. Executive-Legislative Budget Summit Begins Dialogue on Performance Budgeting and the PART

-On June 13, The Performance Institute and a coalition of good government groups convened a budget summit in the Rayburn House Office Building to increase awareness in Congress of the development of the Program Assessment Rating Tool (PART) and how it can be used to enhance the focus on performance in the budget process and the level of dialogue between the two branches. This summit featured presentations from OMB, Congressional budget and appropriations staff, and executive branch officials and experts. To read a summary and key points made at the summit, go to: PART Summit

b. Show Me the Measures!

July 23-25 Arlington, VA

-In this best practice forum, *Show Me the Measures!*, focuses on use of the logic model approach to devising, implementing and managing model performance measures. This forum will present hands-on application and implementation training on the Government Performance Logic Model; review of best-in-class performance measures for government; use of the Logic Model to integrate management functions; and design and implementation of a performance management system. For more information or to

register, go to: Show Me the Measures - Agenda

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3. Improved Financial Management

a. OMB Guidance for Combating Improper Payments in Federal Programs

-OMB recently issued instructions to reduce and recover payments made in error in federal programs and activities. The instructions implement the Improper Payments Information Act of 2002. This law and the guidance require agencies to name programs with significant erroneous payments, report a statistically valid estimate of erroneous payments, and craft a plan for their prevention or reduction. To read the White House memo and access these instructions, go to: OMB - Improper Payments

b. GAO Testimony: Opportunities for Oversight and Improved Use of Federal Funds

-Comptroller General David Walker testified before the House Committee on the Budget regarding addressing several issues regarding program reviews, oversight, and stewardship of taxpayer funds. To access his testimony, go to: Transparent Government

c. GAO Testimony: Post-Hearing Question Responses on Consolidated Financial Statements

-Comptroller General Walker responds to several post-hearing questions relating to the

government's consolidated Financial Statements for FY2002. The responses address the status of agency financial management systems, solutions for cutting spending, and the affect of audit results on the budgeting process. To access these responses, go to: GAO - Consolidated Statements

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4. Strategic Management of Human Capital

a. OPM Releases New Governmentwide Hiring Authorities

-Office of Personnel Management released interim regulations giving federal managers and hiring officials new flexibilities to expedite and improve the hiring of qualified applicants, based on merit, Veterans' Preference and staffing needs. These regulations will ease hiring, support academic achievement and help adjust federal work force. To read more about these new regulations, go to: OPM - Hiring Authorities

b. First Meeting Chief Human Capital Officers Council Addresses Personnel Challenges

-The first meeting of the Chief Human Capital Officers (CHCO) Council allowed for members to get acquainted with each other and discuss what they feel needs to be done to address strategic human resource challenges. Particular emphasis was placed on significant organizational and policy issues. To read more on the first CHCO Council meeting and the council members, go to: OPM - CHCO Council

c. GAO Report: OPM Can Better Assist Agencies in Using Personnel Flexibilities

-The General Accounting Office released a report recommending actions that OMB could take to facilitate effective use of human capital flexibilities. GAO recommends that OPM: review existing OPM regulations and guidance to determine whether they provide agencies with needed flexibility; more thoroughly research, compile, and analyze information on the effective and innovative use of flexibilities; and identify and build consensus for legislation to authorize new flexibilities that would help agencies better manage their human capital. To download this report, go to: GAO - Personnel Flexibilities

d. GAO Testimony: Post-Hearing Question Responses Related to Pay for Performance and Human Capital Management

-The General Accounting Office released two post-hearing responses to questions regarding pay for performance and strategic human capital management. The response for pay for performance addresses such issues as: determining meaningful distinctions in performance, preventing abuse of the system, and private sector standards. The strategic human capital management response addresses various challenges in human capital management. To download the pay for performance response, go to: GAO - Pay for Performance.
To download the strategic human capital response, go to:
GAO - Strategic HRM

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5. Competitive Sourcing

a. Finalized Revised Circular A-76 Released

-On May 29, 2003, after much anticipation, the Office of Management and Budget released the final revised Circular A-76, the guidance that regulates the performance of commercial activities in the federal government. The revised A-76 reorganizes and streamlines the competitive sourcing process by bringing aligning competitive sourcing with current

federal acquisition regulations. To access the revised A-76, go to: OMB - New A-76

-To read a White House release explaining the anticipated savings expected from the competitive sourcing initiative and outlines the new A-76, go to: White House - New A-76

-To read a commentary outlining the key changes under the new A-76 and the principles of competition, go to: PI - New A-76

-For an additional commentary on the competitive sourcing initiative from the *Federal Focus* section of Government Executive, go to: Government Executive - Federal Focus

b. NTEU Sues Administration over New A-76 Guidelines

-The National Treasury Employees Union has filed suit against the Bush Administration over the regulations in the new Circular A-76, claiming violation of federal law. The union is challenging that the sections of the new circular that deal with "inherently governmental" work, which they claim violates the Federal Activities Inventory Reform (FAIR) Act by thinning the definition of inherently governmental. To read more, go to: Government Executive - NTEU

c. GAO Commentary: Selected Provisions of the Services Acquisition Reform Act (SARA) of 2003

-The General Accounting Office released a commentary on selected provisions of the Service Acquisition Reform Act (SARA) of 2003. The commentary summarizes GAO comments on the sections covered in an April testimony and contains their comments on other selected provisions of SARA. To access this commentary, go to: GAO - SARA

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6. Citizen-Centered e-Government

a. Five E-Gov Initiatives Recognized for Achievement in E-Government

-Five of the new E-Gov initiatives were recognized for exemplary achievements in E-Government at the E-Gov 2003 Conference. GovBenefits.gov, E-Rulemaking, and E-Vital were selected as E-Gov 2003 "Pioneers," and DisasterHelp.gov and GoLearn.gov were chosen as "Explorers" in E-Gov by the Government Solutions Center Selection Committee. To read the White House Press release and more about these initiatives, go to: OMB - Initiative Achievement

b. OMB Creates SmartBUY Initiative

-The uncoordinated approach to software buying in the federal government has encouraged OMB to create the SmartBUY initiative, a system to ensure that the federal government organizes its immense purchasing power to achieve the maximum cost savings and best quality for software. The SmartBUY initiative includes commercial off-the-shelf software that is generally acquired using license agreements with terms and prices that vary based on volume. To read the OMB memo with the required steps of this initiative, go to: OMB - SmartBUY

c. Building Better IT Business Cases

July 14-15 Arlington, VA

-The Performance Institute is sponsoring this summit to help agencies meet the challenges of understanding OMB's requirements for Exhibit 300s. Attendees will hear directly from OMB exactly how and why business cases are required and will be shown best practices in completing a successful Exhibit 300 and developing performance measures. Additionally, all attendees will be taught several tools that will increase the ability to score a 4 or 5 on Exhibit 300s. For more information or to register, go to: IT Business Case - Agenda

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The Performance Institute is a private think tank that serves as the nation's leading authority and repository on performance-based management practices for government organizations. Its mission is to identify, study and disseminate the leading management innovations pioneered by "best-in-class" government programs at federal, state and local levels. Through its national conferences on pressing issues, interactive executive training programs, and best practice research projects, the Institute provides cutting-edge expertise in the design, implementation and evaluation of strategies to solve operational challenges and enhance government performance.

Reason Public Policy Institute is a public policy think tank promoting the principles of competition, accountability, performance and transparency in government. Through practical and innovative approaches to complex government management problems, Reason seeks to assist federal, state and local government leaders in implementing change in the design and management of government programs.