Here is May's edition of the President's Management Agenda newsletter. Congratulations to the Department of Justice who got to green this quarter, check out the story in the Budget and Performance Integration section of the newsletter.

Enjoy,

Carl

Implementation Update on the PRESIDENT'S MANAGEMENT AGENDA

The Performance Institute

MAY 2006

*** If you find this newsletter useful and informative please forward it to your friends and colleagues! ***

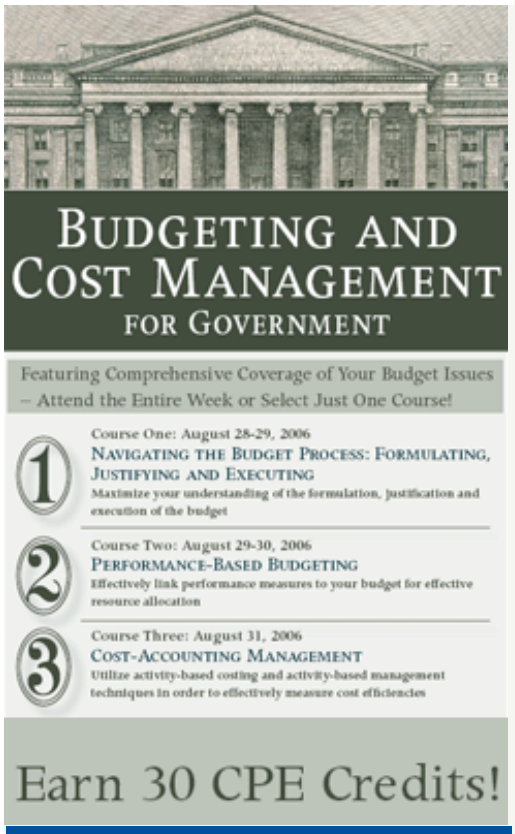
UPCOMING EVENTS

The 2006 National Summit on Strategic Recruitment and Retention for Government Agencies
June 12-14, 2006 | Arlington , VA

Strategic Planning for Government
June 26 – 27, 2006 | Arlington, VA

Government Human Capital Management Week
July 10-14, 2006 | Arlington, VA

Improving IT Budget Justifications and Exhibit 300 Submissions
July 17 – 18, 2006 | Arlington, VA



WEBINARS

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- Budget and Performance Integrations
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- Acquisition and Competitive Sourcing
- Expanded E-Government

Government-Wide News

A Message from Clay Johnson: Clarity and Accountability Produces Results!

There were a significant number of E-Gov status and progress downgrades this quarter, reflecting the great difficulty some agencies are having getting their Appropriators to agree to reprogram the funds necessary to pay for their services from the different E-Gov initiatives. Every country in the civilized world is using the internet to better serve their citizens, and modeling many of their efforts after our work here. Read more at http://www.whitehouse.gov/results/agenda/fy06q2-ddm_update.pdf

Senate Panel Approves Bush Pick for Interior Secretary

The Senate Energy and Natural Resources Committee on Wednesday sent Idaho Gov. Dirk Kempthorne's nomination as Interior secretary to the full Senate on a voice vote, the *Associated Press* reported. Sen. Mary Landrieu, D-La., voted "present" to protest the Bush administration's refusal to share a portion of offshore oil and gas royalties with Gulf Coast states. Landrieu's vote drew a rebuke from Energy and Natural Resources Chairman Pete Domenici, R-N.M., who noted that Kempthorne is a former senator and widely supported by lawmakers in both parties. "I think your cause is not well-served by doing what you're doing today," Domenici said. "What you're doing essentially is saying no to the nominee. I wish you wouldn't be doing that to him." Read more at http://www.govexec.com/story_page.cfm?articleid=34058&dcn=e_gvet

Bush Names Executive at Illinois Firm to Head SBA

President Bush last Tuesday nominated Steven Preston, an executive at an Illinois company, to be the chief of the Small Business Administration. Preston will leave his position as executive vice president of Downers Grove, Ill.-based

IT Project Management for State and Local Government
July 26, 2006 | 2:00 pm EST

Drive Performance with HR Dashboards and Scorecards
July 20, 2006 | 2:00 pm- 3:30 pm EST

Introduction to Earned Value Management
August 16, 2006

To see more webinar events please click here www.PerformanceWeb.org/Webcast

How Does your Organization Measure Up?



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ServiceMaster Co., a $3.6 billion company where he recently has led the strategic services team and previously served as chief financial officer, to pursue the nomination, according to company statements. He joined the company in 1997, prior to which he was a senior vice president at First Data Corp. and an investment banker with Lehman Brothers. Preston earned a bachelor's degree in political science from Northwestern University and an M.B.A. from the University of Chicago 's Graduate School of Business, his biography stated. Read more at http://www.govexec.com/story_page.cfm?articleid=33935&dcn=e_tma

Panel Gives Nominee to be OMB Director a Light Grilling

The nomination of Trade Representative Rob Portman to be Office of Management and Budget director appeared to be well on track on Thursday for approval by the Senate Budget Committee, as the former House lawmaker received the endorsement of both the top Republican and Democrat on the panel. Portman nevertheless endured a polite but direct grilling from several of the committee's Democrats during a hearing on his nomination, particularly from Budget ranking member Kent Conrad, D-N.D. Conrad hammered away with criticism of the debt that has accumulated under Bush, brandishing a series of charts showing that the recovery from the recession of Bush's early years has been weaker in certain areas than previous recoveries. Portman countered that earlier recoveries were more robust because the recessions were deeper, and he touted the administration's record of restraining discretionary spending while stressing the need for limiting entitlement growth.

Read more at http://www.govexec.com/story_page.cfm?articleid=34068&dcn=e_gvet

Change Management in Government

We can greatly improve government's performance going forward in better providing benefits and services, and in preventing or responding to natural or man-made disasters:

1. Government performance has been an important issue for decades – at all levels of government (e.g., Federal, State, and Local) and regardless of which political party has been in power. But, government's performance on 9/11 and Katrina, and the likelihood of future natural and man-made disasters, shows the critical importance of addressing government performance now.

2. We know that we can improve government performance, because agencies from OSHA to GAO to the Nation's Special Operations Forces have done so

3. While each agency is different, ANY agency that wishes to improve its performance needs to apply five principles that are critical to success

To read more, go to: http://harvardbusinessonline.hbsp.harvard.edu/hbrsa/en/issue/0605/article/R0605J.jhtml;jsessionid=ODPRWFUDCUIO4AKRGWDR5VQBKE0YIISW?type=F

House Vote Expected On New Panel to 'Sunset' Ineffective Programs, Agencies

A proposal that could lead to termination — or "sunset" — of agencies and programs that fail to prove their worth every 10 years may make it to the House floor for the first time this spring. The measure will likely come up for a vote during the first two weeks in June, said Kevin Madden, a spokesman for Majority Leader John Boehner, R-Ohio.

The Bush administration-backed idea to create a Sunset Commission — whose recommendations would be voted on by lawmakers — has been bouncing around Congress for years and was the subject of a Government Reform subcommittee hearing in September. Bills to create the commission have been introduced in the House and Senate. To read more, go to: http://www.federaltimes.com/index.php?S=1723034

Strategic Planning in Government

Strategic Planning will focus on developing a performance-based strategic plan by applying the Strategic Management Framework methodology as a template for developing a results-oriented strategic plan for your government programs. This framework is derived from best practices at all levels of government and is compliant with the GPRA strategic planning criteria and OMB guidance. To learn more, go to http://www.performanceweb.org/CENTERS/GPM/Events/P531/P531.htm

Budget and Performance Integration

A Message from Robert Shea: Managing for Results: Improvement This Quarter: More to Come!

Congratulations to the Department of Justice (DOJ) for getting to Green on the Budget and Performance Integration Initiative. The Department established a new Quarterly Status Report process to improve performance and strengthen accountability. Each quarter every DOJ bureau submits a quarterly update to the Department with their progress against annual and long-term goals, their progress on Program Assessment Rating Tool follow-up actions, and their funding/personnel status. Read more at http://www.whitehouse.gov/results/agenda/fy06q2-bpi_update.pdf

Better Transparency, Controls, Triggers, and Default Mechanisms Would Help to Address Our Large and Growing Long-term Fiscal Challenge

The nation's long-term fiscal outlook is daunting. While the budget process has not caused the problems we face, the absence of meaningful budget controls and other mechanisms has served to compound our fiscal challenge. Conversely, a process that illuminates the looming fiscal pressures and provides appropriate incentives can at least help decision makers focus on the right questions. Read more at http://www.gao.gov/highlights/d06761thigh.pdf

Budgeting and Cost Management for Government

Budgeting for results is a phrase that should be on every government executive's mind, from linking performance information to the budget to measuring and achieving cost efficiencies. However, many federal, state and local government managers are still unaware of how to link performance information to the budget, how to measure cost efficiencies, how to calculate the full cost per unit service and how the budget process actually operates. Without this key information, you will not be able to understand the true essence of performance management and how it is tied to the budget process.

For the latest insight on performance-based budgeting, activity-based costing and management and navigating the budget process, we invite you to be a part of Budgeting and Cost Accounting Management for Government from August 28-31, 2006 in Arlington, VA. You will certainly emerge with the skills you need to succeed in any budgetary environment. To learn more, go to http://www.performanceweb.org/CENTERS/FM/Events/P548/P548.htm

Improved Financial Performance

OMB: Competition Key to Consolidating Financial Systems

Public-private competitions will become compulsory for federal agencies outsourcing their financial management systems under the Bush administration's lines of business initiative, the Office of Management and Budget said this week in a response to questions from a lawmaker. OMB is leading an effort to shut down agencies' back-office information technology systems and move the work to a handful of designated federal entities or the private sector. Financial management systems are one such targeted area; others include human resources systems and cybersecurity. Private sector competition for agency IT work is an important way of keeping prices low and service satisfactory at cross-government service centers, OMB has said. In written responses to questions asked by Rep. Todd Platts, R-Pa., during a March 15 House Government Reform Subcommittee on Government Management, Finance and Accountability hearing, OMB said that competition must occur according to the dictates of Circular A-76, which governs the administration's competitive sourcing initiative to open thousands of federal jobs considered commercial in nature to bids from contractors. Read more at http://www.govexec.com/story_page.cfm?articleid=33960&dcn=e_gvet

Managers Get advice on Meeting new Financial Reporting Requirement

As a June 30 Office of Management and Budget deadline approaches for agencies to issue assurances of their internal controls over financial reporting, experts have different ideas on how to secure immediate and long-term compliance. At a breakfast two weeks ago for members of the federal financial community, government and industry panelists made various recommendations for meeting the deadline, which is set in OMB's Circular A-123. These ranged from implementing information technology systems to winning buy-in from top management. Fiscal 2006 is the first year in which agencies covered by the 1990 Chief Financial Officers Act must provide assurances that the internal processes that feed into financial reports are accurate and effective. Agency heads will be required to note any significant or "material" weaknesses in those controls and identify corrective actions. Read more at http://www.govexec.com/story_page.cfm?articleid=34044&dcn=e_tma

A Message from Linda Combs: Managing the Federal Real Property Portfolio at the Right Size, Right Cost, and in the Right Condition

Recently, my (Linda Combs) updates have focused on agency efforts to meet the Yellow standards of success for Improving Financial Performance initiative. These standards include receiving a clean audit opinion, having no material weaknesses, meeting reporting deadlines, and maintaining systems that comply with Federal financial management standards. As agencies move full steam ahead in their efforts to comply with these standards, they also continue to use this same financial information in their daily decision making to manage costs and deliver real results to the taxpayer. Nowhere are those results becoming more evident than under the President's initiative to better manage real property assts. Read more at http://www.whitehouse.gov/results/agenda/fy06q2-offm_update.pdf

Strategic Management of Human Capital

Senator Crafts Bill Focusing On Performance Now, Pay Later

A key senator involved in government reform issues announced Wednesday that he will introduce legislation that would require rigorous performance appraisals for every federal employee, but would hold off on linking those ratings to pay.

Sen. George Voinovich, R-Ohio, said his bill, still in draft form and not yet available for public review, is called the 2006 Federal Workforce Performance Appraisal and Management Improvement Act. It would retain the General Schedule pay ladder, require annual written performance reviews and abolish pass/fail rating systems. To read more, go to: http://www.govexec.com/story_page.cfm?articleid=33984&dcn=todaysnews

A Message from Linda Springer: Improving Human Capital Management in Government

The Office of Personnel Management has learned this quarter through the implementation of new personnel systems at the Departments of Defense and Homeland Security that management training plays a critical roll in managing in a pay for performance environment as well as in cultivating and sustaining a results-oriented performance culture. Read more at; http://www.whitehouse.gov/results/agenda/fy06q2-hc_update.pdf

OPM to Track Agency Training Efforts

For the first time, the federal government is collecting and analyzing detailed data on the training that agencies offer their employees. The Office of Personnel Management will give agencies until Dec. 31, 2006, to begin regularly submitting data on the cost and amount of training offered. Read more at; http://www.govexec.com/story_page.cfm?articleid=34131&dcn=todaysnews

New Survey About Student Attitudes Toward Government Service

The federal government must do a better job of recruiting college students in order to attract the talent it needs to do the nation's work well, according to a report released today by the Partnership for Public Service. The report reveals that almost half (42 percent) of college students are “extremely or very interested” in working for the federal government, compared to 49 percent for large private sector companies and 40 percent for nonprofits. Read more at; http://www.ourpublicservice.org/pressroom/pressroom_show.htm?

doc_id=371282

Funding Roadblock for DHS Performance Pay

A new pay and personnel system under development at the Department of Homeland Security hit another bump in the road yesterday. The House Appropriations Committee held the line on spending for the new system, called MaxHR. The department had sought $41.7 million for fiscal 2007 for the system, but the committee provided $29.7 million, the same funding provided this fiscal year. Read more at; http://www.washingtonpost.com/wp-dyn/content/article/2006/05/17/AR2006051702093.html

Intelligence Agency Employees Concerned About Leadership

A survey of intelligence community employees shows they are dedicated to their work, with job satisfaction rates higher than for the overall government. The survey also shows that intelligence agencies have room to improve on some personnel practices, particularly in the areas of leadership and performance. Read more at; http://www.washingtonpost.com/wp-dyn/content/article/2006/05/07/AR2006050700812.html

Strategic Recruitment and Retention for Government Agencies

It is clear that the recruitment and retention of employees is one of our biggest concerns. Taking into consideration the wave of staff eligible for retirement now and within the next few years, government recruiters need more practical and measurable recruitment strategies. These more effective strategies are imperative to governments' ability to serve the public and fulfill their missions. We invite you to be a part of The 2006 National Summit on Strategic Recruitment and Retention for Government Agencies on June 12-14, 2006 at The Performance Institute. Attendees of this event will learn how to employ HR flexibilities to recruit and retain the top talent for their organizations. Additionally, you will attract more qualified applicants into their talent pools and successfully decipher the “perfect hire” for your organization. To learn more, go to http://www.performanceweb.org/CENTERS/HC/Events/P588/P588.htm

Acquisition and Sourcing

Performance-Based Acquisition and Contracting for Government

On May 19 The Performance Institute hosted a training forum on PBA led by the institute's president and founder Carl DeMaio . Carl, who sits on a panel dedicated to government acquisition reform, is a recognized leader on acquisition Performance and speaks often on the subject. In this presentation Carl outlines the proper definition of PBA, how to accurately apply the concepts and the benefits of proper practice.
http://www.performanceweb.org/CENTERS/CA/media/Performance-based_AcquisitionContracting_Government.pdf

GSA Steps Closer to New Structure

The General Services Administration, in an effort to reduce costs and develop a clear vision of value, aims to complete its reorganization and launch the new Federal Acquisition Service by July 4. After months of waiting, the agency recently gained congressional approvals to merge its two main purchasing divisions — the Federal Supply Service and Federal Technology Service — into the new FAS. To read more, go to http://federaltimes.com/index.php?S=1771159

Report Recommends Better Management of Contracting Technical Staff

Agencies can meet their regulatory requirements and leverage a stretched acquisition workforce by better managing the technical experts on their contracting teams. A recent Acquisition Project and Performance Management Forum held by The Performance Institute provided attendees with an overview of managing acquisition in a team environment and utilize the entire team to develop accurate performance measures. To read more, go to http://www.govexec.com/dailyfed/0506/051206m1.htm

Slowdown in Defense spending could rein in procurements

Accountability. One of The Performance Institute's principles of good government and a necessary ingredient for a results oriented management agenda. A long-feared downward slope in defense spending could serve as the best incentive for the Pentagon and Capitol Hill to rein in increasingly escalating price tags on the military's biggest procurement programs, according to several defense analysts. http://www.govexec.com/story_page.cfm?articleid=34194&dcn=todaysnews

Boeing may pay $615 million to close federal contracting investigations

Ethics and integrity in acquisition can be a difficult and burdensome set of rules to follow. Under the FAR and its counterpart in defense, government employees are held to rules that govern procurement ethics that reflect the endless legal, moral and political reality of the day-to-day procurement process. Defense contractor Boeing Corp. tentatively has agreed to avoid criminal charges and pay $615 million to settle two federal investigations into contracting scandals at the company, Justice Department officials said Monday. http://www.govexec.com/story_page.cfm?articleid=34086&sid=5

Lack of interagency contracting data frustrates OMB

We at The Performance Institute want government to be results driven and transparent. Interagency contracts are a way of advancing these goals. However, that are largely misunderstood in government. With proper training on new rules and understanding of the benefits, these procurement vehicles can decrease the amount of work normally needed in the process. The lack of information is posing a big challenge to the Office of Management and Budget as it seeks to get a better grip on interagency contracting, in which one agency sets up a contract that other agencies can use for a fee, Robert Burton, acting procurement policy administrator at OMB, said May 18. http://www.federaltimes.com/index.php?S=1813459

Purchases grow at snail's pace at changing GSA

Certainly there is merit to the half-full perspective, with schedule spending exceeding $30 billion. But some say competition from other contracting programs — combined with GSA's internal turmoil in addressing past contracting violations and advancing its reorganization plan — leave a question mark hanging over the long-term prognosis for the program. http://www.federaltimes.com/index.php?S=1771171

Expanded E-Government

Why IT Should Understand 'Costing' Terms

When IT is expressing the value or costs associated with its services, care must be taken to ensure proper categorization and that the right terms are used. To have strong numbers that are supportable, IT really needs access to a costing or financial specialist who can assist with building quantitative models and explain what is meant. Whether access to that person exists or not, a quick review of some business-oriented terms never hurts. To read more, go to http://nl.internet.com/ct.html?rtr=on&s=1,2fib,1,ik9u,4fjd,1i4q,arnc

As e-Gov Projects Grow, Feds Seek Performance Metrics

One of the Institute's principles of transforming government is transparency. If the White House's e-government initiatives are going to reach their stated goals, the government must establish new ways of promoting and touting the success of their initiatives, according to a panel of government officials. To read more, go to http://www.gcn.com/online/vol1_no1/40628-1.html

Information Security Management in Government

The Performance Institute recently hosted an Information Security Management in Government training. Steve Gantz, Senior

Enterprise Architect for Blueprint Technologies, outlined new NIST standards as well as a “best practice” approach to implementing a sound security management system in the federal government.
http://www.performanceweb.org/CENTERS/IT/media/Infosec_Management_stephen_g.pdf

SIM City and the Network

Bill Geimer, program manager in the Chief Information Security Office at the Agency for International Development, has a huge security problem. Such privacy and security regulations as FISMA, the Gramm-Leach-Bliley Act of 1999, and the Health Insurance Portability and Accountability Act prescribe strict guarantees that information is secure and private. That also means keeping electronic security records safe and accessible for examination and for use as evidence. To read more, go to http://www.gcn.com/print/25_8/40391-1.html

Better Organization, Focus Needed For Cybersecurity

Creating a citizen-centered e-government goes beyond constructing web portals. Security is just as important – if not more. The government needs to establish clear lines of authority and clarify responsibility for an effective national information assurance policy, former presidential adviser Paul Kurtz said Thursday. To read more, go to http://www.gcn.com/online/vol1_no1/40570-1.html

USDA Takes Aim at Infrastructure Consolidation

The government is now calling on IT professionals to create the Federal Enterprise Architecture, as well as individual agency architectures, and reduce cyber security vulnerabilities which will deliver value to the organization and efficiency to the taxpayer. The Performance Institute helped create the Performance Reference Model, one of the modules in place for an effective EA system. CIO David Combs' plan is to take the complex issues, worry and costs out of the hands of the department's agencies and offices, and let them concentrate on their mission priorities. To read more, go to http://www.gcn.com/online/vol1_no1/40511-1.html

President: Carl DeMaio
Newsletter Editor: Cynthia Craig

The **Implementation Update on the PMA** is provided as a free monthly e-newsletter to all federal employees about the latest news from the federal government and independent news media about the President's Management Agenda— the Administration's plan to improve performance of government. 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.

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