March 20, 2008

MANAGEMENT PROCEDURES MEMORANDUM NO. 2008-02

TO: PROGRAM ASSOCIATE DIRECTORS
                   PROGRAM DEPUTY ASSOCIATE DIRECTORS
                   PRESIDENT'S MANAGEMENT AGENDA INITIATIVE OWNERS

FROM: Clay Johnson
                   Deputy Director for Management

SUBJECT: Guidance on Quarterly President's Management Agenda (PMA) Scorecard Meetings
                   for FY 2008 Second Quarter

1. **Scope/purpose**: This memorandum provides Resource Management Offices (RMOs) and PMA Initiative Leads with instructions for preparing for the quarterly PMA scorecard meetings to discuss agencies' status and progress in implementing the PMA for the period January 1, 2008 through March 31, 2008. This memorandum may be shared with agencies.

2. **Actions required/due date**:

By Friday April 18, RMOs must save their completed quarterly scorecards at J:\Management\FY 08 Q2\DRAFT Scorecards. Please send Sarah Greer an email informing her once this has been done. File names should clearly indicate the name of the agency and that the scorecards are draft versions.

By Friday, April 25, RMOs should save final scorecards at J:\Management\FY 08 Q2\FINAL Scorecards. File names should clearly indicate the name of the agency and that they are the final versions (e.g., DHS Final Q2 FY08 Scorecards.doc).

By Tuesday, April 29, the Initiative Leads for the five government-wide PMA initiatives should send their Results.gov updates to Sarah Greer.

3. **Meeting schedule:** The meeting schedule can be found at J:\Management\FY 08 Q2.

Process for scorecard meetings: RMOs will meet with the OMB Deputy Director for Management and the PMA Initiative Leads to discuss agencies' status and progress in implementing the PMA for the quarter. No virtual meetings will be scheduled this quarter. OMB may include outside offices including agencies and Congress to scorecard meetings. Discussion should focus on the following:

- Issues that require or would benefit from policy level attention/intervention;

- Risks to PMA implementation such as legislative barriers, changes in the agency's PMA leadership, etc.;

- Disagreements with the agency on the ratings; and

- Exemplary or significant achievements.

5. <u>Preparation of Quarterly Scorecards</u>: RMOs should work with staff for the Initiative Leads to prepare the quarterly scorecards and share the draft scorecards with the agencies prior to the meeting.

<u>Scorecard formats</u>. A copy of the format for the five government-wide initiatives can be found at J:\Management\FY 08 Q2. Please review the instructions for completing the format included at the end of the document.

Formats for the Faith-based and Community, Health Information Quality and Transparency, Improper Payments, Real Property, and Improved Credit Program Management initiatives are also available at. J:\Management\FY 08 Q2.

For the other program-specific initiatives, RMOs should use the formats they developed. As with the scorecards for the government-wide initiatives, the program initiative scorecards should clearly identify which yellow and green standards have been achieved and when they were achieved, or when they are expected to be achieved.

6. <u>Special considerations for FY 2008, Q2 assessments</u>. When developing ratings, RMOs should consider the following additional information provided below.

Overall. The changes to the Standards for Success included in Proud to Be 5 for all the initiatives went into effect on July 1, 2007. These standards are available at http://www.whitehouse.gov/results/agenda/standardsforsuccess08-2007.pdf.   Some of the initiatives may revise their guidance next quarter in preparation for agencies completion of their Proud to Be 6 goals which will cover the time period through July 1, 2009.

The revised Standards should be considered when developing status and progress ratings for this quarter and the scorecard formats have been updated to reflect the revised language.

Strategic Management of Human Capital<u>.</u> Below is guidance for evaluating agency status and progress for this and subsequent quarters.

Overall. OPM and OMB are revalidating all the checkmarks that agencies have earned on the Human Capital scorecard to ensure that the Standards for Success are still met. If the validation process determines that a Standard for Success is not currently met, the agency will have until June 30, 2008 to meet the standard or its overall status score will be downgraded accordingly.

The revalidation process is being reflected on the scorecard as follows:

- Standards for Success that are being considered for revalidation will be marked with an asterisk (instead of a checkmark) until the revalidation has been completed. The asterisk indicates that OPM and OMB are analyzing the evidence relating to the Standard to determine if the checkmark continues to be valid.

- Once the standard has been revalidated, the asterisk will be replaced with a checkmark. Both the original date the checkmark was earned and the date it was revalidated should be noted.

- If the revalidation process determines that the Standard is not currently met, the asterisk will be removed and the date presented should be the one when it is estimated that the Standard will be met. If the agency does not meet the standard by June 30, 2008, its status score will be downgraded accordingly.

- If an agency has not yet met a Standard, it will remain blank and the date presented should be when it is anticipated that the standard will be met.

Overall

- By June 30, 2008, a "Green" status agency must have all of its checkmarks validated and restored to maintain its "Green" status.

Human Capital Implementation

Quarter 2:

- By March 15, 2008, an agency must submit a completed Performance Appraisal Assessment Tool (PAAT) as evidence that its expanded performance pilot (if applicable) meets the checkmark for "performance pilot completed."

- By March 15, 2008, an agency must submit sections 1 through 10 of the PAAT for each of its appraisal programs, or complete a similar process, as evidence that the agency meets the yellow checkmark for "managers' performance plans are aligned, etc." and as evidence that the agency meets the green checkmark for "70%+ of employees covered by PM systems."

Quarter 3:

- By June 15, 2008, an agency must demonstrate it has met its competency gap targets and staffing projections for the information technology occupation to support achieving and maintaining a checkmark for "meets competency gap targets and significantly reduces vacancies in MCOs."

- By June 15, 2008, an agency must submit a progress report that assesses its program actions and results towards closing competency gaps in the acquisition occupation to maintain a Green Progress Score. The report must include an updated Acquisition Resource Chart.

- By June 15, 2008, an agency must demonstrate it has met its leadership bench strength targets to support achieving and maintaining a checkmark for "meets competency gaps and bench strength targets.

Competitive Sourcing. Agencies pursuing or considering reengineering efforts that take advantage of the management disciplines of Circular A-76 (e.g., workload measurement, cost analysis, human capital planning, performance agreements) without public-private competition, should confer with the Office of Federal Procurement Policy regarding appropriate incorporation of such activities into their green plans. In addition, agencies are reminded that the initiation and completion of independent validations identified on validation plans should be reflected in quarterly accomplishments and planned actions. Agencies should also provide OMB (RMOs and/or OFPP) with a summary of results as validations are completed A sample outline is attached.

Expanded Electronic Government. Below is guidance for evaluating agency status and progress for this quarter:

EA Implementation -- The status of each agency's EA was assessed this quarter and will impact the status score for Q3 FY 09. In addition to the annual assessment of agency EA's, the FEA-PMO has worked with each agency to establish quarterly EA milestones to advance and improve agency EA. Completion of these quarterly milestones affect an agency's overall progress score. The scorecard element changes this quarter to reflect the Proud to Be 5 version of the EA criteria. E-gov staff will provide RMOs with any updates to their agencies EA assessments or quarterly milestones. Additional language may be provided to an RMO if an agency is not yet green for EA.

Acceptable Business Cases -- The number of acceptable business cases was provided in passback materials. The remediation of deficient business cases is subject to discussions between OMB and the agency. Please note for an agency to improve to green for "status" ALL business cases have to be considered acceptable. Agencies have until June 13, 2008 to remediate business case deficiencies.

Please add the following bullet to the Comments column:

- OMB will release by April 16, 2008, the list of the actual investments by agency still on the Management Watch List as of March 31, 2008 (Q2 FY 2007 Scorecard). However, agencies will have until Q3 FY 2008 to remediate their business cases before they will be downgraded based on the acceptable business case criteria.

Cost/Schedule/Performance for Major IT – To meet the green standard, agencies must meet all requirements in OMB M-04-24 and meet with Karen Evans, Administrator for E-Government and Information Technology, to demonstrate successfully how the agency has fully implemented EVM and uses data and analyses to make project management and IT portfolio management decisions. Specific language will be provided to RMOs whose agencies working to achieve green status.

Security of all IT Systems – This criterion should be assessed based on the agency's FISMA quarterly performance metric update due March 1, 2008, and updates to specific concerns resulting from agency annual FISMA report submissions provided in October 2007.

Please add the following bullet under Planned Actions for Next Quarter

- By April 15th, update and submit to isslob@dhs.gov, a revised agency plan regarding consolidation of external connections based on the TIC requirements to be provided by the ISSLOB later this month.

- By May 1st, update and submit to isslob@dhs.gov , justifications the targeted number of TICs for each agency for evaluation and recommendation to OMB.

E-Gov Implementation -- Agencies need to demonstrate completion of all E-Gov Implementation plan milestones (major and minor) or be downgraded in progress. An agency will get the checkmark for "has process and plan" (the yellow standard) if it has accepted the OMB approved implementation plan as of this quarter. Agencies will get the checkmark for "has implemented plan" (the green standard) if all major milestones for this quarter and previous quarters were completed. Missing a major milestone results in the agency losing the "has implemented plan" green check. If the agency does not have an OMB approved implementation plan for this quarter or misses the same major milestone for two or more consecutive quarters, the agency loses the "has process and plan" yellow check.

Please add the following bullet to the Comments Column:

- OMB Policy Memo M-06-22: Work with OMB to submit baseline cost estimates for any additional legacy investments impacted by an ongoing or planned future E-Gov or LoB initiative implementation, or reach agreement with OMB no additional investments are impacted by an E-Gov or LoB initiative.

Maintaining Green Items – These standards apply as soon as an agency achieves a green status rating. Agencies must have achieved all maintaining green criteria no later than June 15, 2008, to achieve or retain their green status. For clarity, the source of information used to determine whether an agency meets each of the maintaining green criteria is provided below.

- All IT systems certified – information provided in agency's FISMA quarterly performance metric update to OMB, supplemented with information from the agency's annual FISMA report.
- IT systems installed in accordance with security configurations – agency annual FISMA report or subsequent FISMA quarterly performance metric update to OMB.
- Has demonstrated for 90 percent of applicable systems a Privacy Impact Assessment has been conducted and publicly posted on the agency website – agency annual FISMA report or subsequent FISMA quarterly performance metric update to OMB.
- Has demonstrated for 90 percent of systems with personally identifiable information a systems of records notice has been developed and published – agency annual FISMA report or subsequent FISMA quarterly performance metric update to OMB.
- Has an agreed-upon plan to meet necessary communication requirements for COOP and COG .

Performance Improvement. Below is additional guidance for evaluating agency status and progress for this quarter:

Updating the Progress Score: When assessing progress for this quarter, RMOs should consider the following deliverables due this quarter:

- Updated PART improvement plans and program performance information.

- Provide complete, first draft of all 2008 PARTs for OMB review by March 31, 2008.

- Worked with OMB to ensure performance information is integrated into Congressional Justifications in a meaningful way.

- Validate that discussion of program performance/PART was included in briefings with relevant Authorization and Appropriation Committees on the FY 2009 President's Budget.

For next quarter, each agency should list the following deliverables:

- The agency has reached agreement with OMB on which PART performance goals to address in the quality improvement process. PART-specific action plans are in place to address the goals to be addressed. It is expected that most measures changes will be entered into PARTWeb during the Fall update.

- Agencies with green status must have all efficiency measures being tracked in PARTWeb. If all measures are not included in PARTWeb, agencies may be downgraded to yellow in status. Removal of efficiency measures as part of the quality check review will not result in a downgrading for Q3.

- Complete spring update for all PARTs in PARTWeb by June 30th. This includes updating any performance measures with missing data, updating targets, adding some new or revised measures, and modifying improvement plans.

- Agency website modified to include link on homepage to single page with access to:
  - Strategic Plan
  - Annual Performance Plan and report
  - Annual Financial Statements
  - Status of Program Performance and Improvement Efforts
  - Status of President's Management Agenda Initiatives
  - GAO High-Risk Improvement Plans with status of implementation
  - Inspector General Audits and Investigative Reports and a method for reporting evidences of waste, fraud, or abuse to the Inspector General

8. **Scorecards for Program Initiatives.** Below is information on selected program initiatives.

Faith-based and Community Initiative. Scorecards should be prepared for all the agencies covered by the Executive Order. The scorecard format is available at J:\Management\FY 08 Q2.

When assessing agencies' progress for this quarter, RMOs should consider the following deliverables for FY 2008, Q2:

- *Implementation of grant strategies* – As of FY 2007 Q4, agencies must show continued meaningful progress on implementation of plans to introduce or expand innovative grant strategies to strengthen grassroots FBCOs (e.g., intermediary grants, mini-grants, vouchers, per diem payments and others). The objective of this effort is to facilitate increased participation of grassroots FBCOs in existing programs/services/funding streams. Agencies were expected to begin funding these efforts, if possible, in the FY 2007 grant funding cycle. However, most critical for green status is evidence of continued progress toward implementation of new or expanded grant strategies to support the work of small and mid-sized FBCO service partners.

Agencies that report having no access to funding for such grant strategies must demonstrate meaningful alternative efforts with potential to enhance the work of small and mid-sized FBCO service partners to receive green status. These activities should also include means of evaluating grassroots projects and outcomes, even if the contours of the program and/or limited resources make these evaluations limited in scope.

- *Implementation of technical assistance programs* – Agencies must show meaningful progress on implementation of technical assistance programs in key formula and block grant programs to encourage and facilitate the integration of grassroots organizations in service delivery systems. Agencies were expected to begin funding these efforts, if possible, in the FY 2007 funding cycle. However, most critical is to show progress toward implementation of substantive efforts to provide technical assistance to recipients of formula and block grant programs. In order to receive green status, agencies that report having no access to funding for such technical assistance must demonstrate meaningful alternative efforts. These activities should also include means of evaluating state and local implementation projects and outcomes.

Looking ahead to Q3, agencies should also be warned that particular attention will be paid to the "Implementation of Equal Treatment Regulations" **s**tandard for Q3. Although this standard has remained an ongoing priority for the FBCI, agencies should note that in Q3 additional scrutiny will be given as to whether this standard has been given universal, agency-wide application. Specifically, for best practice 1 ("Coordinates with Department Program Offices to ensure appropriate monitoring…"), each agency should be able to answer each of the following questions for *all* relevant operating divisions by the end of Q3.

> a. Which office will be responsible for monitoring (e.g. the program office or the civil rights center)?
> b. What means of monitoring will be used (e.g. site visits, spot checks by phone, surveys, etc.)?
> c.   Whether the equal treatment regulations need to be added to existing compliance checklists?
> d. What complaint mechanisms are available to FBCOs that believe they have faced discrimination?

Support in developing language and materials for ensuring universal application of effective monitoring mechanisms and procedures is available to the agency from the Task Force for Faith-Based and Community Initiatives at the U.S. Department of Justice.

These objectives were first conveyed to the agencies in December 2006. Achievement of these deliverables requires coordination between the department or agency's Faith-Based and Community Initiative Center or Task Force and its programs.

Health Information Quality and Transparency Initiative. Scorecards should be prepared for all tier 1 agencies, i.e., the departments of Defense, Health and Human Services, and Veterans Affairs, and the Office of Personnel Management. By April 4, 2008, DoD, VA, OPM, and HHS must submit a completed Health Information Survey to the HHS's Office of the National Coordinator for Health IT (ONC). Other agencies should continue to work with HHS's Office of the National Coordinator for ONC to meet objectives of the HI scorecard where applicable. By April 16, 2008, ONC must provide a summary of agencies' Health Information Survey responses. The scorecard format is available at J:\Management\FY 08 Q2.

Improved Credit Program Management. Scorecards should be prepared for the following agencies: USDA, Education, HUD, SBA, Treasury, and VA. The scorecard format is available at J:\Management\FY 08 Q2.

9. Contacts:

Main contact – Dustin Brown (5-9176)
Meeting schedule – Sarah Greer (6-7070)
Real Property and Improper Payments scorecards – Adam Goldberg (5-7583)
Faith-based and Community Initiative – Jedd Medefind (6-6708)
Health Information Quality and Transparency – Kristy LaLonde (5-3087)
Improved Credit Program Management – Patrick Locke (5-3945)

Attachment

Results of Independent Validation
Suggested Executive Summary Outline

I. Profile of Activity

A. Description of activity competed
B. Number of FTEs competed
C. Projected savings
D. Anticipated non-cost performance improvements

II. Results of prior agency management reviews

A. Post competition actions properly recorded?   (Y / N)
B. Description of corrective actions required (if any)
C. Description of corrective actions taken

III. Validation Results

A. Completeness and accuracy of cost and performance data

1) Performance information tracked?   (Y / N)
2) Performance information accurate?   (Y / N)
3) Variances from estimated costs documented?   (Y / N)
4) Variances from estimated performance documented?   (Y / N)
5) Post-competition actions accurately and adequately documented?   (Y / N)
6) If a "no" response is given on 1, 2, or 5 above, please provide brief explanation
7) Data validation results:

Data	Recorded by Agency	Results of Validation
Phase-in date		
Actual cost of phase-in		
Actual cost of performance		
Actual fiscal year savings		
Actual non-cost performance improvements		
Rationale for variances		

B. Effectiveness of post-competition management actions

1) Description of post-competition actions taken
2) Assessment of results
3) Follow-up actions recommended by validating source
4) Actual or planned agency follow-up actions