

INTRODUCTION

In 1993, I actively supported, and was eager to sign, the Government Performance and Results Act. With this budget, I am delighted to send to Congress what the law envisioned—the first comprehensive, Government-wide Performance Plan.

In developing this budget, the Administration for the first time could rely on performance measures and annual performance goals that are now included in agency Annual Performance Plans. We have made a good start on the process that the Administration and Congress outlined in enacting the 1993 law.

As we continue to implement this law, my Administration will focus more and more attention on how programs work, whether they are meeting their goals, and what we should do to make them better. We look forward to working with the Congress on our shared goal of improving Government performance.

WILLIAM J. CLINTON

“The Budget Message of the President”

February 2, 1998

This year’s budget contains the Nation’s first comprehensive Government-wide Performance Plan, which has been excerpted here. The plan highlights three aspects of performance:

- Fiscal performance (see Section III, “Creating a Bright Economic Future”);
- Management performance (see Section IV, “Improving Performance Through Better Management”); and
- Program performance (see Section VI, “Investing in the Common Good: Program Performance in Federal Functions”).

Together, these sections contain the measures and descriptions of program activity contemplated by the Government Performance and Results Act (GPRA).

The performance of Government programs is inextricably linked to the fiscal and economic environment and the management framework in which they operate. The President’s commitment to not only balance the budget but to invest in the future while improving public management—to do more with less—has prompted the Administration to maintain or expand programs that demonstrate good performance.

Often, performance is examined only across single organizational units, such as departments or agencies. In Section VI, the budget categorizes activities according to budget “functions.” The functional presentation groups together similar programs and begins to show the inter-relationship between their goals. In preparing this year’s President’s Budget, the Administration, for the first time, relied heavily on key performance measures drawn from agency Annual Performance Plans. These fiscal year 1999 agency plans will be sent to Congress following the transmittal of this budget. By March 2000, agencies will report to the President and Congress on how well they met the performance goals in these plans. These goals are based on the long-term goals and objectives set out in the agency Strategic Plans that were submitted to OMB and Congress in September 1997.

The budget includes a framework and plan for the analysis of tax expenditures (Chapter 5, *Analytical Perspectives*) which aims to improve the assessment of how specific tax expenditures may affect the achievement of agency goals and objectives in the strategic and annual plans. The framework and analyses are a part of the Government-wide Performance Plan. Also included is an analysis of the costs and benefits of regulation (Section

VI, Chapter 32) which complements the Government-wide Performance Plan. Much as with tax and spending policies, the Administration carefully designs and implements regulations to provide the most public benefit for the least cost.

The Administration has made a good start on the process that GPRA envisioned. Nevertheless, more work remains. Agencies will

modify Annual Performance Plans to reflect changing circumstances and resource levels, the plans will provide a backdrop for further discussion about allocating resources, and the President's future budgets will contain new and better information. The Administration looks forward to working with Congress and other stakeholders to use these tools to build better performance.