

APPENDIX C

# Performance Plan Linkage

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## Performance Plan Linkage

### HHS Strategic Plan, Annual Plan, and Annual Performance Budgets

HHS manages hundreds of programs that aim to improve health status, increase access to health services, and create opportunities for disadvantaged individuals to work and lead productive lives. HHS programs reach all Americans by providing health and social services, protecting public health, and funding biomedical research. The *Strategic Plan* defines the goals and objectives of the Department and is driven by the Department's mission to enhance the health and well-being of Americans by providing for effective health and human services and by fostering strong, sustained advances in the sciences underlying medicine, public health, and social services. HHS also uses strategic planning, annual performance planning, and the annual budget process to identify policy and program priorities. The *Strategic Plan*, along with the Secretary's 500-Day Plan, the Secretary's Priorities,<sup>23</sup> and the President's Management Agenda,<sup>xliii</sup> provide the overarching framework for the Department's operating and staff divisions to use on an annual basis to create an annual performance plan.

The HHS Annual Plan is the primary mechanism for implementing the *Strategic Plan*. The two planning documents are intertwined. The *Strategic Plan* sets broad, long-term objectives for the Department and describes principal implementation strategies for achieving the strategic objectives. The Annual Performance Plan sets specific annual goals for HHS programs and initiatives and relates these goals to the strategies and long-term objectives in the *Strategic Plan*. In so doing, the link between annual program activities and goals and the *Strategic Plan* is established.

To gauge program effectiveness, HHS uses performance indicators as a basis for comparing program results with established program performance goals. Each year, HHS tracks the performance indicators from this *Strategic Plan* in the HHS Annual Plan, which illustrates the Department's progress in accomplishing its priorities and goals. HHS performance budgets annually track a broader set of performance indicators to measure progress on all Departmental programs and activities. The HHS performance budgets present the resource needs of HHS programs and identify the re-

<sup>23</sup> The Introduction/Executive Summary *In the Spotlight* section contains additional information about the Secretary's 500-Day Plan and priorities.

### Statutory Requirements: GPRA, OMB Circular No. A-11

*The Government Performance and Results Act of 1993 (GPRA)* provides the statutory framework for a recurring cycle of reporting, planning, and execution, requiring agencies to craft

5-year strategic plans, updated every 3 years; annual performance plans, or annual performance budgets; and annual program performance reports.

**OMB Circular No. A-11, Section 210 (2006), *Preparing and Submitting a Strategic Plan*** indicates that agencies should include in their strategic plans a description of the relationship between annual program performance goals and the agency's strategic goal framework, including a description of how the Program Assessment Rating Tool (PART) process contributes to this effort.

sults that Americans can expect from their investment in these programs. The performance budgets state planned goals based on funding levels and also report on past achievements of all HHS programs.<sup>xliiii</sup>

At the close of each fiscal year, HHS produces a Performance and Accountability Report (PAR), which incorporates performance results with audited financial statements for the year. The PAR highlights illustrative programs to report on HHS performance. Together, the Annual Plan and the PAR constitute an annual planning and reporting process for HHS programs. The performance indicators in the *Strategic Plan* will be reported on in the PAR so that progress in achieving goals is measured on an annual basis.

### A Culture of Excellence: Comprehensive Performance Management System for Employees

Only by maintaining a strong "culture of excellence" can HHS continue to achieve the exceptional results that the public has come to expect. This approach links the work of every employee to the ultimate outcomes of the Department and stresses each individual's accountability for the results of HHS as a whole. Expectations must be transparent; assessments of performance must be meaningful; and

every employee must understand how his or her own efforts contribute to accomplishing the HHS mission. HHS has taken major steps toward implementing a comprehensive performance management system covering every one of its employees, including updating the Senior Executive Service and Organizational Performance Management System and implementing the Performance Management Appraisal System at all operating divisions.

### Senior Executive Service and Organizational Performance Management System

HHS has an updated Senior Executive Service (SES) Organizational Performance Management System. The system includes the Department's first detailed description of its organizational assessment process and is designed to produce accountability for results for every one of HHS's senior executives. The SES system operates under a straightforward set of guiding principles: True excellence is rewarded; mediocre performance carries real consequences; and poor performers are removed from the SES. Most important, evidence of measurable, citizen-centered outcomes is valued over bureaucratic process and "time served."

As the key elements of SES performance plans are cascaded to the plans of all non-SES employees, this new comprehensive performance system will ensure that expectations throughout the entire agency are consistently aligned with the HHS mission and focused on achieving results. Ultimately, the system places the greatest emphasis where it belongs: on achieving results that benefit the American people.

### Performance Management Appraisal Program

The HHS Performance Management Appraisal Program (PMAP) establishes a new performance management system that focuses on the connections between an individual's day-to-day work and the overarching goals of the Department. Covering all non-SES HHS employees, PMAP will provide staff with a clearer sense of how their own success contributes to that of the Department as a whole. With four performance levels—exceptional, fully successful, minimally successful, and unsatisfactory—the new system improves the transparency of the appraisal process and helps ensure that distinctions between high and low performers will be meaningful and consistent across the Department. As of December 2006, PMAP covers every non-SES employee at HHS.

