

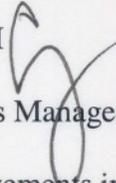


EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEPUTY DIRECTOR
FOR MANAGEMENT

May 22, 2008

MEMORANDUM TO THE PRESIDENT'S MANAGEMENT COUNCIL

FROM: Clay Johnson III 
SUBJECT: Plans to Address Management Challenges for July 1, 2009 & 2010

To help you drive management improvements in your agency and government-wide, we have established a process where each year you set goals for where you would be proud to be in your implementation of plans to resolve major management challenges by the next July 1. Because of your hard work, the management scorecard is mostly yellow and green, reflecting that agencies have put or are putting in place strong management practices. Some initiatives have revised their Proud to Be standards to better align with current agency efforts.

The Performance Improvement Initiative criteria have been revised to better align with Executive Order 13450 to Improve Government Program Performance. It is now official government policy to make the government effective and more effective each year. As directed by the EO, each agency head has named a Performance Improvement Officer to coordinate agency performance improvement efforts across the agency. Agencies have also completed plans to implement the Executive Order.

The Human Capital standards have also been revised to reflect the final OPM regulation on human resource management in agencies (5 CFR Part 250). The overarching standards assess the integration and institutionalization of strategic human capital management in the Federal Government. The Green standards link human capital management to agency human capital outcomes.

To better reflect the expanded goals of the initiative, Competitive Sourcing has been renamed "Commercial Services Management." This recognizes that agencies are improving commercial functions using a variety of management tools, including competitive sourcing, business process reengineering, and the establishment of high performing organizations.

Finally, the Eliminating Improper Payments initiative has modified their green standard for reduction targets.

Like last year, we will set goals for a two-year period to focus agency attention on continued management effectiveness.

- All agencies should indicate what the status of their initiatives will be on July 1, 2009 and 2010. For your July 1, 2009, goals, you will also identify each standard you expect to achieve in each initiative area.
- Each agency should submit its proposed goals to its OMB Resource Management Office contact by Monday, June 30, 2008. Upon receipt of your proposed Proud to Be

document, OMB and OPM staff will work with you to review your goals and refine them when appropriate.

- The goal is to finalize all Proud to Be goals by the end of July.

This year, we are asking each initiative to clearly provide the name and contact information for the senior employee that will be responsible for the initiative beyond January 2009.

The initiative owners have identified what they will do to help agencies achieve their goals. I would appreciate your suggestions for other ways the initiative owners could help you achieve your goals.

Here is some additional information to help you with this exercise:

- There are revisions to the initiative standards. These revised standards will go into effect on July 1, 2008. (See Attachment A for a summary of changes to the Standards for Success.)
- Attachment B provides the green and yellow standards for each of the initiatives. Changes to the current standards are identified through the use of strikethrough and underline. Attachment B also includes information on what the initiative owners will do to help agencies and government-wide goals for the initiatives.
- It is recommended that listed milestones for each initiative be the milestones that are used for each quarter throughout the scorecard process. However, we recognize that these are plans and that they may need to be adjusted throughout the year. We will use the scorecard process to make those adjustments.
- We recognize that these are plans and they may need to be adjusted throughout the year. We will use the scorecard process to make those adjustments.
- You do not need to identify additional specific milestones for the period of July 1, 2009 – June 30, 2010, at this time. Instead, you should provide a brief explanation of your goals to be achieved by July 1, 2010.

Please contact me (202-456-7070) or Dustin Brown, Deputy Assistant Director for Management (202-395-9176) dbrown@omb.eop.gov if you have questions about this exercise.

Attachments

Attachment A: Summary of Changes to Standards for Success

Attachment B: Initiative Owners' Proud to Be for Five Government-wide Initiatives and Selected Program Initiatives

Attachment C: What the Agency Fills Out

SUMMARY OF CHANGES TO STANDARDS FOR SUCCESS

GOVERNMENT-WIDE INITIATIVES

Strategic Management of Human Capital

- Created overarching standards for assessing the integration and institutionalization of strategic human capital management in the Federal Government.
- The Green standard links human capital management to agency human capital outcomes.
- The Yellow standard focuses on integration across human capital management systems and implementation of agency-specific and government-wide measures for assessing the efficiency and effectiveness of strategic human capital management.

Commercial Services Management (formerly Competitive Sourcing)

- Green and yellow standards recognize business process reengineering initiatives to improve internal operations, including those leading to the development of high performing organizations, that use the same disciplined skills associated with competitive sourcing, such as workload measurement, cost analysis, and human capital planning.

Improved Financial Performance

- No changes

Expanded Electronic Government

- Green and yellow standards relating to Enterprise Architecture modified to require higher score.
- Added a Maintaining Green Standard relating to having a plan to meet the requirements of NCS 3-10.

Performance Improvement Initiative

- Revised standards to better align with Executive Order on Improving Government Program Performance and agencies' plans to implement the EO, but is mostly the same as previous standards.
- Standards should not be seen as significantly different from previous standards, but now are organized around core functions: implementing agency plans to comply with EO, ensuring strategic plans are outcome-oriented, strengthening performance and budget reporting, regularly assess performance, and following through on program improvement actions.

SELECTED PROGRAM INITIATIVES

Eliminating Improper Payments

- Modified Green standard for reduction targets to the following:
 - Demonstrates that improper payment reductions are consistent with reduction targets.

- (a) Achieving reduction targets for 50% or more of the agency's total reportable (high risk) program outlays;
- (b) Achieving reduction targets for all reportable (high risk) programs within three years of meeting the above requirement to retain Green score.

Faith-based and Community Initiative

- Green requires agencies to demonstrate progress in expanding the cross-government application of agency-developed “best practice” policies, models and practices.

Federal Real Property Asset Management

- No changes.

Improved Credit Management

- No changes.

Health Information Technology

- No changes.