



THE DIRECTOR

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

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CIRCULAR NO. A-11  
Revised  
Transmittal Memorandum No. 72

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Preparing and Submitting Budget Estimates

OMB Circular No. A-11 tells you how to prepare your FY 2001 budget submission. The Circular has three parts:

- Part 1 covers your budget request and related materials.
- Part 2 covers your strategic plan, annual performance plan, and performance reports.
- Part 3 covers acquiring capital assets.

This Circular supersedes all previous versions. This year, we reorganized the Circular and rewrote many of the sections using plain language. We plan to rewrite the rest of the Circular next year. The summary of changes highlights the substantive changes made since last year. A table is provided that crosswalks the old structure to the new structure.

This year, as you develop the FY 2001 budget and performance plans, we look forward to agency progress in the use of planning, performance measurement, and budgeting. The immediate attachment lists the kinds of questions we will be asking.

As always, we expect you to focus attention in your FY 2001 submissions on the extent to which current programs are achieving the results intended, and new program initiatives are structured to provide for clear definition of results and mechanisms for accountability for achieving them. In addition, we believe it is possible for some agencies to make the relationship between budget structure and performance goals and objectives more direct by restructuring the budget presentation to OMB and to the Congress. Such changes should be proposed in the FY 2001 submission and, after consultation with OMB, explored with the appropriations committees' majority and minority staff.

Jacob J. Lew  
Director

Attachment

## **LINKING PLANNING, PERFORMANCE MEASUREMENT, AND BUDGETING**

- S** Is there clear evidence that agency resource level proposals are aligned with specific agency strategic and performance goals, and reflect evidence of past performance, including research and evaluation results?
- S** Are changes in the structure of agency's plans and/or budget accounts needed to bring them into closer alignment with each other? If budget structure changes are envisioned, and the agency has already received OMB approval, has the agency discussed the issue with its appropriations clerks, majority and minority, and if so, what are their views?
- S** Does the budget submission and performance plan clearly identify the agency official (below the Secretary's office) being held accountable for achievement of each goal and objective?

By "agency official being held accountable," OMB means the official who has the responsibility to determine resource allocations to activities in support of the goal/objective, monitor results, and make changes (short of legislative changes) in program management in response to performance. OMB anticipates that in budget hearings and related discussions, the agency will be represented primarily by these responsible individuals.

- S** If the agency's annual performance plan and budget justification are not meaningfully integrated into one coherent document, what is the reason for the agency's taking an alternative approach?
- S** Do accountable agency officials have appropriate, timely, integrated financial and performance information with which to manage? Are there systems for tracking the budgetary resources, costs, inputs, performance, outputs, outcomes, and other relevant factors affecting the achievement of specific program goals?

Good information systems are necessary to provide integrated feedback for improving program management at all levels, from the Secretary to the lowest operating level (including, where appropriate, grantees/contractors, or individuals).