

PART I: OVERVIEW OF PERFORMANCE MEASUREMENT

Since the creation of GPRA, ACF has avoided developing a measurement system that emphasizes products, services and processes (inputs and outputs) and has embraced a system that emphasizes substantive outcomes. For FY 2004, ACF has strengthened performance management under GPRA. Recent efforts to link activities in each program area to objectives, measurable performance indicators, and targets with corresponding resources and strategies has taken us one step closer to integrating budgetary resources with outcomes.

Continued experience has improved the relationship between planned targets and actual results. Over time, the development of trend data has helped in setting and adjusting targets. In a few programs, such as TANF and child support, goal achievement is linked by program statute to incentives and sanctions. In these cases, the process has been driven by a concern for realistic targets. Where an incentives system is not a factor, programs have been encouraged to increase targets with the understanding that shortfalls in achievement will be informative for assessing whether targets have been set too aggressively and what corrective actions should be taken.

ACF's results orientation has encouraged programs to focus on achieving positive outcomes. This outcomes focus provides ACF with a framework for working with its partners, including local communities, non-profit organizations and States, to accomplish shared goals. In FY 2004, 48 of the 64 measures (75 percent) are outcome rather than process measures.

ACF has linked its performance measurement system with the HHS Strategic Plan and the President's Management Agenda (PMA) (see Appendix A.1 for linkage between the ACF plan and the HHS Strategic Plan). For FY 2004, all ACF measures align directly with the HHS strategic goals and objectives. The collaboration, coordination and integration of significant activities within the Department will result in improved services for individuals, families and communities. ACF has achieved substantial progress under all five of the PMA principles – strategic management of human capital, competitive sourcing, improved financial performance, e-government, and budget-performance integration. All four of ACF's management improvement measures align with PMA government-wide initiatives.

Report Plan and Roadmap

ACF's program efforts are carried out through partnership with the State, Territorial, local and Tribal governments, and with private, nonprofit, faith- and community-based grantees. ACF funds social research, demonstration programs and evaluation projects to develop reliable knowledge, support program policies, learn about effects on children and families, identify paths to program quality improvement, and discover better ways to conduct technical assistance, disseminate information, and deliver effective services.

Performance goals have been stated under the program sections that support the seven strategic program objectives and four management improvement objectives in this plan. This framework encourages individual programs to collaborate and direct their efforts to achieve crosscutting program goals and enables ACF partners to use the various program resources within ACF to focus on early childhood enrichment and the economic and social well-being of families. "Data

sources" under the various measures refer to OMB-approved program data collection instruments. The programs that support each of the goals and objectives are listed below:

Strategic Goal 1 – Increase economic independence and productivity for families

1. Increase employment

Temporary Assistance for Needy Families: Employment
Developmental Disabilities: Employment
Refugee Resettlement
Social Services Block Grant

2. Increase independent living

Developmental Disabilities: Housing
Assets for Independence

3. Increase parental responsibility

Child Support

4. Increase affordable child care

Child Care: Affordability

Strategic Goal 2 – Improve healthy development, safety and well-being of children and youth

5. Increase the quality of child care to promote childhood development

Child Care: Quality
Head Start

6. Increase safety, permanency, and well-being of children and youth

Child Welfare
Developmental Disabilities: Health
Youth Programs
Temporary Assistance for Needy Families: Child Well-Being

Strategic Goal 3 – Increase the health and prosperity of communities and Tribes

7. Build healthy, safe and supportive communities and Tribes

Community Services Block Grant
Family Violence Prevention Program

Low-Income Home Energy Assistance
Native Americans Programs

Strategic Goal 4 – Manage resources to improve performance

8. *Develop and retain a highly skilled, strongly motivated staff*
9. *Streamline ACF organizational layers*
10. *Improve automated data and management systems*
11. *Ensure financial management accountability*

Linkage with Budget

ACF links performance measures to budget and accounting, as appropriate, to meet the requirements of GPRA. Under ACF's approach, more than 60 line-item programs have been aggregated and consolidated into 14 broad program activity areas. Selected program activities are aggregated in a single budget account, e.g., Temporary Assistance for Needy Families and Child Support Enforcement. Some program activities in more than one budget account are consolidated, e.g., Child Care and Child Welfare. Several activities remain free-standing, e.g., Head Start and Native American Programs. These program activity line items are aligned with corresponding strategic goals and objectives, enabling ACF to associate investments with specific achievements.

Consistent with the President's management initiative to strengthen the linkage between budget and program performance, ACF is implementing performance-based budgeting by highlighting the relationships between resource investments and activities at the program level and outcomes achieved by these activities in the longer term. This is the first time that each program description includes a table that links investments to activities and outcomes. This effort lays the groundwork for informing more effective, efficient decisions for resource allocation; improving internal management; and providing greater accountability through integrated financial and performance reporting.

ACF also encouraged programs to develop performance plans and reports that make a clearer connection between requested budgetary resources, planned activities and projected performance targets in the narrative sections.

Three ACF programs (Head Start, Office of Refugee Resettlement and Foster Care) were selected to participate in OMB's performance program assessments, a component of the President's budget and performance integration initiative. Information on the ratings for these three programs can be found in the appropriate program section in the Budget Justification.

ACF faces a number of challenges as it moves toward fuller integration. Among the most pressing challenges are:

- **The difficulty of linking budget with program outcomes:** Linkage can be made more directly to inputs, outputs and program activities.
- **The development of alternative budget scenarios and the selection of performance measures that drive programs toward improved performance:** Most ACF programs are administered by States and local communities so alternative budget scenarios, measures and targets must be useful at that level to improve performance.
- **Timely performance data for budget planning cycle:** Administrative data are not available and cannot be verified and reported until the second, third and sometimes not until the fourth quarter after the end of the fiscal year. Since the budget planning cycle for a particular fiscal year begins two years earlier, critical performance information is not available for budget planning purposes.

Budget Crosswalk

The budget crosswalk is a program-based account structure that allows ACF to assign resource investments to the agency's strategic goals based on the activities of the program line item. It identifies which strategic goal(s) each budget line item supports and includes selected performance measures.

A number of budget line items and their associated funds apply to more than one strategic goal or objective. To avoid duplicative counting, the dollar amounts are only associated with one appearance of their line item, usually where the associated measures most directly relate to the statutory purpose of the particular funding amount. In their appearances elsewhere, the dollar amounts are left blank and indicated with an asterisk. This table is for presentation and overview purposes, not for budgeting or performance analysis. The selected measures are representative and not intended to fully define the performance associated with the total budget under that category. A column has been added which identifies the budget program account number. Budget and other dollar figures are in millions.

NOTE: The budget linkage table below is not a formal budget presentation.