

II. Development of the FY 2011 National Program Manager Guidance

This section of OCFO's guidance includes four key areas:

- A. Guidelines and Considerations for Developing NPM Priorities
- B. Considerations for Developing FY 2011 Annual Operating Measures
- C. Measuring Results in State Grant Work Plans
- D. Format Requirements and Key Milestones

A. Guidelines and Considerations for Developing NPM Priorities

Action Requested: Identify FY 2011 national program priorities for achieving strategic and annual goals and advancing the Administrator's priorities.

Detailed Information

NPMs should use the work done to date on EPA's *2009-2014 Strategic Plan* and EPA's *FY 2011 Annual Plan and Budget*, as well as the Administrator's priorities, to identify NPM FY 2011 program priorities and implementation strategies. Any necessary resource or performance commitment adjustments while working with regions, states, and tribes should also be included.

Key Considerations:

- *Draft 2009 – 2014 Strategic Plan:* EPA's *2009-2014 Strategic Plan* is currently under development. The Agency is working to determine the next steps on the Strategic Plan and will provide additional guidance once decisions are made. The strategic architecture contained in the *Change Document* is being used to implement the FY 2010 Budget, and used to build the FY 2011 OMB Budget Submission. NPMs should consider the work done to date on the Strategic Plan as they make adjustments to priorities, strategies, and measures for their FY 2011 NPM Guidance documents. Once the *Strategic Plan* is finalized, NPMs may need to make further adjustments.
- *Regional priorities and strategies:* NPMs should describe how regional priorities and strategies directly or indirectly support FY 2011 NPM priorities. NPMs should recognize that some adjustments may be necessary to their priorities and strategies to align with regional priorities and strategies.
- *FY 2011 Annual Plan and Budget:* EPA's *FY 2011 Annual Plan and Budget* will be finalized in spring 2010. Decisions made in EPA's *FY 2011 Annual Plan and Budget* affecting programs, strategies, and performance targets should be reflected in the draft and final FY 2011 NPM guidance documents, as appropriate, including the Agency's High Priority Performance Goals, FY 2011 Investment Areas, Place-based Programs and decisions that reflect Administrator Jackson's priorities.

- *Administrator Jackson's Themes:* NPMs should consider and incorporate the Administrator's themes in decision-making when appropriate. NPMs should collaborate with theme-related offices to identify the most effective means of achieving goals. For example, the Agency's children's health and environmental justice programs contribute to protecting disadvantaged populations and communities. Activities in these areas should play a greater role in implementation strategies. NPMs are encouraged to work directly with The Office of Environmental Justice and The Office of Children's Health to identify specific efforts or initiatives to highlight in their guidance documents.

Administrator's Themes:

- 1) *Protecting those Most Vulnerable:* Focuses attention on "at risk" populations;
- 2) *Driven by Science and the Law:* Efforts to put EPA back on the map as a world premier environmental science institution and to go where the science and law is leading;
- 3) *Strengthening the Network:* Recognizes the network of federal, state and local partners and actions that are needed to protect the environment and EPA's need to identify its place in that web;
- 4) *Informing 21st Century Decision-Making:* Efforts to be transparent; to provide data that can be used to evaluate the success of various environmental strategies and actions; and to expand our capacity to affect the behavior of others; and
- 5) *Changing the Face of Environmental Protection:* Includes efforts to diversify EPA's workforce, appeal to a new generation, broaden the constituency of stakeholders, and encourage everyone to take responsibility for environmental protection.

- *Agency-wide initiatives:* NPMs should incorporate, to the extent possible, the following Agency wide initiatives as they develop FY 2011 priorities. Recent examples include:
 - *Burden Reduction:* EPA is continuing to work with the Environmental Council of the States (ECOS) to identify and address high-burden, low-value reporting requirements. NPMs are reminded to continue their work on uncompleted priority areas (see <http://www.epa.gov/burdenreduction/>). OPEI has the Agency wide lead in this initiative and will be working closely with ECOS in FY 2010 to identify new priority areas for further reporting burden reductions. As they identify and propose reductions to additional low-value reporting requirements and adjust their reporting commitments accordingly, NPMs should be cognizant of the Agency's commitment to the states to further minimize reporting burden.
 - *Management Integrity:* In FY 2010, OCFO is reemphasizing the Agency's Federal Managers' Financial Integrity Act (FMFIA) program and annual assurance letters. This OCFO annual program guidance represents a "management control" to ensure effective and efficient program operations. Since each NPM guidance sets forth program priorities and key actions for the upcoming year, it also serves as an internal control tool. When NPMs prepare

their FY 2010 annual letters of assurance to the Administrator on the effectiveness of the internal controls over their programmatic operations (due in August 2010), NPMs will be encouraged to discuss the effectiveness of their annual program guidance as one of their internal controls.¹

B. Considerations for Developing FY 2011 Measures

Action Requested: Align and assign annual commitment measures to annual measures in EPA's *FY 2011 Annual Plan and Budget* and to the strategic measures in EPA's *2009-2014 Strategic Change Document*. Consider input from EPA's Performance Management Workgroup and OCFO's measures governance team on data quality efforts when determining improvements to annual commitment measures and when entering information into Measures Central. NPMs are encouraged to review and improve their measures as appropriate.

Detailed Information

For FY 2011, OCFO is building on current efforts to improve the quality, consistency, and alignment of measures, to strengthen measures governance, and to promote better use of performance measures, targeting and performance data in managing programs and assessing results. While EPA is not conducting a centralized measures review or streamlining in FY 2011, the work undertaken over the last two years has resulted in an improved and reduced baseline of measures entering FY 2011.

In FY 2011, government-wide initiatives related to performance and measures (e.g., a replacement for the Performance Assessment Rating Tool and continued work on high priority performance goals) will likely demand our attention and may impact measure development and use of performance data. EPA's Performance Management Workgroup, comprising regional and program office senior staff, will be an important Agency-wide communication resource for these efforts.

The FY 2011 annual commitment process and schedule will be similar to prior years. In spring 2010, NPMs and regions with input from states, tribes, and other stakeholders, will begin negotiation of FY 2011 annual performance commitments and reach a final agreement by October 2010. The deadline for a final agreement of performance commitments continues to be one month after the end of the fiscal year to allow for consideration of prior year results.

As the strategic measures contained in the *2009-2014 Strategic Plan* are finalized between now and September 2010, there may need to be corresponding changes to FY 2011 annual performance and operational commitment measures.

1. Measures Governance in FY 2010 and FY 2011

¹As part of the Agency's Federal Managers Financial Integrity Act [FMFIA] process, OCFO will provide additional direction on assessing internal controls--including NPMs' annual program guidance--and preparing annual assurance letters when it issues FY 2010 FMFIA/Management Integrity guidance in December 2009/January 2010.

OCFO is continuing to work on improving the quality of Agency measures, performance data, and reporting to inform Agency decision making. Recently, OCFO issued supplemental measures governance guidance to improve the use of measures criteria and guidelines, implement standard practices for reporting, and improve the Annual Commitment System (ACS) for easier access to and analysis of performance information. OCFO released *Phase I Supplemental Guidance* (June 2008) and *Phase II Supplemental Guidance* (April 2009) to clarify definitions, provide instructions on entering measures and data in ACS, and recommend best practices.²

As stated earlier, for FY 2011, OCFO will not be conducting a formal measures review process; however, for any changes made to measures, including those as part of the FY 2011 OMB submission, please follow the standard measure change procedure as explained in **Attachment 5** and ensure they are reflected in your measures appendix. If NPMs plan to make any changes to Senior Management Measures, they should contact John M. Hall (202-564-3020), who will provide further guidance.

Over the next year, OCFO will focus on the quality and utility of data in ACS, monitoring data quality and data entry more actively, and identifying obstacles or inconsistencies that need correction. Over the next several months, OCFO will release guidance and/or communicate with the programs and regions on specific efforts to improve both the data and the system. OCFO will work cooperatively with program and regional offices to make any necessary improvements and analyze performance results and progress in achieving Agency goals.

In tandem with the data quality improvements, OCFO will concentrate on performance measurement efforts for priority focus areas related to the Administrator's priorities in order to provide better analysis of data and results. This work will enable the Agency to improve the measurement framework in these areas and better communicate results. OCFO will work closely with program offices to better understand the issues, develop short- and long-term goals, and create a framework that aligns them with the long-term planning of the Agency.

2. American Recovery and Reinvestment Act (ARRA)

The American Recovery and Reinvestment Act (ARRA) provided EPA with \$7.2 billion to stimulate the economy and safeguard the environment. The EPA has identified a set of performance measures for each of the ARRA programs for quarterly reporting and incorporated them into ACS. The Agency will publicly report ARRA performance data beginning with the quarterly report for the fourth quarter of FY 2009.

Several of the measures are identical to previously existing ACS measures. Because ARRA results must be tracked separately, a companion measure has been created in ACS to track only the Recovery performance increment. The pre-existing NPM Guidance measures will track **total** performance results (non-Recovery plus Recovery) (**Attachment 11**). FY 2010 results and FY 2011 targets should therefore represent full program performance (with combined ARRA and non-ARRA funds). Recovery-specific measures should have national targets that reflect the expected incremental performance contributions of Recovery Act Funds. Recovery measures are

² For more information, please refer to OCFO's ACS intranet site: <http://intranet.epa.gov/ocfo/acs/index.htm>

not required to have regional targets.

EPA expects ARRA performance results will generate a high level of interest when they become public; therefore, the Agency is paying careful attention to data quality. The Office of Environmental Information (OEI) is leading the development and implementation of Management Action Plans (MAPs). MAP I (addressing environmental data) and MAP II (addressing all other performance data, except data collected under ARRA Section 1512) provide guidance to ensure the data are collected, processed, stored and reported following Agency quality standards and quality assurance/quality control procedures, appropriate for the data's intended use and public disclosure. Beginning with this first official ARRA reporting period, NPMs will be required to complete and certify a data quality record and conduct a pre-dissemination review of the performance data, as required under EPA's Information Quality Guidelines (IQG) and as specified in MAP II. For more information on EPA's internal management controls covering ARRA performance data reporting, refer to EPA's Stewardship Plan, available at <http://intranet.epa.gov/ocfo/perform/integrity.htm> and information referenced in **Attachment 1**.

C. Measuring Results in State Grant Work Plans

Action Requested: The Agency continues to work with states to identify an improved set of common measures for FY 2011 state grant workplans, which are expected to be identified by November 2009. NPMs should then incorporate these measures into their NPM Guidance and collect the data accordingly.

Detailed Information

EPA believes that consistent and quantifiable reporting of state results is critical for achieving national goals and results. From FY 2007 through FY 2009, and in response to OMB passback language, EPA used a standardized State Grant Performance Measures Template designed to demonstrate results from continuing environmental program grants. The Template was attached to state grant work plans and contained a subset of existing measures agreed upon by the states and EPA. On a parallel track, in FY 2009, EPA and the states conducted a pilot to test whether workplans could be standardized to address key essential elements, including linkages to EPA's Strategic Plan, related EPA-state measures and planned accomplishments.

The Agency and the states have evaluated both of these initiatives. The evaluations show that:

- 1) The State Grant Performance Measure Template design is not effective to accurately measure state grant performance results; and
- 2) Workplans can be flexibly organized around essential elements under a variety of formats.

For FY 2011, under the guidance of the Environmental Council of the States (ECOS) Performance and Partnership Work Group, EPA and the states will develop a new approach for

identifying and reporting on state results. This includes:

- 1) Identifying a limited set of measures that better reflect state grant accomplishments using information currently reported in electronic systems, therefore representing no increase in state reporting burden; and
- 2) Incorporating those measures as an essential element in workplans.

Please note that for FY 2010, States will continue reporting on the earlier set of state grant measures as they are existing measures, but are no longer required to complete the template.

Further guidance will be issued from OGD/OCFO/OCIR detailing the alternatives for FY 2011 in ensuring that grant workplans contain the required elements. As always, ORBIT (OCFO's Reporting and Business Intelligence Tool) reports will continue to be available to report results by state and by grant.

D. Format Requirements and Key Milestones for FY 2011

Action Requested: NPMs should follow specified format and content requirements in developing FY 2011 NPM Guidance documents, including the attachments.

Detailed Information

While recognizing that NPMs have flexibility in developing FY 2011 guidance documents, OCFO has developed standard templates to facilitate more meaningful involvement by regions, states, and tribes. This template does not change for FY 2011, and requires that all FY 2011 NPM guidance documents include the following common and consistently displayed elements in order to improve transparency and communications:

1. Paginated table of contents
2. Executive Summary which briefly (no more than 3 pages) highlights and summarizes key national program priorities, strategies, messages, and significant changes in priorities or strategies as compared to FY 2010 NPM guidance documents. The Executive Summary—following a consistent format—makes the guidance documents easier for regions, states, and tribes to review and use. Refer to **Attachment 3** for a detailed outline and the format for preparing the Executive Summary. Please note that the template in **Attachment 5** should be used to identify specific changes between the FY 2010 and FY 2011 guidance documents.
3. Key national program strategies and priorities, which take into consideration regional, state, and tribal involvement, describe NPM's FY 2011 programmatic priorities and strategies that support EPA's *FY 2011 Annual Plan and Budget* and *2009-2014 Strategic Plan*, including implications of cross-cutting programs, Administrator and regional priorities, and Agency-wide objectives.
4. Brief synopsis of the NPM feedback process for considering and responding to major comments from regions, states, and tribes throughout FY 2011 NPM guidance

development.

5. Required attachments to the draft and final FY 2011 NPM guidance documents are identified below. All documents will be posted on OCFO's website unless otherwise noted. OCFO provides flexibility if NPMs want to go beyond the required attachments to provide supplemental information.

- **FY 2011 Measures Attachment (Attachment 4)** provides easy reference to and clear identification of annual commitment measures and non-commitment indicators that require reporting by the regions, states and/or tribes. NPMs should include national planning targets to inform the negotiation process for commitments developed from aggregate contributions by headquarters, regions, states, or tribes, when applicable. Planning targets should not be less ambitious than the FY 2009 actual results or FY 2010 commitments unless there is a compelling reason (see **Attachment 7**). NPMs should also include the national targets from the *FY 2011 Annual Plan and Budget*, where applicable.

- **Explanation of Key Changes between FY 2010 and FY 2011 (Attachment 5).** This will help readers and reviewers easily understand the rationale, context, and scope of changes to priorities, strategies, and measures.

- **Comments and Response to Comments Summary (Attachment 6).** Please note this is only required for submission of final FY 2011 NPM guidance documents and is a template to be used for two purposes:

1) Regions, states, tribes, and other stakeholders should provide comments on the draft FY 2011 NPM guidance documents using this template and submit these to the appropriate NPM and OCFO contacts (**Attachment 1**);

2) NPMs should use the same template to respond to all comments made by regions, states, tribes, and other stakeholders. NPMs are not required to include responses to suggested minor edits. NPMs should respond to comments by providing a brief but specific explanation of how comments were addressed or incorporated into the final FY 2011 NPM guidance documents. See milestones below.

- **Explanation of Key Changes in Measures Targets (Attachment 7)**
Please note this is only required for submission of final FY 2011 NPM guidance documents and provides a justification to COFO for internal Agency purposes only to OCFO for any targets that are less ambitious than FY 2009 results or FY 2010 targets. This information will not be posted on OCFO's website.

NPMs should submit draft and final FY 2011 NPM guidance documents to OCFO in both a Word and a PDF format that is compliant with §508 of the U.S. Rehabilitation Act, which requires that all Federal Government web pages are accessible to people with disabilities.³ For more information, see *EPA Web Work Group, Accessibility/508 Standards* at <http://intranet.epa.gov/webgroup/accessibility.html>. Please note: simply converting a document to PDF format does NOT make it §508 compliant.

OCFO will post FY 2011 NPM draft and final guidance documents on the OCFO website (www.epa.gov/ocfo/npmguidance). To promote consideration of all NPM priorities, strategies, and measures in the documents concurrently, OCFO also will email the link to draft guidance documents to NPMs, regions, states, and tribes. The schedule of milestones below provides approximately four weeks for regions, states, tribes, and others to review and comment on the draft FY 2011 NPM guidance. During this time, NPMs will engage in a dialogue with applicable regions, states, tribes, and other stakeholders to gain input. NPMs will have approximately five weeks to respond to the comments and incorporate changes, as warranted, in the final documents.

Key Milestones for Development of the FY 2011 National Program Manager Guidance	
October 8, 2009	CFO’s “OCFO Kick-Off of the FY 2011 NPM Guidance” memo released
October 14, 2009	“OCFO’s Technical Guidance on FY 2011 NPM Guidance and Annual Commitment Process” memo and guidance released
February 12, 2010	Draft FY 2011 NPM guidance and supporting documents (including: FY 2011 Measures Attachment and Explanation of Key Changes between FY 2010 and FY 2011) due to OCFO
February 19, 2010	Draft FY 2011 NPM guidance and supporting documents posted on OCFO’s internet webpage
February 19 - March 19, 2010	Regions, states, and tribes provide comments on draft FY 2011 NPM guidance documents to appropriate NPMs and OCFO contacts (using Attachment 6)
April 23, 2010	Final FY 2011 NPM guidance, measures, and supporting documents (including: all finalized documents included in the draft submission, Response to Comments, and Explanation of Key Changes in Measures Targets) due to OCFO
April 30, 2010	Final FY 2011 NPM guidance, measures, and supporting documents posted on OCFO’s internet webpage

³ See <http://www.section508.gov/> for government-wide Section 508 information.