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## **Pay-as-You-Go (PAYGO)**

A budgetary enforcement mechanism originally set forth in the Budget Enforcement Act (BEA), which effectively expired at the end of fiscal year 2002. Under this mechanism, proposed changes in, or new permanent, law were expected to be deficit neutral in the aggregate in the fiscal year of enactment or in a period of years. PAYGO was intended to control growth in direct spending and tax legislation. The Senate, in the concurrent resolution on the budget, has established an internal rule enforcing a requirement that direct spending or receipts legislation under consideration in the Senate be deficit neutral over certain periods of time. This Senate PAYGO rule is enforced by points of order. (*See also* Point of Order; Sequestration.)

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## **Performance Budgeting**

Generally understood to refer to the infusion of performance information into the resource allocation process used to develop budget proposals or to execute an agreed-upon budget. Also known as results-based budgeting. (*See* Government Performance and Results Act.)

### **Agency Mission Statement**

Defines the basic purpose, major functions, and operations of the agency. (*See* Strategic Plan *under* Performance Budgeting.)

### **Outcome Measure**

An assessment of the result, effect, or consequence that will occur from carrying out a program or activity compared to its intended purpose.

### **Output Goal**

A description of the level of activity or effort that will be produced or provided over a period or by a specified date, including a description of the characteristics and

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attributes (e.g., timeliness) established as standards in the course of conducting the activity or effort.

### Output Measure

The level of activity or effort of a program (i.e., the products and services delivered) over a period that can be expressed quantitatively or qualitatively.

### Performance and Accountability Report (PAR)

Provides financial and performance information that enables Congress, the President, and the public to assess the performance of an organization relative to its mission and for management to be accountable for its actions and resources. The Office of Management and Budget (OMB) provides guidance on the contents of the PARs, which integrate the reporting requirements of several laws, including (1) the Chief Financial Officers Act of 1990, (2) the Federal Managers' Financial Integrity Act of 1982, (3) the Government Management Reform Act of 1994, (4) the Government Performance and Results Act (GPRA) of 1993, and (5) the Reports Consolidation Act of 2000.

### Performance Budget

A presentation that links strategic goals with related long-term and annual performance goals and with the costs of specific activities that contribute to the achievement of those goals.

### Performance Goal

A target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate.

### Performance Measure/Performance Indicator

A particular value or characteristic used to measure output, outcome, or efficiency of an organization or program. Performance measures are associated with performance goals in the annual performance plan.

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## Performance Plan

A plan that covers each program activity set forth in an agency's budget. It establishes performance goals to define the level of performance to be achieved by a program activity; expresses such goals in an objective, quantifiable, and measurable form; briefly describes the operational processes, skills, technology, and resources required to meet the performance goals; establishes performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity; provides a basis for comparing actual program results with the established performance goals; and describes the means to be used to verify and validate measured values.

## Performance Report

A report that sets forth the performance indicators established in the agency performance plan under the Government Performance and Results Act (GPRA) of 1993, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

## Program Activity

A specific activity or project as listed in the program and financing schedules of the President's budget.

## Strategic Goal/Strategic Objective

A statement of aim or purpose included in a strategic plan (required under the Government Performance and Results Act (GPRA) of 1993) that defines how an agency will carry out a major segment of its mission over a certain period. The goal is expressed in a manner that allows a future assessment to be made of whether the goal was or is being achieved. In a performance budget/performance plan, strategic goals should be used to group multiple program outcome goals; the program outcome goals should relate to and in the aggregate be sufficient to influence the strategic goals or objectives and their performance measures.

## Strategic Plan

Federal agency plan containing the organization's comprehensive mission statement, general goals and objectives, description of how the goals and objectives are to be achieved, description of how performance goals are related to the general goals and

objectives, identification of key external factors, and description of program evaluations used to establish the general goals and objectives. Strategic plans must cover a period of not less than 5 years and must be updated and revised at least every 3 years.

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## Performance Measurement

The ongoing monitoring and reporting of program accomplishments, particularly progress toward preestablished goals. It is typically conducted by program or agency management.

Performance measures may address the type or level of program activities conducted (process), the direct products and services delivered by a program (outputs), or the results of those products and services (outcomes).

A program may be any activity, project, function, or policy that has an identifiable purpose or set of objectives. (*See also* Performance Budgeting; Government Performance and Results Act.)

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## Point of Order

An objection raised on the House or Senate floor or in committees to an action being taken as contrary to that body's rules. In the House, for example, a point of order may be raised under Rule XXI objecting to an appropriation in an appropriation bill that was not previously authorized by law.

Many of the rules established in the Congressional Budget Act and related rules preclude the consideration of legislation that would violate totals in the budget resolutions, spending limits, or committee allocations. These rules are typically enforced through points of order. Points of order may be waived by a majority vote in the House. In the Senate, only points of order under the Budget Act may be waived (not points of order against actions that violate the Senate's standing rules), but the waiver generally requires a three-fifths vote. (*See also* Concurrent Resolution on the Budget; Congressional Budget Act.)