PERFORMANCE

AND

MANAGEMENT ASSESSMENTS

BUDGET OF THE UNITED STATES GOVERNMENT

Fiscal Year 2004

THE BUDGET DOCUMENTS

Budget of the United States Government, Fiscal Year 2004 contains the Budget Message of the President and information on the President's budget and management priorities, including assessments of agencies' performance.

Analytical Perspectives, Budget of the United States Government, Fiscal Year 2004 contains analyses that are designed to highlight specified subject areas or provide other significant presentations of budget data that place the budget in perspective.

The *Analytical Perspectives* volume includes economic and accounting analyses; information on Federal receipts and collections; analyses of Federal spending; detailed information on Federal borrowing and debt; baseline or current services estimates; and other technical presentations. It also includes information on the budget system and concepts and a list of Federal programs by agency and account, as well as by budget function.

Historical Tables, Budget of the United States Government, Fiscal Year 2004 provides data on budget receipts, outlays, surpluses or deficits, Federal debt, and Federal employment over an extended time period, generally from 1940 or earlier to 2008. To the extent feasible, the data have been adjusted to provide consistency with the 2004 Budget and to provide comparability over time.

Budget of the United States Government, Fiscal Year 2004— Appendix contains detailed information on the various appropriations and funds that constitute the budget and is designed primarily for the use of the Appropriations Committee. The *Appendix* contains more detailed financial information on individual programs and appropriation accounts than any of the other budget documents. It includes for each agency: the proposed text of appropriations language, budget schedules for each account, new legislative proposals, explanations of the work to be performed and the funds needed, and proposed general provisions applicable to the appropriations of entire agencies or group of agencies. Information is also provided on certain activities whose outlays are not part of the budget totals.

Performance and Management Assessments, Budget of the United States Government, Fiscal Year 2004 contains evaluations and analyses of programs and management at federal departments and agencies.

AUTOMATED SOURCES OF BUDGET INFORMATION

The information contained in these documents is available in electronic format from the following sources:

CD-ROM. The CD-ROM contains all of the budget documents and software to support reading, printing, and searching the documents. The CD-ROM also has many of the tables in the budget in spreadsheet format.

Internet. All budget documents, including documents that are released at a future date, will be available for downloading in several formats from the Internet. To access documents through the *World Wide Web,* use the following address:

http://www.whitehouse.gov/omb/budget

For more information on access to electronic versions of the budget documents (except CD–ROMs), call (202) 512–1530 in the D.C. area or toll-free (888) 293–6498. To purchase a CD–ROM or printed documents call (202) 512-1800.

GENERAL NOTES

1. All years referred to are fiscal years, unless otherwise noted.
2. Detail in this document may not add to the totals due to rounding.
3. At the time of this writing, 11 of the 13 appropriations bills for 2003 were not enacted, and the programs covered by them were operating under a continuing resolution. For these programs, references to 2003 spending, excluding current services or baseline estimates, in the text and tables reflect the Administration's 2003 policy proposals. The baseline estimates for the programs covered by the unenacted bills reflect the levels provided by the continuing resolution.

TABLE OF CONTENTS

PROGRESS ON THE PRESIDENT'S MANAGEMENT AGENDA

In August 2001, the President announced an ambitious agenda for reforming the management of the government and improving the performance of federal programs. Like several of his predecessors, the President found that various aspects of government operations were inefficient or just did not work. Unlike his predecessors, he saw establishing a strict system of accountability, both to him and to the public, as critical to this effort's success.

The President's Management Agenda focuses on areas where the need and opportunity to improve are greatest. The agenda aims not only to correct long-standing problems, but to improve the government's performance. The agenda includes five government-wide initiatives and nine program-specific initiatives.

The five government-wide initiatives represent longstanding management challenges for the federal government. The Strategic Management of Human Capital initiative makes agencies prepare for massive impending retirements and remedy deficiencies in the skills of their employees. The Competitive Sourcing initiative requires agencies to make sure the most efficient sources perform their commercial activities. The Improved Financial Performance initiative improves the quality of financial information so that agencies can ensure the integrity and efficiency of their operations. The Expanded Electronic Government initiative improves the management of information technology. It also

> **Explanation of Status Scores**
>
> **Green** – Agency meets all the Standards for Success
>
> **Yellow** – Agency has achieved some, but not all, of the criteria
>
> **Red** – Agency has any one of the a number of serious flaws
>
> *Arrows indicate change in status since the baseline evaluation.*

streamlines and simplifies the delivery of government services through the use of the Internet. The Budget and Performance Integration initiative enhances the quality of information on program results so that government can make better decisions about its allocation of resources.

The Administration announced in the 2003 Budget a simple grading system — red, yellow, and green -- would report the work of federal agencies in implementing the President's Management Agenda. Each quarter agencies receive assessments of their status in achieving the "standards of success," specific good-government goals articulated for each of the initiatives. Agencies also are graded on their progress in achieving the standards, given that many will take sustained work. This volume includes updates on each agency's work to advance the President's Management Agenda, as well as status and progress scores for the quarter ending December 31, 2002.

The 2003 Budget also included baseline evaluations of agencies' status against those standards. The Standards for Success for each of the five government-wide initiatives follow this chapter.

Through the stoplight system and precise action plans on what agencies must deliver, the Administration has made strides in making the government *answerable* to the public for results. However, accountability requires real outcomes. While progress is generally strong, overall improvement, as reflected in changes in status, has been uneven. As we continue to implement

the President's Management Agenda, the emphasis must continue to be on *actions*, demonstrating real change.

When we designed the agenda, it was in the shadow of consistent criticism that the Executive Branch's chief management agency, the Office of Management and Budget (OMB), did not give sufficient attention to its responsibility to oversee the management of Executive Branch agencies. To address this concern, the job of assessing agency status and progress against the Standards for Success was given to OMB.

Each quarter, OMB assesses agencies' progress, as well as their status against the Standards for Success. For Human Capital, OPM and OMB jointly develop the rating. These quarterly assessments also generate a detailed set of comments on the actions the agency has recently taken to accomplish the agenda's goals as well as what actions it needs to take to improve.

Explanation of Progress Scores
Green – Implementation is proceeding according to plans agreed upon with agencies.
Yellow – Slippage in implementation schedule, quality of deliverables, or other issues requiring adjustment by agency in order to achieve initiative on a timely basis.
Red – Initiative in serious jeopardy. It is unlikely to realize objectives absent significant management intervention.

The scorecard is a powerful incentive for agencies to improve their internal management. Agencies receive regular, timely feedback through the scorecard so that problems are identified and remedied promptly. Take, for example, the Department of Veterans Affairs (VA). On September 30, 2002, VA's score in competitive sourcing was red for status and red for progress. Its early poor score was the result of VA's unwillingness to subject the commercial activities it performs to public-private competition. To improve its score, VA not only demonstrated a commitment to open up existing positions for competition, but it hired experts to jump start its competitive sourcing work. It now has a central office that coordinates and conducts training for field staff. In just one example, VA plans to open up competitions for over 3,000 "Canteen" employees who operate food services and gift shops. The competition for these positions will result in savings to taxpayers and, most likely, improved service to veterans. Although VA has not yet subjected a sufficient portion of its activities to competition to warrant an improved status score, its recent progress warrants a green.

Some agencies have demonstrated exceptionally strong commitment to the agenda and are using the scorecard internally to make progress, and it shows in their scores. The Department of Energy, for instance, has established a management council with the charge to improve the agency's performance through implementation of the President's Management Agenda. The council meets every month and acts as a forum for monitoring progress on PMA initiatives, sharing information on best practices, and making critical management decisions. Readers can find more about how the Department has improved its status in the Human Capital, Financial Performance, and E-Government initiatives in the Department of Energy chapter that follows.

Other agencies are leaders in particular initiatives. NASA is a government-wide leader in the Human Capital and Budget and Performance Integration initiatives. NASA can track any deficiencies in its workforce and take quick, corrective action to address them. It also budgets for the full cost of its programs, including workforce, facilities, and overhead, and has integrated its budget and performance reports.

NSF is a government-wide leader in Financial Performance and Electronic Government. NSF can monitor the status and performance of its grants at any time in their cycle and it receives over 99 percent of its annual grant proposals electronically through its FASTLANE system.

These examples open a window to how the scorecard is working. There are others. There are laggards, as well. In the past, agencies might have promised – and intended – to make real management improvement. But no disciplined method existed with which to monitor progress and hold managers accountable for results. The Executive Branch Management Scorecard, with strict Standards for Success, provides that discipline. More detail on each agency's status and progress is included in the chapters that follow. The *Budget* volume includes a chapter titled Governing with Accountability, which includes a discussion of government-wide implementation of the President's Management Agenda and the most recent Executive Branch Management Scorecard. It also includes brief discussions of each agency's status and progress scores for the quarter ending December 31, 2002.

The President's Management Agenda also includes nine program initiatives where management improvements are directed to specific program areas with the goals of improving service delivery, reducing waste, and improving efficiency. These initiatives require the dedicated efforts of a particular agency or group of agencies and, like the five government-wide initiatives depend on sustained, concrete actions to realize their intended benefits. An update on the program initiatives is included in the lead agency's chapter:

- Faith-Based and Community Initiative (Department of Health and Human Services)
- Privatization of Military Housing (Department of Defense)
- Better Research and Development Criteria (Department of Energy)
- Eliminating Fraud and Error in Student Aid Programs and Deficiencies in Financial Management (Department of Education)
- Housing and Urban Development Management and Performance (Department of Housing and Urban Development)
- Broadened Health Insurance Coverage through State Initiatives (Department of Health and Human Services)
- A "Right-Sized" Overseas Presence (Department of State and International Assistance Programs)
- Reform of Food Aid Programs (Department of State and International Assistance Programs)
- Coordination of Veterans Affairs and Defense Programs and Systems (Department of Veterans Affairs)

Work on the program initiatives has already begun to produce tangible results. Most notably, the Administration completed its major food aid reform goal of providing more resources thorough predictable discretionary funding rather than relying on unpredictable surplus commodities. In addition, this initiative targeted food aid to the genuinely hungry while avoiding the waste and adverse impacts from past approaches. For instance, the General Accounting Office found that the federal government spent nearly $250 million in 1999 to deliver $64 million in actual aid to Russia. This reform has proven to be timely, since the drought in many crop-producing regions of the United States in 2002 left major commodities in tight supply. Most commodities would have been unavailable for food aid under the previous process. The food aid reforms have strengthened the United States' leadership role in international food aid and thus, the Reform of Food Aid Programs initiative will be removed from the President's Management Agenda.

SCORECARD STANDARDS FOR SUCCESS

Strategic Management of Human Capital

G	Y	R
Must Meet All Core Criteria: • Agency human capital strategy is aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets. • Agency is citizen-centered, delayered and mission-focused, and leverages e-Government and competitive sourcing. • Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance. • Agency has a diverse, results-oriented, high performance workforce, and has a performance management system that effectively differentiates between high and low performance, and links individual/team/unit performance to organizational goals and desired results. • Agency has closed most mission-critical skills, knowledge, and competency gaps/deficiencies, and has made meaningful progress toward closing all. • Agency human capital decisions are guided by a data-driven results-oriented planning and accountability system.	**Achievement of Some but not All Core Criteria; No Red Conditions**	**Has Any One of the Following Conditions:** • Agency lacks a human capital strategy that demonstrates how human capital activities and investments support accomplishment of mission, goals, and organizational objectives. • Agency has too many management layers and does not leverage e-Government and competitive sourcing as key components of its human capital planning efforts. • Agency has not developed succession plans in mission-critical areas. • Underrepresentation is not being addressed and the agency's performance management system does not effectively differentiate between high and low performance nor link individual/team/unit performance to organizational goals and desired results. • Agency is not addressing gaps / deficiencies in mission-critical skills, knowledge, and competencies. • Agency does not have adequate performance and workforce data to make and evaluate human capital decisions. • No commercial reimbursable support service arrangements between agencies are competed.

Competitive Sourcing

G	Y	R
Must Meet All Core Criteria: • Completed public-private or direct conversion competition on not less than 50 percent of the full-time equivalent employees listed on the approved FAIR Act inventories. • Competitions and direct conversions conducted pursuant to approved competition plan. • Commercial reimbursable support service arrangements between agencies are competed with the private sector on a recurring basis.	**Achievement of Some but not All Core Criteria; No Red Conditions**	**Has Any One of the Following Conditions:** • Completed public-private or direct conversion competition on less than 15 percent of the full-time equivalent employees listed on the approved FAIR Act inventories • Competitions and direct conversions are not conducted in accordance with approved competition plan. • No commercial reimbursable support service arrangements between agencies are competed.

Improved Financial Performance

G	Y	R
Must Meet All Core Criteria: • Financial management systems meet Federal financial management system requirements and applicable Federal accounting and transaction standards as reported by the agency head. • Accurate and timely financial information. • Integrated financial and performance management systems supporting day-to-day operations. • Unqualified and timely audit opinion on the annual financial statements; no material internal control weaknesses reported by the auditors.	**Achievement of Some but not All Core Criteria; No Red Conditions**	**Has Any One of the Following Conditions:** • Financial management systems fail to meet Federal financial management systems requirements and applicable Federal accounting standards as reported by the agency head. • Chronic or significant Anti-deficiency Act violations. • Agency head unable to provide unqualified assurance statement as to systems of management, accounting, and administrative controls. • Auditors cite material non-compliance with laws and regulations, or repeat material internal control weaknesses; or are unable to express an opinion on the annual financial statements.

Expanded E-Government

(G)	(Y)	(R)
Must Meet All Core Criteria: • Strategic Value: all major systems investments have a business case submitted that meets the requirements of OMB Circular A-11 (Exhibit 53, Form 300). • IT Program Performance: On average, all major IT projects operating within 90% of Form 300 cost, schedule, and performance targets. • E-Government and GPEA implementation: (must show department-wide progress or participation in multi-agency initiative in 3 areas). • Citizen one-stop service delivery integrated through Firstgov.gov, cross-agency call centers, and offices or service centers. • Minimize burden on business by re-using data previously collected or using ebXML or other open standards to receive information. • Intergovernmental: Deploying e-Grants or Geospatial Information one-stop. • Obtaining productivity improvements by implementing customer relationship management, supply chain management, enterprise resource management, or knowledge management best practices.	**Achievement of Some but not All Core Criteria; No Red Conditions**	**Has Any One of the Following Conditions:** • Less than 50% of major IT investments have a business case per OMB Circular A-11 (Exhibit 53, Form 300). • On average, all major IT projects operating at less than 70% of Form 300 cost, schedule and performance targets. Fulfills not more than one of the following: • Citizen one-stop service delivery integrated through Firstgov.gov, cross-agency call centers, and offices or service centers. • Minimize burden on business by re-using data previously collected or using ebXML or other open standards to receive information. • Intergovernmental: Deploying e-Grants or Geospatial Information one-stop. • Obtaining productivity improvements by implementing customer relationship management, supply chain management, enterprise resource management, or knowledge management best practices.

Budget and Performance Integration

G	Y	R
Must Meet All Core Criteria: • Integrated planning/evaluation and budget staff work with program managers to create an integrated plan/budget and to monitor and evaluate its implementation. • Streamlined, clear, integrated agency plan/budget sets forth outcome goals, output targets, and resources requested in context of past results. • Budget accounts, staff, and specifically program/activities are aligned to support achieving program targets. • Full budgetary cost is charged to mission accounts and activities. Cost of outputs and programs is integrated with performance in budget requests and execution. • Agency has documented program effectiveness. Analyses show how program outputs and policies affect desired outcomes. Agency systematically applies performance to budget and can demonstrate how program results inform budget decisions.	**Achievement of Some but not All Core Criteria; No Red Conditions**	**Has Any One of the Following Conditions:** • Planning and budgeting separate with little collaboration. Levels of organization have little and formal communication. Focus on getting funds for independent use. • Traditional budget request with little attempt to tie resources to results or communicate with other than budget technicians. • Excessive numbers of accounts, historical anomalies, accounts that fund illogical parts of programs. Centralized accounts that fund program resources; accounts that fund multiple programs with little in common. • No attention to charging cost to the right bureau, let alone the activity. Substantial costs "mixed up" at the agency or bureau level. Program managers lack authority over resources. • Focus on getting money for a good cause. Justification by anecdote. Little focus on outcomes, or how program influences them.

A TOOL TO EVALUATE FEDERAL PROGRAMS

The Administration's efforts to link budget and performance began with last year's budget. The fifth element of the President's Management Agenda -- budget and performance integration -- stresses making budget decisions based on results. This year, that link was formalized. A new instrument for assessing government programs in an objective and transparent manner, called the Program Assessment Rating Tool, was introduced. The PART evaluates a program's purpose and design, planning, management, and results and accountability to determine its overall effectiveness.

For years, advocates of good government have been trying to find ways to improve accountability, focus on results, and integrate the performance of programs with decisions about budgets. As the *Budget* volume details, Presidents throughout the latter half of the 20th Century sought by various means to make performance matter.

Early efforts date to the Truman Administration's 1951 budget. With the 1993 passage of the Government Performance and Results Act (GPRA), the Congress directed the Executive Branch to seek improvements in the effectiveness, efficiency, and accountability of federal programs by having agencies focus on program results. Former Congressman and then-Office of Management and Budget (OMB) Director Leon Panetta called it, "a major step toward making the government accountable to the American people by making it clear what the taxpayers are getting for their money and removing some of the red tape that bedevils all of us. As every other enterprise has learned, government officials must manage for results, not just rules and regulations." While well-intentioned, GPRA did not meet its objectives. Through the President's Budget and Performance Integration initiative, augmented by the PART, the Administration will strive to implement the objectives of GPRA.

What Is the PART?

The PART is an accountability tool that attempts to determine the strengths and weaknesses of federal programs with a particular focus on the results individual programs produce. Its overall purpose is to lay the groundwork for evidence-based funding decisions aimed at achieving positive results. The PART consists of approximately 30 questions, depending on the type of program. The PART's first three sections, focusing on program purpose, strategic planning, and management, follow a yes/no format. The fourth hones in on results. It uses a four-point scale to note partial achievement of goals. Answers must be substantiated by a brief narrative explanation and evidence. Each individual "yes" answer points to a potential high level of performance overall. A "no" answer indicates no evidence is available, or the program has failed to perform.

The accompanying table provides a brief description of the four sections along with examples of programs that scored high and low in 2004. For more detailed information regarding PART guidance and PART worksheets, visit the OMB website at www.omb.gov.

THE PART, IN SECTIONS

Section	Description	Low Score Example	High Score Example
Program Purpose and Design Weight = 20%	To assess whether the program design makes sense and the purpose is clear	Dept. of Energy Advanced Technology Program – no clear need for the program; private sector does similar research	Dept. of Health and Human Services Health Centers – clear program; purpose commonly held by interested parties
Strategic Planning Weight = 10%	To assess whether the agency sets valid annual and long-term goals for the program	Dept. of Justice Cybercrime – no long-term, outcome-oriented goals or annual performance goals	Dept. of Energy National Nuclear Security Adm. Facilities and Infrastructure – 10-year Comprehensive Site Plan integrates and prioritizes projects
Program Management Weight = 20%	To rate agency management of the program, including financial oversight and program improvement efforts	Dept. of Energy Gas Exploration and Production – could not document a comprehensive system for tracking cost, schedule, and performance	Social Security Adm. Supplemental Security Income for the Aged – strong financial management and accountability practices, allowing tracking of full actual costs
Program Results/ **Accountability** Weight = 50%	To rate program performance on goals reviewed in the strategic planning section and through other evaluations	Office of National Drug Control Policy Youth Anti-Drug Media Campaign – no evidence that paid media messages have a direct effect on youth drug-related behavior	Dept. of Commerce National Weather Service – improved accuracy and timeliness of forecasts and warnings

Each section includes a series of questions designed to elicit specific information about a program's performance.   The questions also are weighted. Their weighting can be altered to emphasize key factors that may be more or less relevant for a specific program. A "not applicable" response is used for questions not relevant to the program, with an appropriate explanation. While these two flexibilities were provided in recognition that one size does not fill all, they were used in only limited cases.

As the nearby table shows, each section is assigned a weight as well, in order to generate an overall assessment. This year many agencies furnished incomplete information. A number of programs were not able to demonstrate results, but will need to in the future. Examples can be found throughout this volume.

The next table illustrates the key questions from each section of the PART.

THE PART QUESTIONNAIRE

Key Questions For Every Program	Description
PROGRAM PURPOSE & DESIGN • Is the program purpose clear? • Does the program address a specific interest, problem or need? • Is the program designed to have a significant impact in addressing the interest, problem or need? • Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., is not needlessly redundant of any other Federal, state or, local or private effort)? • Is the program optimally designed to address the national interest, problem or need?	This section examines the clarity of program purpose and how the program is designed. In answering questions, all factors including those the program may not control, such as legislative mandates and constraints, are considered. Potential source documents and evidence for answering questions in this section include authorizing legislation, agency strategic plans, annual performance plans, and other agency reports. Options for answers are Yes, No or Not Applicable.
STRATEGIC PLANNING • Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program? • Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals? • Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program? • Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives? • Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness? • Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known? • Has the program taken meaningful steps to address its strategic planning deficiencies?	This section focuses on program planning, priority setting, and allocation of resources. It assesses whether the program has adopted adequate performance measures and a limited number of ambitious, but achievable, goals. Without adequate measures, a program is unlikely to be able to demonstrate it is getting results. This section assesses whether the program incorporates flexibility in the planning process to address problems identified through performance data and periodic monitoring. Potential source documents and evidence for answering questions include strategic planning documents, agency performance plans and reports, reports and submissions from program partners, evaluation plans, budget submissions and other documents. Options for answers are Yes, No or Not Applicable.

PROGRAM MANAGEMENT	This section tests whether agencies can show that the program is effectively managed to meet program goals and objectives. Key areas include financial oversight, evaluation of program improvements, performance data collection, and program manager accountability. There are a wide range of potential source documents and evidence for answering questions in this section including financial statements, GAO reports, IG reports, performance plans, budget execution data, IT plans, and independent program evaluations. Options for answers are Yes, No or Not Applicable.
• Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance? • Are Federal managers and program partners (grantees, sub-grantees, contractors, etc.) held accountable for cost, schedule and performance results? • Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? • Does the program have incentives and procedures (e.g. competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?	
PROGRAM RESULTS	This important section considers whether the program can show it is meeting its long-term and annual goals. In general, a program cannot show this if it has not already established adequate measures and goals. It also assesses how well the program compares to similar programs and its effectiveness based on independent evaluations. Potential source documents and evidence for answers include annual performance reports, evaluations, GAO reports, IG reports and other agency documents. Assessments of program results are based on the most recent reporting cycle or other relevant data. Answers in this section are rated as Yes, Large Extent, Small Extent, and No.
• Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)? • Does the program (including program partners) achieve its annual performance goals? • Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year? • Does the performance of this program compare favorably to other programs with similar purpose and goals? • Do independent and quality evaluations of this program indicate that the program is effective and achieving results?	

The PART filters the variety of mandatory and discretionary programs the federal government operates through seven categories. In addition to questions which apply to all programs, each section includes those that have been tailored for a particular type of program. A complete list of these questions can be found at the OMB website. The accompanying table describes the program categories:

THE PART, BY CATEGORY

Program Type	Description	Examples
Competitive Grant Programs	Programs that distribute funds to state, local and tribal governments, organizations, individuals and other entities through a competitive process.	• Head Start • Weed and Seed
Block/Formula Grant Programs	Programs that distribute funds to state, local and tribal governments and other entities by formula or block grant	• Vocational Ed State Grants • Native American Housing Block Grants

Regulatory-Based Programs	Programs that employ regulatory action to achieve program and agency goals through rulemaking that implements, interprets or prescribes law or policy, or describes procedure or practice requirements. These programs issue significant regulations, which are subject to OMB review.	• Occupational Safety and Health Admin. • Food and Safety Inspection Service
Capital Assets and Service Acquisition Programs	Programs where the primary means to achieve goals is the development and acquisition of capital assets (such as land, structures, equipment, and intellectual property) or the purchase of services (such as maintenance and information technology) from a commercial source.	• Youth Anti-Drug Media Campaign • DoD - Shipbuilding
Credit Programs	Programs that provide support through loans, loan guarantees and direct credit.	• Rural Electric Utility Loans and Guarantees
Direct Federal Programs	Programs in which support and services are provided primarily by federal employees.	• Coin Production • National Weather Service
Research and Development Programs	Programs that focus on creating knowledge or the applying it toward the creation of systems, devices, methods, materials, or technologies.	• Solar Energy Program • Mars Exploration

Problems and Revisions

Soon after release of the 2003 Budget, work began on the PART and involved collaboration among a number of parties inside the government and out.

An original, draft version of the PART developed last spring was tested on 67 programs and revised based on the results as well as feedback from agencies and other groups. For example, those commenting were concerned that the "yes-no" format for responses did not distinguish adequately between the performance of various programs, especially in the results section. Another issue was that "yes" and "no" were not objective, and would not be applied consistently when evaluating outcomes. In response, the PART was revised to include four choices in the results section.

Many believed certain questions in the PART were too subjective. For example, responses to a question that asked, "Is the federal role critical?" could vary depending on philosophical or political viewpoints. As a result, this question was eliminated. Additional steps, including clarifying guidance and providing additional training for evaluators were aimed at increasing the consistency of reviews and increasing evaluators' discipline with respect to the evaluation process.

Possible Areas of Improvement

This first-year experience has provided many lessons and extensive feedback, which will be considered as the PART is fine-tuned for use in the 2005 Budget. Although not perfect, the PART has proved useful to the 2004 Budget process by adding a performance accountability tool to the budget policymaker's toolkit. In addition to economic conditions, national needs, and policy

interests, the PART analysis provides important information to be considered during the course of budget debates.

Still, the PART has several shortcomings that OMB will be working to remedy in the coming months. For instance, because PART answers reflect the judgment of individuals, there was some inconsistency in the standards applied by different evaluators. If current performance goals were found inadequate, most evaluators gave little credit to the program for achieving results. Other evaluators, however, did give some credit when faced with the same situation. Consistency will need to be improved through modifications to the PART, clarifying guidance and training of evaluators.

Many programs evaluated are, at present, unable to demonstrate any results because they do not have adequate data or measures to gauge their performance. Fifty percent of programs evaluated were rated "Results Not Demonstrated," because they did not have adequate performance goals or had not yet collected data to provide evidence of results. With the new measures developed during the PART analysis, this situation should be remedied in the years ahead.

The public is encouraged to provide suggestions for improving the PART. Comments can be e-mailed to performance@omb.eop.gov or mailed to the Office of Management and Budget/PART Comments, Eisenhower Executive Office Building, Room 350, Washington, D.C. 20503.

PART Summaries and Management Write-ups

The PART summaries, by department or agency, for the programs rated this year are presented in this volume. The summary sheet displays a description of the program, the findings from the PART, and the resulting recommendations. It also displays a graph illustrating the score results for each PART section. Key performance measures are presented, along with program funding levels. Check boxes for results and measures are also included. Programs are rated on a four point scale from Effective to Moderately Effective to Adequate to Ineffective. A fifth rating possibility comes into play with Results Not Demonstrated if adequate measures or data to gauge the program's performance were not available.

Many summaries highlight the agencies' inability to explain the link between a program's performance and its level of funding.   This is referred to as lack of "alignment" or "integration" of budget and performance. Additionally, there are frequent references to inadequate "performance measures," which are essentially gauges or milestones that indicate how well a program is doing.

Criteria for Check Boxes
Results Achieved – Results Section score is 80+
Results Not Demonstrated – No progress in achieving long-term or annual performance goals.
Measures Adequate – Ambitious long-term goals and limited number of annual performance goals.
New Measures Needed – No ambitious long-term goals or too many annual performance goals.

An index of PART-assessed programs broken down by department or agency concludes this reference.

PERFORMANCE AND MANAGEMENT

ASSESSMENTS

DEPARTMENT OF AGRICULTURE

While USDA has faced significant management challenges, the Department has improved since the third quarter of 2002, when it had three red progress scores. However, USDA still lags behind other Cabinet Departments on the management agenda.

President's Management Agenda

	Status	*Progress*
Human Capital	Ⓡ	Ⓖ

USDA's status will remain red until significant progress is made in implementing its new human capital strategic plan. USDA completed a skills gap analysis for its top 21 mission-critical positions, initiated an executive development program and a mentoring program, and established an accountability program to asses human capital progress.

Competitive Sourcing	Ⓡ	Ⓡ

USDA's status is red because it has not met the 15 percent competitive sourcing goal. USDA has converted some positions to the private sector. However, USDA has not subjected a significant share of conservation technical assistance to competition.

Financial Performance	Ⓡ	Ⓖ

USDA's status is red since USDA has persistent material weaknesses, and compliance with government-wide spending restrictions remains a challenge. USDA is using a federally compliant financial management system, and it received a clean consolidated audit opinion for the first time, a significant step forward. USDA is working to reduce erroneous payments, especially in Food Stamp and Child Nutrition Programs.

Expanding E-Government	Ⓨ	Ⓖ

USDA's status is yellow for E-Gov because it lacks an Enterprise Architecture. It is developing one and has made sound business cases for IT investments.

Budget and Performance Integration	Ⓡ	Ⓨ

USDA's status is red as little actual integration has occurred. USDA developed a strategic plan reflecting its purposes but needs to expand the number of outcome based performance measures. USDA must complete common performance evaluations and implement an expanded budget and performance integration plan adequately linking performance with budgetary decisions.
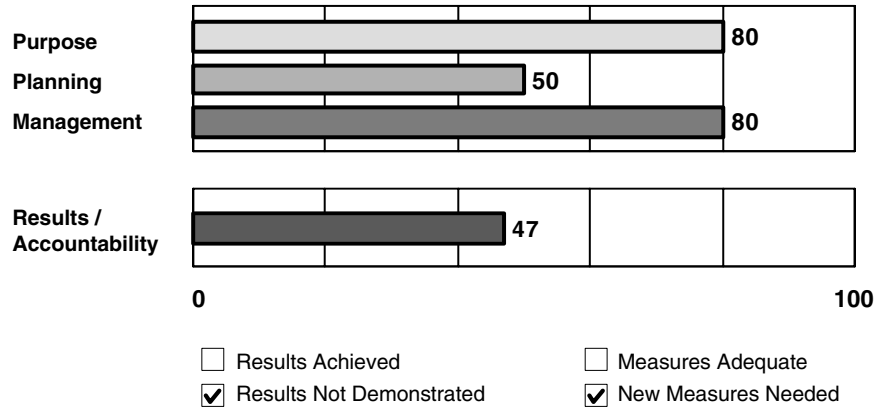
Program Assessments

Fourteen USDA programs received uneven PART reviews. Considerable time was devoted to developing useful performance measures to improve accountability. USDA must still improve the quality of its goals. For instance, the Rural Electric Utility Loans and Guarantees program has no suitable measures.

Program: *Animal Welfare*

Agency: *Department of Agriculture*

Bureau: *Animal and Plant Health Inspection Service*

Category	Score
Purpose	80
Planning	50
Management	80
Results / Accountability	47

Scale: 0 to 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percentage of facilities that are in compliance with animal welfare regulations	1998		58%
	1999	58%	59%
	2000	60%	58%
	2001	61%	58%
Other measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Regulatory*

Program Summary:

The animal welfare program, which is operated by USDA's Animal and Plant Health Inspection Service (APHIS) is responsible for ensuring the humane care and treatment of many warm blooded animals that are used for research or exhibition, sold as pets, or transported in commerce. These include dogs and cats sold by certain types of dealers, as well as circuses, aquariums and research facilities. Facilities are periodicially inspected, and if found to be out of compliance, are referred for follow-up action. Remedial actions, which include fines and the loss of licenses, can also be instituted. The bureau also issues guidance and regulations on the humane care of animals.

Specific PART assessment findings include:
1. The program has a clearly defined purpose.
2. There was a need for more independent evaluations. Although APHIS conducts as needed evaluations of its program components and USDA's Office of the Inspector General has conducted evaluations of the program (1992 through 1996), the PART found no evidence of recent reviews outside of the Department.
3. There was no differentiation between measures related to long term goals and annual goals - the same performance measure was used for both. The annual goal of compliance among facilities inspected is not an adequate measure of the overall impact of the program on the humane treatment of animals.

The Administration recommends:
1. APHIS seek additional input from sources outside of the government, including peer evaluations when appropriate.
2. APHIS develop additional goals (including long term goals) to measure the program's impact on the humane treatment of animals. Examples could include, the percentage of facilities cited for violations that are cited again, the speed with which compliants are resolved and remedial action taken, the change in the number of reports of mistreatment, and the percentage of facilities or out-of-compliance facilties that are reinspected within a specific time period.
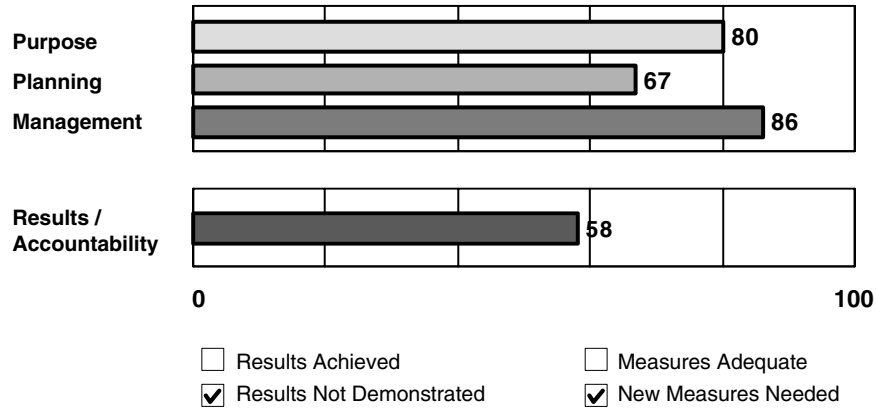
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
16	14	15

Program: *Crop Insurance*

Agency: *Department of Agriculture*

Bureau: *Risk Management Agency*

☐ Results Achieved	☐ Measures Adequate
☑ Results Not Demonstrated	☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Percent Participation (percent of planted acres of principal crops as reported by NASS that are insured)	2000	71.5%	76.5%
	2001	69.9%	77%
	2002	77.7%	80%
Efficiency Measure: Measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

This program provides crop insurance for farmers for approximately 88 crops and other farm commodities. Farmers can purchase insurance at below-market rates and be reimbursed for losses due to bad weather and other natural causes. Price declines are also covered for some crops. The amount of coverage that may be purchased ranges from 50% to 75% of crop value and, in some cases as much as 85%. Farmers pay premiums for loss coverage to private insurance companies and the companies, in turn, pay the claims filed by farmers. The companies send the farmers' premiums to USDA, and USDA uses those payments to offset the portion of the claims that they are responsible for, which they pay to the private insurance companies.

The PART found that:
1. The program's purpose is clear.
2. Additional planning and performance measurement is needed. The program cannot yet demonstrate the extent of its impact on farm income or in reducing dependence on other government support programs.
3. The management of this program is relatively good. It includes a close partnership with the crop insurance companies. Participation information, such as policies sold, liability, acres, and premiums are provided on a daily basis at a producer level by the companies. The data is crucial to the formulation of the strategic plan.
4. There are still commodities that do not have policies in place to allow for any risk management.

The Administration will:
1. Establish adequate long-term and short-term measures and goals, and
2. Identify improvements in the program that will get it closer to becoming a complete risk management tool for the agriculture sector, such as developing a successful livestock crop insurance plan.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

[Funding changes from year to year are a result of differences in claims on crop insurance policies due to crop losses and below market revenue from crop sales. The Government does not set a limit on this funding.]
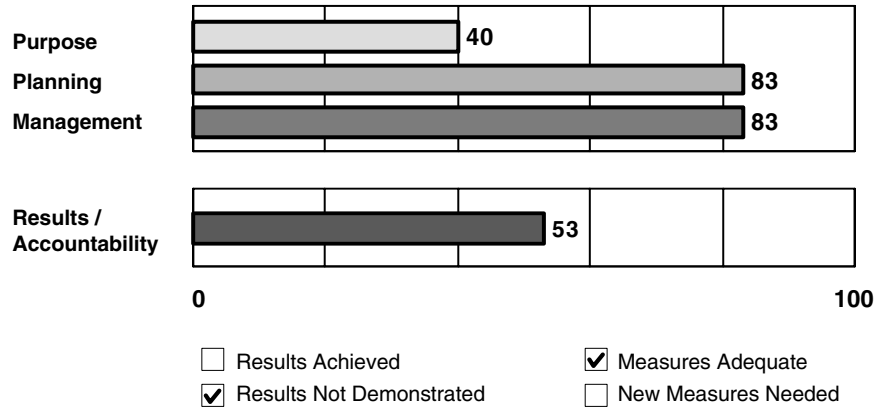
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
3,020	3,315	2,781

19

Program: Direct Crop Payments

Agency: Department of Agriculture

Bureau: Commodity Credit Corporation

Purpose		40
Planning		83
Management		83
Results / Accountability		53

0   100

☐ Results Achieved   ☑ Measures Adequate
☑ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Reduce producer dependence on government support payments by reducing assistance provided (in billions of dollars)	1998	5.706	5.672
	1999	5.513	8.487
	2000	5.048	16.104
	2001	4.065	9.560
Annual Measure: Percentage of fraudulent payments	2002	0%	0.3%
Other measures under development			

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

This program provides direct payments (cash) to eligible crop farmers. Roughly 41 percent of farms receive direct payments. Of farms receiving payments, the average farm receives about $17,319 per year. Farmers receive these payments regardless of the type of crop or the amount of crop they grow. Payments are based on historical production. This program does not include crop specific price supports which also support farmer income.

The following conclusions and suggestions are based on findings of the PART review:
1. The purpose of the programs is clear, however the design could be improved. Direct payments are designed as part of a safety-net for farmers, however they are going to about 41 percent of all farmers, 85 percent of which have annual sales of at least $50,000.
2. The program management has devised performance goals that are designed to improve the delivery of the program.
3. The program is generally well managed.
4. Outside sources have reviewed the program and determined that it has provided support in maintaining farm income but has not been effective in reducing the need for additional Government subsidies.

In response to these findings, the Administration will:
1. Devise better performance measures to address program goals and delivery. Agricultural income support should be better targeted to those producers that most need assistance. While this assessment was based largely on existing measures, these measures do not adequately demonstrate results. New measures will be developed as a result.
2. Reduce trade barriers through trade negotiations, to create new markets for U.S. agricultural exports so that farmers will be less reliant on government income support.

Note: Funding increases in 2004 due to policy changes mandated in the 2002 farm bill.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)
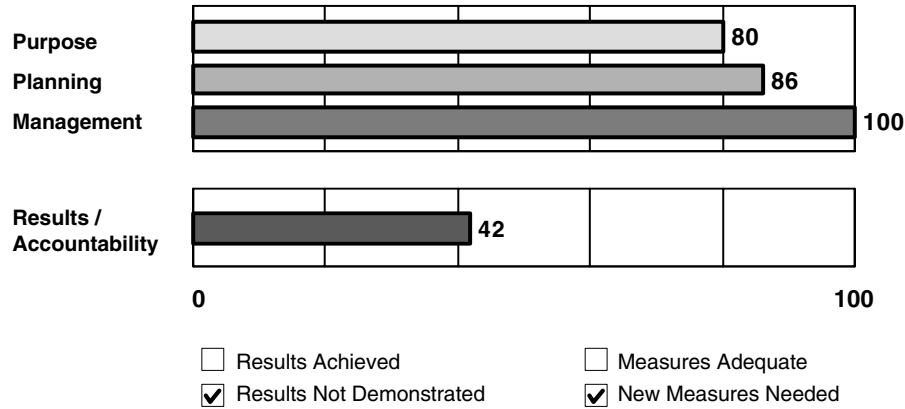
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
3,962	3,820	5,228

20

Program: *Farmland Protection Program*

Agency: Department of Agriculture

Bureau: Natural Resources Conservation Service

Category	Value
Purpose	80
Planning	86
Management	100
Results / Accountability	42

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: 1.2 million acres of conservation easements on agricultural land by 2007	2001	34,000	34,900
	2002	100,503	
	2003	201,005	
	2004	251,256	
Efficiency Measure: Measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

Program Summary:

The Farmland Protection Program (FPP) protects farm and ranch land from development by providing matching funds to states, local governments, and non-governmental organizations to purchase conservation easements. Grants can also be used to purchase easements to protect historical or archaeological resources. The 2002 farm bill provided FPP annual mandatory funding, increasing from $50 million in 2002 to $112 million in 2004.

Overall, the program is administered in an effective manner. The program prioritizes applications at the state level and selects the best projects for protecting important agricultural lands from development. The program does not, however, have outcome-based annual or long-term performance measures. Thus, the program cannot demonstrate it is delivering results. In addition, independent and quality reviews of FPP had not yet been conducted.

The review supports a number of recommendations. Natural Resources Conservation Service (NRCS) promulgated revised regulations for FPP in the late summer and, based upon the findings of the PART, the Administration added language to the rule to strengthen the program's design. Specifically, the program will now require an analysis of a particular project's strategic contribution towards conservation of agricultural land and influence on urban development in a geographic area. In the past, USDA did not specifically consider how a given project worked with other land protection efforts or how a single project integrates within a conservation strategic plan.

Other recommendations based on the assessment include:

1. The Department has contracted with outside research groups, such as American Farmland Trust and several universities, to develop improved performance measures that are outcome based. The results of these studies are due in early 2003.
2. The Administration recommends increasing NRCS's discretionary appropriation in 2004 to design and implement an evaluation system that will provide outcome performance indicators for farm conservation programs, such as FPP.
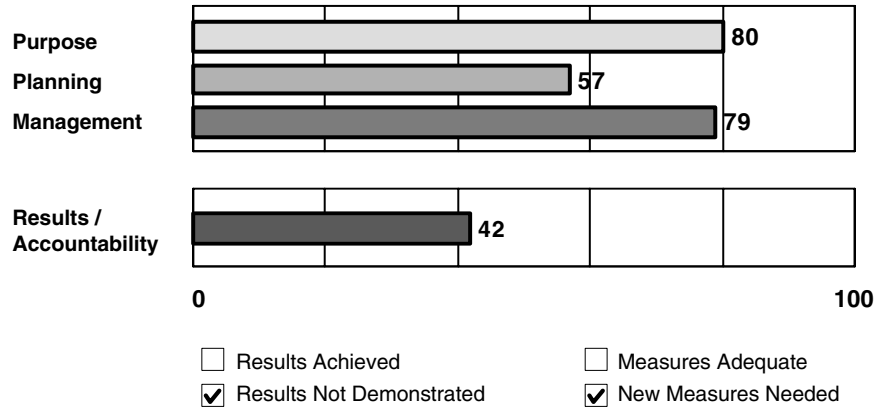
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
50	85	112

Program: *Food Aid Programs*

Agency: *Department of Agriculture*

Bureau: *Foreign Agricultural Service*

Category	Value
Purpose	80
Planning	57
Management	79
Results / Accountability	42

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Mixed*

Program Summary:

The United States continues to be the largest donor nation to food relief organizations worldwide. USDA food assistance programs help to feed over 10 million people in 50-80 countries each year in an effort to avert famine and offset food deficiencies. These programs include: P.L. 480 Title I, 416(b), Food for Progress (FFP), and the Bill Emerson Humanitarian Trust. Global Food for Education was not covered in this PART.

The assessment found that USDA needs to develop performance measures that link to the long-term outcome goals of food security. While this assessment was based largely on existing measures, these measures do not adequately demonstrate results. New measures will be developed. Other findings include:
1. USDA is unique in administering food aid on credit terms and focusing on government to government donations.
2. USDA has made investments and implemented improvements in their business practices and food aid delivery systems. USDA has planned additional management process improvements that will improve database integration, training, monitoring and prescreening processes.
3. Performance measures need to be developed that are tied to strategic goals and linked to the budget. Current performance measures, such as the number of food aid agreements signed annually, and the level of funding, are inadequate to measure progress towards achieving strategic goals.
4. Coordination is lacking with the U.S. Agency for International Development (USAID) for common performance measures since the programs have similar goals.

To address these findings, USDA will administer the food aid programs in a manner that will:
1. Limit duplication and inconsistent program implementation between USDA and USAID and make more efficient use of US food aid resources through implementation of the President's Management Agenda. The PART affirmed the need for USDA and USAID to coordinate on program performance measures, program evaluation and monitoring, and eligibility criteria.
2. Fund the programs at a level that is consistent with the 2003 Budget, reflecting the Administration's management reform goals. The PART helped identify the need to develop a strategy to replenish the Bill Emerson Humanitarian Trust to ensure the long-term availability of commodities for emergency food assistance.
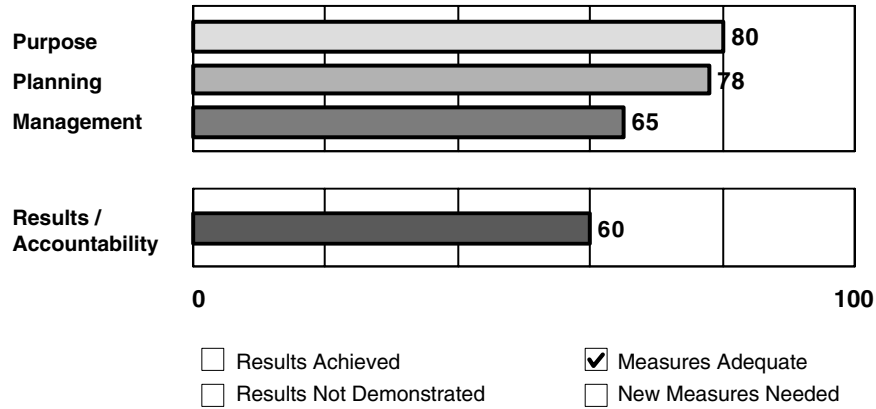
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
124	160	160

22

Program: *Food Safety and Inspection Service*

Agency: *Department of Agriculture*

Bureau: *Food Safety and Inspection Service*

Purpose	80
Planning	78
Management	65
Results / Accountability	60

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Reduction in the prevalence of foodborne illness from meat, poultry and egg products. In 1997 there were 76 million illnesses related to foodborne hazards.	2000		21%
	2001		23%
	2005	25%	
Annual Measure: The prevalence of Salmonella on raw meat and poultry products as illustrated by: Prevalence of Salmonella on ground beef (%)	2001	3.5	2.6
	2002	3.5	
	2003	3.5	
Annual Measure: Percentage of ready-to-eat meat and poultry products testing positive for Listeria monocytogenes (Listeria is a common bacteria that when ingested can cause flu-like symptoms. The bacteria can result in miscarriages and stillbirths.)	2001	1.43	1.26
	2002	1.4	
	2003	1.34	

Rating: *Adequate*

Program Type: *Regulatory*

Program Summary:

The mission of the Food Safety and Inspection Service (FSIS) is to ensure that the Nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and accurately labeled and packaged.

The assessment found that FSIS' purpose and planning rated high because it has a clear and significant role in protecting the Nation's food supply. In addition, this program's outcome goals meaningfully reflect the purpose of this program. However, FSIS received lower scores in management and accountability. Even though, over the last few years, FSIS has undertaken several initiatives to improve resource management efficiencies and cost effectiveness, FSIS still does not have tangible incentives or procedures in place to measure cost effectiveness. FSIS has experienced financial management problems for which efforts are underway to resolve. In addition, the assessment found:
1. The program has been effective in reducing incidences of food borne illness. However, the program is not optimally designed to address food safety, resulting in lower program result scores.
2. Implementation of a new risk-based inspection system should be further evaluated to determine whether it would help FSIS meet their strategic and performance goals and should improve efficiencies and cost effectiveness.

To address these findings, FSIS will evaluate the impact of implementing a risk-based inspection system beyond the current pilot program.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)
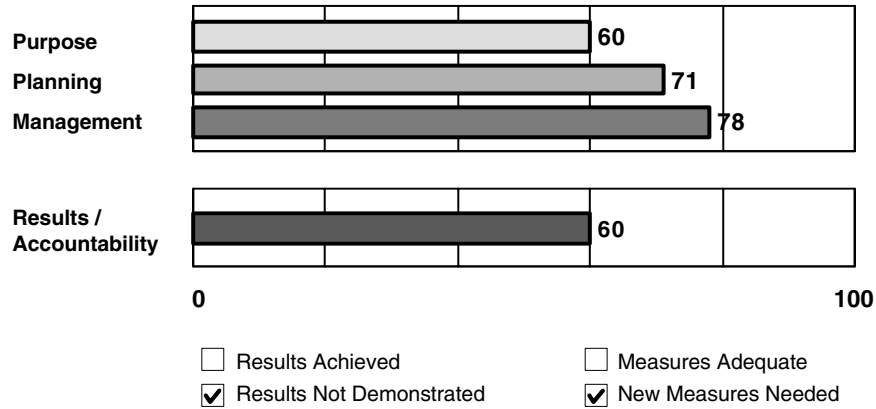
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
716	755	797

Program: Multifamily Housing Direct Loans and Rental Assistance

Agency: Department of Agriculture

Bureau: Rural Housing Service

Purpose	60
Planning	71
Management	78
Results / Accountability	60

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of new and rehabilitated units provided	2000	5,181	6,616
	2001	4,830	7,089
	2002	7,200	7,284
	2003	5,800	
Annual Measure: Number of households able to continue receiving rental assistance because of a renewed contract agreement	2000	41,800	38,489
	2001	42,800	39,159
	2002	42,330	39,454
	2003	42,330	

Rating: Results Not Demonstrated

Program Type: Mixed

Program Summary:

USDA's multifamily housing programs provide: (1) loans for construction of facilities, and (2) rental assistance. USDA generally lends to private developers, financing both the construction and rehabilitation of rural rental housing for very low-income, elderly, and handicapped rural residents. The loans are subsidized down to 1% to ensure that the overall operating costs remain low, so that the property will be affordable to low-income rural residents. Additionally, rental assistance grants are provided in 5-year contracts to owners of USDA-financed rural multifamily housing projects. The funding allows the owners to 'buy down' the rent of very low-income tenants, so that the tenants pay no more than 30% of their income for housing.

The assessment found that the multifamily housing programs are generally well-run. Other PART findings include:
1. Although the program achieves what it was designed to do, it is inefficient in that funds needed to show an effect on the problem to the economy as a whole would be prohibitively expensive.
2. USDA collects data and uses this data in its management of the program effectively.
3. The annual performance measures adequately guide the agency.
4. The long-term goal needs to be more strategic and focused.

The Administration will:
1. Improve and develop better annual goals. Even though the multifamily housing program is currently achieving its annual goals, it can create additional measurements that directly tie to its decisions on how to manage the funds they receive.
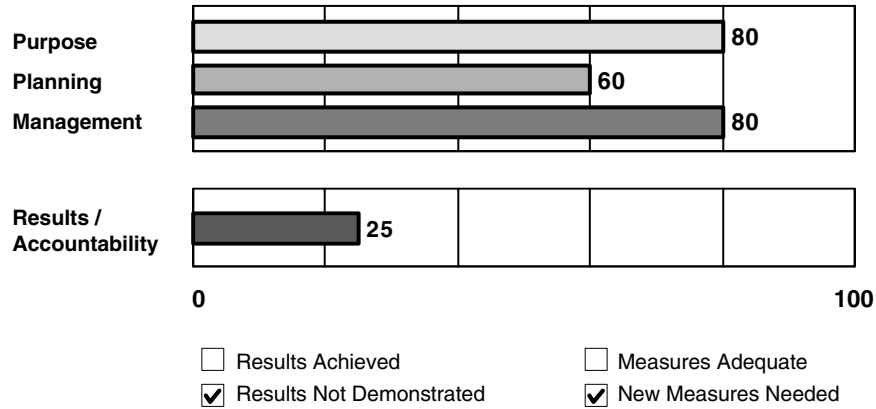2. Develop adequate long-term goals that measure outcomes.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
749	740	770

24

Program: National Forest Improvement and Maintenance

Agency: Department of Agriculture

Bureau: Forest Service

Purpose	80
Planning	60
Management	80
Results / Accountability	25

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of identified safety concerns with roads and trails posing immediate threat to users (Improvements to targets are currently under development.)			
Annual Measure: Facility Condition Index (FCI): a measure commonly used by private firms to monitor the condition of facilities (While the Forest Service has used FCI since 2002, improvements are being made in developing new targets.)			
Annual Measure: Number of passenger road miles maintained to a minimum quality standard (Improvements to targets are currently under development.)			

Rating: Results Not Demonstrated

Program Type: Capital Assets

Program Summary:

This program improves, maintains, and operates facilities, roads, and trails in the National Forest System.

The program serves a clear and important purpose. The roads and trails accommodate millions of visitors annually. However, the PART evaluation highlighted a number of obstacles the program faces in meeting its long-term goals. Specific findings include:
1. The program scored well on the management section. The Forest Service has made significant strides in collecting performance information and establishing reporting protocols that distinguish between critical and non-critical health and safety deficiencies. However, financial management still needs improvement as the Forest Service has had difficulty collecting timely, reliable, and complete financial data on its physical assets.
2. The program scored low on the results section. The program has a significant deferred maintenance backlog (estimated at $13 billion) and the Forest Service has been unable to demonstrate that it can maintain its current infrastructure needs.
3. Annual performance measures inadequately link to ongoing management initiatives aimed at addressing the maintenance backlog and improving/maintaining infrastructure where it is most needed.

In response to these findings, the Administration:
1. Provides no funding specifically for the deferred maintenance backlog. Priority backlog projects will be funded out of roads, facilities, and trails accounts and from recreation fee receipts, thus forcing greater prioritization among projects.
2. Will work to establish a more coherent prioritization process, improve annual performance measures, and increase incentives aimed at decommissioning obsolete and underutilized infrastructure.
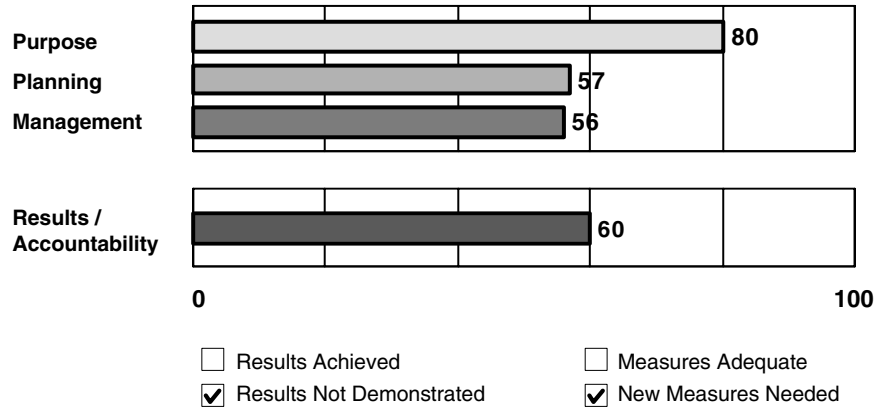
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
546	552	525

Program: National School Lunch

Agency: Department of Agriculture

Bureau: Food and Nutrition Service

☐ Results Achieved	☐ Measures Adequate	
☑ Results Not Demonstrated	☑ New Measures Needed	

Rating: Results Not Demonstrated

Program Type: Block/Formula Grants

Program Summary:

The National School Lunch Program provides funds to states for lunches served to children in schools. Meals are reimbursed at rates that vary by household income. Children below 130% of poverty receive free meals. While the assessment was based largely on existing measures, these measures do not adequately demonstrate results. New measures will be developed as a result.

The assessment found:
1. The program is generally well designed and has a clear purpose, however, a large proportion of children certified for free and reduced price meal benefits are from households with incomes above the programs's eligibility thresholds.
2. While the principal long term goal of the program, serving meals that meet the dietary guidelines, is ambitious, the annual performance measures are not well linked to the long term goal; participating schools do not report on progress towards goals and program funding does not reward schools that meet program goals.
3. There is a high rate of erroneous payments-- perhaps as high as 25%.
4. The program achieves long-term goals to a large extent and compares favorably with other programs with similar purposes and goals. However, annual goals do not directly support long-term goals.

Based on these findings, the Department will:
1. Create a system to improve the accuracy of income information submitted by households at the time of application to address the high rate of erroneous payments in the program.
2. Create a performance-based reimbursement system that provides for financial incentives for meals meeting the dietary guidelines.
3. Develop performance measures that meet the long-term goals.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of calories from fat and saturated fat	1993		38% 15%
	1999		32% 12%
	2003		
	2005	<=30% <=10%	
Annual Measure: Percentage of schools in compliance with meal claiming rules	2000		86.8
	2001	87	
	2002	87	
	2003	87	
Annual Measure: Other annual measures under development	2000		
	2001		
	2002		
	2003		

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
9,857	10,915	11,647

Program: *Rural Electric Utility Loans and Guarantees*

Agency: *Department of Agriculture*

Bureau: *Rural Utilities Service*

Purpose: 80
Planning: 17
Management: 90

Results / Accountability: 25

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			
Effiiency Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Credit*

Program Summary:

The US Department of Agriculture's (USDA) Rural Utilities Service (RUS) provides direct and guaranteed loans to rural electric cooperatives and other utilities in rural areas for generating, transmitting, and distributing electricity. Originally the intent of the program was to provide electric service. Since most citizens have service, the goal has shifted to providing affordable and reliable service. In addition, since many communities have grown since RUS started giving electric loans and RUS does not recertify the rural status of borrowers' service areas, some RUS electric loan funds support some urban areas.

RUS's electric program is well designed with a clear purpose which resulted in a high purpose rating. In addition, RUS received a high management rating because the program is effectively managed   However, the analysis reveals a disconnect between USDA's strategic goals and RUS's performance goals and measures. The Department's plan and RUS's goals do not match up with each other. The PART analysis also highlighted the need for better performance measures. Specifically, we found:
1. One of USDA's goals is to provide support to rural areas of greatest need. Except for the hardship program, RUS electric loans are not provided in such a way that would focus the support to areas of greatest need and do not always go to rural areas. RUS goals and measures supposedly support USDA's rural development goals, but the link between the goals and measures is not readily apparent.
2. RUS strategic goals are very broad, and it is difficult to demonstrate the impact of program funding on rural economies. Due to this, RUS received low scores in the Strategic Planning and Program Results sections.

To address these findings, RUS will:
1. Target RUS electric loans to areas with high poverty rates.
2. Increase funding for hardship loans that can only be used in areas that are severely depressed (applicants must meet rate disparity thresholds and their consumers must fall below average per capita and household income thresholds).

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

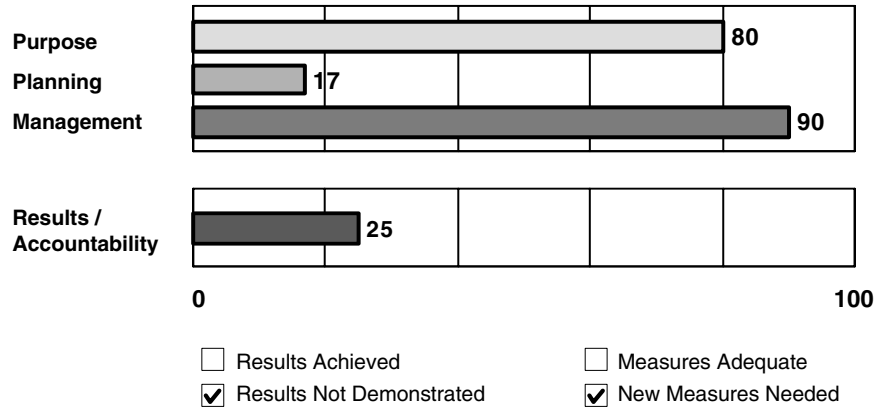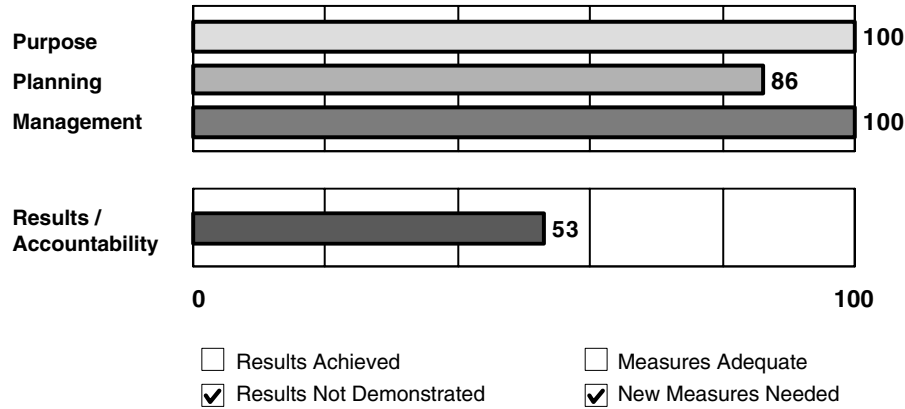**Program Funding Level (in millions of dollars)**

2002 Actual	2003 Estimate	2004 Estimate
4	11	0

Program: *Rural Water and Wastewater Grants and Loans*

Agency: *Department of Agriculture*

Bureau: *Rural Utilities Service*

Purpose	100
Planning	86
Management	100
Results / Accountability	53

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Measures under development			
Efficiency Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Mixed*

Program Summary:

The water and wastewater program provides loans and grants to low-income rural communities of 10,000 or less people. The program finances drinking water, sewer, and solid waste disposal facilities. Priority is given to loans serving smaller communities that have greater financial need, based on their median household income, poverty levels, and size of service population. The community typically receives a combination of loans and grants depending on how much they can afford. The grant is usually for 35%-45% of the project cost (it can be up to 75%). Loans are for 40 years with interest rates based on a three-tiered structure depending on community income.

Results from the PARTs showed the program to be extremely well designed and managed. In addition it found:
1. The program is successful in targeting assistance for water and wastewater infrastructure to poor rural areas.
2. USDA does an effective job of collecting program data and using it to manage effectively. Accordingly, over the life of the program fewer people in rural areas are experiencing access problems to safe, affordable drinking water and wastewater disposal.
3. While this assessment was based largely on existing measures, these measures do not adequately demonstrate results. Improvements to the performance measures need to be made. USDA cannot show that the long term results are directly related to their program. The long-term goal needs to be more strategic and focused in order to allow for better analysis. Currently, the long term measure is the same as the annual measure.

The Administration will:
1. Develop better annual goals; and
2. Create reasonable long-term goals that measure outcomes.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

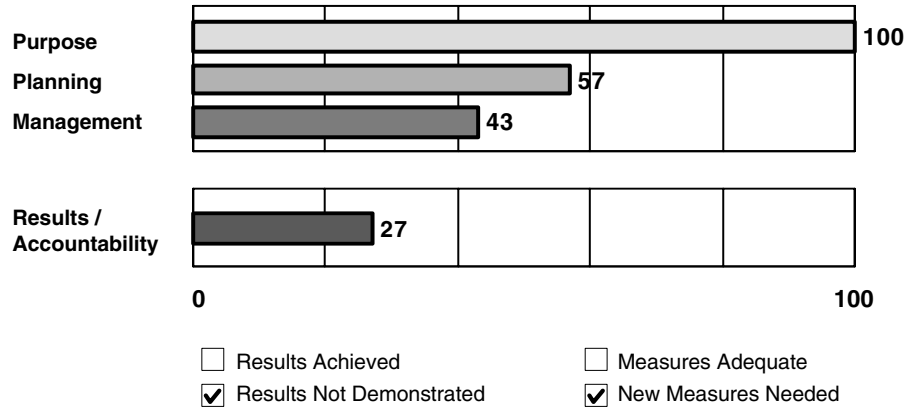[Funding below represents the discretionary program level (grant BA and loan level combined) for this program.]

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,479	1,479	1,479

Program: *USDA Wildland Fire Management*

Agency: *Department of Agriculture*

Bureau: *Forest Service*

Purpose	100
Planning	57
Management	43
Results / Accountability	27

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Number of high priority acres moved to a better condition class Measures the extent to which excessive fuel loads (small trees and brush that exacerbate risks of catastrophic fire) are reduced and forest health is improved (New measure, targets under development)			
Annual Measure: Number of high priority acres treated in (1) the wildland urban interface (WUI) or (2) in condition classes 2 or 3 outside the WUI Measures acres treated to reduce fire risk in areas adjacent to communities and in other high-priority areas. (New measure, targets under development)			
Efficiency Measure: Number of high priority acres treated in (1) the wildland urban interface (WUI) or (2) in condition classes 2 or 3 outside the WUI per million dollars of gross investment (New measure, targets under development)			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The Forest Service is responsible for managing and, if necessary, extinguishing fires on the lands it owns and on other lands through agreements. The program consists of five major activities: (1) fire preparedness, (2) fire suppression, (3) hazardous fuels reduction, (4) burned area rehabilitation, and (5) state and community fire assistance.

The assessment found that the program faces significant obstacles in meeting its long-term goals, most of which appear to be management challenges. A number of management changes are currently underway at the Forest Service to address these issues. Specific findings include:
1. The purpose and design of the program is clear and well-focused.
2. The cost of responding to fires is rapidly rising and no systematic cost containment strategy is in place to track and control firefighting efficiency.
3. Although the Forest Service has taken substantive steps to improve the hazardous fuels program (the removal of excess wood to reduce the risk of catastrophic fire), more effort is needed to demonstrate that fuels reduction activities are adequately targeted and efficiently managed.
4. The long-term goals developed as part of the 10-Year Fire Strategy still require baseline data, annual and long-term targets, and clear prioritization among the four goals and 18 measures.

Based on the identified problems in the program, the Administration will implement management improvements in the fire program, including:
1. Developing a real-time obligations system to improve the accountability of firefighting costs and accuracy of wildland fire obligations.
2. Improving accountability for firefighting costs and ensuring that states are paying their fair share of such costs.
3. Developing a new fire preparedness model that focuses on efficient allocation of available resources.
4. Establishing project criteria that is consistent with the 10-Year Implementation Strategy to ensure that hazardous fuels reduction funds are targeted as effectively as possible to reduce risks to communities in the wildland-urban interface.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)
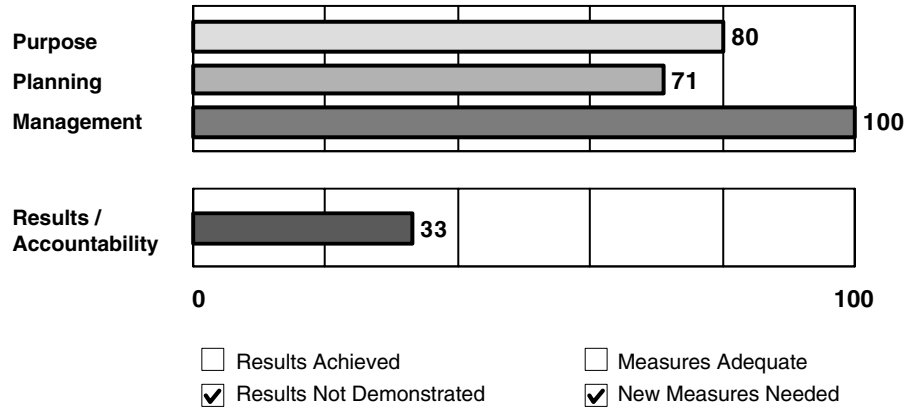
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,560	1,369	1,542

Program: *Wildlife Habitat Incentives Program*

Agency: *Department of Agriculture*

Bureau: *Natural Resources Conservation Service*

	Results Achieved		Measures Adequate
☑	Results Not Demonstrated	☑	New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of acres where wildlife habitat management measures were applied	2002	384,432	325,685
Annual Measure: Number of acres of wetland habitat created, restored, or enhanced	2002	6,880	6,767

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The Wildlife Habitat Incentives Program (WHIP) provides cost-share payments of up to 75 percent to landowners to enhance wildlife habitat. Improvements are made to both upland and wetland habitats, and are often used to benefit threatened and endangered species. The 2002 farm bill provided WHIP annual mandatory funding, and the program's funding increases from $26 million in 2003 to $48 million in 2004.

Overall, the results of the PART indicated that the program is managed in an effective manner. WHIP prioritizes funding for rare, threatened, and endangered fish and wildlife. In addition, WHIP leverages significant resources from conservation partners and often acts as a seed source for additional habitat projects. Other findings include:
1. WHIP could be more effective if its program purpose was more specific and narrowly focused.
2. Possible overlap exists between WHIP and other conservation programs administered by the Department of Agriculture, such as the Environmental Quality Incentives Program and the Wetlands Reserve Program.
3. The program does not have a limited number of ambitious, long-term performance goals that focus on outcomes.
4. The PART identified no independent and quality evaluations of WHIP.
5. The low results section score is primarily due to a lack of outcome-based performance indicators and independent, quality evaluations.

Based upon the PART review, the agency will:
1. Work to develop outcome-based performance measures and targets.
2. Conduct an internal, in-depth review of WHIP during 2003 by a departmental Oversight & Evaluation team.
3. The Administration requests an increase in the agency's discretionary appropriation in 2004 to design and implement an evaluation system that will provide outcome performance indicators for farm bill conservation programs, such as WHIP.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
15	26	48

30

DEPARTMENT OF COMMERCE

DOC is making good progress on all management agenda items.

President's Management Agenda

	Status	*Progress*

Human Capital — Status: (R), Progress: (G)

DOC has a strong foundation for improved human capital management. For example, it has a restructuring plan for the Economic Development Administration that moves people from headquarters to regional offices, to provide more direct service. DOC has reduced its lost-time accident rate by 21 percent since 2000, and proposes strengthening its safety program in 2004.

Competitive Sourcing — Status: (R), Progress: (G)

DOC has studied one percent of its commercial positions, but has committed to study 20 percent during 2003. Census is conducting a major public-private cost comparison and competition of 225 positions. The study covers a variety of clerical and administrative support jobs. Once at least 15 percent of DOC's positions have been studied, its status will improve to yellow.

Financial Performance — Status: (R), Progress: (G)

DOC has received three years of unqualified opinions on its consolidated financial statements. DOC expects to resolve its material weaknesses – information security and system integration -- through its new financial system and security enhancements. As of January 2003, 85 percent of DOC was already using a compliant system, and the Department will complete implementation this year.

Expanding E-Government — Status: (Y), Progress: (Y)

DOC has provided business cases for all major IT investments and 60 percent of all IT investments. DOC provides quarterly updates on IT security, and is working to address remaining deficiencies. DOC is managing partner for the International Trade Process Streamlining E-Government initiative to help expand exports from U.S. firms, and provides assistance to several other initiatives.

Budget and Performance Integration — Status: (Y) ↑, Progress: (G)

DOC's Budget in Brief will provide a clear presentation of the Department-wide performance budget for 2004.

Program Assessments

Ten Commerce programs were reviewed for performance effectiveness. The Administration proposes a variety of measures to address performance issues identified in the review, such as increasing funding where needed for core activities, reducing funds for low-priority programs, and instituting management reforms. The evaluations of, and recommendations for these programs, are highlighted in the accompanying summaries.

Program: *Advanced Technology Program*

Agency: *Department of Commerce*

Bureau: *National Institute of Standards and Technology*

Category	Score
Purpose	20
Planning	86
Management	100
Results / Accountability	67

Scale: 0 to 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed
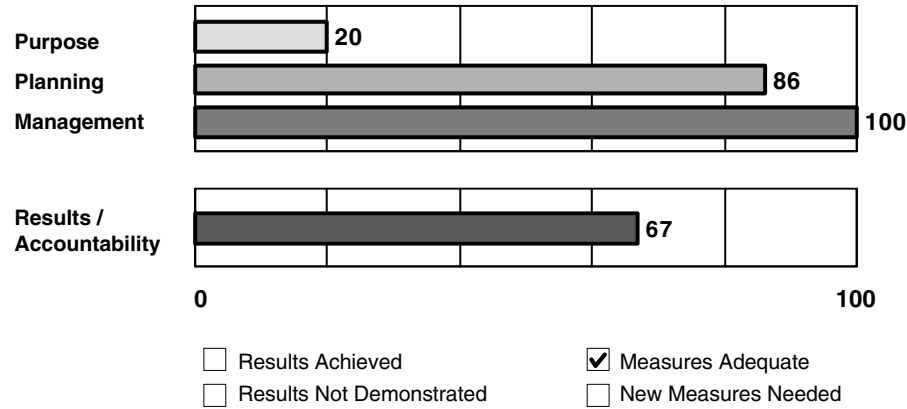
Key Performance Measures	Year	Target	Actual
Annual Measure: Cumulative number of publications generated by ATP-funded research	1999	480	468
	2000	680	565
	2001	720	747
	2002	770	
Annual Measure: Cumulative number of patents generated by ATP-funded research	1999	640	607
	2000	770	693
	2001	790	800
	2002	930	
Annual Measure: Cumulative number of technologies under commercialization	1999	120	120
	2000	170	166
	2001	180	195
	2002	190	

Rating: *Adequate*

Program Type: *Competitive Grants*

Program Summary:

The Advanced Technology Program (ATP) is intended to fund the development and dissemination of high-risk technologies through cost-shared grants to companies.

1. The program scored well in management and planning, but a clear need for the program is not evident.
2. The program is well-managed. The grant application process is open and competitive. Once grants are awarded, projects are subject to close oversight from project managers.
3. The program has adequate strategic planning goals and regular reviews are conducted to assess performance.
4. Annual performance measures suggest some progress over time. However, it is difficult to identify the extent to which ATP funding was required for projects. Past studies have demonstrated that similar research was being funded by the private sector without federal assistance.
5. Given the magnitude of funding available from corporate research labs, venture capital firms, and universities, it is not evident that ATP has a unique or significant impact on the advancement of high-risk technologies.

In response to these findings and lack of Congressional action on the Administration's proposed reforms for the program, the Budget proposes termination. Funding available in 2003-04 will be focused on prior year award commitments and administrative support to ensure proper oversight of continuing projects.

(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)
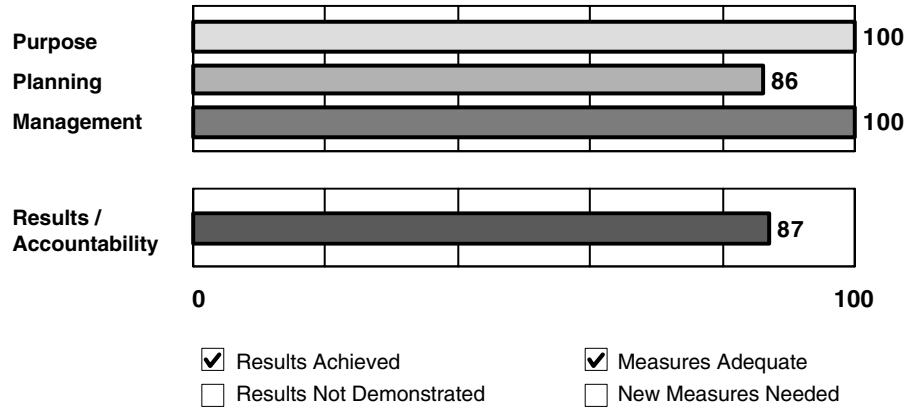
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
184	107	27

Program: *Bureau of Economic Analysis*

Agency: *Department of Commerce*

Bureau: *Economic and Statistical Analysis*

Purpose	100
Planning	86
Management	100
Results / Accountability	87

☑ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Rating: *Effective*

Program Type: *Direct Federal*

Program Summary:

The Bureau of Economic Analysis (BEA) produces economic statistics including the Gross Domestic Product (GDP), personal income and outlays, corporate profits and state personal income for use by public and private decision makers.

BEA performs well in most areas. BEA has consistently met most of its annual performance goals, including timeliness and reliability of delivery of GDP.
1. BEA has developed new annual performance goals to address the accuracy of GDP and other economic statistics by improving and accelerating the release of these figures.
2. BEA has adequate program management and strategic planning. BEA's budget requests, however, are based on BEA program areas that are not directly aligned with all of BEA's products and long-term performance goals.
3. BEA regularly collaborates with other federal statistical agencies to obtain quality source data and has an independent advisory board that evaluates BEA's statistical programs. However, the Census Bureau provides key inputs into BEA products and this important linkage into BEA's performance is not always clear.

In response to these findings the Budget provides funding increases to improve the quality and timeliness of BEA's economic statistics.

(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Annual Measure: Reliability and timeliness of delivery. This measure reports BEA's success at releasing its data on schedule and on time. BEA has between 48 and 50 scheduled releases each year that affect financial markets and are anticipated by users and the media.	2000	48 of 48	48 of 48
	2001	48 of 48	48 of 48
	2002	50 of 50	
	2003	48 of 48	
Annual Measure: Customer satisfaction. An annual survey of users is used to track customer satisfaction with BEA's performance on a 0 to 5 scale.	2000	> 4.0	4.3
	2001	> 4.0	
	2002	4.3	
	2003	4.3	
Annual Measure: Percent of GDP estimates correct. This measure tracks BEA's performance in estimating GDP levels and growth rates. It is a rolling average of six measures of accuracy over three years.	2000	>80%	93%
	2001	>80%	91%
	2002	>82%	
	2003	>84%	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
62	73	85

Program: *Economic Development Administration*

Agency: *Department of Commerce*

Bureau: *Economic Development Administration*

Purpose **60**
Planning **100**
Management **100**

Results / Accountability **67**

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed
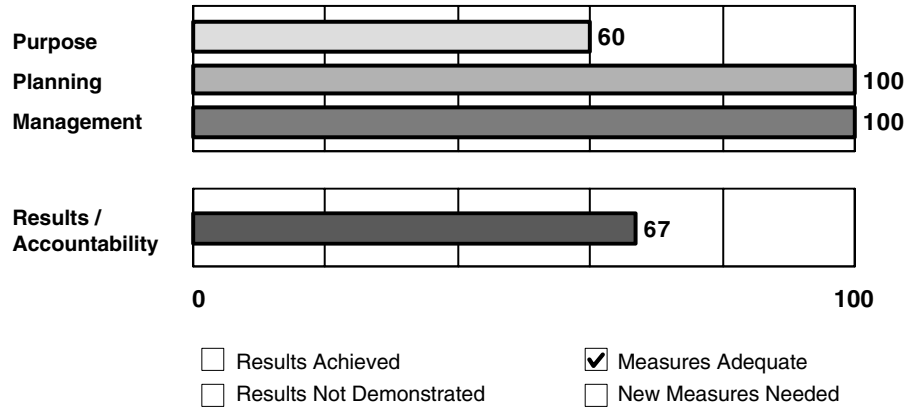
Key Performance Measures	Year	Target	Actual
Long-term Measure: Private sector dollars invested in distressed communities as a result of EDA investments (3-6-9 year increments, e.g., 1997 targets are measured in 2000)	1997	$116M	$199M
	1998	$130M	$971M
	1999	$420M	
	2000	$400M	
Long-term Measure: Jobs created or retained in distressed communities as a result of EDA investments (3-6-9 year increments, e.g., 1997 targets are measured in 2000)	1997	5,040	12,056
	1998	5,400	12,898
	1999	11,300	
	2000	11,300	
Annual Measure: Percentage of investments to areas of highest distress	1999	20%	36%
	2000	30%	45%
	2001	40%	43%
	2002	40%	

Rating: *Moderately Effective*

Program Type: *Competitive Grants*

Program Summary:

The Economic Development Administration (EDA) provides grants to economically distressed communities to generate new employment, help retain existing jobs and stimulate industrial and commercial growth.

The program scored well for program management and strategic planning, primarily because the agency has a longitudinal methodology in place for gauging economic development and has met or exceeded its targets. Now that the program has a track record, EDA can set targets that better reflect achievable performance.
1. EDA's primary long-term outcome goals are promotion of private enterprise and job creation in economically distressed communities. It is difficult to judge the effect of specific economic development projects; however, private investment and new or retained jobs are indicators of economic improvement. EDA has demonstrated adequate progress in achieving these long-term goals. EDA exceeded long-term performance targets for 1997 and 1998 investments.
2. Targeting has improved in recent years, but two-thirds of the nation qualifies for EDA assistance and less than half of EDA funds currently go to areas of highest distress.
3. EDA is pursuing a workforce restructuring that would redeploy resources to field offices and consolidate headquarters functions. EDA has also added seven criteria to its evaluation of potential investments that focus on results.
4. EDA utilizes a unit cost to calculate key targets (jobs created and retained). Program performance data for key measures are collected every 3-6-9 years. Capacity-building measures have been revised and data will be collected annually.
5. EDA's purpose is to create wealth and minimize poverty by promoting a favorable business environment to attract private-sector capital investment and jobs. EDA works in concert with states, counties, and municipalities that also address local economic development needs. The agency will continue to examine its role in the context of overall economic development investments and market conditions.

In response to these findings, the Budget provides a $16 million increase for EDA. In addition, the Administration will work to:
1. Adjust the targets to better reflect achievable performance;
2. Develop unit-cost measures for private sector leverage related to EDA investments; and
3. Better target EDA resources to areas of greatest need through administrative steps and reauthorization.
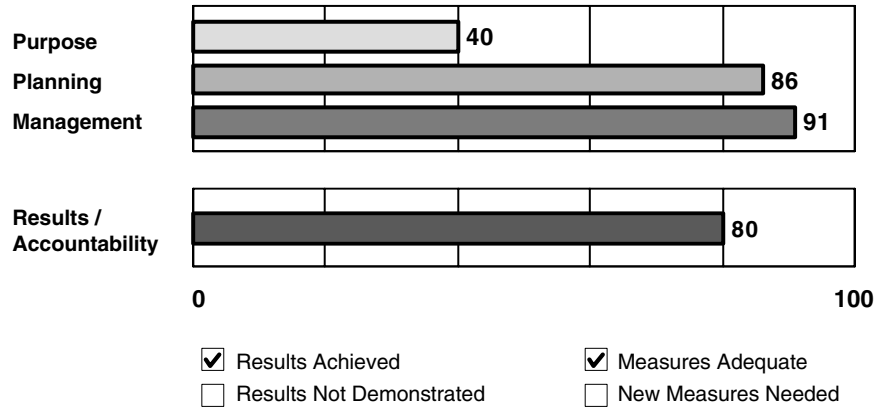
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
366	348	364

34

Program: *Manufacturing Extension Partnership*

Agency: *Department of Commerce*

Bureau: *National Institute of Standards and Technology*

Purpose	40	
Planning	86	
Management	91	
Results / Accountability	80	

0 — 100

- ☑ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Annual Measure: Increased sales attributed to MEP assistance ($ in millions)	1999	443	425
	2000	670	698
	2001	708	
	2002	726	
Annual Measure: Capital investment attributed to MEP assistance ($ in millions)	1999	359	576
	2000	864	873
	2001	913	
	2002	910	
Annual Measure: Cost savings attributed to MEP assistance ($ in millions)	1999	New	364
	2000	545	482
	2001	576	
	2002	497	

Rating: *Moderately Effective*

Program Type: *Competitive Grants*

Program Summary:

The purpose of the Manufacturing Extension Partnership (MEP) program is to improve the competitiveness of small and medium-sized manufacturers through a nationwide network of approximately 400 centers providing technical assistance and business support services.

1. The program scored well in planning. However, regarding its purpose and design, it is not evident that similar services could not be provided by private entities.
2. The program is well-managed. New MEP centers are established through open competitions, and center activities are closely monitored by the MEP staff for performance.
3. The program has adequate strategic planning goals, and regular reviews are conducted to assess performance.
4. MEP's annual performance measures represent indicators of competitiveness and demonstrate benefits to MEP firms, but it is difficult to identify the impact of MEP on the small manufacturing community as a whole. Ultimately, firms should be willing to pay for the full cost of services that contribute to profitability if they determine the services are worth it. Taxpayer support for MEP services that benefit firms (e.g., increased sales, capital investment, and inventory savings) is unnecessary.

In response to these findings the Budget maintains the 2003 proposal to eliminate federal funding for mature MEP centers. The proposal would restore the program's original authorized funding plan, which called for a phase-out of Federal monies to each center after six years of funding, with the goal of making each center self-sufficient. In assessing the purpose of this program, it is not evident that there is a need for a Federal response in this area.

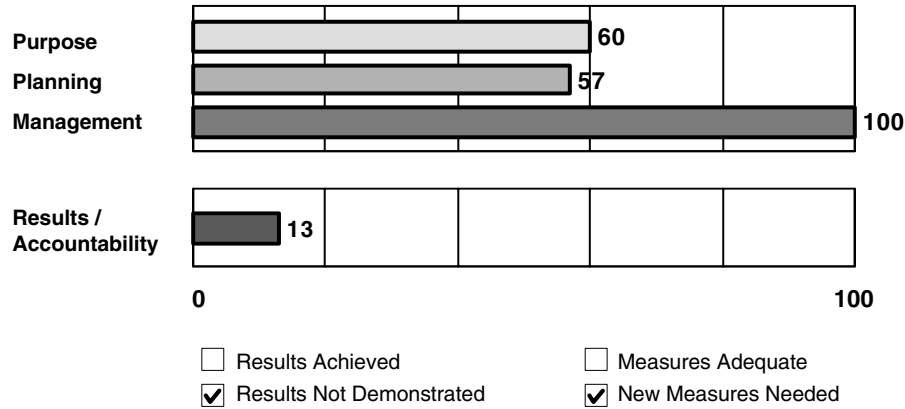(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
107	13	13

Program: *Minority Business Development Agency*

Agency: *Department of Commerce*

Bureau: *Minority Business Development Agency*

Purpose — 60
Planning — 57
Management — 100

Results / Accountability — 13

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Annual Measure: Dollar value of contracts (public and private) awarded to assisted minority-owned businesses	1999	$0.6B	$0.6B
	2000	$0.6B	$1.2B
	2001	$0.7B	$1.6B
	2002	$1B	
Annual Measure: Dollar value of financial packages (e.g., loans) awarded to assisted minority-owned businesses	1999	$0.7B	$0.7B
	2000	$0.9B	$0.2B
	2001	$1B	$0.6B
	2002	$0.4B	
Annual Measure: Number of financial packages (e.g., loans) awarded to assisted minority-owned businesses	1999	858	755
	2000	858	556
	2001	925	1,155
	2002	1,000	

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

Program Summary:

The Minority Business Development Agency (MBDA) provides consulting assistance to minority owned businesses.

The assessment indicates that program management efforts are strong but that improvement in planning and subsequently, results, is needed.
1. Current measures do not adequately reflect all MBDA activities. For example, MBDA provides web-based business assistance activities to clients that are not necessarily linked back to its actual performance.
2. Although MBDA has consistently met or exceeded its target for dollar value of contracts awarded to assisted businesses, the remaining two measures produce uneven results compared to the targets.
3. The program scored well on management as a result of its efforts to improve its structure to become a more effective organization. MBDA is exploring regional co-location opportunities to reduce administrative costs and enhance its reach.
4. The agency's current measures are not long-term in nature and therefore, do not connect to long-term achievable outcomes. The 1997 Survey of Minority-Owned Business Enterprises reports minority owned business activity continues to be smaller than the minority representation of the population. The agency may be better able to assess its impact by incorporating these findings into a long-term approach (e.g., by including measures of business formations assisted by MBDA).

In response to these findings, the Budget maintains level funding plus inflationary increases. In addition, MBDA will:
1. Redefine its performance measures and examine unit costs.
2. Continue to engage in strategic partnerships with public and private sector entities to leverage resources and enhance business development activities.
3. Study the viability of obtaining an independent program performance evaluation within current resources to ensure MBDA is best advancing its mission.
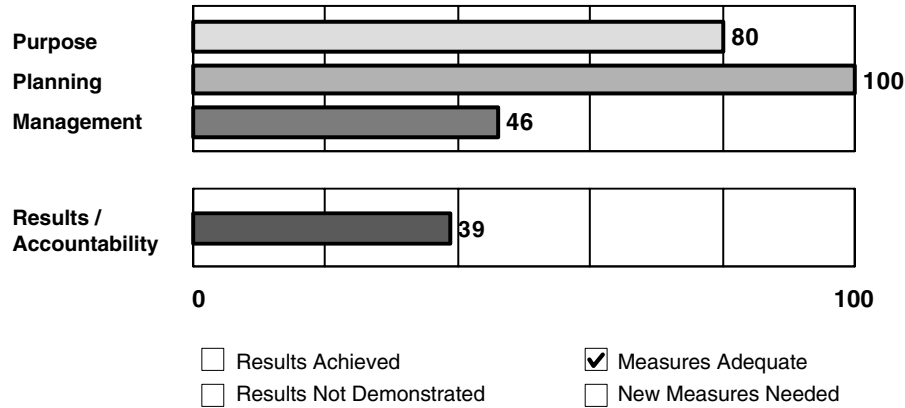
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
28	29	29

36

Program: *National Marine Fisheries Service*

Agency: *Department of Commerce*

Bureau: *National Oceanic and Atmospheric Administration*

Purpose	80
Planning	100
Management	46
Results / Accountability	39

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Reduce the number of overfished stocks out of 287 major stocks	2001	46	46
	2002	45	
	2003	45	
	2004	43	
Long-term Measure: Reduce the number of major stocks with an unknown stock status	2001	120	120
	2002	120	
	2003	118	
	2004	115	
Long-term Measure: Increase the number of major stocks with known sustainable stock levels	2001	121	121
	2002	122	
	2003	124	
	2004	129	

Rating: *Adequate*

Program Type: *Regulatory*

Program Summary:

The National Marine Fisheries Service (NMFS) is responsible for the management and conservation of marine animals (fish, marine mammals, and sea turtles) and their habitats off the coast of the United States and its territories.

1. Less than half of major fish stocks are known to be at sustainable levels. Stock levels are unknown for 40 percent, and 17 percent are known to be overfished. NMFS has rebuilding plans in place for most overfished fisheries. Due to biological limits, some plans will take a number of years to achieve goals.
2. NMFS's long-term goals are to significantly reduce the number of overfished stocks, reduce the likelihood of extinction of endangered species, and ensure that important habitats are protected. There is some belief that existing goals could be more ambitious if Congress fully supported the President's Budget request. NMFS is implementing a number of management changes and proposing budget and legislative changes based on prior program assessments. The PART reaffirmed the need for such changes.
3. Several independent and outside reviews of NMFS indicate NMFS has been somewhat effective -- within its existing authorities. NMFS is burdened with significant congressional earmarking that is often not tied to its primary performance goals. In addition, the Administration has requested substantial funding increases for fish stock inventories and surveys, not all of which have been provided by Congress.

In response, the 2004 Budget sustains the President's 2003 Budget policy of reallocating funds away from earmarks and toward core NMFS missions. NMFS will continue work implementing its proposed management and organizational changes.
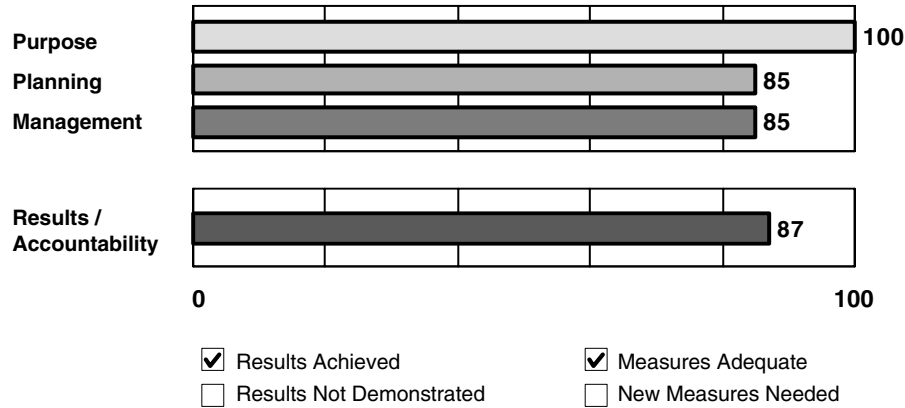
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
603	602	561

Program: *National Weather Service*

Agency: *Department of Commerce*

Bureau: *National Oceanic and Atmospheric Administration*

Purpose	100
Planning	85
Management	85
Results / Accountability	87

0 — 100

☑ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Annual Measure: Improve tornado warning lead time (minutes) Lead time is the difference between the time the warning was issued and the time the tornado affected the warned area. This measure reflects the average lead time for all tornado occurrences throughout the year.	1999	11	12
	2000	12	10
	2001	13	10
	2002	11	12
Annual Measure: Improve flash flood warning accuracy (percent) Accuracy is measured by the percentage of times a flash flood actually occurred in an area that was covered by a warning.	1999	85	85
	2000	86	86
	2001	86	86
	2002	86	89
Annual Measure: Reduce hurricane track forecast error (nautical miles) This measure is the difference between the actual location of hurricane landfall and the location projected 48 hours in advance.	1999	new	new
	2000	new	new
	2001	new	new
	2002	142	121

Rating: *Effective*

Program Type: *Direct Federal*

Program Summary:

The purpose of the National Weather Service (NWS) is to provide warnings and forecasts in order to protect lives and property.

1. NWS is well-managed and results-oriented. Past investments have yielded significant performance improvements in many areas. Cost-benefit analyses have helped to inform decisions on system improvements.
2. The strategic plan sets forth clear long-term goals that are tied to the program's performance measures. NWS develops annual operating plans to set performance targets and milestone objectives and conducts strategic planning reviews each year to track progress and make appropriate adjustments.
3. NWS has been recognized for its strong management practices by the "Government Executive Magazine" Federal Performance Project.
4. NWS has made progress in achieving long-term goals, particularly in improving accuracy and timeliness of forecasts and warnings. In 2002, NWS met nine out of thirteen annual performance goals. However, performance improvement has been slower in some areas, such as precipitation and aviation forecasting.
5. NWS works with emergency management groups to establish long-term targets for lead time and accuracy.

In response to these findings the Budget provides increases to support continued improvement in key performance areas, such as tornado-warning lead times and hurricane track accuracy.

(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)
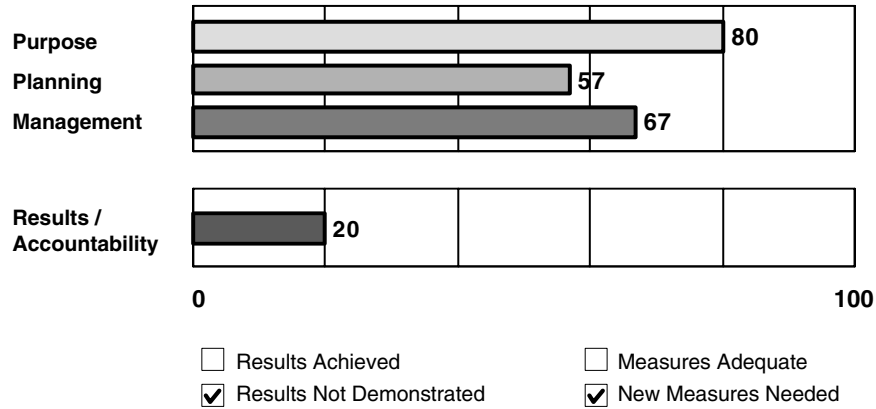
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
743	772	820

Program: *Pacific Coastal Salmon Recovery Fund*

Agency: *Department of Commerce*

Bureau: *National Oceanic and Atmospheric Administration*

Category	Score
Purpose	80
Planning	57
Management	67
Results / Accountability	20

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Block / Formula Grants*

Program Summary:

The purpose of the Pacific Coastal Salmon Recovery Fund (PCSRF) is to help restore stocks of Pacific salmon through improvement and expansion of available habitat. The program provides grants to the states of California, Oregon, Washington, and Alaska for this purpose.

1. Program-wide performance metrics have not yet been developed, although each state is developing performance measures related to their individual needs. While some 600 projects have been approved, their effects on Pacific salmon stocks are not yet known.
2. The program has not been able to allocate funds based on recovery needs of specific salmon populations. Alaska, which has no threatened or endangered salmon species, uses some of the funds for marketing of native salmon. Within states, there are competitive processes to select projects based on the state established priorities. Because NOAA has had to negotiate individual agreements with each state, fund distributions have taken longer than expected.
3. The long-term performance goal of the program is to contribute to recovery and conservation of Pacific salmon. The program, which started in 2000, has not finalized annual measures yet. The Administration has proposed that funds be allocated based on protecting those salmon populations that are most at risk as a first priority. Congress has not supported this change.

In response to these findings:
1. The Budget continues the program and again proposes allocation of funds based on listed salmon recovery goals.
2. The program is directed to complete the development of program-wide long-term performance measures by June, 2003.

(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)
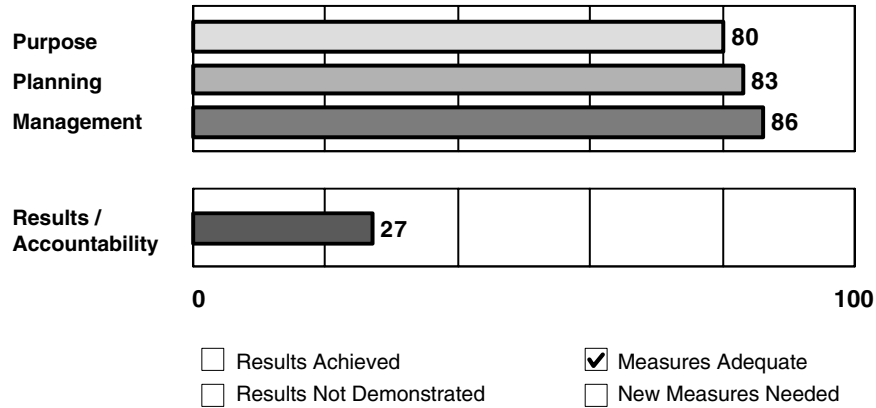
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
110	90	90

Program: *U.S. Patent and Trademark Office - Patents*

Agency: *Department of Commerce*

Bureau: *U.S. Patent and Trademark Office*

Category	Value
Purpose	80
Planning	83
Management	86
Results / Accountability	27

Scale: 0 to 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Annual Measure: Average total pendency (Pendency is the estimated time in months for a complete review of a patent application, from the filing date to issue or abandonment of the application.)	2000	26.2 mo.	25.0 mo.
	2001	26.2 mo.	24.7 mo.
	2002	26.1 mo.	
	2003	27.7 mo.	
Annual Measure: Error rate (Based on a quality review, this is the percent of allowed patent applications containing at least one claim that would be held invalid in a court of law.)	2000	New	6.6%
	2001	5.5%	5.4%
	2002	5.0%	
	2003	4.5%	
Annual Measure: Average first-action pendency (First-action pendency is the estimated time in months from filing to an initial review of a patent application by a patent examiner.)	2000	14.2 mo.	13.6 mo.
	2001	13.9 mo.	14.4 mo.
	2002	16.0 mo.	
	2003	16.4 mo.	

Rating: *Adequate*

Program Type: *Direct Federal*

Program Summary:

The Patent and Trademark Office (PTO) issues patents and registers trademarks. Patents provide protection to inventors and businesses for their inventions.

PTO's patent operation did not meet all of its performance goals in 2001 and has increasing unit costs per patent disposed.

1. The time required for initial review (first-action pendency) and complete review (average total pendency) by patent examiners remains high. The performance goals for these activities also remain high. Further, the initial review target of 13.9 months was not met in 2001. The patent operation also did not meet its customer satisfaction performance goal in 2001.

2. Patent examiners spend a very small amount of time, on average, on each application compared to the average time for complete review and processing of patent applications. For example, in 2001 average total pendency was over two years, including time spent awaiting replies from applicants. However, patent examiners spent an average of only 18 cumulative hours per patent application disposed.

3. Planning for e-government initiatives to electronically process patent applications has been adequate, although progress on implementation has been slow.

4. The patent operation has adequate program management. PTO uses activity-based costing to allocate the costs of patent and supporting operations and it uses contractors for administrative activities that support examination of patents.

5. Performance measures are generally adequate, although patents should adopt a measure of unit cost.

6. PTO's new strategic plan contains major reforms that address a number of the problems identified in the analysis.

In response to these findings and the development of PTO's new Strategic Plan, the Budget proposes funding increases for pendency, quality, and e-government initiatives. Modifications of PTO's fees are proposed to better reflect patent applications' costs.

(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)
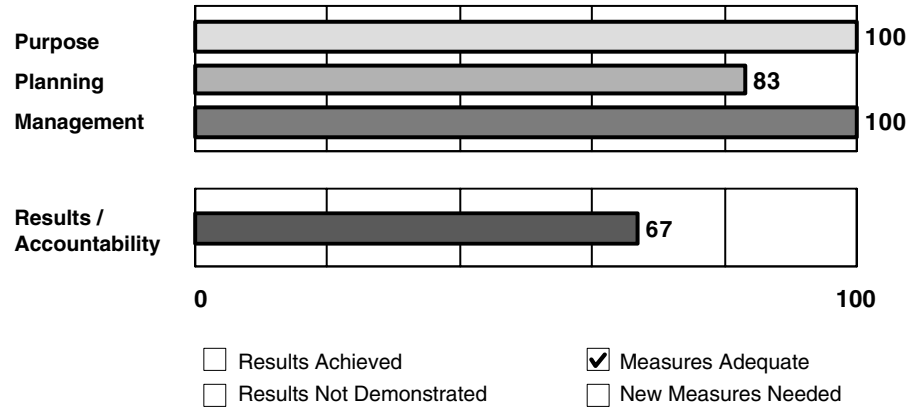
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
985	1,190	1,260

Program: *U.S. Patent and Trademark Office - Trademarks*

Agency: *Department of Commerce*

Bureau: *U.S. Patent and Trademark Office*

Purpose	100
Planning	83
Management	100
Results / Accountability	67

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

	Year	Target	Actual
Annual Measure: Average total pendency (Pendency is defined as the estimated time in months for a complete review of a trademark application, from the filing date to issue or abandonment of an application.)	2000	18.0 mo.	17.3 mo.
	2001	18.0 mo.	17.8 mo.
	2002	15.5 mo.	
	2003	13.5 mo.	
Annual Measure: Error rate (Based on a quality review, the percent of pending, registered, or abandoned applications containing an error that could affect the validity of trademark registration.)	2000	3.6%	3.4%
	2001	6.0%	3.1%
	2002	5.0%	
	2003	4.0%	
Annual Measure: Average first-action pendency (First-action pendency is the estimated time in months from filing to an initial review of a trademark application by a trademark examiner.)	2000	4.5 mo.	5.7 mo.
	2001	6.6 mo.	2.7 mo.
	2002	3.0 mo.	
	2003	2.5 mo.	

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

The Patent and Trademark Office (PTO) registers trademarks (and issues patents). Trademarks protect corporate and product identifications.

PTO's trademark operation has improved its operating procedures, started several e-government initiatives, and met most of its performance goals.
1. In 2001, the trademark operation met its performance goals for the average time required for a complete review of trademark applications (average pendency). PTO also exceeded the 2001 performance goals for the initial review of trademark applications (average first-action pendency) and for the error rate. The performance goals for these activities were relaxed in 2001 due to changes in the quality review process and large increases in the number of trademark applications.
2. In general, the trademark operation has demonstrated strong program management. PTO uses activity-based costing to allocate the costs of trademark and supporting operations. It uses contractors for administrative activities that support examination of trademarks and holds managers accountable for performance.
3. Performance measures are generally adequate, although trademarks should adopt a measure of unit cost.
4. PTO's new strategic plan contains modest revisions to existing trademark practices and procedures to further improve quality, pendency, and implementation of e-government.

In response to these findings, development of PTO's new strategic plan, and the progress the Trademark program has made in improving the efficiency of the trademark examination system, the Budget provides funding to further improve trademark pendency and quality and to complete e-government initiatives.

(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
141	144	144

DEPARTMENT OF DEFENSE

The Department of Defense (DoD) is not only the largest federal agency, it is also one of the nation's largest organizations, employing nearly 3 million people and spending over $350 billion on defending the United States. Management of any organization this size is challenging, yet DoD continues to progress in achieving reforms.

President's Management Agenda

Status   *Progress*

Human Capital   **Y** ↑   **G**

DoD's Workforce Restructuring Matrix shows significant progress in reorganizations, delayering, outsourcing efforts, and reengineered/streamlined processes. Agency strategic plans and human resources planning strategies are matched up with mission, goals, and organizational objectives. DoD reduced headquarters staffing by more than 11 percent.

Competitive Sourcing   **R**   **Y**

The Department is making progress in subjecting functions that are commercial in nature to competition. For example, DoD is competing base support functions at several installations across the country. DoD is announcing competions for almost 10,000 positions in 2003 and plans to announce competitions for an additional 10,000 positions in 2004. DoD is also seeking to return military members performing commercial functions to the war-fighting ranks.

Financial Performance   **R**   **G**

In 2002, the Department began to implement aggressively its plan to completely overhaul its financial management systems. DoD awarded a contract to a group of contractors headed by IBM. Also, the Department began efforts to speed-up the production of its Financial Statements and to improve its management of real property.

Expanding E-Government   **R**   **G**

DoD has submitted complete business cases justifying 180 major projects, totaling nearly $14 billion, or 49 percent of a total IT investment of $28 billion.

Budget and Performance Integration   **Y** ↑   **G**

The Department has developed benchmarks in a number of areas. For example, DoD has developed measures for its goal of maintaining a quality force, improving the quality of facilities, and developing transformational capabilities. DoD is well underway in having a Department-wide system that combines performance measures with budget resources for many activities.

Privatization of Military Housing   **Y**   **G**

DoD has a goal of eliminating 163,000 inadequate housing units (out of a total of 273,000) by 2007. The 2004 Budget includes plans to achieve this goal for all but 7,000 Air Force homes. To date, DoD has privatized 26,166 family homes, about 10 percent of its current inventory.

Program Assessments

The twelve DoD programs reviewed are, on average, moderately effective. Most of the PARTs revealed that the program purposes are clear and that DoD plans well. The PARTs also reveal that DoD does exhibit strong management practices except in financial management, a problem DoD's leadership is attempting to address. In addition, the assessment shows that DoD needs more specific short and long-term goals and performance measures for some programs, also an area that DoD leadership is addressing.

Program: *Air Combat Program*

Agency: *Department of Defense--Military*

Bureau: *Procurement*

Purpose	100
Planning	100
Management	72
Results / Accountability	67

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Number of performance objectives for individual weapons systems unmet	1999	0	0
	2000	0	0
	2002	0	0
	2003	0	
Annual Measure: Percent change in acquisition costs for individual aircraft programs from estimated cost of program. For example, actuals show deviation for the F/A-18E/F fighter program. Data from DoD's annual Selected Acquisition Reports. The Dec 2001 report represents a 2-year reporting period (1999-2001) due to the absence of a Dec 2000 report.	1999	<10%	4.7%
	2000	<10%	5.3%
	2002	<10%	4.1%
	2003	<10%	

Rating: *Moderately Effective*

Program Type: *Capital Assets*

Program Summary:

The air combat program consists of a number of individual aircraft and helicopter research, development and procurement programs that, taken together, comprise DoD's investment in air combat capabilities. Individual programs reviewed include fighter aircraft such as the Air Force F/A-22 fighter, the Navy F/A-18E/F attack fighter and the multiservice Joint Strike Fighter, as well as Army helicopters such as the Apache Longbow and Comanche. Findings reflect the performance of individual programs since DoD does not manage air combat as a single program.

Findings include:
1. The PART analysis showed that the program purpose is clear, owing to the unique military requirement of these systems.
2. The Air Combat program scored well in planning because of DoD's extensive planning, programming and budgeting system, which matches program plans with budgets and ensures that analyses of capabilities are done before individual programs begin.
3. DoD's management of the overall air combat program is currently based on the extensive system of regulations governing how individual acquisition programs are managed. Through these regulations DoD tracks the progress of individual programs and can hold managers accountable for their programs -- as has recently been shown by changes in management personnel in the F/A-22 program.
4. DoD's individual programs within the overall air combat program are delivering aircraft at targeted rates, but in several cases, such as the F/A-22, with cost increases.
5. DoD is moving towards a "capabilities based" assessment of its programs, rather than the traditional assessment of individual acquisition programs. Until the air combat program is managed as a single program (consisting of several systems) with clear long-term goals, it will be difficult to assess in this way. For example, DoD has not yet defined several annual goals or other performance measures for the air combat program as a whole.

In response to these findings, the Administration:
1. Proposes that DoD refine methods for assessing the efficiency and effectiveness (or otherwise) of the overall air combat program in light of the needs of the 2001 QDR defense strategy and the global war on terrorism.
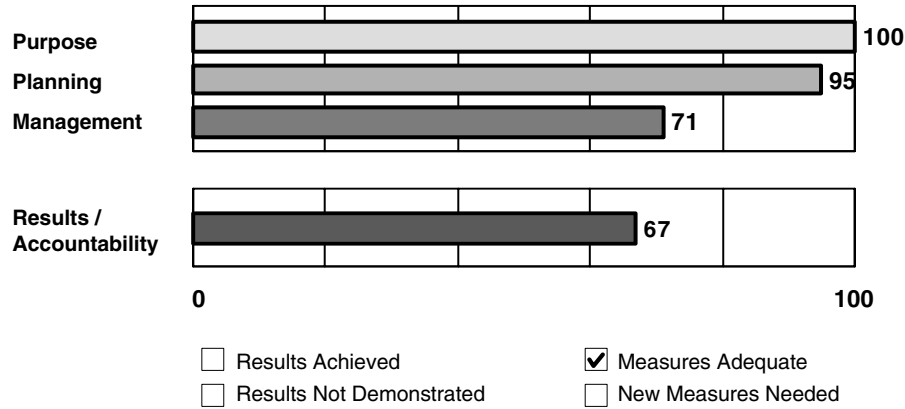
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
11,454	15,573	16,360

Program: *Airlift Program*

Agency: *Department of Defense--Military*

Bureau: *Procurement*

Purpose **100**

Planning **95**

Management **71**

Results / Accountability **67**

0   100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Annual Measure: Percent change in acquisition costs for individual programs from the total cost estimate. For example, actuals show changes for the C-17 program. Data taken from DoD's annual Selected Acquisition Reports. The December 2001 report represents a two-year reporting period (1999-2001) due to the absence of a December 2000 report.	1999	<10%	-1.7%
	2000	<10%	-1.5%
	2002	<10%	1.1%
	2003	<10%	
Long-term Measure: Provide 100 percent of strategic airlift capacity (54.5 million ton miles/day), a requirement established by DoD in its Mobility Requirements Study 2005	2003	90%	90%
	2005	100%	

Rating: *Moderately Effective*

Program Type: *Capital Assets*

Program Summary:

The airlift program consists of a number of individual Air Force tactical and strategic airlift aircraft research, development and procurement programs that, taken together, comprise DoD's investment in airlift capabilities. These capabilities allow DoD to move large amounts of personnel and material to, and within, remote locations in short periods of time. The individual programs include the Air Force's C-130J tactical airlift aircraft program, the C-17 strategic airlift aircraft program and the C-5 strategic airlift aircraft program.

Findings include:
1. The PART analysis showed that this is a coherent program with a clear and basic long-term goal, namely, to be able to move military forces and their equipment from the US to anywhere in the world whenever required.
2. Because the individual components of the overall program have clear goals, and because of DoD's extensive planning, programming and budgeting system, which matches program plans with budgets, the program also scored well in the strategic planning and management analysis.
3. The major airlift acquisition program, the C-17 program, is delivering aircraft on, or ahead of, schedule, albeit with some cost increase.
4. DoD must aggressively examine possible trade-offs within the airlift program that could lower the cost of meeting the airlift requirement without sacrificing military readiness or combat capabilities. To address this issue DoD is attempting to move towards a "capabilities based" assessment of its programs, rather than the traditional assessment of individual acquisition programs. The PART analysis showed that DoD still has more to do in this area. For example, DoD should develop annual goals and other performance measures for the airlift program as a whole.

In response to these findings, the Administration:
1. Proposes that DoD continue to develop methods for assessing the efficiency and effectiveness (or otherwise) of the overall airlift program in light of the needs of the 2001 QDR defense strategy and the global war on terrorism.

(For more information on this program, please see the Department of Defense chapter in the Budget volume.)
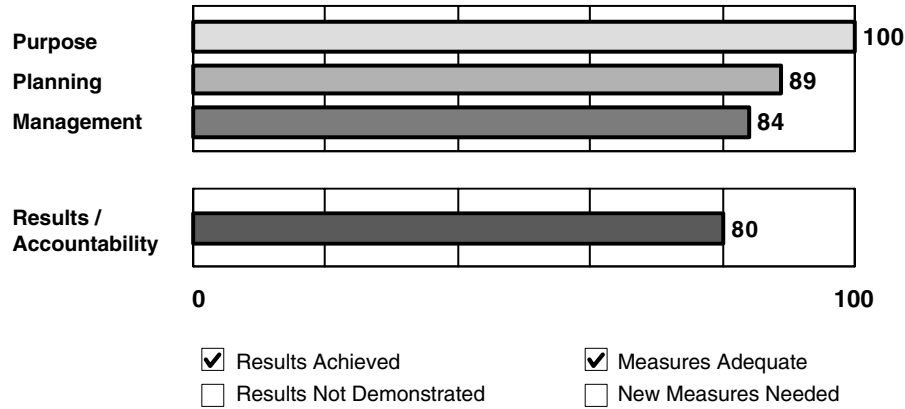
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
4,917	4,798	4,072

46

Program: *Basic Research*

Agency: *Department of Defense--Military*

Bureau: *Research, Development, Test, and Evaluation*

Purpose	100
Planning	89
Management	84
Results / Accountability	80

0   100

☑ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Certification in biennial reviews by technically competent independent reviewers that the supported work, as a portfolio, is of high quality, serves to advance the national security and is efficiently managed and carried out.	2003 and later	100%	
Long-term Measure: Portion of funded research that is chosen on the basis of merit review Reduce non-merit-reviewed and -determined projects by one half in two years (from 6.0% to 3.0%)	2005	-50%	

Rating: *Effective*

Program Type: *Research and Development*

Program Summary:

The Basic Research program includes scientific study and experimentation to increase fundamental knowledge in the physical, engineering, environmental and life sciences and consists of a wide portfolio of projects. The program is carried out primarily through grants to universities and non-profits. The results of this research are expected to improve the country's defense capabilities, although the actual results of any specific project are unpredictable. Notable successes in the past have led to advances in satellite communications and imagery, precision navigation, stealth, night vision and technologies allowing greatly expanded battlefield awareness. Due to the long-term nature of research results, the R&D PART emphasizes assessment of the process of choosing funded projects and independent assessments of how well the research portfolio is managed.

The assessment indicates that the basic research program has clear purposes of providing options for new weapons systems, helping prevent technological surprise by adversaries, and developing new scientists who will contribute to the DoD mission in the future. DoD can document--through its contracts and grants management regulations, public announcements of award competitions and results from independent review panels--the methodical management of its program. Additional findings include:
1. The grants/contract solicitation, review and award processes are competitive.
2. The program is reviewed regularly by technically capable outside reviewers, which recommend improvements they would like to be implemented. They indicate that the work is of overall high quality.
3. The program has competent planning and management.
4. Earmarking of projects in the program has increased in the past decade and contribute less than the typical research project to meeting the agency's mission.

In response to these findings, the Administration will:
1. Continue to emphasize the use of independent review panels in assessing the performance of the program.
2. Work with the research community and Congress to explain the need to limit claims on research grant funds to proposals that independently can meet the standards of a strict merit-review process.
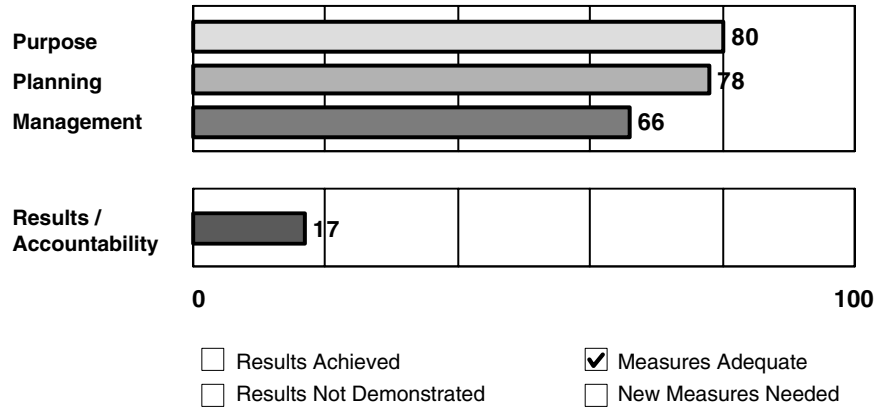
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,334	1,417	1,309

Program: *Chemical Demilitarization*

Agency: *Department of Defense--Military*

Bureau: *Procurement*

Purpose	80
Planning	78
Management	66
Results / Accountability	17

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Destruction and dipsosal of 100 percent of the chemical weapons stockpile	2012	100%	
Annual Measure: Disposal of 45% of the stockpile by 2004	2002	25%	25%
	2004	45%	

Rating: *Ineffective*

Program Type: *Capital Assets*

Program Summary:

The Chemical Demilitarization Program destroys the U.S. stockpile of chemical weapons. The United States has an obligation to destroy such weapons under a treaty (the Chemical Weapons Convention) ratified by the US in 1997.

1. The assessment revealed that the purpose of the program is very clear.
2. The program has faced a number of challenges that are reflected in the score. It has had difficulty gaining support from some local communities surrounding disposal sites, which has caused delays. Further, environmental permitting has delayed the start of some destruction. The delays and cost increases will make it difficult for the program to meet required deadlines under the Chemical Weapons Convention. The program underwent a major restructuring in 2003 that added approximately $9 billion to the cost of the program.
3. The delays and cost increases are reflected in a low accountability/results section score. The score is low because the program has only begun destruction activities at two out of nine sites, (Johnston Atoll and Tooele, Utah). Further, DoD has not yet determined the process it will use to dispose of the stockpile stored at Bluegrass, Kentucky, and therefore lacks a schedule or a budget for this site. In Anniston, Alabama, community safety concerns resulted in significant delays to the start of disposal. In addition, a delay in disposal occurred at Tooele, Utah when heavy metals were found in some weapons which required remediation. Thus, while DoD has destroyed a portion of the chemical weapons stockpile it still faces great challenges in destroying the entire stockpile in a timely and efficient way.

In response to these findings, the Administration will:
1. Manage the program according to milestones DoD recently developed for each site;
2. Focus on maintaining the schedule and efficiency goals; and
3. Approve a destruction process and proceed with planning efforts for the Blue Grass, KY site and work with the community groups at all sites to ensure that safety concerns are met.
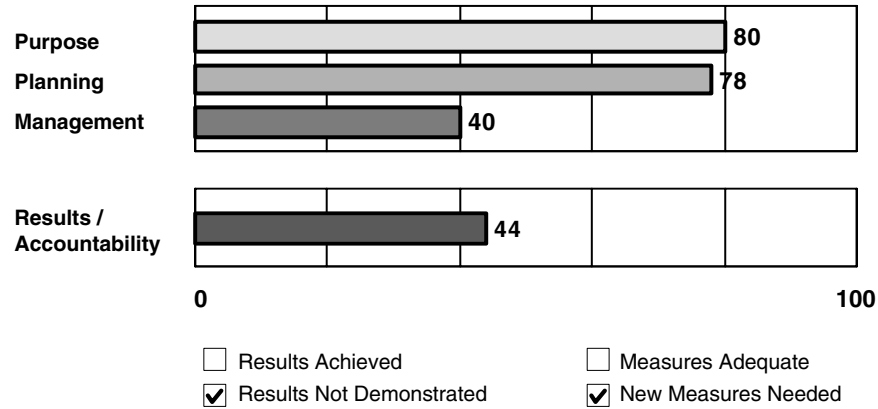
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,098	1,490	1,650

48

Program: *Communications Infrastructure*

Agency: *Department of Defense--Military*

Bureau: *Department of Defense--Military*

Purpose	80
Planning	78
Management	40
Results / Accountability	44

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: DoD is preparing long-term performance metrics, to include system capacity, performance, and user satisfaction. (New measure, target under development)			
Annual Measure: Percent of time that the Non-Secure Internet Protocol Router Network (NIPRNET) access circuit is available. NIPRNET is the unclassified IT system.	2000	> 98.5%	99.63%
	2001	> 98.5%	99.50%
	2002	> 98.5%	
	2003	> 98.5%	
Annual Measure: Number of bases upgraded by the Army Installation Information Infrastructure Modernization Program (I3MP)	2001	5	5
	2002	8	8
	2003	5	

Rating: *Results Not Demonstrated*

Program Type: *Capital Assets*

Program Summary:

The communications infrastructure program includes all networks and systems for transmission of voice, data, and video information for the Department of Defense, with a total investment of about $5.4 billion in 2003. This analysis includes base level communications activities of the military services, DoD's long distance communications, and the Defense Information System Network (DISN), managed by the Defense Information Systems Agency (DISA), which provides world wide communications capabilities to military personnel. The DISN includes the Global Infrastructure Grid (GIG) Bandwidth Expansion program, which will increase bandwidth connections to over 90 military bases, and the DoD Teleport program, which will improve satellite communications connections.

Overall, the PART reveals that DoD does not manage its communications infrastructure on an enterprise or department-wide basis. Best industry practice suggests a communications infrastructure should be managed with an enterprise approach rather than in a piecemeal fashion by component. The PART assessment also suggests that DoD should develop common performance measures to be used across the entire department for this program. Additional findings include:
1. The program's purpose is clear, owing to the unique military requirements of these systems.
2. The program performs well on planning because it has established clear short-term goals and has taken meaningful steps to address strategic planning deficiencies. It has not, however, established long-term performance measures.
3. While the program does collect performance information and is working to address management deficiencies, it lacks clearly defined long-term performance objectives and does not measure program efficiency or effectiveness.
4. The program results section also shows some weaknesses. Here again the PART highlighted the lack of long-term outcome goals.

In response to these findings, DoD will develop common metrics to assess program performance across the department.
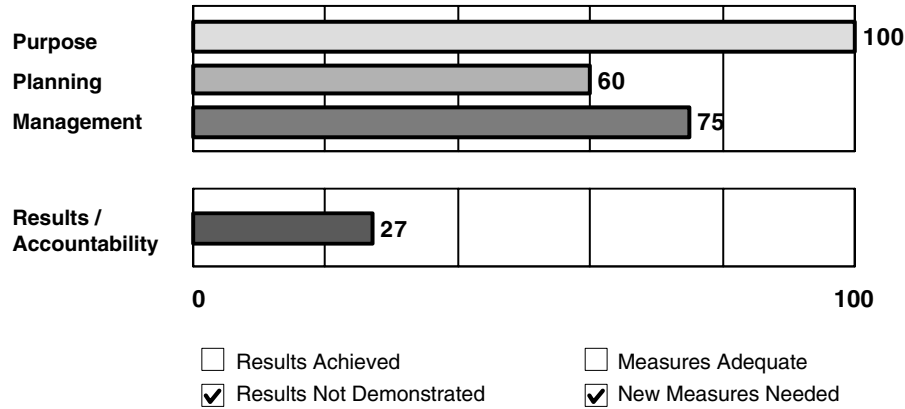
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
4,426	5,397	5,674

Program: *Defense Health*

Agency: *Department of Defense--Military*

Bureau: *Operation and Maintenance*

Purpose — 100
Planning — 60
Management — 75
Results / Accountability — 27

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Annual Measure: To achieve a higher average score for military hospitals than the average score received by non-military hospitals, as rated by the Joint Accreditation of Health Care Organizations which examines the way hospitals provide safe health care	1999	90.7	95.2
	2000	91.0	94.4
	2001	91.6	92.6
Long-term Measure: The program will develop a new measure to identify the cost of medical readiness.			
Long-term Measure: The program will develop two new measures to evaluate the medical readiness of the Active, Reserve, and Guard forces. One measure is on adequate individual readiness and the other on optimal individual readiness.			

Rating: *Adequate*

Program Type: *Direct Federal*

Program Summary:

The Defense Health Programs (DHP) does two things: 1) trains military medical personnel and 2) provides health care in peace and war time to active duty members, retirees, and their families around the globe.

Findings from the PART assessment include:
1. The program has a unique and clear mission of providing medical readiness training for war time.
2. DoD patients are generally satisfied with the availability and quality of health care.
3. In 2002, DoD made good progress in completing its five year health strategic plan and implementation has begun.
4. The program scored relatively low on the Program Results area primarily because it has not yet fully developed measures and targets for its long-term goals. While these results are still unknown, DoD is widely recognized for ensuring quality medical care in combat zones and at home -- hence, the rating of "Adequate."
5. DoD continues to improve its collaboration with the Department of Veterans Affairs (VA), while DoD and VA do not yet have a joint performance plan.

In response to these findings:
1. DoD leadership is taking significant steps towards improved long-term performance measures. DoD is working to finalize measures and targets for all the goals as well as to link annual measures with long-term goals.
2. The Budget supports increased coordination between VA and DoD through the sharing of enrollment and patient records data as well as through the implementation of several joint medical sites.
3. DoD and VA will develop a coordinated performance plan.

(For more information on this program, please see the Department of Defense chapter in the Budget volume.)
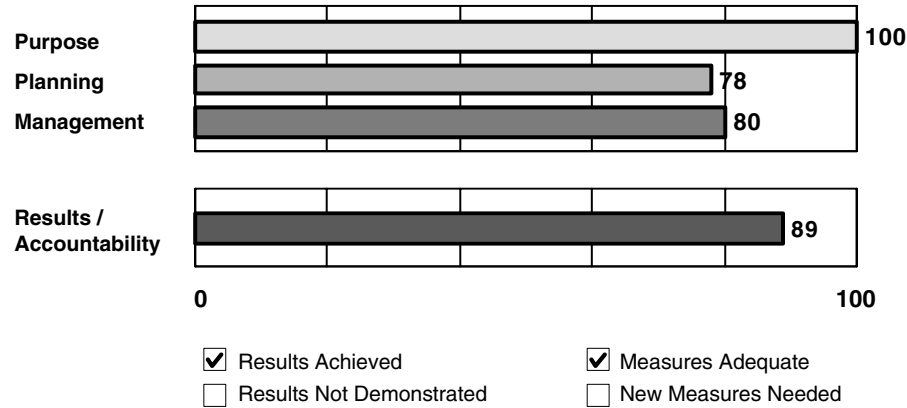
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
18,386	14,801	15,271

Program: *Energy Conservation Improvement*

Agency: *Department of Defense--Military*

Bureau: *Military Construction*

Purpose	100
Planning	78
Management	80
Results / Accountability	89

0   100

☑ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Ratio of savings to investment Average annual energy savings exceeded average annual program costs by a 4/1 margin within five years of the program's expenditure for the 1997 to 2001 period.	2001	4/1	4/1
	2002	4/1	4/1
	2003	4/1	
	2004	4/1	
Annual Measure: Percentage of funding given to the program that DoD obligates The program has had problems spending money in a timely manner. DoD has improved its obligation rate to 97% of the resources made available from 1999 through 2001.	2001	97%	97%
	2002	97%	
	2003	97%	
	2004	97%	
Annual Measure: DoD staff are developing a measure of BTU energy savings per dollar of funding, and this metric should be ready in 2003 to assist in developing even more aggressive targets. This program assists in meeting larger energy conservation goals that cannot be achieved with just ECIP projects.			

Rating: *Effective*

Program Type: *Direct Federal*

Program Summary:

The Department of Defense (DoD) consumes more than three-fourths of the Federal government's energy use. DoD spent $6.8 billion in 2001 on energy use, including fuels. The Energy Conservation Improvement Program (ECIP) is designed to improve energy and water efficiency in existing DoD facilities to reduce energy costs.

1. The ECIP program scored well in the purpose and planning sections because the purpose is clear and DoD has established realistic, attainable goals. DoD manages this program well. It closely tracks program spending and results, and manages future budget allocations to the Military Services accordingly. DoD has corrected past obligation rate problems.
2. The program achieves results. From 1985 through 2001, energy consumption has been reduced in DoD's buildings by 23% and in industrial facilities by more than 20%. More importantly, this reduction was achieved at a net savings. Over the life of the program, ECIP projects have produced average savings of about four dollars for every dollar invested.
3. Overall, the program scored well because it is a small, well-targeted program which assists the Military Services and Defense Agencies.

In response to these findings, the Administration will:
1. Ensure that the program produces high returns on the investment.
2. Support DoD's efforts to develop new metrics to provide additional information about the program's results, and will allow DoD to develop even more aggressive targets.
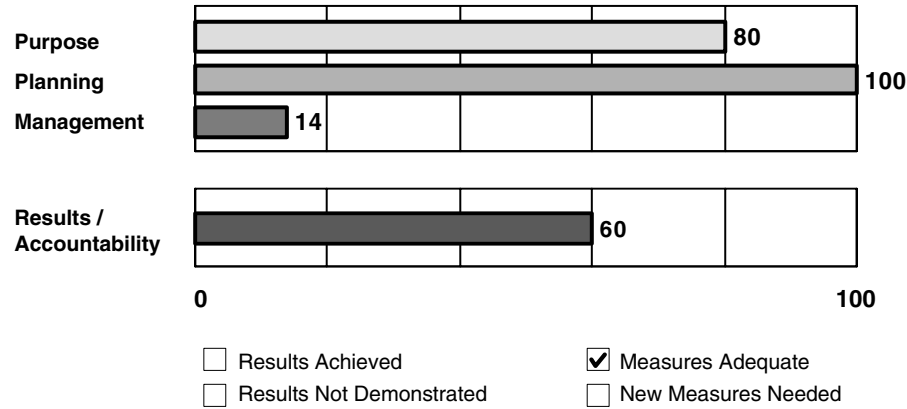3. Propose that this program be funded at $70 million in 2004.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
27	35	70

Program: *Facilities Sustainment, Restoration, Modernization, and Demolition*

Agency: *Department of Defense--Military*

Bureau: *Operation and Maintenance*

	Value
Purpose	80
Planning	100
Management	14
Results / Accountability	60

Scale: 0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of existing facilities rated C-2 or better. These facilities have no significant or major deficiencies that affect DoD's ability to perform its missions.	2001	100%	31%
	2002	100%	32%
	2003	100%	
	2004	100%	
Long-term Measure: Rate, expressed in years, in which planned facilities are restored, modernized, or replaced, given planned investment spending (lower, but not below target, is better) (New measure)			
	2003	67 yrs	138 yrs
	2004	67 yrs	128 yrs
Annual Measure: Percentage of day-to-day maintenance funded (target level keeps facilities in good working order) (New measure)			
	2003	100%	93%
	2004	100%	94%

Rating: *Adequate*

Program Type: *Direct Federal*

Program Summary:

The Facilities Sustainment, Restoration, Modernization (SRM) program provides funds to keep the Department of Defense's (DoD's) inventory of facilities in good working order. In addition, the program provides resources to repair aging or damaged facilities and alter facilities to meet new needs. The Demolition program provides funds to get rid of structures no longer needed.

The assessment found that while DoD has not adequately maintained its facilities (68% have significant or major deficiencies that affect DoD's ability to perform its missions), it is making a significant effort to address this problem. Additional findings include:

1. DoD recently developed a long-term strategic plan and is improving business practices, such as using performance-assessment metrics and using life cycle cost analyses that emphasize capital rather than short-term budgeting.
2. The high planning section score is due to the new strategic plan as well as recent development of new performance management tools and improved guidance issued to the military services.
3. The management section score is low because the program is not optimally managed to ensure that program execution matches the plan. The military services can deviate from guidance since program execution is decentralized. Deviation from the plan can put achieving program goals, such as funding day-to-day maintenance requirements fully and restoring or modernizing facilities every 67 years on average (based on private sector standards), at risk. Higher priority defense requirements have caused managers to use funds intended for maintenance of facilities for other programs. Over time this movement of funds has contributed to an accumulation of inadequate facilities.
4. A key performance measure, readiness of existing facilities to meet mission requirements, uses subjective assessments and can yield inconsistent results.

To address these findings, the agency will:
1. Improve program management. Performance should improve once managers begin managing more strictly to the new performance management tools. Accountability systems have been put in place to help.
2. Pursue a facilities readiness or condition reporting system that yields more objective, consistent results.
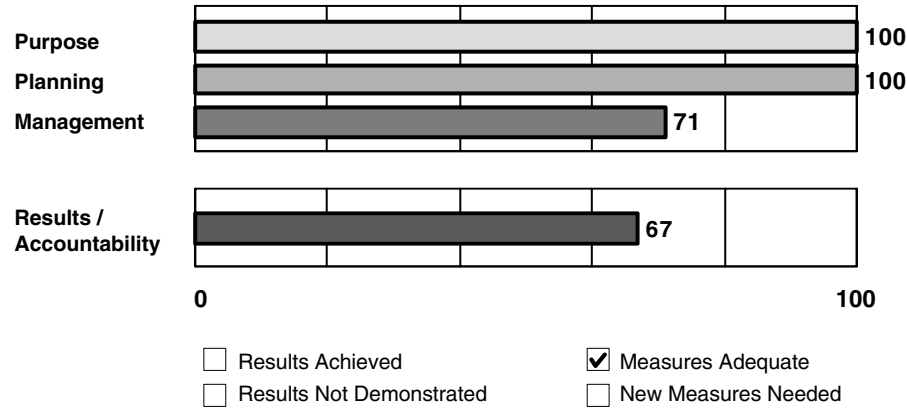3. Continue to work to eliminate excess facilities.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
6,307	7,068	7,300

Program: *Housing*

Agency: *Department of Defense--Military*

Bureau: *Military Personnel*

Purpose	100
Planning	100
Management	71
Results / Accountability	67

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Reduce the number of inadequate houses to zero by 2007	2002	153,249	163,195
	2003	125,366	
	2004	98,953	
Annual Measure: Number of housing units privatized	2002	13,905	10,284
	2003	34,649	
	2004	41,258	
Annual Measure: Percent of service members out-of-pocket housing expenses as a fraction of the national median housing costs	2002	11.3%	11.3%
	2003	7.5%	
	2004	3.5%	
	2005	0%	

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

DoD's housing program provides housing to military service members and their families. DoD does this in two ways -- by providing housing allowances (BAH) to service members (who find housing in the private sector or in privatized housing on-base) or by providing members DoD-owned housing.

1. The PART reveals that DoD received high scores for the purpose and planning sections because the housing program meets the specific needs of the military and has long-term and short-term goals.
2. The PART shows that, even though DoD has an ambitious goal of eliminating the number of inadequate houses by 2007 (a Presidential Management Initiative), DoD is lagging behind in meeting its targets as shown in the performance measures table on the left. At the end of 2002, DoD owned 163,195 inadequate housing units, higher than what was projected.
3. However, DoD met its goal for reducing service member out-of-pocket housing expenses to 11.3% by increasing housing allowances in 2002.
4. DoD is making attempts to reduce the federal role by increasing both allowances and privatization of government-owned housing.

Based on these findings, the Administration will:
1. Work toward meeting yearly targets so that DoD can eliminate all inadequate housing by 2007.
2. Eliminate all out-of-pocket housing expenses by providing an appropriate housing allowance.
3. Privatize government-owned housing, where feasible, so that military service members and their families can live in quality housing.

(For more information on this program, please see the Department of Defense chapter in the Budget volume.)
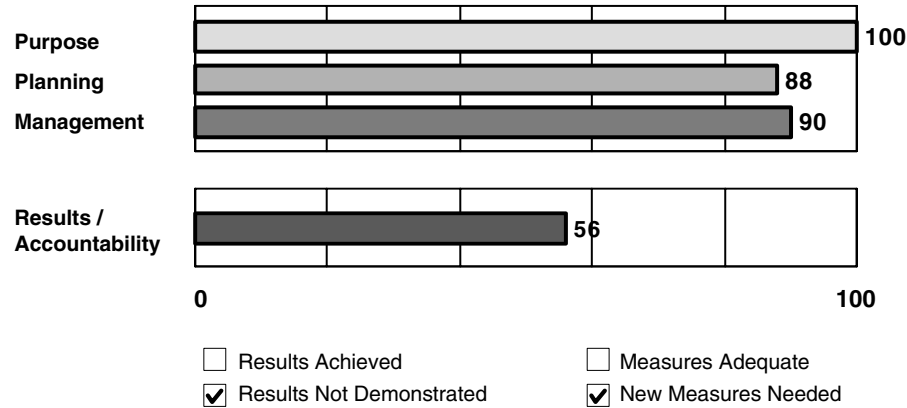
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
11,946	13,086	14,156

Program: Missile Defense

Agency: Department of Defense--Military

Bureau: Research, Development, Test, and Evaluation

Purpose — 100
Planning — 88
Management — 90

Results / Accountability — 56

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Number of major tests performed and number successful (Tests will result in increasingly capable and integrated BMDS.) Year Tests Cost Complexity 2002 5 tests $638M Low 2003 9 tests $534M Medium 2004 10 tests $808M Medium	2002	5	4
	2003	9	
	2004	10	
	2005	TBD	
Annual Measure: Percentage of key schedule milestones met each year to support development of the first increment ("Block 04") of layered missile defenses (Milestones must be met within plus or minus two months of the date planned at the start of the fiscal year. "Block 06" milestones would begin in 2005 and continue beyond.)	2003	Final Design	
	2004	Test Bed Ready	
	2005	Block Certified	
	2006	Block 06	
Annual Measure: Cost of developing the first increment ("Block 04") of layered missile defenses (Targets will be the not-to-exceed annual development costs for "Block 04" as planned in the 2004 Budget. Cost estimates for "Block 06" are being developed.)	2003	$4.4B	
	2004	$4.8B	
	2005	Block 06	
	2006	Block 06	

Rating: Moderately Effective

Program Type: Capital Assets

Program Summary:

This program represents all the components making up the layered, Ballistic Missile Defense System (BMDS).These components are developed and deployed in "blocks" with new capabilities fielded on a two-year cycle (beginning with 2004). The core program is a research and development effort managed by the Missile Defense Agency (MDA), augmented by procurement efforts under the military services.

The assessment indicates that MDA has significantly improved strategic planning and program management, but has not yet demonstrated results in response to their new goals and objectives. Specific additional findings include:

1. 2002 was a year of reorganization as MDA realigned its program planning to the Administration's withdrawal from the Anti-Ballistic Missile Treaty. The program receives a high score for "Planning" because it has completed documenting detailed research and development goals/objectives for its "Block 04" capability, although documentation for future "Blocks" is still in development.
2. MDA has implemented a management approach emphasizing incremental development of multiple capabilities, with improved risk management throughout the program. This is in contrast to the previous philosophy of a single, high-risk National Missile Defense program with a large potential for failure.
3. In terms of program results, MDA had a successful year in testing with four of five successful major intercept tests (seven-of-eight successes in the last two years). However, deployment of an actual operational system for defense of the U.S. is not expected until late 2004. Program "Results" could improve as MDA begins to manage and assess results against its newly developed "Block 04" program goals.

In response to these findings, the Administration:
1. Will complete missile defense research and development goals/objectives through "Block 08" next year.
2. Will develop measurable military operational goals for each Block of missile defense capability. These goals should be linked to the MDA research and development goals.
3. Will review the program transition mechanism between MDA and the military services, which is not well understood and needs further development in 2003.
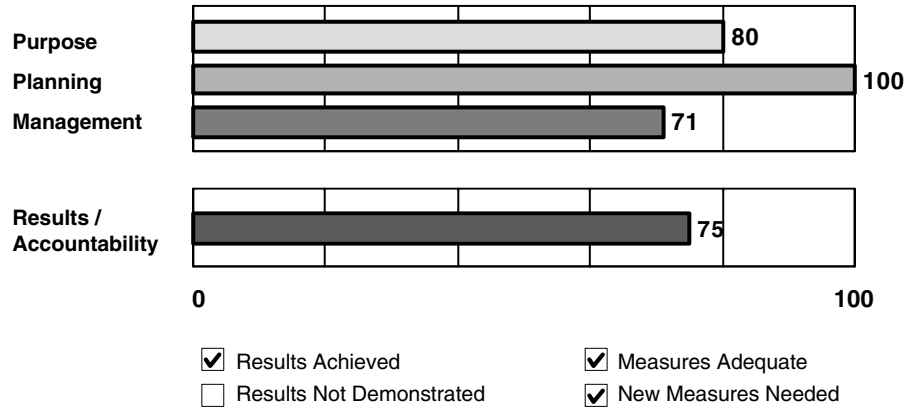
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
7,772	7,725	9,138

Program: *Recruiting*

Agency: *Department of Defense--Military*
Bureau: *Operation and Maintenance*

Purpose	80
Planning	100
Management	71
Results / Accountability	75

0   100

- ☑ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Number of personnel required to meet military needs In addition to exceeding the required number of recruits, quality goals have been met over the past three years.	1999	200,000	193,000
	2000	205,000	206,000
	2001	211,000	212,000
	2002	210,000	212,000
Budget/Short-term Measure: Average cost of recruiting a new member into the Armed Forces (The numbers in this table represent the total cost of the program divided by the number of recruits. This measure is not currently used as a performance goal - it is only a measure of the expected cost of the program. The Administration recommends this performance measure.)	2002		$13,252
	2003	$13,662	
	2004	$14,162	
Program efficiency metrics currently under development			

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

The recruiting program of the Department of Defense (DoD) is designed to attract large numbers of high quality young men and women to serve in the armed forces. The program is multifaceted, using military members, advertising, and bonuses to attract young men and women to military service. The goal of DoD recruiting is to ensure that sufficient numbers of qualified young Americans enlist in the armed services.

The assessment found that the program was highly effective, but since there were no measures of program efficiency, the overall rating is only moderately effective. DoD has met its goals for both quality and quantity of recruits for the past two years. During this period, costs did increase, with the Services adding production recruiters, expanding and refining their enlistment incentive programs, reenergizing advertising with performance incentives written into their contracts, embracing high technology with laptop computers and cell phones, exploiting the Internet with cyber-recruiting initiatives, and adopting proven business practices in recruiter selection and training. The Services continue to refine their recruiting programs, with the Army and Navy actually able to reduce the number of recruiters as the investments in the recruiting process come to fruition. When viewed in constant dollars, the cost-per-recruit has stabilized at the 2002 level in the 2004 Budget Request. However, the program does not have management information systems in place to allow for better decision making. There is currently no way to gauge the effectiveness of specific new tools and determine whether the recruiters are more effective.

In response to these findings, the Administration will:
1. Recommend the Department of Defense create better information systems to allow more management information flow to the program managers. This new system should support separating out and measuring fixed and variable costs, measures of management efficiency, and performance information for the results of particular inputs. Such a system would increase the information available to the program mangers about the effectiveness of each of the elements of the program, allowing them to take a broader look at the available resources and apply them more efficiently.
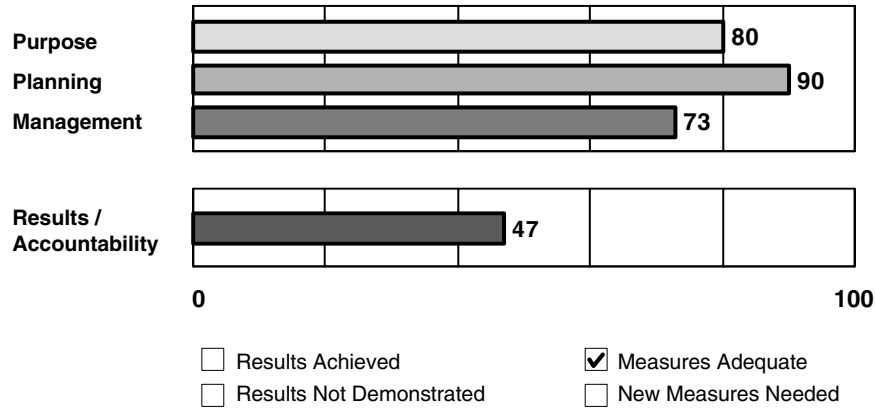2. Create a quarterly execution report to track program performance and program efficiency.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
2,644	2,688	2,805

Program: *Shipbuilding*

Agency: *Department of Defense--Military*

Bureau: *Procurement*

Purpose	80
Planning	90
Management	73
Results / Accountability	47

0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Rating: *Adequate*

Program Type: *Capital Assets*

Program Summary:

The shipbuilding program buys new ships and overhauls older ships for the Navy.

The assessment shows that the Navy's shipbuilding program has a clear purpose, which directly relates to the Navy's mission to defend the nation. The shipbuilding program is designed around long-term goals to maintain a specific fleet size and capability. For example, the Navy uses a baseline of 12 aircraft carriers as the minimum number needed to carry out required missions. Because of this goal, aircraft carriers are purchased at levels required to maintain this quantity. Additional findings include:
1. The Navy has specific cost, schedule, and performance goals for each shipbuilding program.
2. The Department of Defense conducts periodic reviews of programs at major milestones of development and uses a structured reporting regime to help monitor the status of ship development and cost, and construction schedule.
3. The shipbuilding program is limited by industrial base, political, and budgetary pressures that have prevented the Navy from building ships at an optimal, efficient rate to provide for the long term.
4. The Navy has experienced cost increases and schedule slips on some ship construction programs.
5. The unique attributes of each ship and the small procurement quantities within the shipbuilding program challenge the Navy from realizing efficiencies that could be achieved program-wide. Optimistic budget assumptions have exacerbated this problem.

In reponse to these findings the Administration will:
1. Improve the cost estimates for the shipbuilding program or, in some cases, fully budget to cost estimates.
2. Work to ensure that shipbuilding decisions are made with long term fleet size and capability goals in mind.
3. Institute program-wide goals rather than the ship specific goals that are currently used.

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Annual Measure: Percent change in acquisition costs for individual programs from established cost of the program. Results from Virginia Class attack submarine program shown as example; data from DoD's annual Selected Acquisition Reports. The Dec 2001 report represents a two-year period (1999-2001) due to the absence of a Dec 2000 report.	1999	<10%	12%
	2001	<10%	12%
	2002	<10%	
	2003	<10%	
Annual Measure: Percentage of ship construction complete. Each ship under construction has a delivery date and construction schedule. At the end of each year, the Program Manager has a goal to have a percentage of the ship construction completed. The information provided is for the first Virginia Class submarine (SSN 774).	1999	22%	24%
	2001	57%	64%
	2002	>85%	
	2003		
Long-term Measure: Number of ships in the Fleet. The Navy has a baseline level of ships that it should maintain. For example, the 2001 Quadrennial Defense Review set 55 attack submarines as the baseline force that the Navy should maintain. The information shown shows planned levels for attack submarines.	2000	55	56
	2005	55	54
	2009	55	60
	2012	55	60

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
9,798	9,457	12,161

DEPARTMENT OF EDUCATION

While much work remains, the Department has begun to put its management and financial house in order. It is showing good progress in all initiatives.

President's Management Agenda

	Status	*Progress*
Human Capital	**R**	**G**

Under its "One-ED" strategy, ED is assessing the efficiency of its human capital processes – like hiring -- and has begun reengineering efforts to improve them. ED must still assess skill gaps.

Competitive Sourcing	**R**	**G**

To raise its score, ED should compete at least 15 percent of its FAIR Act inventory.

Financial Performance	**R**	**G**

ED has deployed a new system for generating more accurate and timely financial reports.

Expanding E-Government	**Y** ↑	**G**

The Department leads all other agencies in converting inefficient paper processes to electronic ones, providing an electronic option for 86 percent of its citizen-to-government transactions.

Budget and Performance Integration	**R**	**G**

No Child Left Behind provides a framework for integrating budget and performance in many K-12 programs. ED will implement a similar framework for other education programs.

Elimination of Fraud and Error in Student Aid Programs	**R**	**G**

The Department has reduced fraud and error in its student aid programs by improving methods used to identify ineligible students and risky and/or non-compliant institutions.

Faith-Based and Community Initiative	**Y** ↑	**G**

ED has reduced barriers to the participation of faith-based and community organizations by setting aside grant funds for novice applicants, conducting extensive outreach, and providing technical assistance in applying for and administering grants.
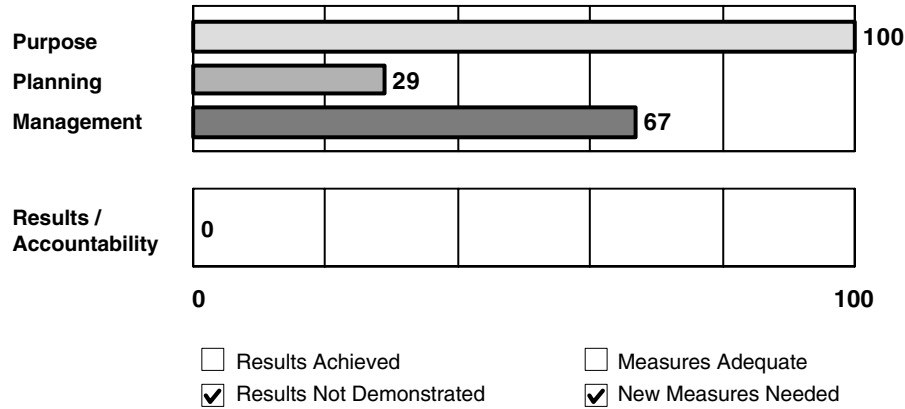
Program Assessments

PARTs were completed for 18 programs covering more than $27 billion (55 percent) of ED's 2003 discretionary budget. For many programs, the PART revealed a lack of strong performance measures and data. Several programs with low scores are proposed for reduction, elimination, or reforms based on weaknesses identified in the PART. The PART process also yielded improved performance measures in programs, like TRIO Student Support Services and Upward Bound.

Program: _Adult Education State Grants_

Agency: _Department of Education_

Bureau: _Office of Vocational and Adult Education_

Purpose	100
Planning	29
Management	67
Results / Accountability	0

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Percentage of participants who entered employment in the 1st quarter after program exit (New measure: result of common measures exercise; targets to be determined beginning in 2003; 2001 reports performance against a similar previous goal.)	2001		31%
Long-term and Annual Measure: Percentage of participants who were employed in the 1st quarter after program exit who remain employed in 2nd and 3rd quarters after exit (New measure: result of common measures exercise; targets to be determined beginning in 2003; 2001 reports performance against a similar previous goal.)	2001		62%
Long-term and Annual Measure: Percentage change in earnings: Based on (1) pre-enrollment to program exit; (2) 1st quarter after exit to 3rd quarter after exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			

Rating: _Results Not Demonstrated_

Program Type: _Block / Formula Grants_

Program Summary:

The Adult Education State Grants program provides grants to states in order to teach adults how to read and learn other skills that will help them obtain a high school diploma, employment, and economic self-sufficiency.

The assessment found:
1. Grantees have clear guidance on the purpose and goals of the program.
2. The program is managed well overall, but grantees are not held fully accountable for results.
3. The impacts of the program are not clear. Grantee performance reports have significant data quality problems, such as low response rates. Some available data demonstrates modest positive impacts (e.g., in 2001, only 31% of participants with a job placement goal were successful in meeting that goal.) There is currently no national evaluation of this program.
4. The current program has adopted a new, common measures reporting framework so that it can be compared to other Federal programs serving similar objectives, such as job training programs within the Department of Labor. However, the program must establish specific performance targets and ensure that the necessary data is collected to institute the new measures.
5. The program received a zero on the results portion of the assessment because of: (a) the lack of specific performance targets; (b) the lack of reliable data informing on the measures; and (c) available data demonstrates very modest positive impacts (e.g., in 2001, only 31% of participants with a job placement goal were successful in meeting that goal.)

In response to these findings, the Budget proposes to:
1. Implement reforms to the program, including increased grantee accountability, improved performance reporting, and a clear focus on improving participants' reading, math, literacy and numeracy skills so they can earn a degree or certificate and obtain employment that leads to economic self sufficiency.
2. Adopt common performance measures with similar federal programs, including a new measure to gauge cost-effectiveness. Set short and long-term targets based on the common measures. Develop strategy for collecting necessary data to institute common measures.

(For more information on this program, please see the Department of Education chapter in the Budget volume.)
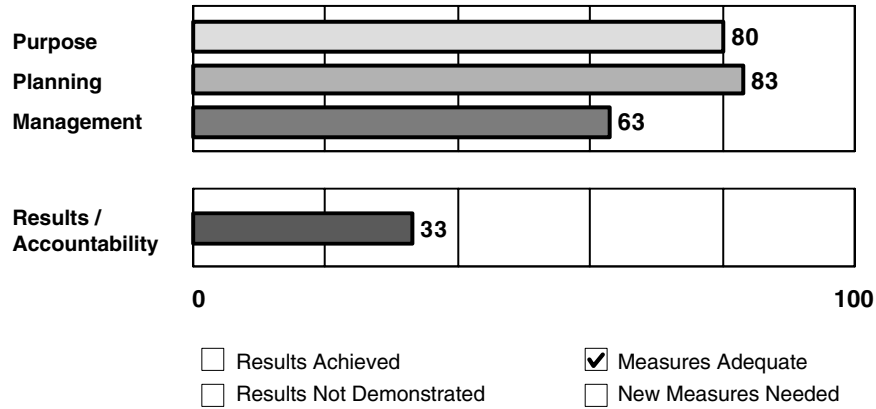
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
575	575	584

Program: *Comprehensive School Reform*

Agency: *Department of Education*

Bureau: *Office of Elementary and Secondary Education*

Purpose	80
Planning	83
Management	63
Results / Accountability	33

0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Rating: Adequate

Program Type: *Block / Formula Grants*

Program Summary:

Comprehensive School Reform (CSR) provides money for failing schools to implement strategies that reform all aspects of a school, including improvements in curriculum, teacher training, and instructional strategies.

The PART assessment found:
1. The purpose of the CSR program is redundant with Title I of the Elementary and Secondary Education Act, which also provides funds for comprehensive reform. In 2004, the funds that states can set-aside in Title I for improving failing schools will double to nearly $500 million under the 2004 request.
2. The program has good performance measures and clear targets.
3. The program is well-managed, has had a comprehensive data-collection system, and uses data to improve program management.
4. Results are mixed and evaluation data are not yet available. Performance data indicate improvements in elementary school reading and math, but no improvement in middle school math, and a decrease in high school reading proficiency. The program evaluation is not yet complete and does not yet have outcome data.

In response to these findings, the Administration will redirect this funding to Title I and close out this program in order to reduce program duplication and administrative burden. Redirecting the CSR funds to Title I will allow troubled schools to carry out comprehensive reform without the extra administrative burden of applying to a separate grant program.
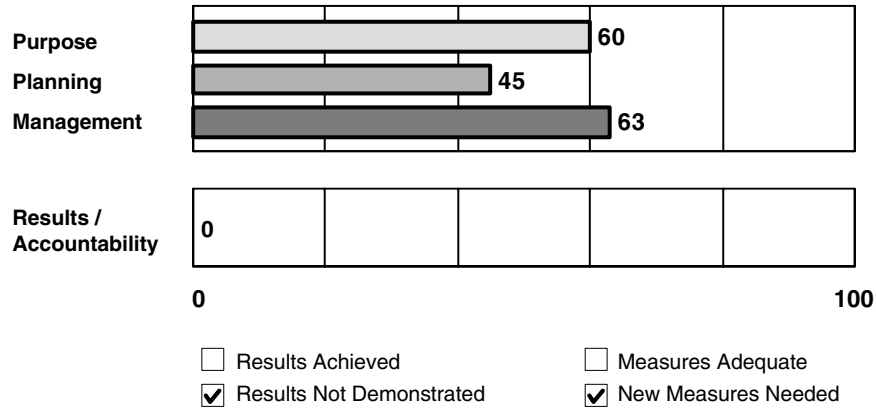
Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of schools that have received CSR funds that are failing to reach their academic goals (Target = percent of schools served annually that are in need of school improvement)	2000		33%
	2001		30%
	2007	15%	
	2014	0%	
Annual Measure: Percentage of elementary school students in schools have received CSR funds that meet or exceed State proficiency requirements in reading and math (reading%/math%)	2000		75%/74%
	2001	77%/76%	83%/86%
	2002	85%/88%	
	2003	87%/90%	
Annual Measure: Percentage of high school students in schools that have received CSR funding that meet or exceed State proficiency requirements in reading and math (reading%/math%)	2000		64%/74%
	2001	67%/76%	56%/87%
	2002	70%/89%	
	2003	73%/91%	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
235	235	0

Program: *Even Start*

Agency: *Department of Education*

Bureau: *Office of Elementary and Secondary Education*

Purpose	60
Planning	45
Management	63

Results / Accountability	0

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: The percentage of Even Start children reading at grade level (Targets under development)			
Annual Measure: The percentage of Even Start children who enter school ready to learn to read (Targets under development)			
Annual Measure: The percentage of Even Start adults who receive a secondary school diploma or a GED (Targets under development)	1999		18.4%
	2000		17%
	2001	25%	17%

Rating: *Ineffective*

Program Type: *Block/Formula Grants*

Program Summary:

Even Start is a family literacy program. It provides grants to States for comprehensive educational services to low-income families with low educational attainment for improving the educational outcomes of children from birth through age 7. Services include early childhood education, adult education, and parenting education. The program is based on research that indicates that children are more likely to learn to read well when their parents are able to read.

The PART assessment found:

1. National evaluations show the program to have no impact on the children and parents served by Even Start. The Department of Education has conducted three major evaluations of this program, two that include a small experimental design study. None of the studies show that either children or parents who received services made greater school readiness gains or educational gains than those who did not receive Even Start services. The strong evaluation evidence provides much of the basis for the ineffective rating.

2. The program is well managed and has an extensive data system in place for tracking information on grantees. However, State and local data often measure outputs such as hours of service provided rather than outcomes such as whether children read at grade level.

3. Performance measurement has been improved by focusing on improving student reading or reading readiness. However, currently there are no clear annual or long-term targets for the program.

In response to these findings, the Administration requests sufficient funds to continue awards to current grantees and redirects funds to Early Reading First which supports model pre-school programs that use only the most proven instructional practices to teach pre-reading skills.
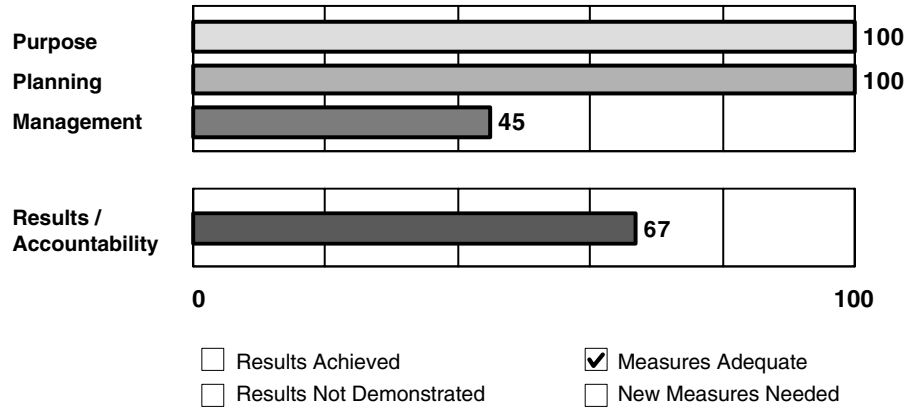
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
250	200	175

Program: Federal Pell Grants

Agency: Department of Education

Bureau: Office of Postsecondary Education

Purpose	100
Planning	100
Management	45
Results / Accountability	67

0 — 100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Percentage of Pell Grant funds that go to students below 150 percent of poverty level	2000	>75%	78%
	2002	>75%	
	2003	>75%	
	2004	>75%	
Long-term and Annual Measure: College enrollment rates for all students after high school	2000		63.3%
	2002	63.8%	
	2003	64.1%	
	2004	64.5%	
Long-term and Annual Measure: Enrollment gap between low income and high income high school graduates	2000		28.3%
	2002	25.4%	
	2003	23.5%	
	2004	20.6%	

Rating: Moderately Effective

Program Type: Block/Formula Grants

Program Summary:

Pell Grants are need-based financial aid to help students pay for undergraduate education. Pell Grants are the single largest source of postsecondary school student aid. The award is based on the cost of attendance (tuition, room and board, etc.), the student's or family's "expected family contribution" (based on income, assets, etc.), and whether the student attends school full or part time. Under the 2004 President's Budget request, the Pell Grant program will provide up to $4,000 in grant aid to nearly five million students.

The PART assessment found:
1. The Federal Pell Grant program has a clear purpose, and provides a foundation of need-based aid for undergraduate students.
2. While the program has always targeted funding to needy students, low income and minority students continue to attend college at significantly lower rates than other students.
3. The Department of Education needs to improve its management of the program by ensuring that it has timely and reliable financial and programmatic data that can be used to support both day-to-day operations and long-term strategic planning.
4. Pell Grants, and other student aid programs, are prone to abuse, where students who under-report family income receive more aid than they are entitled. The Department estimates that net overawards in Pell total more than $350 million annually.
5. The Department of Education's strategic planning efforts are strong.

To address these findings, the Administration will:
1. Maintain funding commitment to Pell Grants. The Budget significantly increases funding for the Pell program in order to maintain a $4,000 maximum award for the increasing number of eligible college students.
2. Propose to amend the Internal Revenue Code to allow the IRS to match student aid data and tax data to prevent over-awards in Pell and other student aid programs.
3. Consider whether the upcoming reauthorization of the Higher Education Act (HEA) should add degree completion and persistence as performance measures for student aid programs and increase the HEA's focus on improving access to postsecondary education.

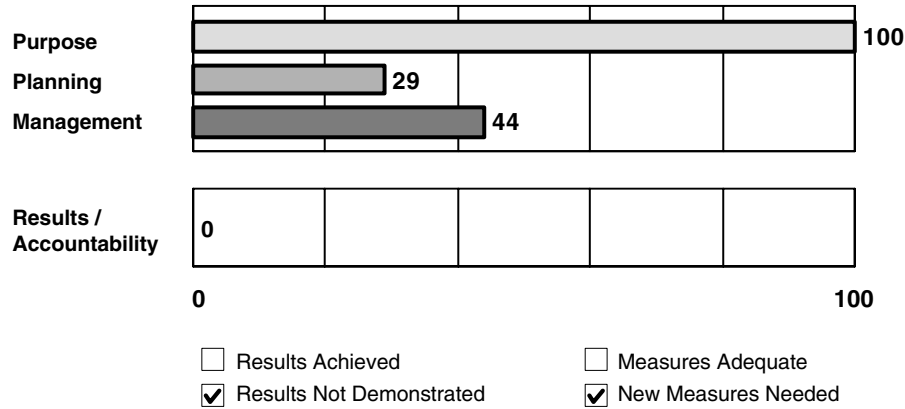(For more information, see Department of Education chapter in Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
11,314	10,863	12,715

Program: *IDEA Grants for Infants and Families*

Agency: *Department of Education*

Bureau: *Office of Special Education and Rehabilitative Services*

Section	Score
Purpose	100
Planning	29
Management	44
Results / Accountability	0

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Percentage of children participating in the Infants and Families program who demonstrate improved and sustained functional abilities, including progress in areas such as social, emotional, cognitive, communication and physical development (Proposed measure with no data available; targets under development)			
Long-term and Annual Measure: Percentage of participating families that report that early intervention services have increased their family's capacity to enhance their child's development (Targets under development)	1997		72%
	2001	80%	73%
Long-term and Annual Measure: Percentage of children ages birth through 2 who are served under the Infants and Families program as a proportion of the general population in this age range (Targets under development)	1999	1.6%	1.8%
	2000	1.8%	2.0%

Rating: *Results Not Demonstrated*

Program Type: *Block / Formula Grants*

Program Summary:

The Individuals with Disabilities Act (IDEA) Grants for Infants and Families program provides grants to states to identify disabilities in infants and toddlers (ages 0-2), and provide early intervention services for them and their families.

The PART assessment found:
1. The purpose of the IDEA Infants and Families program is clear and unambiguous, and serves a national need. There is no other program that focuses exclusively on the developmental needs of infants and toddlers with disabilities. A major purpose of this program is to coordinate resources from other sources (public and private).
2. The program has annual process performance measures, but no annual or long term outcome-oriented performance targets or data, in particular for student abilities outcomes. Thus, this program cannot demonstrate the level of impact it has on infants and toddlers. This is the primary reason it scores a zero for "Results." While annual data shows that this program has met its process goals, such as the number of children served, there are no data on the key measure of program performance -- the educational and developmental outcomes of infants and toddlers served through this program. A longitudinal study is underway that should provide some information on the short and long-term outcomes of children with disabilities served through this program.
3. The Department has collaborated well with other Federal programs, and manages some other components of the program well. However, the Department of Education should continue to increase the program's focus on improving child outcomes and holding states accountable for performance.
4. In the case of some states, program funds are not obligated in a timely manner (while this was a significant problem in the past, the Department has worked hard to reduce the number of states carrying forward large unobligated balances).

To address these findings, the Department will:
1. Work with Congress on the upcoming IDEA reauthorization, which should increase state accountability for child outcomes. Even with no direct evidence that this program improves outcomes, the $10 million increase requested in the 2004 Budget will help states meet their responsibilities under the IDEA.
2. Establish long-term outcome-oriented objectives, and develop a strategy to collect annual performance data in a timely manner.
3. Work with Congress on the IDEA reauthorization to increase the Act's focus on results, and reduce unnecessary regulatory and administrative burden.
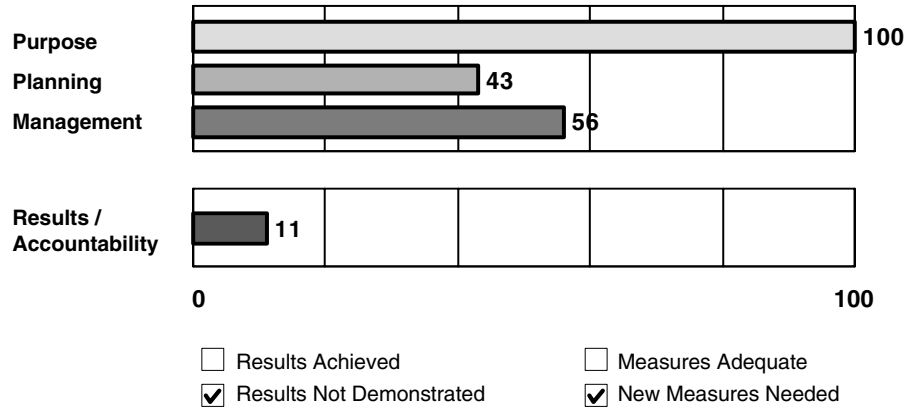
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
417	437	447

Program: *IDEA Grants to States*

Agency: *Department of Education*

Bureau: *Office of Special Education and Rehabilitative Services*

Purpose	100
Planning	43
Management	56
Results / Accountability	11

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Percentage of students with disabilities who meet or exceed basic levels in reading, math, and science in the National Assessment of Educational Progress (NAEP) (Fourth grade reading data provided at right. Targets under development)	1998		24.0%
	2000		21.5%
Long-term and Annual Measure: Percentage of children with disabilities served by this program who earn a high school diploma (Targets under development)	1996		52.6%
	2000	57%	56.2%
	2001	59%	57.0%
Long-term and Annual Measure: Other measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Block/Formula Grants*

Program Summary:

The Individuals with Disabilities Education Act (IDEA) Grants to States program provides grants to states to provide special education and related services to students with disabilities aged 3-21. In exchange for receiving funding, which all states do, states must provide a "free appropriate public education" designed to meet each student's specific needs.

The PART assessment found:
1. The purpose of the IDEA Grants to States program (described above) is unique and unambiguous. The IDEA statute's requirements have a significant impact on how states and schools educate students with disabilities.
2. While IDEA funding has more than tripled in recent years, there is no evidence that this funding has further improved educational outcomes for children with disabilities.
3. The IDEA Grants to States program has annual performance measures, but no long term performance targets.
4. Annual data shows marginal increases in the graduation rate for students with disabilities. However, Department of Education achievement data on students with disabilities (based on National Assessment of Educational Progress (NAEP) data) is not timely and needs improvement. Longitudinal evaluations that are currently underway may provide additional program performance information.
5. The program is not sufficiently focused on educational outcomes and state accountability.
6. Services provided under special education are not coordinated well with other federal programs, such as Medicaid and Vocational Rehabilitation.

To address these findings, the Department will:
1. Provide a $1 billion increase for this program. While there is no evidence that this program improves outcomes, the Administration has determined this increase is necessary to help states and schools meet their responsibilities under the IDEA while at the same time attempting to demonstrate the program is achieving real results.
2. Work with Congress on the IDEA reauthorization to increase the Act's focus on accountability and results, and reduce unnecessary regulatory and administrative burdens.
3. Collect timely NAEP data for students with disabilities that meet the same standards as other NAEP data.
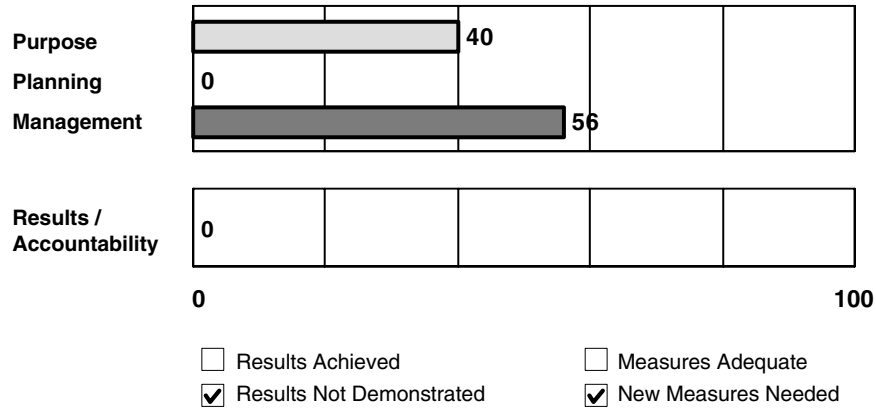4. Improve collaboration with other federal programs.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
7,529	8,529	9,529

Program: IDEA Preschool Grants

Agency: *Department of Education*

Bureau: *Office of Special Education and Rehabilitative Services*

Purpose	40
Planning	0
Management	56
Results / Accountability	0

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Percentage of preschool children receiving special education and related services who have readiness skills when they reach kindergarten (Proposed measure with no data available; targets under development)			
Long-term and Annual Measure: Targets under development			
Long-term and Annual Measure: Targets under development			

Rating: *Results Not Demonstrated*

Program Type: *Block/Formula Grants*

Program Summary:

The Individuals with Disabilities Education Act (IDEA) Preschool Grants program provides grants to states to provide special education and related services to children with disabilities aged 3-5.

The PART assessment found:
1. The Department of Education has no performance data on preschool children with disabilities who are served under this program. While an upcoming longitudinal study should provide some information on child outcomes, the results of this study are several years away, and will not provide data on program effectiveness or ongoing data on results.
2. The program has no long term performance goals or annual performance data. Only about half of the states have established annual performance goals for their IDEA preschool programs, or are in the process establishing these goals.
3. The program only supplements existing funding provided under the IDEA Grants to States program (see related PART summary), which covers children with disabilities aged 3-21. IDEA Preschool Grants have no separate programmatic requirements for preschool children with disabilities, or incentives distinct from IDEA Grants to States. While the initial purpose of the Preschool Grants program was to provide a financial incentive for states to serve preschool children, this incentive is no longer necessary because all states now serve preschool children, and funding is provided through IDEA Grants to States.
4. The Department does not collaborate as well as it could with some other federal programs, such as Head Start and Medicaid.

To address these findings, the Department will:
1. Maintain federal funding at last year's level until the Administration has had a chance to work with Congress on the IDEA reauthorization, which should increase state and school accountability for having a real impact on children. In this reauthorization, the Administration will work with Congress to determine how best to serve preschool children with disabilities under the Act.
2. Develop long term performance goals, and annual goals for performance, for preschool children with disabilities.
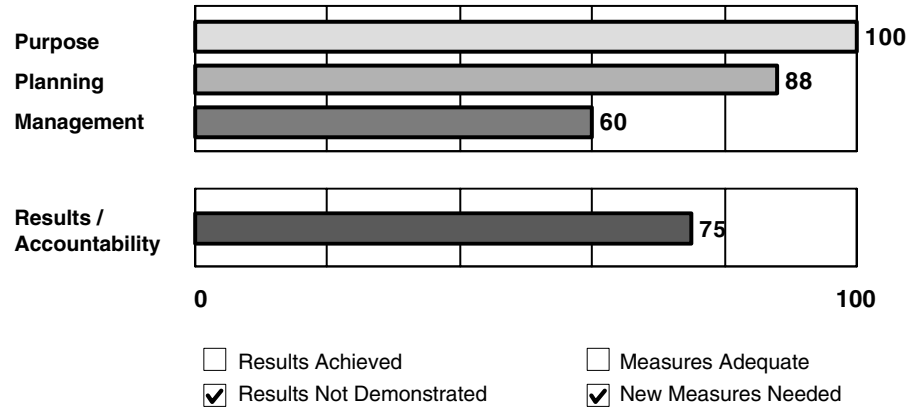3. Improve collaboration with other federal programs.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
390	390	390

Program: National Assessment

Agency: Department of Education

Bureau: Institute of Education Sciences

Purpose		100
Planning		88
Management		60
Results / Accountability		75

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of survey respondents that are "Satisfied" or "Very Satisfied" with comprehensiveness of NCES publications (Targets under development)	2001	90	90
Long-term Measure: Percentage of survey respondents that are "Satisfied" or "Very Satisfied" with timeliness of NCES publications (Targets under development)	2001	90	74
Long-term Measure: Percentage of survey respondents that are "Satisfied" or "Very Satisfied" with utility of NCES publications (Targets under development)	2001	90	90

Rating: Results Not Demonstrated

Program Type: Research and Development

Program Summary:

The statutory purpose of the National Assessment program is "to provide, in a timely manner, a fair and accurate measurement of student achievement and reporting trends in such achievement in reading, mathematics, and other subject matter." The program administers the National Assessment of Educational Progress (NAEP), a series of assessments designed to monitor student achievement in reading, mathematics, science, and other disciplines.

The assessment found that:
1. Educational administrators, researchers, and policymakers are satisfied with the comprehensiveness, timeliness, and utility of products and services offered by the National Center for Educational Statistics (NCES), of which the National Assessment program is a part.
2. The quality of the National Assessment system is enhanced through competitive bidding for Assessment contracts and through guidance from a national governing board composed of educators, researchers, and policymakers.
3. Despite overall good performance, the National Assessment program does not demonstrate results due to the lack of long-term outcome goals.

In response to these findings, the Department will:
1. Maintain its funding commitment to the Assessment program by continuing funding at the 2003 request level, with a small increase for national governing board expenses.
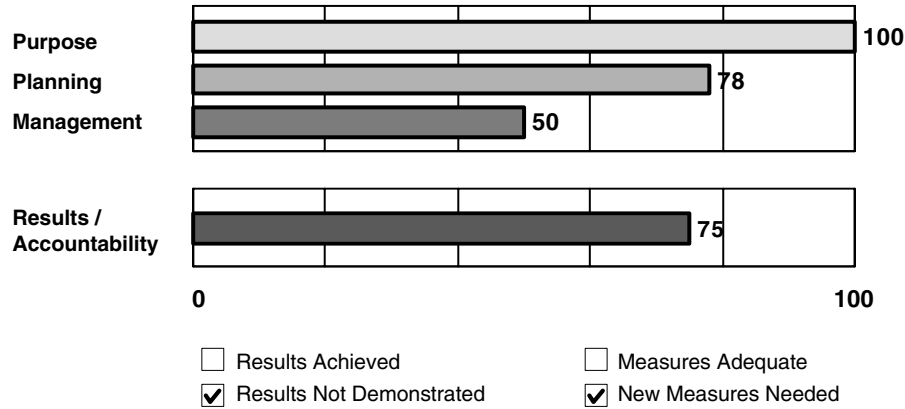2. Establish long-term customer satisfaction targets for NCES performance measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
112	95	96

Program: *National Center for Education Statistics*

Agency: *Department of Education*

Bureau: *Institute of Education Sciences*

Purpose	100
Planning	78
Management	50
Results / Accountability	75

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of survey respondents that are "Satisfied" or "Very Satisfied" with comprehensiveness of NCES publications (Targets under development)	2001	90	90
Long-term Measure: Percentage of survey respondents that are "Satisfied" or "Very Satisfied" with timeliness of NCES publications (Targets under development)	2001	90	74
Long-term Measure: Percentage of survey respondents that are "Satisfied" or "Very Satisfied" with utility of NCES publications (Targets under development)	2001	90	90

Rating: *Results Not Demonstrated*

Program Type: *Research and Development*

Program Summary:

The National Center for Educational Statistics (NCES) collects, analyzes, and reports statistics on the condition of education in the United States.

The assessment revealed that:
1. Educational administrators, researchers, and policymakers appear satisfied with the comprehensiveness, timeliness, and utility of NCES products and services. However, NCES has not articulated long-term performance targets nor has it sought an external review to determine the overall quality of the Statistics program.
2. NCES is well-managed, however the office needs to ensure that investments in web technology are compatible with overall Department of Education systems and that information concerning contract management and the allocation of program resources is presented in a clear, easy to interpret way.
3. Despite generally good performance, NCES does not demonstrate results due to the lack of long-term outcome measures.

In response to these findings, the Administration will:
1. Continue funding at the 2003 request level.
2. Establish long-term targets for customer satisfaction performance measures.
3. Seek an external review of NCES activities to determine optimal allocation of resources across project areas and the quality of existing activities.
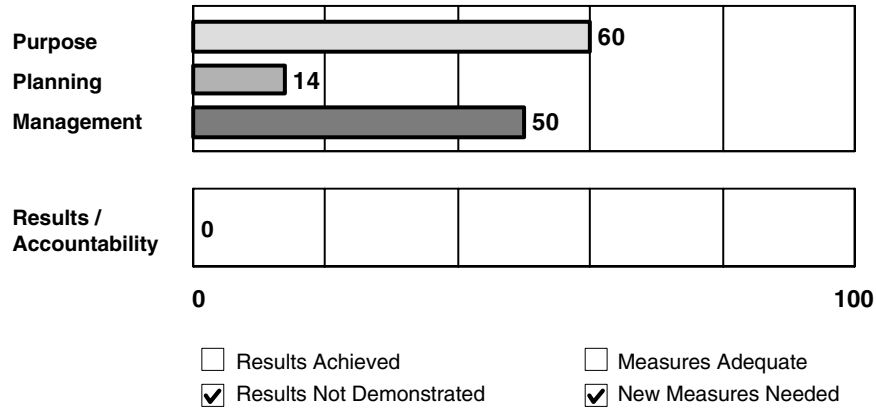
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
85	95	95

Program: Occupational and Employment Information

Agency: Department of Education

Bureau: Office of Vocational and Adult Education

Purpose	60
Planning	14
Management	50
Results / Accountability	0

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: No measures under development, program recommended for elimination			
Annual Measure: No measures under development, program recommended for elimination			
Efficiency Measure: No measures under development, program recommended for elimination			

Rating: Results Not Demonstrated

Program Type: Competitive Grants

Program Summary:

The Occupational and Employment Information program promotes state efforts to improve career and school choices of high school and postsecondary students.

The assessment found:

1. The impacts of this program are not known. Current performance indicators measure program outputs, such as number of career guidance documents provided to parents and students. The program is currently unable to demonstrate what impact this information has on student outcomes. There is no national evaluation of this program.

2. The program has adequate financial management, but performance data that are collected from grantees are not readily available to the public, in print or on the Internet, and do not reflect program impacts.

3. All activities under this program are redundant with allowable activities under the Vocational Education State Grants program.

In response to these findings, the 2004 Budget proposes to terminate the program so that Federal resources can be can be used to support other education priorities.
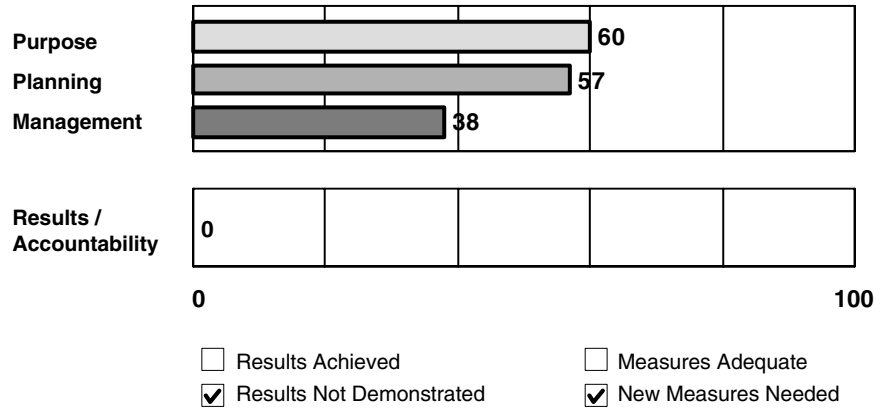
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
10	0	0

Program: *Safe and Drug Free Schools State Grants*

Agency: *Department of Education*

Bureau: *Office of Elementary and Secondary Education*

Purpose	60
Planning	57
Management	38

Results / Accountability	0

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures	*Year*	*Target*	*Actual*
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Ineffective*

Program Type: *Block/Formula Grants*

Program Summary:

Safe and Drug-Free Schools State Grants awards grants to States and school districts for programs to reduce youth crime and drug-abuse.

The PART assessment found that:
1. The program has failed to demonstrate effectiveness. Existing program indicators use national surveys that don't measure youth crime and drug abuse at State and local levels.
2. A 2001 RAND study determined that the structure of the Safe and Drug-Free Schools State Grants program is fundamentally flawed. The study concluded that Safe and Drug Free grant funds are spread too thinly to support quality interventions.
3. Program financial management is good, but the agency should bolster efforts to attain higher quality program performance information and provide meaningful technical assistance through the State Grants authority.
4. The Department of Education has authored "Principles of Effectiveness" in an attempt to influence how school districts run Safe and Drug Free programs. The Principles include guidelines for instituting measurable goals and objectives, research-based programs, and strong evaluation techniques. However, the Agency needs to provide performance measures that help improve local programming decisions and are of equal use to State, local, and Federal administrators.

In response to these findings, the Administration will:
1. Make a modest reduction in funding and tie future funding to the demonstration of results.
2. Develop a new strategy for measuring program performance that helps improve local programming decisions and is of equal use to State, local, and Federal administrators.
3. Study ways to redesign the program in order to better distribute funds and support high quality, research-based strategies at the local level.
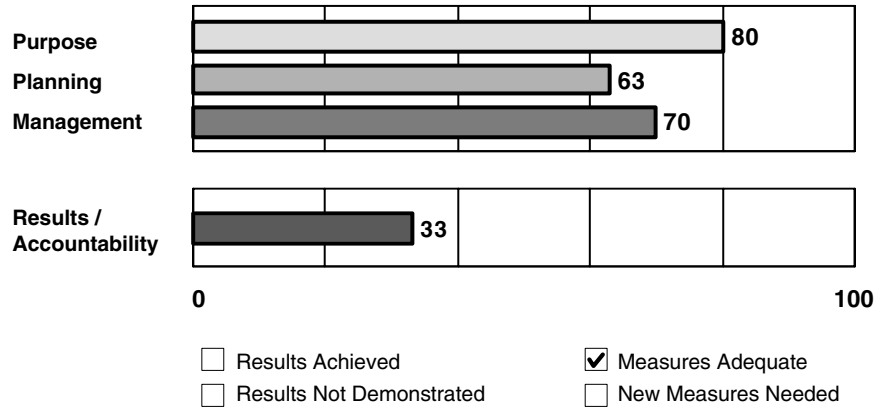
Program Funding Level (in millions of dollars)

2002 Actual	**2003 Estimate**	**2004 Estimate**
472	472	422

68

Program: *Student Aid Administration*

Agency: *Department of Education*

Bureau: *Federal Student Aid*

Purpose	80
Planning	63
Management	70
Results / Accountability	33

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Recovery rate on Department-held defaulted loans	2001		7.8%
	2002	7.2%	7.28%
	2003	8.0%	
	2007	9.5%	
Long-term and Annual Measure: Pell Grant dollars erroneously paid to student aid applicants (Note: Enactment of the Administration's IRS Verification proposal would enable ED to develop more aggressive targets.)	2001		$350 M
	2002	$336 M	
	2004	$235 M	
	2005	$202 M	
Long-term Measure: Consolidate 14 Federal Student Aid systems [Note: Of the 14 legacy systems, three have been retired, four have been reengineered, and three are currently being reengineered.]	2002		21%
	2006	100%	

Rating: *Adequate*

Program Type: *Capital Assets*

Program Summary:

The Student Aid Administration provides funding for the Department of Education's postsecondary school federal student aid programs and makes sure the right amount of money goes to the right recipients.

The assessment found:
1. The Department has made some progress in integrating student aid systems, reducing erroneous payments in the Pell Grant program, and collecting defaulted loans. Despite this progress, however, student aid programs continue to be at high risk for fraud and error. For example, the Department continues to overpay students hundreds of million of dollars in aid each year. The Department has not resolved ongoing accounting problems, and there are documented system weaknesses in school monitoring and determining if students are eligible for aid.
2. The Department must address ongoing financial management deficiencies and develop a comprehensive strategy for risk management.
3. More focus is needed on improving strategic planning of the program. The Department must develop a unit cost methodology so that meaningful efficiency targets can be established. The Department must also reform "performance-based" contracts so that tasks are measured against performance targets, not process deliverables.

To address these findings, the Department will:
1. Develop a unit-cost framework and meaningful efficiency targets.
2. Improve risk management strategies, such as expand data analyses to identify problem institutions and IRS income verification to reduce Pell overpayments.
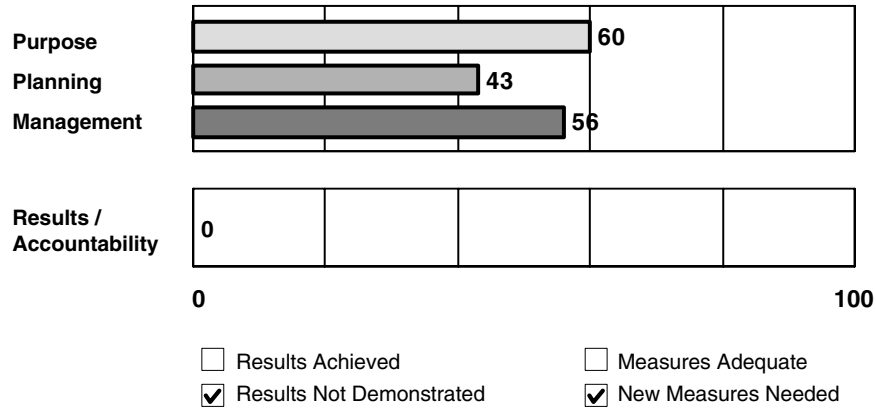3. Implement financial system integration and improvements.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
886	932	947

Program: Tech-Prep Education State Grants

Agency: Department of Education

Bureau: Office of Vocational and Adult Education

Purpose		60
Planning		43
Management		56
Results / Accountability		0

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Rating: Results Not Demonstrated

Program Type: Block/Formula Grants

Program Summary:

The Tech-Prep Education State Grants program provides grants to states to expand 2 + 2 programs (i.e., 2 years of secondary education transitioning into 2 years of postsecondary education) with the goal of increasing the number of students who receive degrees in technical fields.

The assessment found:

1. Grant recipients need clearer guidance on the purpose and goals of the program. The Department has received various feedback from the education community that the broad scope and varied activities of the program have caused confusion at the local level about the key objectives of the program.
2. The program is redundant with allowable activities under the existing Vocational Education State Grant program.
3. A series of national evaluations indicate that the program provides no measurable advantage for high school students in terms of high school completion, postsecondary enrollment, and academic achievement. It may have a small positive effect on earnings for some program participants. Annual performance data is not yet available for this program.

In response to these findings, the 2004 Budget proposes to terminate the program so that Federal resources for this program can be redirected to programs with a proven track record for effectiveness, such as Pell Grants.
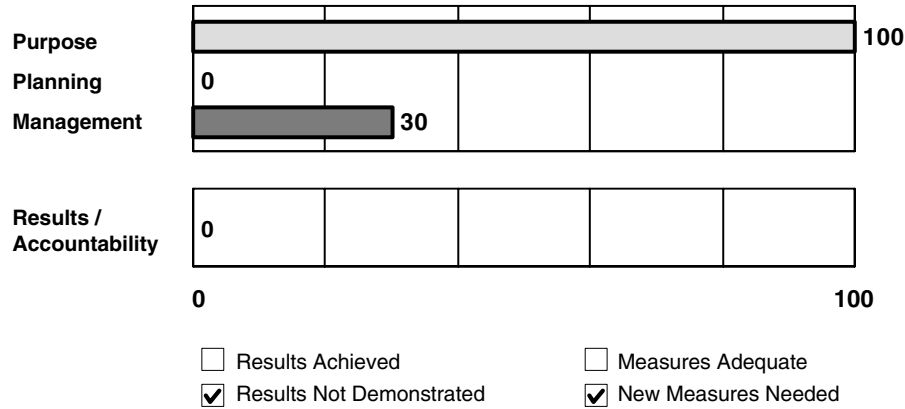
Key Performance Measures	Year	Target	Actual
Long-term and Annual Measures for postsecondary students: Percentage of participants who entered employment in the 1st quarter after program exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure for secondary students: Attainment of a high school diploma, certificate, or GED (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure for secondary students: Entry into employment or enrollment in postsecondary education/advanced training (New measure: result of common measures exercise; targets to be determined beginning in 2003)			

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
108	108	0

Program: *Tribally Controlled Postsecondary Vocational and Technical Institutions*

Agency: *Department of Education*

Bureau: *Office of Vocational and Adult Education*

Purpose		100
Planning	0	
Management	30	
Results / Accountability	0	

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Percentage of participants who entered employment in the 1st quarter after program exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure: Percentage of participants who were employed in the 1st quarter after program exit who remain employed in 2nd and 3rd quarters after exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure: Percentage change in earnings: Based on (1) pre-enrollment to program exit; (2) 1st quarter after exit to 3rd quarter after exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

Program Summary:

The Tribally Controlled Postsecondary Vocational and Technical Institutions program provides funding to two institutions that provide vocational training to Indian students.

The assessment found:
1. This is a small program with the basic purpose to fund two institutions providing vocational education and training to approximately 600 students. "Vocational" education provides skill development training for specific career fields and thus is more job focused than traditional "academic" education.
2. The extent to which this program improves outcomes for Indian youth is not known. There is no data collected on current performance measures. There is no national evaluation of this program.
3. The program has adopted a new reporting framework, but lacks specific performance targets and the necessary data to support the new measures.

In response to these findings, the Administration will:
1. Seek legislative program reforms that include increased grantee accountability, improved performance reporting, and a clear focus on strengthening the academic and technical skills of post-secondary Indian students.
2. Explore whether efficiencies can be gained by combining this program with other programs serving similar objectives.
3. Adopt common performance measures with similar programs, including a new measure to gauge cost-effectiveness. Set short and long-term targets based on the common measures and develop strategy for collecting necessary data to institute these common measures.
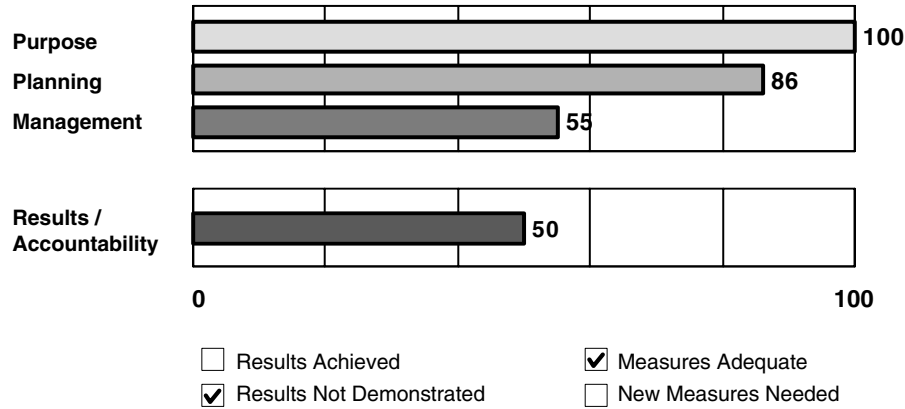
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
6	6	6

71

Program: TRIO Student Support Services

Agency: Department of Education

Bureau: Office of Postsecondary Education

Purpose	100
Planning	86
Management	55
Results / Accountability	50

☐ Results Achieved   ☑ Measures Adequate
☑ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: College completion rate of low-income first-generation college students who are program participants (Baseline is 29%)	2000	29%	29%
	2003	29.5%	
	2005	30.5%	
	2007	31%	
Long-term Measure: College Persistence rate, as measured by the extent students remain in the same college from year to year, of low-income, first-generation college students who are program participants	2000	67%	67%
	2003	68%	
	2005	69%	
	2007	70%	
Annual Measure: College Persistence rate of low-income, first-generation college students who are program participants (Baseline is 67%)	2000	67%	67%
	2001	67%	
	2002	67.5%	
	2003	68%	

Rating: Results Not Demonstrated

Program Type: Competitive Grants

Program Summary:

The purpose of TRIO Student Support Services (SSS) is to increase graduation and retention rates among low-income, first-generation college students by providing counseling and tutoring. ED provides grants to institutions of higher education to provide these services.

The PART assessment found:
1. A program evaluation demonstrated some positive results. It found a 9 percentage point positive effect on bachelor's degree completion rates for SSS students against a comparison group not receiving those services. The study also noted other less impressive but similarly positive effects for students continuing their college studies until graduation.
2. While evaluation findings are generally positive, the Department has only recently established specific goals and targets for this program. As a result, the program has only collected baseline data for the program and will not be able to measure progress on the SSS goals until next year. Therefore, program performance relative to these measures is not yet known.
3. The program has acquired useful performance information from grantees but is not yet using it to improve program-wide performance. This information is mainly used for project monitoring.
4. SSS does not attract a significant amount of first-time grantees due to statutory and regulatory constraints.

In response to these findings, the Department will:
1. Closely monitor new SSS annual program goals and make better use of project performance report data to improve the program.
2. Explore policies that would reduce statutory and regulatory barriers faced by qualified first-time grantees in order to encourage their participation in the program.
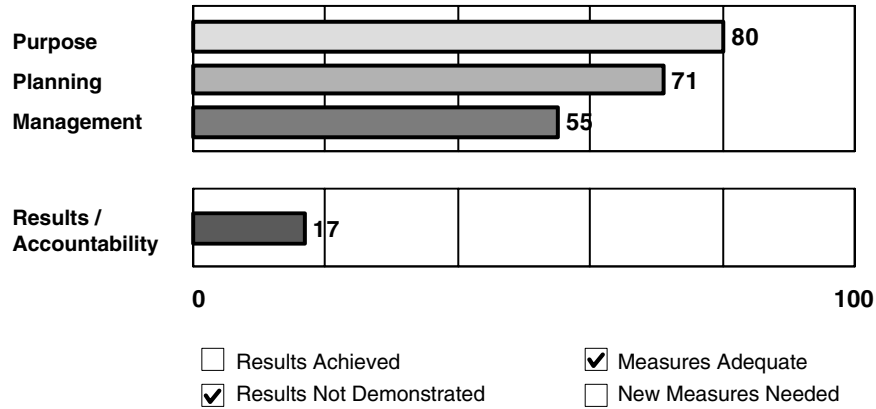3. Collect and establish second-year data for performance measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
259	259	259

Program: *TRIO Upward Bound*

Agency: *Department of Education*

Bureau: *Office of Postsecondary Education*

Purpose	80
Planning	71
Management	55
Results / Accountability	17

0 — 100

☐ Results Achieved   ☑ Measures Adequate
☑ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: College Enrollment rate of higher-risk low-income, first generation college students who are program participants	2000	34%	34%
	2003	35%	
	2005	36%	
	2007	37%	
Long-term Measure: College Enrollment rate of all program participants	2000	65%	65%
	2003	65%	
	2005	65%	
	2007	65%	

Rating: *Ineffective*

Program Type: *Competitive Grants*

Program Summary:

The purpose of TRIO Upward Bound (UB) is to increase the college enrollment rate of low-income high school students through intensive services designed to improve their academic performance and college preparation. The program makes grants to postsecondary institutions and other organizations who, in turn, provide such services as residential summer school, visits to colleges, and tutoring.

The PART assessment found:
1. A recent evaluation of UB determined this program has not been effective in increasing college preparation and enrollment of its program participants at large. However, there is evidence that UB has significant effects on increased college enrollment and program persistence for "high risk", low-income students ("high-risk" students include those with no expectation of completing a bachelor's degree). Unfortunately, the study's findings reveal that UB is inadequately targeted to these students. The Department of Education's new performance goals for this program include a measure of college enrollment rates for high-risk program participants. The strong evaluation evidence provides the basis for the "ineffective" rating.
2. The Department has only recently established specific goals and targets for this program. As a result, the program has only collected baseline data for the program and will not be able to measure progress on the UB goals until next year. Therefore, program performance is not yet known.
3. The program has implemented a plan to address Inspector General concerns of inadequate grantee monitoring and unclear reporting requirements. Like the TRIO Student Support Services program, UB does not attract a significant amount of first-time grantees due to statutory and regulatory constraints.
4. The program purpose is clear, but the program design does not adequately target the most high-need students.

In response to these findings, the Department will:
1. Complete an anticipated rulemaking process in the upcoming year to increase the proportion of high-risk students served by UB grantees.
2. Provide technical assistance to new applicants and current grantees on high risk participants.
3. Explore policies that would encourage more qualified first-time grantees to participate in the program.
4. Closely monitor new UB annual program goals and make better use of project performance report data to improve the program.
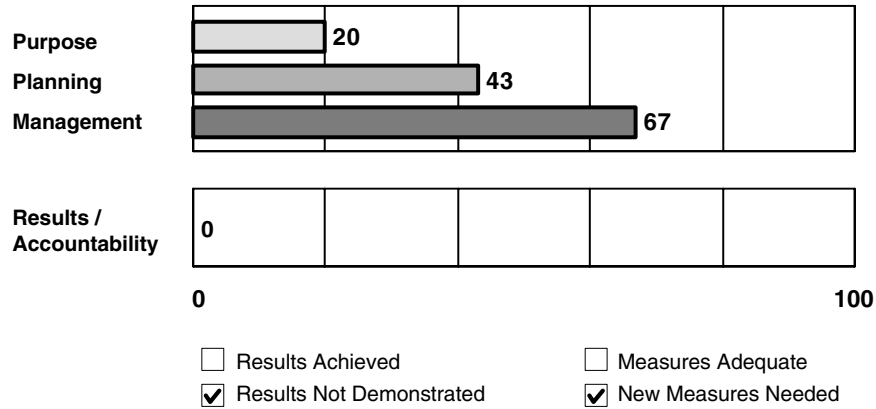
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
264	268	268

Program: *Vocational Education State Grants*

Agency: *Department of Education*

Bureau: *Office of Vocational and Adult Education*

Purpose	20
Planning	43
Management	67

Results / Accountability	0

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measures for postsecondary students: Percentage of participants who entered employment in the 1st quarter after program exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure for secondary students: Attainment of a high school diploma, certificate, or GED (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure for secondary students: Entry into employment or enrollment in postsecondary education/advanced training (New measure: result of common measures exercise; targets to be determined beginning in 2003)			

Rating: *Ineffective*

Program Type: *Block/Formula Grants*

Program Summary:

The Vocational Education State Grants provides funds to support state-sponsored vocational education programs. These programs, which are implemented in high schools and postsecondary schools, provide students with job-focused education and occupational training.

The assessment found:
1. A series of national evaluations indicate that the program provides little or no measurable advantage for high school students in terms of high school completion, postsecondary enrollment, and academic achievement.
2. Annual performance data show that many states are not making adequate progress in achieving positive student outcomes. For example, less than 40% of postsecondary "Voc. Ed." students obtain a degree or certificate.
3. There are significant problems with how the program collects information from grantees, making it difficult to know how the money is spent and what results are being achieved. For example, many states have a unique definition of who is a "Voc. Ed." student, making it difficult to compare one state to another or to develop national performance statistics.

In response to these findings, the Budget proposes to implement significant program reforms. Specifically:
1. Grantee funding will be contingent on a rigorous assessment that student outcomes are being achieved.
2. Grantees will have the flexibility to focus program funds in a manner that best serve students in a given locality.
3. States will have the option to redirect high school funds from this program into their Title I of the Elementary and Secondary Education Act programs to maximize flexibility.
4. The program will correct all outstanding data collection problems and adopt new "common" performance measures that will allow better assessment of how the program is achieving student outcomes and enable comparisons with other programs serving similar objectives. The Department will set short and long-term targets based on the common measures and develop strategies for collecting the necessary data to institute common measures.

(For more information on this program, please see the Department of Education chapter in the Budget volume.)
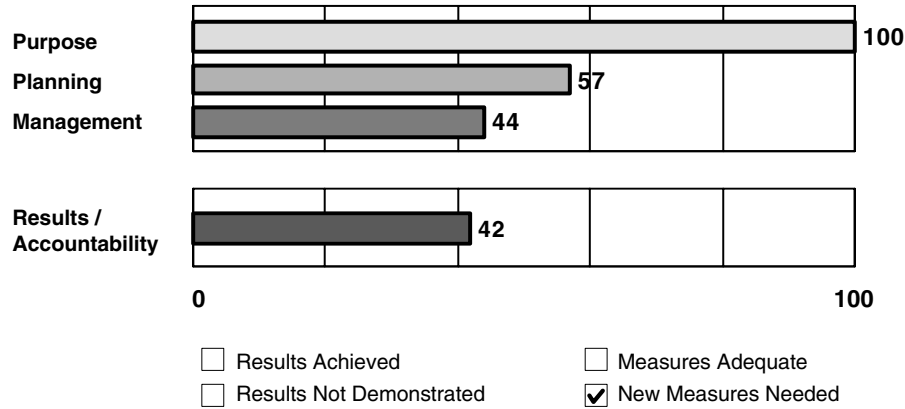
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,180	1,180	1,000

74

Program: *Vocational Rehabilitation State Grants*

Agency: *Department of Education*

Bureau: *Office of Special Education and Rehabilitative Services*

Purpose	100
Planning	57
Management	44
Results / Accountability	42

0   100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Percent of participants placed in employment (Targets beyond 2004 under development)	2000	62.7%	62.5%
	2001	63%	60.7%
	2003	63.2%	
	2004	63.2%	
Long-term and Annual Measure: Of individuals placed in employment, the percent who obtain employment in an integrated setting at or above the minimum wage (Targets beyond 2004 under development)	2000	82.5%	86.0%
	2001	86.2%	87.6%
	2003	86.6%	
	2004	86.8%	
Long-term and Annual Measure: Among individuals exiting the program in competitive employment, the median ratio of their average hourly wage to the state's average hourly wage for all employed individuals (Targets beyond 2004 under development)	2000	0.57	0.57
	2001	0.57	0.56
	2003	0.58	
	2004	0.59	

Rating: *Adequate*

Program Type: *Block/Formula Grants*

Program Summary:

The purpose of Vocational Rehabilitation (VR) State Grants is to help individuals with disabilities obtain employment. The program gives priority to individuals with the most significant disabilities. Program services are tailored to the specific needs of the individual, and include education, vocational training, counseling, rehabilitation technology, and supported employment. State VR agencies are required one-stop partners under the Workforce Investment Act, and Employment Networks under the Ticket to Work and Work Incentives Improvement Act.

The PART assessment found:
1. The program's purpose is clear. While the federal government supports many other job training programs, most of them are not tailored to meet the specific needs of individuals with disabilities as this one is.
2. Annual data and longitudinal evaluations show the VR State Grants program is, in general, successful in meeting its program goals. However, there remains wide variation in performance across states.
3. The program has adopted a new, common measures reporting framework so that it can be compared to other Federal programs serving similar objectives. However, the program must establish specific performance targets and collect the necessary data to support the measures.
4. The Department of Education could do a much better job managing this program by using existing data, making these data available to the public in a timely manner, and improving collaboration with other federal programs. These problems persist even though the administrative costs associated with this program are high compared to other formula grant programs.

To address these findings, the Department will:
1. In the upcoming reauthorization, work with the Congress to align federal funding with performance, and hold all states accountable for their performance. In this reauthorization, the Administration will revisit whether funding for this program should be reclassified as discretionary.
2. Establish specific performance targets in the outyears and collect the necessary data to support new common measures. Also, consider whether any additional measures are appropriate for this program.
3. Take significant steps to improve program management using existing outcome data and make these data available to the public in a more timely manner.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
2,456	2,590	2,641

75

DEPARTMENT OF ENERGY

DOE's progress ranks it among the most improved agencies. It continues to address remaining challenges, including having people with the right skills to carry out its diverse missions, lingering weaknesses in how it plans and manages capital investments, and managing a contractor workforce of over 100,000.

President's Management Agenda

	Status	*Progress*

Human Capital   (Y) ↑   (G)

DOE has made progress getting the expertise needed in its most critical mission areas, reducing management layers, and streamlining operations. It has established new qualifications for its project and contract management staff' to strengthen its scrutiny of contractor performance.

Competitive Sourcing   (R)   (G)

DOE is reviewing more than 1,100 federal and 1,000 contractor positions. Its status reflects that it has not completed reviews of 10 percent of its commercial positions (994 Federal positions).

Financial Performance   (Y) ↑   (G)

DOE received a clean opinion on its financial statement in 2001. Its financial controls have no major weaknesses, but are not yet integrated with its performance management systems.

Expanding E-Government   (Y) ↑   (G)

DOE's "yellow" status reflects its progress developing the financial analysis needed to support its information technology investments and participating in E-Government initiatives.

Budget and Performance Integration   (R)   (Y)

DOE' has not identified how it intends to address remaining problems in defining benchmarks to assess its performance and show how it intends to use its resources to achieve them.

Research and Development (R&D) Investment Criteria (Government-wide)   (R)   (Y)

DOE evaluated nearly all of its R&D programs this year using the R&D Investment Criteria, putting it at the forefront of agency efforts to apply this tool to evaluate program performance. NASA and the National Science Foundation also made progress, but the government-wide status score of this initiative remains "red" until other agencies more meaningfully implement the Investment Criteria.
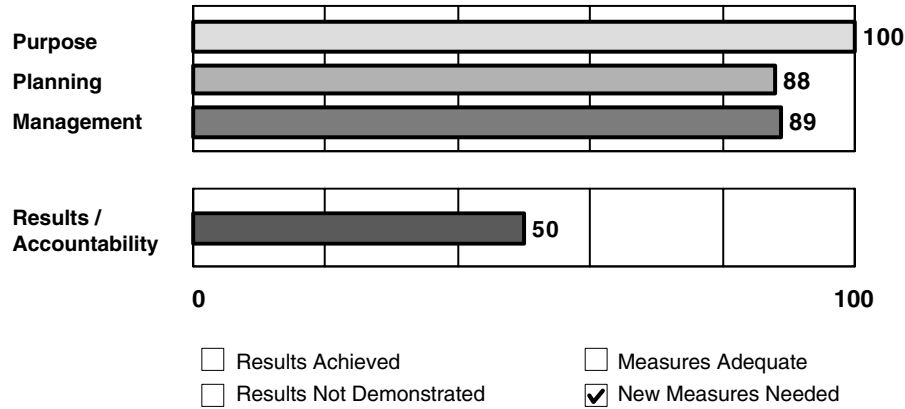
Program Assessments

DOE's assessments indicate that its programs are reasonably well planned and managed. DOE needs to better define its R&D goals and long- and short-term benchmarks for assessing whether it is achieving its goals – a problem common to many federal research programs.

Program: *Advanced Fuel Cycle Initiative*

Agency: *Department of Energy*

Bureau: *Nuclear Energy*

Purpose 100
Planning 88
Management 89
Results / Accountability 50

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☐ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measures: Capability of reducing long-term radiotoxicity of high level nuclear waste Capability of reducing metric tonnes of high level waste produced by commercial nuclear reactors	2030	-99%	
	2015	-75%	
Annual Measure: Measures under development			

Rating: *Moderately Effective*

Program Type: *Research and Development*

Program Summary:

The goal of the Advanced Fuel Cycle Initiative (AFCI) is to develop new ways to treat the nuclear waste generated by the operation of commercial nuclear power plants. If DOE's efforts are successful, the new treatment methods could greatly reduce both the quantity and radioactive hazards of nuclear waste. As a result, the cost of disposing of the waste in a remote underground repository could be significantly reduced as well.

1. The assessment indicates that the program purpose is very clear and commonly held by parties committed to an expanded role for nuclear power in the United States and abroad to address long-term energy security, environmental, and economic concerns.
2. Because the program is just beginning, independent evaluations have not yet been conducted; however, the program has been designed with extensive international government, industry, and academic collaboration.
3. Long-term and near-term program goals have yet to be clearly defined in measurable terms.
4. The program budget cannot readily demonstrate potential impacts of funding changes on performance.

In response to these fundings, the Administration will:
1. Provide increased funding in the 2004 Budget for research on advanced technologies for reducing the quantity and toxicity of spent nuclear fuel.
2. Revise long-term and annual measures and prepare a detailed program plan that defines long-term and near-term goals in measurable terms relative to a current baseline.
3. Relate program funding to its goals, plans, and performance measures.
4. Establish plans for periodic independent evaluations to assess program progress and recommend program improvements.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)
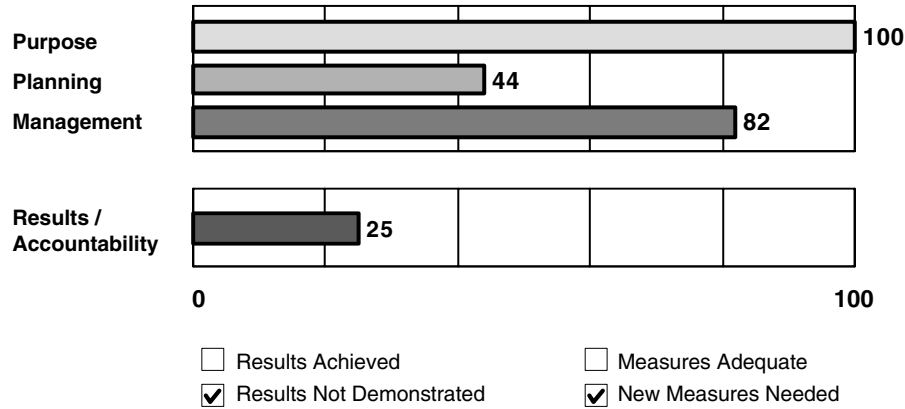
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
77	18	63

Program: *Advanced Scientific Computing Research*

Agency: Department of Energy

Bureau: Office of Science

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: Research and Development

Program Summary:

The Office of Science's Advanced Scientific Computing Research (ASCR) program funds research in applied math, computer science, and computer networks and provides high-performance computer facilities for use by the other Office of Science research programs.

The program received a perfect score in the purpose section and a high score in the management section, mainly as a result of standard management practices within the Office of Science that lead the ASCR program to have a fairly well defined mission and merit-based reviews for awarding contracts and grants. The primary cause for the lower scores for planning and results is the program's current lack of adequate long-term and annual performance measures. Nevertheless, the program has made significant strides toward developing such measures despite the problems inherent in predicting and then measuring scientific progress. Other findings include:

1. While it provides a valuable service for the rest of the Office of Science, the ASCR program was the only one within the Office of Science to score below 50 for strategic planning, primarily because it lacks its own long-term strategic plan and because it has recast its focus between several large initiatives since 2000.
2. The program does not yet have regular reviews of its research portfolio and processes by ad hoc panels composed of outside visiting experts.

To address these findings:
1. The 2004 Budget provides funds to operate the program's primary user facility at 100 percent of maximum capacity, the same as in 2003 and 2002.
2. The Administration will work to reform its performance measures, with the understanding that basic research programs face difficulties in attempting to predict future progress.
3. The Department will develop an implementation-focused strategic plan for the program, in consultation of the program's advisory committee, by September, 2003.
4. The Department will institute a formal committee of visitors process for the program by September, 2003.

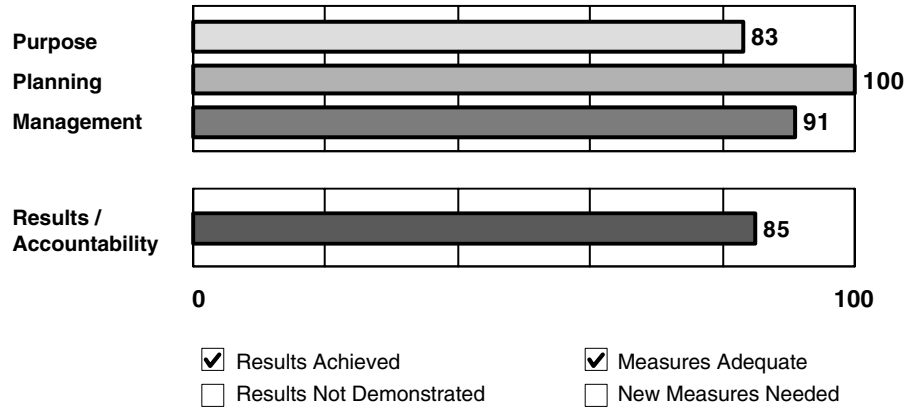* $3 million was transferred to the Department of Homeland Security in 2003.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
154	167	173

Program: *Advanced Simulation and Computing (ASCI)*

Agency: *Department of Energy*

Bureau: *National Nuclear Security Administration*

Purpose	83
Planning	100
Management	91
Results / Accountability	85

0 — 100

☑ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Ability to perform three dimensional predictive simulations necessary to support weapons system certification and refurbishment schedules	2009	2009	
Annual Goal to Measure Progress in Achieving Long-term Measure: Computing capability, measured in trillions of operations per second, that are developed, installed, and tested	2000	10	10
	2003	30	
	2005	100	
	2007	200	
Annual Goal to Measure Progress in Achieving Long-term Measure: Number of weapon system components analyzed using ASCI computer codes to certify their performance	2002	4	4
	2004	10	
	2006	17	
	2008	28	

Rating: *Effective*

Program Type: *Research and Development*

Program Summary:

The Advanced Simulation and Computing program (ASCI) assesses whether our nuclear weapons stockpile is safe and ready, if necessary, for use. This must be done without detonating any of the weapons to see what happens to them as they age and as they are modified. Therefore, ASCI uses computer models and existing experimental data to understand the effect that aging and other changes to weapons will have on the warheads. Approximately one quarter of the program's funding is for hardware while the remaining three quarters of funding develops tools that support scientific experiments at the three NNSA weapons laboratories.

Overall, the program scores well because it has a clear purpose, is well managed, and has clear and measurable goals. Additional findings include:
1. For the most part, the program makes a unique contribution to this mission area and there does not appear to be any other viable alternative.
2. ASCI has specific goals that guide the program and inform its progress. While some of the annual goals are somewhat vague, they contribute to the long-term goal of simulating the performance of nuclear weapons.
3. A possible area of concern with the ASCI program is that the focus of the program not be diverted to other, non-weapons related work. Furthermore, the program should focus on using its resources to the maximum extent possible without developing redundancy in the three weapons laboratories.

In response to these findings, the Administration will ensure that planned growth in the program meets requirements specifically related to the weapons stockpile and does not develop unneeded redundancy.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)
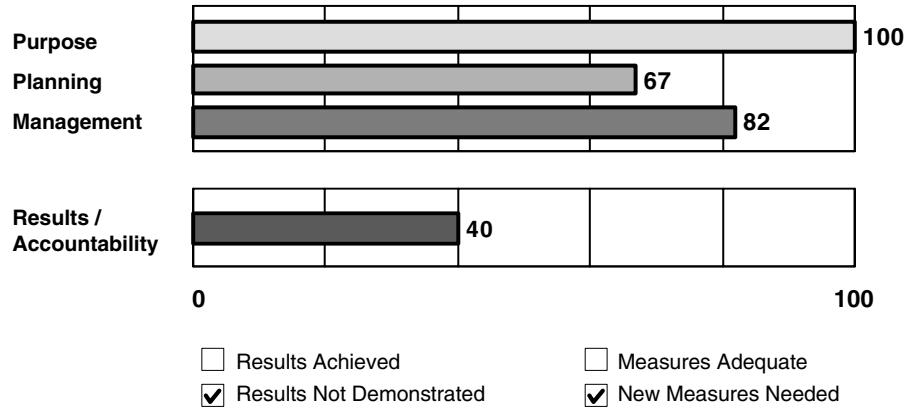
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
704	725	751

Program: Basic Energy Sciences

Agency: Department of Energy

Bureau: Office of Science

Purpose				100
Planning		67		
Management			82	
Results / Accountability	40			

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: Results Not Demonstrated

Program Type: Research and Development

Program Summary:

The Office of Science's Basic Energy Sciences (BES) program funds research in materials sciences, chemistry, geosciences, and aspects of biosciences, and provides national user facilities for over 7,000 researchers annually that are funded by DOE, other federal research agencies, foreign institutions, and the private sector.

The program received a perfect score in the purpose section and a high score in the management section, mainly as a result of standard management practices within the Office of Science that lead the BES program to have a well defined mission, merit-based reviews for awarding contracts and grants, and highly-regarded large project management practices. The primary cause for the lower scores for planning and results is the program's current lack of adequate long-term and annual performance measures. Nevertheless, the program has made significant strides toward developing such measures despite the problems inherent in predicting and then measuring scientific progress. Other findings include:

1. The program is focused and well managed, and was the first Office of Science program to institute a process whereby an ad hoc panel of outside experts favorably reviewed the program's research portfolio and processes. A recent GAO report validated the program's merit-based peer review process for awarding contracts and grants.

2. The program's construction projects, including the large Spallation Neutron Source, are all well within 10 percent of their original cost and schedule estimates.

To address these findings:

1. The 2004 Budget provides funds to operate the program's user facilities at 100 percent of maximum capacity (the same as in 2003 and an increase of 16 percent over 2002), and to design or start construction on four new nanoscale science research centers, which are the only approved new scientific facility construction starts in the Office of Science budget. The reduction in funding from 2003 includes the decreasing costs needed for Spallation Neutron Source construction.

2. The Administration will work to reform its performance measures, while being sensitive to the difficulties that basic research programs face in attempting to predict future scientific progress.
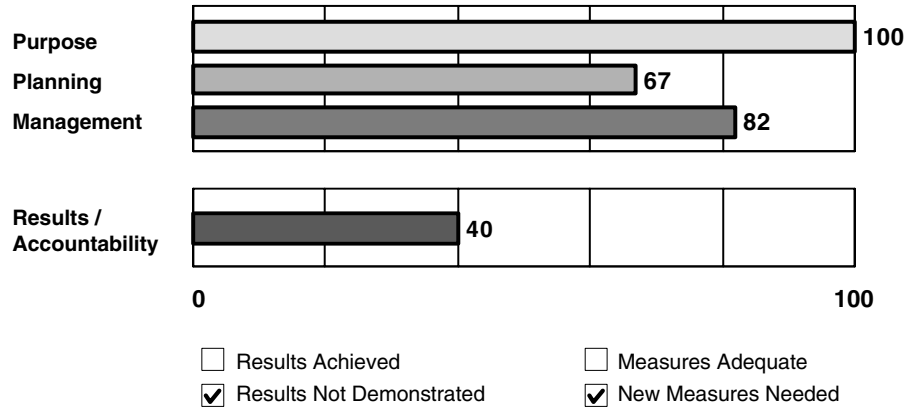
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
997	1,020	1,009

Program: *Biological and Environmental Research*

Agency: *Department of Energy*

Bureau: *Office of Science*

Category	Score
Purpose	100
Planning	67
Management	82
Results / Accountability	40

Scale: 0 to 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Research and Development*

Program Summary:

The Biological and Environmental Research (BER) program funds research in climate change, environmental remediation, genomics, proteomics, radiation biology, and medical sciences, and provides national user facilities used by public and private sector scientists across the range of BER disciplines.

The program received a perfect score in the purpose section and a high score in the management section, mainly as a result of standard management practices within the Office of Science that lead the BER program to have a well defined mission, merit-based reviews for awarding contracts and grants, and highly-regarded large project management practices. The primary cause for the lower scores for planning and results is the program's current lack of adequate long-term and annual performance measures. Nevertheless, the program has made significant strides toward developing such measures despite the problems inherent in measuring and predicting scientific progress. Other findings include:
1. The program is focused, well managed, and has played a leading role in the genomics revolution.
2. The program is well-coordinated with other federal research agencies, especially the National Institutes of Health for genomics and health research.
3. The program's current construction project, the Laboratory for Comparative and Functional Genomics, is on schedule and within budget.
4. The program is regularly reviewed by panels of outside experts.

To address these findings:
1. The 2004 Budget provides funds to operate the program's user facility at 100 percent of maximum capacity (the same as in 2003 and an increase of 2 percent over 2002), as well as the program's efforts in the Climate Change Research Initiative and Genomes to Life initiative.
2. The Administration will work to reform its performance measures and goals, while being sensitive to the difficulties that basic research programs face in attempting to predict future scientific progress.

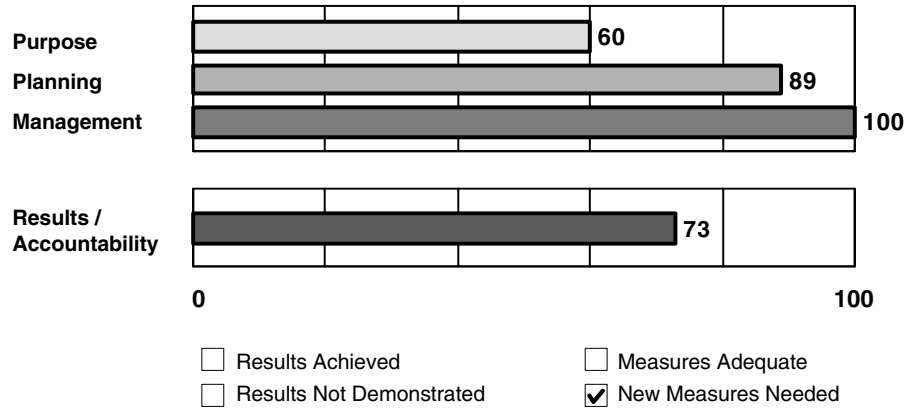* $20 million was transferred to the Department of Homeland Security in 2003.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
523	484	500

Program: *Bonneville Power Administration*

Agency: *Department of Energy*
Bureau: *Power Marketing Administration*

Purpose	60
Planning	89
Management	100
Results / Accountability	73

0 — 100

☐ Results Achieved ☐ Measures Adequate
☐ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Achieve high customer satisfaction ratings (scores above 7.2) based on annual independent surveys (scale 1-10)	2001	7.2 to 7.6	7.4
	2002	7.2 to 7.6	
	2003	7.2 to 7.6	
Annual Measures: Achieve high ratings for: Efficiency (actual generation output in cycles/second[cps] vs the 60 cps goal); and Reliability (% of operating time generation is within its electricity production tolerances) based on nat'l standards	2001	100	173.1
	2001	90	98.7
Meet safety standards of 3.3 accidents/200,000 hrs worked	2001	3.3	2.0
Annual Measures: Make planned debt payment to the Trerasury to repay the long-term ocst of building hydropower facilities	2001	$135 M	$230 M
Recover subsidies identified by GAO incurred during construction of hydropower facilities			
Adopt industry-wide measures of efficiency, such as the cost of generating and transmitting power/kilowatthour			

Rating: *Moderately Effective*

Program Type: *Capital Assets*
Program Summary:

The Bonneville Power Administration markets power generated at 31 Corps of Engineers and Bureau of Reclamation dams located in the Northwestern United States. Bonneville is responsible for recovering all its costs through the sale of power to customers.

The program assessment demonstrates that Bonneville plans and carries out its programs effectively, meeting national standards for providing dependable power to the four Pacific Northwest states while also balancing power and environmental requirements. Additional findings include:
1. It conducts annual financial audits and extensive program and management reviews for power generation and its transmission and natural resources programs. Bonneville's high score is based on the planning and management of its programs and the reliable delivery of power.
2. Bonneville's score is reduced because the program does not make a unique contribution to addressing a problem in the industry, and its power allocations, by law made on a preference basis to a special class of customers, are not optimally designed. Developing power rates and customer allocations under its legal requirements often takes years and is an inefficient (it does not offer power to bidders) and burdensome process. In addition, according to the General Accounting Office (GAO), Bonneville historically has not covered all its costs.
3. Bonneville competes with the private sector, particularly in its surplus power sales to California.
4. Bonnevile also has not developed adequate long and short term performance targets and measures, particularly efficiency measures.

Based on these findings:
1. Bonneville will improve its long and short term targets and measures of performance.
2. The Administration will develop and collect data on efficiency measures comparable to those used by private industry.
3. Bonneville will develop recommendations to improve the way it conducts marketing functions and the recovers its costs.

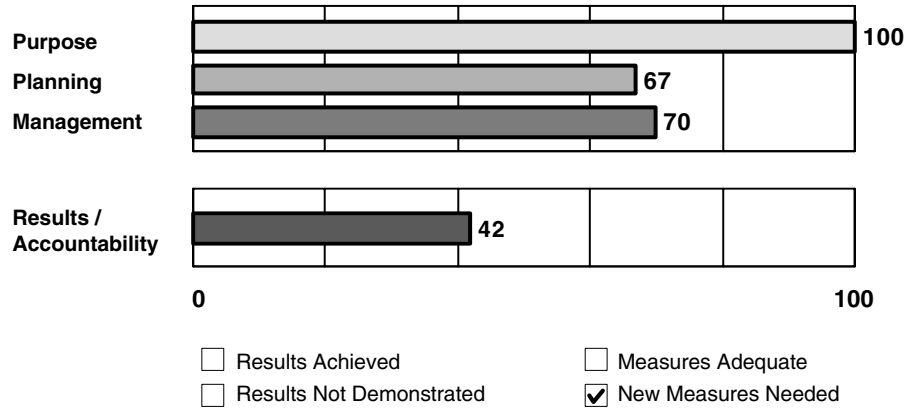(For more information on this program, please see the Department of Energy chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
-52	-19	-11

Program: *Building Technologies*

Agency: *Department of Energy*

Bureau: *Energy Efficiency and Renewable Energy*

Category	Score
Purpose	100
Planning	67
Management	70
Results / Accountability	42

Scale: 0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure (new): Design packages developed and demonstrated that can achieve 40 to 70 percent increases in energy efficiency (depending on climate and home type) relative to the Model Energy Code	2008	10	0
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Adequate*

Program Type: *Research and Development*

Program Summary:

The Building Technologies program develops technologies, designs, and codes and standards for making residential and commercial buildings and equipment more energy efficient.

The program has a very clear purpose, but needs to develop and apply a consistent methodology for estimating the public benefits of its activities in order to establish priorities within the program and among other applied energy research and development (R&D) programs. Other findings include:
1. Two of the program's activities -- "Zero Energy Buildings" and "Analysis Tools and Design Strategies" -- are largely duplicative. Both develop energy efficient design packages for buildings.
2. The program has successfully "graduated" some energy efficient technologies to the private sector for commercialization. A National Research Council assessment of four (among hundreds) of the program's R&D activities found that three have produced positive returns to the public on the Federal investment.
3. The program has difficulty developing long-term performance measures that capture the diversity of activities supported. The program also has difficulty defining annual performance measures, a challenge for many R&D programs.
4. The program is part of a division that completed a major reorganization in 2002, which should improve program planning and management.

In response to these findings and an assessment of the program's activities using the R&D Investment Criteria developed as part of the President's Management Agenda, the Budget proposes to:
1. Redirect existing funding for lighting R&D towards high-risk, high-payoff technologies that support the Department's proposed Solid State Lighting Initiative;
2. Combine and reduce overall funding for duplicative program activities aimed at developing energy efficient building designs; and
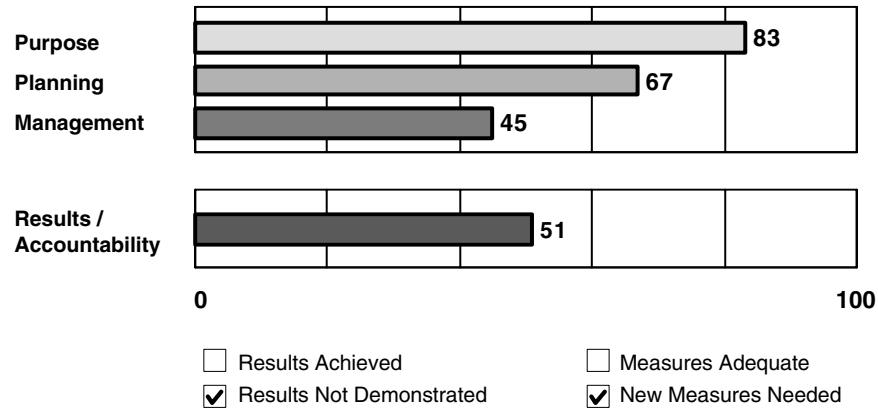3. Develop adequate long-term and annual measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
66	61	57

84

Program: *Clean Coal Research Initiative*

Agency: *Department of Energy*

Bureau: *Fossil Energy*

Purpose	83
Planning	67
Management	45
Results / Accountability	51

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Capital cost ($/kW) Integrated Gasification Combined Cycle (IGCC) is a new, cleaner and more efficient way to use coal to make electricity, and potentially other products. Unfortunately, construction costs of these plants are still too high, and DOE- funded research is trying to lower them.	2002		$1400
	2008	$1000	
Long-term Measure: Change in cost of electricity (COE) from sequestration (%) To ensure that coal remains in the energy mix, it may be necessary to have a way to keep CO2 out of the environment (sequestered), but right now the available processes are very expensive, increasing the cost of electricity 30-70%.	2002		+ 30-70
	2010	+10	
Annual measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Research and Development*

Program Summary:

The Clean Coal Research Initiative encompasses all DOE coal-related research including Advanced Central Power Systems, Carbon Sequestration, Clean Coal Power Demonstrations, and Innovations for Existing Plants. It researches better ways to use coal more cleanly and efficiently.

Key findings, in conjunction with the R&D Investment Criteria, included:
1. These programs have a clear purpose and have demonstrated the ability to articulate potential public benefits;
2. Too high a proportion of funding has been directed at lower-priority activities (commercial-scale "demonstration", which should primarily be the responsibility of private-sector interests). This program had over 50% of its funding targeted toward construction of commercial-size "demonstration" power plants;
3. The program's management scores reflect the lack of efficiency or cost effectiveness measures, inability to adequately document procedures to ensure the quality of non-competitive awards, and lack of a system for tracking earned value (cost, schedule and performance) of projects;
4. The results scores reflect the fact the Department has not established adequate annual performance measures. The PART process, through its public accountability mechanisms, brought new thinking to the process of performance measurement, and improved the Program's metrics to include specific performance targets with expected dates of completion;; and
5. The Department has begun to add rigor to its benefits modelling process. While it still does not consistently use the methods recommended by the National Academy of Sciences, the Department is making progress.

As a result of the above, the Administration will:
1. Improve research effectiveness by reducing funding for demonstrations and placing greater emphasis in the Budget on funding research and development;
2. Consolidate the coal research accounts under one umbrella account to improve management;
3. Improve tracking of cost, schedule and performance of projects, and institute specific program execution efficiency measures; and
4. Continue to support improved benefits modeling and estimation efforts to increase accuracy and consistency between programs.

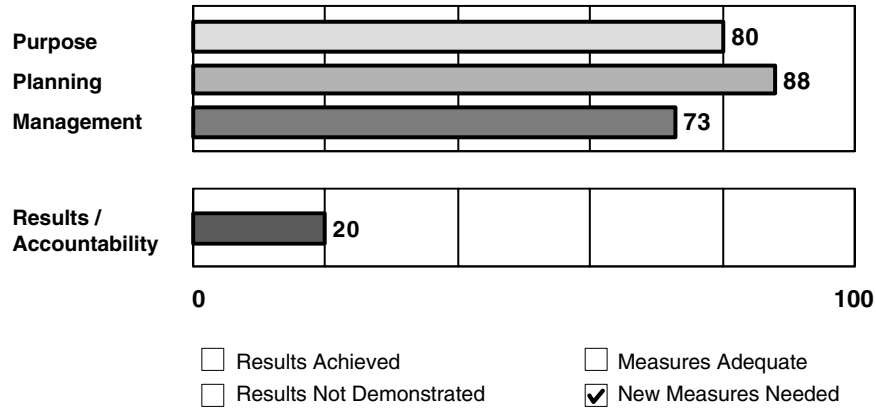(For more information on this program, please see the Department of Energy chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
338	316	321

Program: *Environmental Management (Cleanup)*

Agency: *Department of Energy*

Bureau: *Environmental and Other Defense Activities*

Purpose	80
Planning	88
Management	73
Results / Accountability	20

0   100

☐ Results Achieved   ☐ Measures Adequate
☐ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage reduction in program costs (New measure)	2008	-2%	
	2035	-29%	
Long-term Measure: Number of years ahead of schedule that all sites are completed (New measure)	2035	-35 years	
Annual Measure: Measures under development			

Rating: *Ineffective*

Program Type: *Capital Assets*

Program Summary:

The Environmental Management program protects human health and the environment by cleaning up contamination from nuclear weapons production and energy research at 114 Department of Energy sites.

The assessment found that the program is generally effective in planning and managing cleanup activities. However, the program has significant difficulty in completing its work on time and within budget. Other findings include:
1. The program has a clear purpose, a well-defined scope of work, and a critical role in accomplishing the cleanup mission.
2. Although the program does good strategic planning, poor detailed planning of individual work activities is a significant problem that contributes to unsuccessful project management and ineffective use of performance-based contacts.
3. Despite its success in completing cleanup of 75 sites, since 1998, program costs have increased from $147 billion to $220 billion and the cleanup schedule has slipped from 2046 to 2070.
4. The program recently drafted revised cleanup plans with challenging, new risk reduction, cost, and schedule goals. Nevertheless, the lack of annual cost and schedule performance measures makes it difficult for the program to demonstrate progress toward these goals.

As a result of these findings:
1. The Budget will propose additional funding of $272 million in 2004 to fully implement significantly revised cleanup plans, which will better protect human health and the environment while reducing costs and accelerating completion schedules.
2. DOE will continue to develop with federal and state regulators revised cleanup plans that will reduce risk, accelerate schedules, and lower costs.
3. The Administration will develop new annual cost and schedule measures.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)
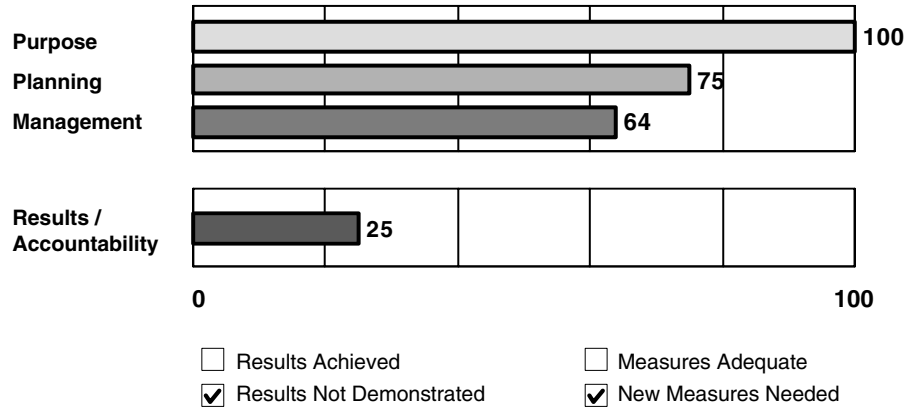
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
6,450	6,903	7,175

Program: *Environmental Management (R&D)*

Agency: Department of Energy

Bureau: Environmental and Other Defense Activities

☐ Results Achieved	☐ Measures Adequate
☑ Results Not Demonstrated	☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage reduction in program costs (New measure)	2008	-2%	
	2035	-29%	
Long-term Measure: Number of years ahead of schedule that all sites are completed (New measure)	2035	-35 years	
Annual Measure: Measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Research and Development*

Program Summary:

The Environmental Management research and development program provides more effective, less expensive, and safer environmental technologies to support the cleanup of contamination from nuclear weapons production and energy research at 114 Department of Energy sites.

The assessment found that the program has a clear federal purpose and successfully produced numerous technologies, but these technologies do not appear to be effective because the cleanup program continues to experience uncontrolled cost and schedule growth. Other findings include:
1. The program uses diverse resources including the national labs, private firms, universities, and other federal and state programs to meet its technology needs.
2. Except for research conducted at Congressional direction, the program relies on merit review and competition in awarding its research.
3. The program includes research and development and grants not related to the cleanup mission.
4. It is difficult for the program to demonstrate its contribution to the Environmental Management cleanup goals due to inadequate performance measures.

As a result of the findings:
1. The Budget will focus on funding expertise for specific site problems and alternatives for costly, high-risk cleanup approaches.
2. DOE will continue to rely on merit review and competition to maintain the quality of the research program.
3. The Administration will develop adequate annual performance measures.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)
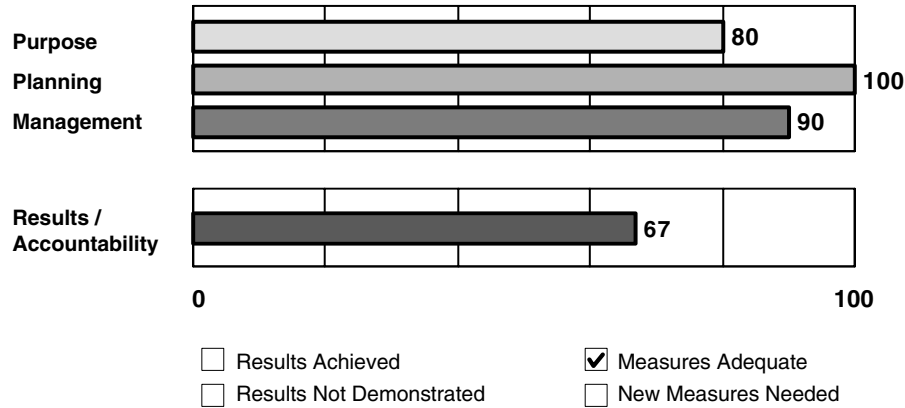
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
247	92	64

Program: *Facilities and Infrastructure*

Agency: *Department of Energy*

Bureau: *National Nuclear Security Administration*

	Score
Purpose	80
Planning	100
Management	90
Results / Accountability	67

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Amount of maintenance deferred from year to year that would otherwise be required to keep a facility in originally intended condition. Current NNSA data is under development. (Industry standard is to maintain the total cost of deferred maintenance at 5% or less of the total cost to replace the facility.)	2005	Stabilized	
	2009	Ind. Std.	
Long-term Measure: Amount of square feet of excess building space eliminated	2004	435,000	
	2009	3,000,000	

Rating: *Moderately Effective*

Program Type: *Capital Assets*

Program Summary:

The purpose of the Facilities and Infrastructure Recapitalization Program (FIRP) is to restore the physical infrastructure of the nuclear weapons complex. The Department established the program in 2000 to address longstanding problems highlighted in numerous studies. Even though it is a young program, early indications are that NNSA manages it well.

Findings from the PART assessment include the following:
1. The program has a specific purpose--to refurbish the aging nuclear weapons complex and reduce the backlog of maintenance that the Department deferred over the past decade. The Department has an adequate and detailed planning process that should enable it to achieve its goals of stabilizing (not increasing) the amount of deferred maintenance by 2005 and meeting the industry standard by 2009.
2. The program has a Ten-Year Comprehensive Site Plan that integrates and prioritizes projects across the weapons complex. Using the priority list, the backlog of maintenance work will be reduced to a level comparable to that found in industry by 2009. It will also lower overall maintenance requirements by reducing the amount of unused building space in the complex by approximately 3 million square feet.
3. The program appears to have strong program management at the headquarters level, with detailed involvement at the site level to ensure the proper allocation of funds.
4. Given that the program is new (its first year of funding was 2001), it does not yet have an extensive record of results.
5. Because the program is only two years old, and its results are not yet measurable, there may be some overlap between the FIRP program and other NNSA infrastructure related programs. For example, NNSA manages a separate budget line for facility readiness, and provides funding for new construction in its science campaigns budget lines. Both of these contribute to the overall condition of the weapons complex so it is an area that may require management attention in the future.

The Administration plans to:
1. Review all infrastructure programs to ensure that there is no overlap between the FIRP and other NNSA programs; and
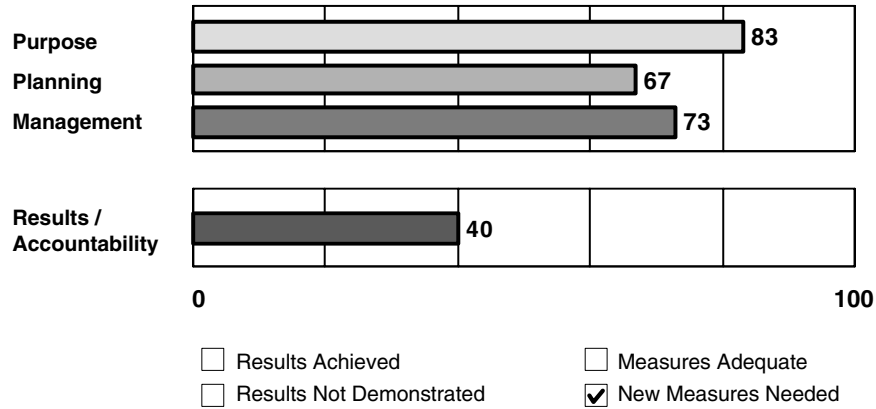2. Monitor actual results and change the program accordingly.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
197	243	265

Program: *Fuel Cells (Stationary)*

Agency: Department of Energy

Bureau: Fossil Energy

Key Performance Measures	Year	Target	Actual
Long-term Measures: Capital cost of fuel cell generating equipment ($/kW)	2000		$4500
	2002		$1000-1500/kw
	2015	$400/kw	
Long-term Measures: Fuel conversion efficiency (% of heat in fuel converted to electricity)	2002	50- 60%	53%
	2015	70-80%	
Annual Measure: Measures under development			

Rating: *Adequate*

Program Type: Research and Development

Program Summary:

The Fossil Energy Fuel Cell program conducts research and development on stationary fuel cells that are intended to generate electricity for the existing electricity system (grid power) or for on-site use (distributed generation).

The relatively high scores in strategic planning, program design and management reflect changes in response to external reviews. The program was recently revamped to:
1. Establish new long-term outcome-oriented measures;
2. Implement a new strategic approach that focuses on commercialization through the use of competitive research teams; and
3. Establish specific management tracking systems.

Additional findings:
4. While the predecessor programs have successfully developed products for specialized markets (such as back-up power for data centers), the results scores are relatively low because the Department has not completed development of annual performance measures.
5. Some programs are reaching completion (e.g. molten carbonate fuel cell demonstration).

In response to these findings, the Administration will:
1. Work to establish specific annual performance measures tied to long term goals; and
2. Redirect funds from programs that are reaching completion to more long-term laboratory research efforts (e.g. new materials for high temperature seals, novel methods to make hydrogen available (fuel reforming) to the cells, new approaches to sulfur capture or tolerance.)
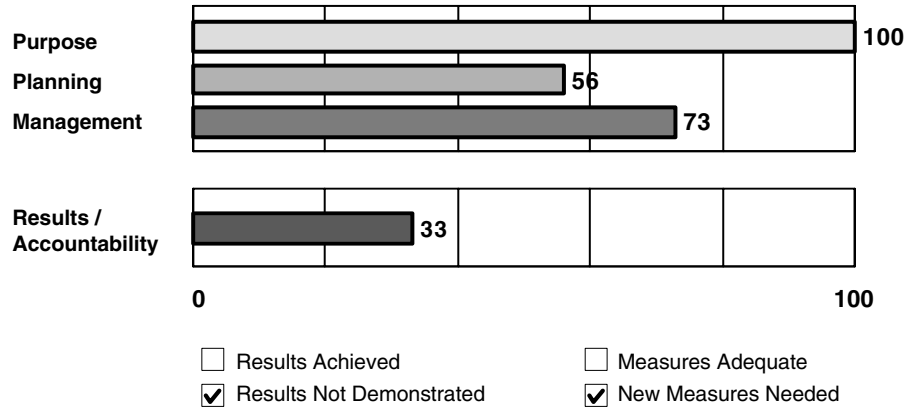
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
58	47	45

89

Program: *Fusion Energy Sciences*

Agency: *Department of Energy*

Bureau: *Office of Science*

	Year	Target	Actual
Key Performance Measures			
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Research and Development*

Program Summary:

The Office of Science's Fusion Energy Sciences (FES) program supports facilities and research in plasma science, fusion science, and fusion technology aimed at providing the intellectual basis for a future fusion energy source of commercial power.

The program received a perfect score in the purpose section and a fairly high score in the management section, mainly as a result of standard management practices within the Office of Science that lead the FES program to have a well defined mission, merit-based reviews for awarding contracts and grants, and highly-regarded large project management practices. The primary cause for the lower scores for planning and results is the program's current lack of adequate long-term and annual performance measures. Nevertheless, the program has made significant strides toward developing such measures despite the problems inherent in predicting and then measuring scientific progress. Other findings include:

1. The program delivers projects on cost and schedule; including its most recent construction project, the National Spherical Torus Experimental Facility, and its current decontamination and decommissioning project for the Tokamak Fusion Test Reactor.

2. The program receives a significant amount of external expert assessments of its research and program management strategies.

3. The program budget is not sufficiently aligned with program goals so that the impact of funding changes on performance is readily known, and so that basic research elements are distinguished from applied research elements.

To address these findings:

1. The 2004 Budget provides funds to operate the program's user facilities at 84 percent of maximum capacity (the same as in 2003 and 39 percent more than in 2002).

2. The Administration will work to reform its performance measures and goals, understanding the difficulties that basic research programs face in attempting to predict future scientific progress.

3. The Department will work to further clarify the relationship between the program goals and budget.

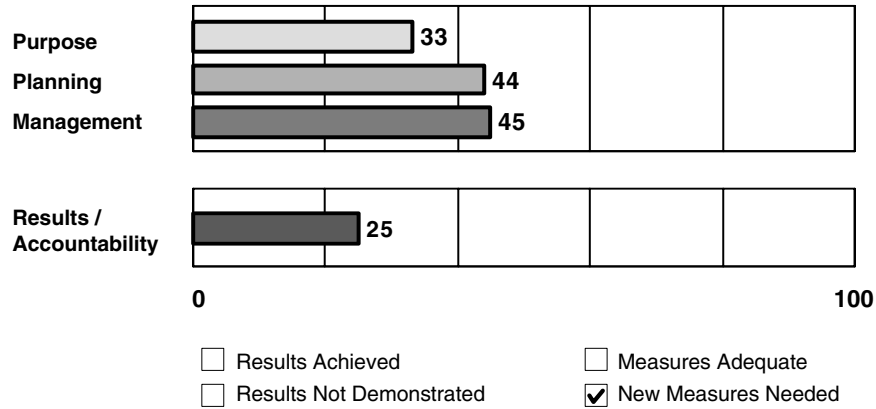(For more information on this program, please see the Department of Energy chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	**2003 Estimate**	**2004 Estimate**
247	257	257

Program: *Gas Exploration and Production*

Agency: *Department of Energy*

Bureau: *Fossil Energy*

Purpose	33
Planning	44
Management	45
Results / Accountability	25

0   100

☐ Results Achieved   ☐ Measures Adequate
☐ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Medium-term Measure: Amount of natural gas in the US that can be made available to the market (Economically Recoverable Resource (ERR), in trillion cubic feet - Tcf. ERR is very sensitive to market price: 2002 Baseline= 740 Tcf at $2.00/1000 cf and 920 Tcf at $3.50/1000 cf.)	2002		740
	2008	760	
	2015	860	
Annual measure: Measures under development			

Rating: *Ineffective*

Program Type: *Research and Development*

Program Summary:

The Gas Exploration and Technology Program, to promote energy security, researches better ways for commercial companies to explore for, drill, and develop natural gas resources.

The application of the PART found:
1. As currently executed much of the program's efforts were found not to be unique, since private industry undertakes similar research.
2. A recent National Academy of Sciences study concluded that the actual additional production attributed to the program was relatively small, about 1.5% of natural gas consumption from 1978 -2000. This additional production, along with a similar amount for oil, was achieved at a Federal cost of $1.4 billion. The NAS committee noted "It is difficult to separate the contributions made by DOE and contributions made by industry and others."
3. The program's long-term measures are adequate and the Department has made progress improving annual performance measures to include specific targets with completion dates. However, the Department has not yet completed development of adequate annual performance goals;
4. The Department could not document a comprehensive system for tracking the cost, schedule and performance of this research (earned value) and generally does not identify decision points for possible mid-term corrections in the research.
5. The National Academy of Sciences study outlined parameters to measure benefits that would provide consistency within and across programs. For example, the Academy's analysis attempted to track where the benefits accrued (private vs. public, and to separate the contribution of the program from advances that would have occurred without federal involvement. The Department, while continuing to refine its own benefits models, has not yet adopted the Academy's uniform measures but is making progress in this area.

As a result of these findings, the Administration will:
1. Re-examine project selection to improve outcomes;
2. Continue performance measurement improvements, including development of annual measures tied to long-term goals; and
3. Support improvements in benefits modeling.

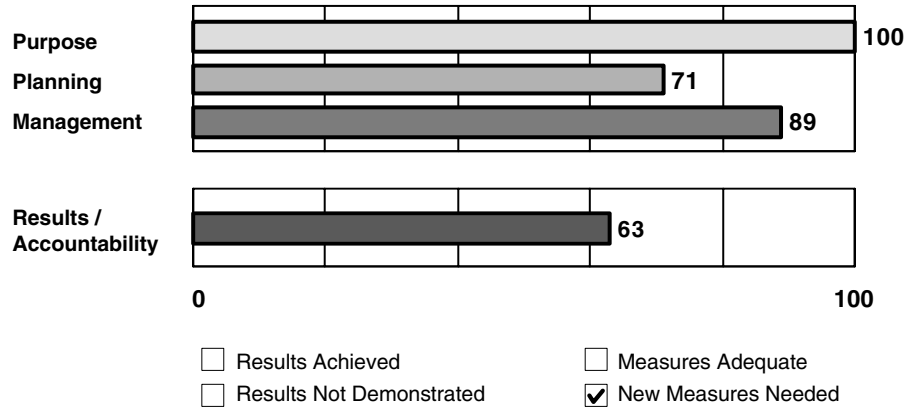[Note: Due to restructuring of the program 2002 and 2003 budget numbers may not be comparable to 2004.]

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
20	15	14

Program: Generation IV Nuclear Energy Systems Initiative

Agency: Department of Energy

Bureau: Nuclear Energy

Purpose	100
Planning	71
Management	89
Results / Accountability	63

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☐ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: Moderately Effective

Program Type: Research and Development

Program Summary:

The Generation IV Nuclear Energy Systems Initiative funds research on the next generation of nuclear reactors. Generation IV reactors are part of a new generation of nuclear energy and fuel cycle technologies that offer significant improvements in the sustainability, proliferation and terrorism resistance, safety and reliability, and economics.

The assessment indicates that the Generation IV Nuclear Energy Systems Initiative has a very clear purpose and is the product of extensive collaborative planning with nine other nations of the Generation IV International Forum (GIF). Additional findings include:
1. The program has established long-term goals to develop next-generation nuclear reactors but needs to quantify measurable long-term outcomes.
2. DOE has prepared a detailed research roadmap to guide its research efforts and has created the GIF, an international planning and oversight body, to monitor progress and guide research investments.
3. The program budget does not associate funding with individual annual performance goals, plans, and performance measures so that the potential impacts of funding changes cannot currently be determined.
4. Annual performance goals, as outlined in the program's detailed roadmap, define work to be accomplished but not adequate measurable indicators of success.

In response to these findings, the Administration will:
1. Develop measurable outcome indicators for the long-term and annual performance goals identified in the program's detailed R&D roadmap;
2. Develop a plan for independent program evaluations to guide program managers and policy decision makers; and
3. Define relationship between funding and the program's goals, plans, and performance measures.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)
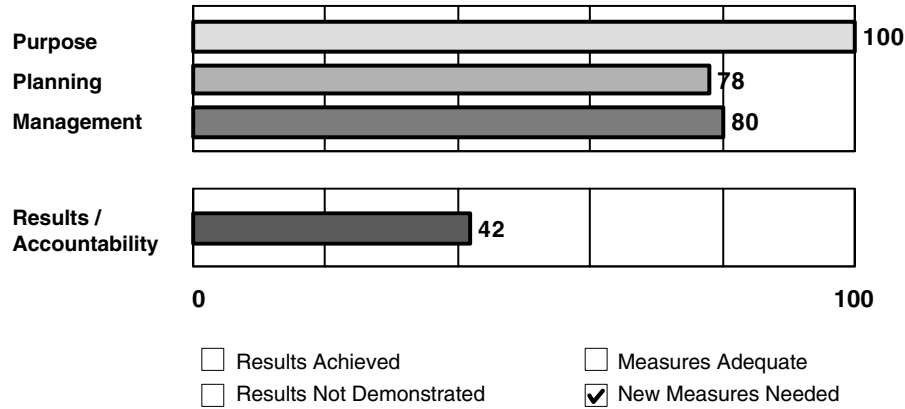
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
4	8	10

Program: *Geothermal Technology*

Agency: *Department of Energy*

Bureau: *Energy Efficiency and Renewable Energy*

Purpose	100
Planning	78
Management	80
Results / Accountability	42

0   100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Average cost of power from geothermal technologies (cents per kilowatt-hour)	2000	3	5 to 8
	2010	3 to 5	
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Adequate*

Program Type: *Research and Development*

Program Summary:

The Geothermal Technologies program develops techniques for expanding the use of geothermal energy resources, which include heat, hot water, and steam near the earth's surface, as well as molten rock and magma farther down.

The program has a very clear purpose, but needs to develop and apply a consistent methodology for estimating the public benefits of its activities in order to establish priorities within the program and among other applied energy research and development (R&D) programs. Other findings include:
1. In 2000, the National Research Council (NRC) reported that the program has contributed to the development of advanced drilling technologies that have lowered costs and opened up a larger fraction of the U.S. geothermal resource base for competitive power production.
2. The NRC also indicated that much of the program's research was focused on near-term technologies, and suggested a change in focus to high-grade enhanced geothermal systems, which are engineered reservoirs created to extract heat from economically unproductive geothermal resources.
3. The program's "Industry Support" activity funds Congressionally earmarked projects that do not significantly contribute to the program's performance goals.
4. The program has difficulty developing meaningful annual performance measures, a challenge for many R&D programs.
5. The program is part of a division that completed a major reorganization in 2002, which should improve program planning and management.

In response to these findings and an assessment of the program's activities using the R&D Investment Criteria developed as part of the President's Management Agenda, the Budget proposes to:
1. Continue to redirect resources within the program to emphasize enhanced geothermal systems R&D;
2. Terminate the program's "Industry Support" activity; and
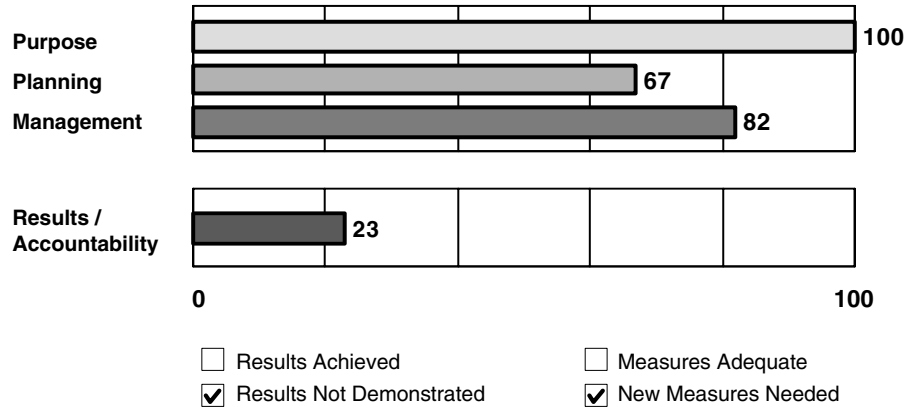3. Develop adequate annual measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
27	27	26

Program: *High Energy Physics*

Agency: *Department of Energy*

Bureau: *Office of Science*

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Research and Development*

Program Summary:

The Office of Science's High Energy Physics (HEP) program supports large national and international particle accelerator experiments and research in high-energy (particle) physics and related fields, including particle astrophysics and cosmology.

The program received a perfect score in the purpose section and a high score in the management section, mainly as a result of standard management practices within the Office of Science that lead the HEP program to have a well defined mission and merit-based reviews for awarding contracts and grants. A cause for the lower scores for planning and results is the program's current lack of adequate long-term and annual performance measures. Nevertheless, the program has made significant strides toward developing such measures despite the problems inherent in measuring and then predicting scientific progress. Other findings include:

1. The program's results score was lowered further because of two construction and upgrade projects that are underperforming or over budget/schedule, in part because the program is undertaking several high-risk projects simultaneously.

2. The program coordinates its research strategy with the National Science Foundation through a jointly sponsored advisory committee; however, the program does not yet have regular reviews of its research portfolio and processes by ad hoc panels composed of outside experts external to its advisory committee.

To address these findings:

1. The 2004 Budget will focus resources on addressing construction and upgrade problems while operating the program's fully-functioning user facility at 87 percent of maximum capacity (the same as in 2003 and 9 percent more than in 2002).

2. The Department will institute a priority-setting mechanism for ranking medium and large construction projects within the program that have not yet reached the full construction phase.

3. The Administration will work to reform its performance measures and goals, while being sensitive to the problems that basic research programs face in attempting to predict future scientific progress.

4. The Department will institute a formal committee of visitors process for the program by September, 2003.
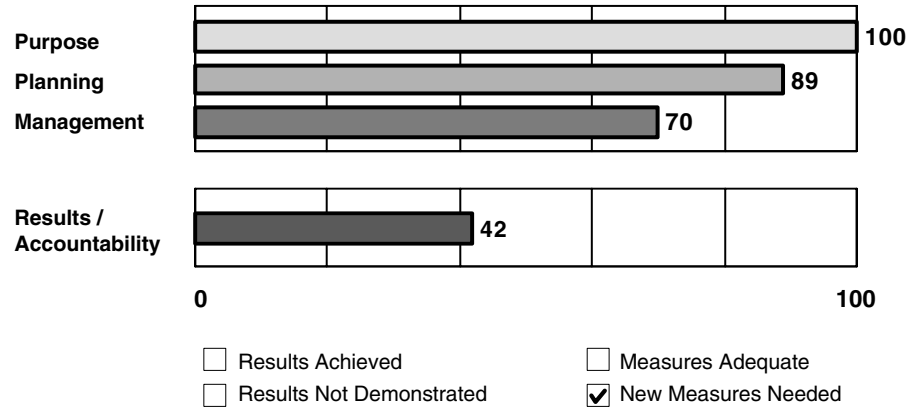
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
713	725	738

94

Program: *Hydrogen Technology*

Agency: *Department of Energy*

Bureau: *Energy Efficiency and Renewable Energy*

Purpose	100
Planning	89
Management	70
Results / Accountability	42

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure (new): Use of hydrogen as an energy source to displace petroleum, in millions of barrels of oil per day (mmbbl/d)	2002	0	0
	2010	0.001	
	2020	0.180	
Long-term Measure: Weight percent of hydrogen storage (a higher weight percent means more hydrogen in a smaller volume, allowing a hydrogen fuel cell vehicle that can operate more miles before refueling)	2000	5%	3.5%
	2005	5%	
	2010	6%	
Annual Measure (new): Cost of hydrogen produced from renewable resources, in dollars per gasoline gallon equivalent ($/gge)	2002		$8.50
	2003	$6.00	
	2004	$5.00	
	2010	$3.50	

Rating: *Adequate*

Program Type: *Research and Development*

Program Summary:

The Hydrogen Technology program develops hydrogen production, storage, and delivery technologies that are more energy efficient, cleaner, safer, and lower in cost. A portion of the program's funding supports the Administration's FreedomCAR partnership that aims to develop technologies to help the U.S. auto industry commercialize hydrogen fuel cell vehicles.

The program has a very clear purpose and strong planning, but needs to develop and apply a consistent methodology for estimating the public benefits of its activities in order to establish priorities within the program and among other applied energy research and development (R&D) programs. Other findings include:
1. In 2000, the National Research Council (NRC) reported that the program "has established a firm technical foothold in the critical technical areas" of hydrogen production and storage.
2. The NRC also indicated that the program should concentrate on research on the production of hydrogen from renewable resources and on hydrogen storage.
3. Some program activities that support the FreedomCAR partnership need involvement of the energy industry as well as the auto industry.
4. The program has had difficulty developing meaningful annual performance measures for much of the R&D it conducts, a challenge for many R&D programs.
5. The program is part of a division that completed a major reorganization in 2002, which should improve program planning and management.

In response to these findings and an assessment of the program's activities using the R&D Investment Criteria developed as part of the President's Management Agenda, the Budget proposes to:
1. Establish a new partnership with energy industry to complement the Administration's FreedomCAR partnership, which will accelerate the Nation's transition to a hydrogen-based economy;
2. Expand high-risk R&D on hydrogen production from renewable resources and on hydrogen storage technologies; and
3. Develop adequate annual performance measures.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)
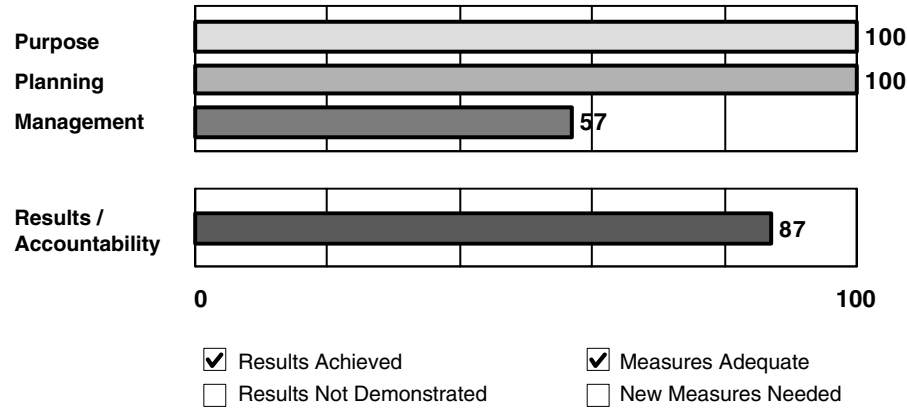
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
29	40	88

95

Program: *International Nuclear Materials Protection and Cooperation*

Agency: *Department of Energy*

Bureau: *National Nuclear Security Administration*

Purpose	100
Planning	100
Management	57
Results / Accountability	87

0 — 100

☑ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Rating: *Effective*

Program Type: *Direct Federal*

Program Summary:

This program provides money and expertise to Russia and other states of the Former Soviet Union to prevent proliferation of weapons of mass destruction (WMD). Funding goes for such activities as consolidating and improving security around nuclear warheads and nuclear material that could be used to make a nuclear weapon so that terrorists cannot obtain a bomb or the material to build a bomb.

This program has a clear purpose that addresses a specific need. Furthermore, the vitality of this work is apparent in the post September 11 environment and the knowledge that terrorists are seeking to obtain weapons of mass destruction. The Department has established specific, measurable goals and timeframes. In addition to the long-term performance goals, the Department tracks specific annual performance goals to measure year to year progress. The program scored less well on management primarily because the Department's ability to track expenditures by country on a timely basis needs improvement and because the Department is slow to spend annual funding. Historically, the program has carried forward a large amount of funding from one year to the next. However, this slow spending is largely the result of difficulties negotiating access agreements with Russia (DoD's Cooperative Threat Reduction Programs suffers from the same problem). Because the Department has achieved measurable results, it scored well on the results section. For example, by 2002, the Department secured 40 percent of nuclear weapons and weapons usable material at numerous Russian Navy sites.

The Department needs to improve the way it tracks expenditures by country so that it can better manage its allocation of resources.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)
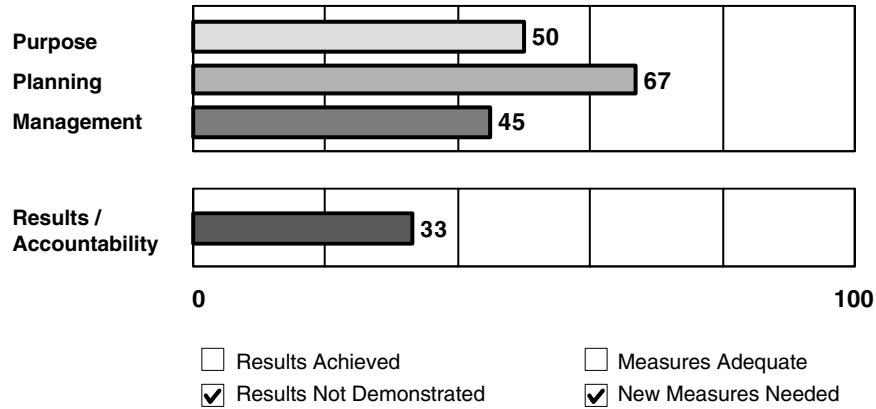
Key Performance Measures	*Year*	*Target*	*Actual*
Long-term Measure: Percentage of security upgrades (such as fences or electronic sensors) completed at 53 Russian Navy nuclear sites containing 4,000 nuclear warheads and 60 metric tons of weapons-usable material	2002	40%	40%
	2003	60%	
	2004	90%	
	2006	100%	
Long-term Measure: Percentage of security upgrades completed at 29 Russian and 13 Newly Independent States nuclear sites containing 540 metric tons of weapons useable material	2002	8%	8%
	2003	18%	
	2004	22%	
	2008	100%	
Long-term Measure: Percentage of 29 metric tons of highly enriched uranium converted to low enriched uranium	2002	12%	12%
	2003	22%	
	2004	32%	
	2009	100%	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
315	227	226

Program: *Methane Hydrates*

Agency: *Department of Energy*

Bureau: *Fossil Energy*

Purpose	50
Planning	67
Management	45
Results / Accountability	33

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Economically producible methane hydrate reserves (trillion cubic feet of methane)	2003		0
	2015	1400	
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Research and Development*

Program Summary:

The Methane Hydrate Program focuses on improving the potential to recover natural gas from naturally occurring mineral formations (a combination of water and methane) in the deepwater continental shelf and arctic permafrost. The program also works to improve the safety of offshore drilling by better defining the role of these formations in seafloor stability.

The application of the PART found:
1. Scientific questions regarding methane hydrates are better addressed by other agencies such as the National Oceanic and Atmospheric Administration (e.g. ecology and geology of seafloor methane hyrates) and the National Science Foundation (e.g. role of hydrates in the carbon system), and safety questions are most appropriately addressed by the industry;
2. DOE's Office of Fossil Energy estimates the volume of economically recoverable domestic natural gas to be 740 trillion cubic feet (assuming a price of $2 per thousand cubic feet [cf], or a much larger 920 trillion cf if the price is $3.50). This supply of standard natural gas will last over 30 years at current rates of consumption, meaning this resource may not be needed for many years;
4. While long-term measures are adequate, the results scores reflect the fact that the Department has not completed development of annual performance measures; and
5. Applied energy programs are expected to be able to show benefits from research efforts. To date, this program cannot demonstrate benefits beyond anecdotal information. The program hopes to complete a benefits model by 2004.

As a result of these findings, the Administration will:
1. Continue performance measurement improvements, including development of annual measures tied to long-term goals; and
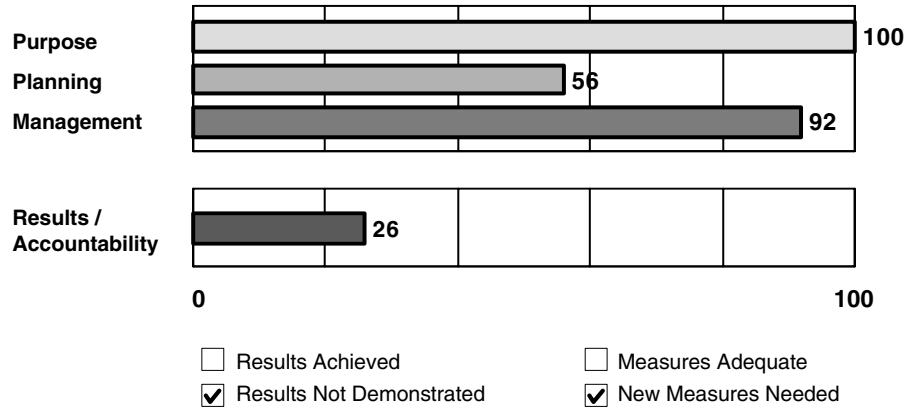2. Support improvements in benefits modeling.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
10	4	4

Program: *Nuclear Energy Research Initiative*

Agency: *Department of Energy*

Bureau: *Energy Programs*

Purpose	100
Planning	56
Management	92
Results / Accountability	26

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Research and Development*

Program Summary:

The Nuclear Energy Research Initiative (NERI) funds research to solve technical problems that impede the expanded use of nuclear energy in the United States. The program uses a competitive, expert peer-review process to select awardees for research at universities, national laboratories, and industry.

The assessment indicates that while the program purpose is very clear, the lack of long-term and near-term performance measures imakes it impossible to objectively determine the program's technical accomplishments. Additional findings include:

1. NERI funds investigator-initiated, innovative R&D projects annually through grants and cooperative agreements for up to three years with specific milestones and deliverables that are monitored routinely, but the individual projects' contributions to larger program goals are not assessed.

2. Basing project selection on independent expert peer-review recommendations helps DOE select the most scientifically-meritorious applications for funding.

2. NERI publishes an annual report describing the projects funded and the Department annually reviews the research topics for which applications will be considered. However, it has not conducted an independent overall program evaluation.

3. Program performance has been measured in terms of numbers of projects awarded. This output measure is not acceptable, because it does not demonstrate the program's effectiveness in resolving the problems on which it is focused.

In response to these findings, the Administration:

1. Will establish a program baseline and measurable long-term performance objectives against which to plan and measure annual performance of individual projects and the program as a whole.

2. Will plan independent program evaluations to guide program management and development.
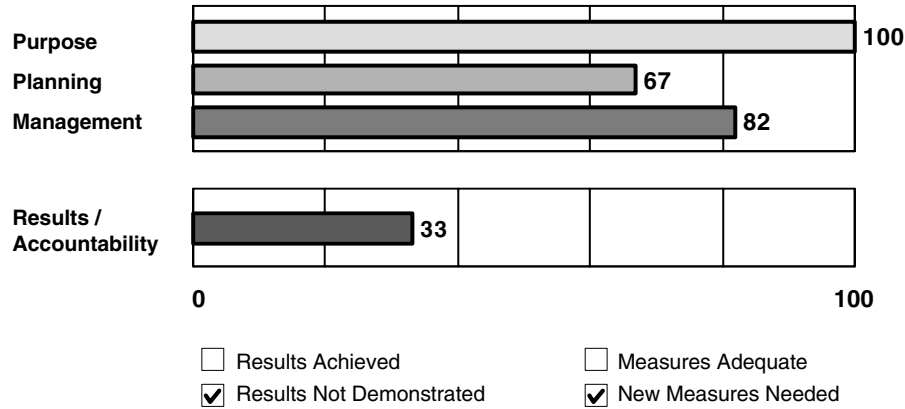
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
30	25	25

Program: *Nuclear Physics*

Agency: *Department of Energy*

Bureau: *Office of Science*

Purpose	100
Planning	67
Management	82
Results / Accountability	33

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Research and Development*

Program Summary:

The Office of Science's Nuclear Physics (NP) program operates nuclear accelerator facilities and funds research in fundamental nuclear physics and related fields, such as nuclear astrophysics. It also develops the technologies and trained workforce needed to underpin DOE's missions for nuclear-related national security, energy, and environmental quality.

The program received a perfect score in the purpose section and a high score in the management section, mainly as a result of standard management practices within the Office of Science that lead the NP program to have a well defined mission, merit-based reviews for awarding contracts and grants, and highly-regarded large project management practices. The primary cause for the lower scores for planning and results is the program's current lack of adequate long-term and annual performance measures. Nevertheless, the program has made significant strides toward developing such measures despite the problems inherent in measuring and then predicting scientific progress. Other findings include:
1. The program is well-managed with a strong focus on training nuclear scientists and utilizing existing facilities in order to maximize scientific returns.
2. The program coordinates its research strategy with the National Science Foundation through a jointly sponsored advisory committee; however, the program does not yet have regular reviews of its research portfolio and processes by ad hoc panels composed of outside experts external to its advisory committee.

To address these findings:
1. The2004 Budget provides funds to operate the program's user facilities at 83 percent of maximum capacity (compared with 80 percent in 2003 and 72 percent in 2002), while ceasing operations at one of its smaller facilities.
2. The Administration will work to reform its performance measures and goals, while being sensitive to the difficulties that basic research programs face in attempting to predict future scientific progress.
3. The Department will institute a formal committee of visitors process for the program by September, 2003.
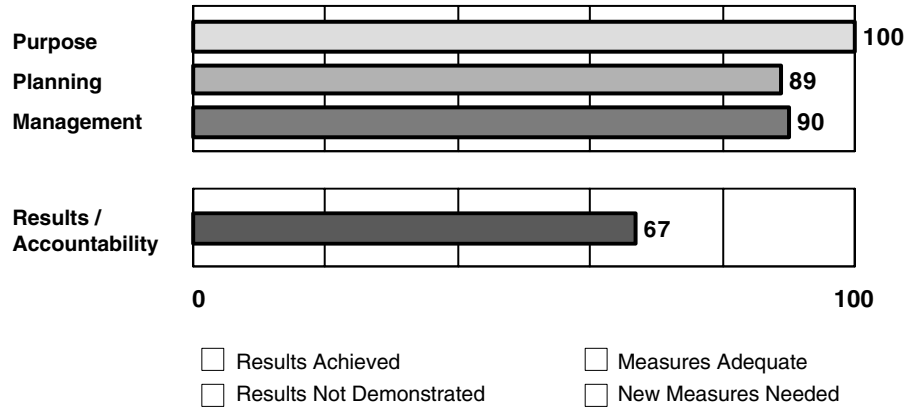
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
359	382	389

Program: *Nuclear Power 2010*

Agency: *Department of Energy*

Bureau: *Energy Programs*

Purpose	100
Planning	89
Management	90
Results / Accountability	67

0 — 100

☐ Results Achieved ☐ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Goal: An industry decision by 2005 to build a new nuclear power plant by 2010			
Annual Measure: Utilities submit Early Site Permit applications to NRC in the fourth quarter of 2003 Initiate advanced reactor technology development and certification projects			
Long-term Goals: NRC issues first Early Site Permits approving locations for new nuclear power plants NRC issues a combined Construction and Operating License for a new nuclear power plant in 2007			

Rating: *Moderately Effective*

Program Type: *Research and Development*

Program Summary:

The mission of the Nuclear Power 2010 program is to address the technical and regulatory barriers to deployment of new nuclear power plants in the United States by 2010. Nuclear Power 2010 is a joint government/industry cost-shared program to develop near-term advanced reactor technologies and to demonstrate new regulatory processes that would enable the private sector to order one or more new nuclear power plants in the United States by 2005.

Findings from the PART include the following:
1. The program purpose is extremely clear and reflects a strong government/industry consensus on a plan of action to deploy new nuclear plants in the U.S. by 2010, which was prepared under the auspices of DOE's Nuclear Energy Research Advisory Committee (NERAC).
2. The program has established annual performance goals that demonstrate a clear path to achieving its long-term objective with detailed performance measures, timelines, and definitions of success.
3. Close oversight by the NERAC Generation IV Technology Planning Subcommittee will maintain program focus and priorities.
4. DOE's Nuclear Power 2010 Program Plan, including the use of competitive, peer-reviewed project awards and personnel appraisal system, will provide information needed to manage the program effectively and efficiently and hold managers accountable for results.

In response to these findings, the Budget proposes funding of $35 million in 2004 to continue the program.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)
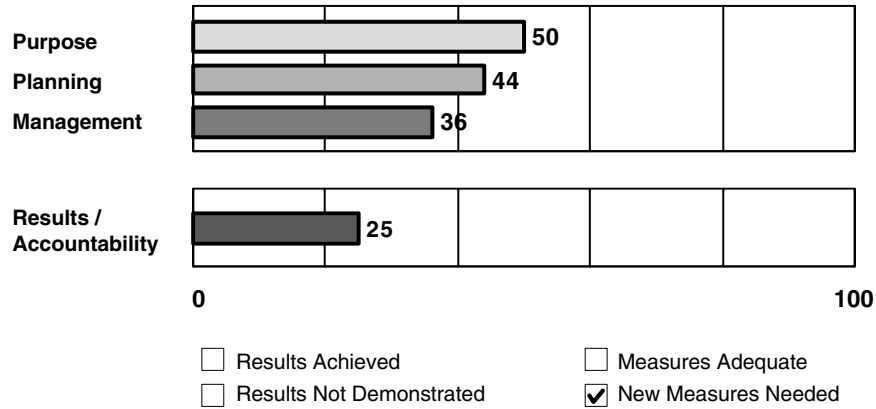
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
8	35	35

Program: *Oil Exploration and Production*

Agency: *Department of Energy*

Bureau: *Fossil Energy*

Purpose	50
Planning	44
Management	36
Results / Accountability	25

0   100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Medium-term Measure: Domestic economically recoverable oil (in billions of barrels) (2002 baseline = 120 billion barrels (bbl) at $18/bbl and 149 billion bbl at $30/bbl.)	2002		120
	2008	120.7	
	2015	122.2	
Annual Measure: Measures under development			

Rating: *Ineffective*

Program Type: *Research and Development*

Program Summary:

The Oil Exploration and Technology Program seeks to increase energy security by researching better ways for the oil industry to explore for, drill, and develop oil and gas resources.

The application of the PART found:
1. The purpose of the program is well-defined.
2. Actual additional production attributed to the program has been relatively small, about 1.7% of consumption from 1978 -2000. Spending in these and the gas programs totaled $1.4 billion in the same period. The NAS committee noted "It is difficult to separate the contributions made by DOE and contributions made by industry and others."
3. The program has initiated an improved process of performance measurement, and improved the program's metrics to include specific performance targets with expected dates of completion;
4. While long-term measures are adequate, the annual performance measures are under development; and
5. The National Academy of Sciences, in recent program review, outlined uniform procedures for estimating program benefits. The Department has not yet adopted these uniform procedures to outline potential benefits, but is making progress in this area.

As a result of these findings, the Administration will:
1. Refocus the program on longer-term high-risk research that will advantage domestic production in the world market; (e.g. university-based research on enhanced recovery from older oil fields or marginal resources);
2. Re-examine project selection to improve outcomes;
3. Continue performance measurement improvements, including development of annual measures tied to long-term goals; and
4. Support improvements in benefits modeling to increase accuracy and consistency in application across programs.

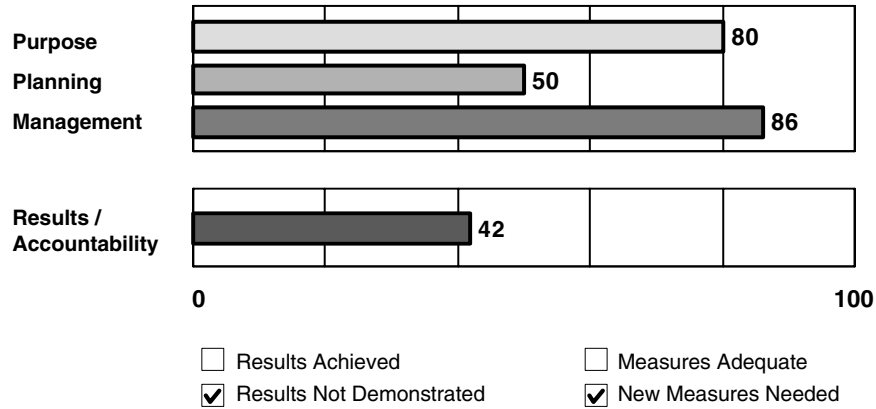[Note: Due to restructuring of the program 2002 and 2003 budget numbers may not be comparable to 2004.]

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
32	16	15

Program: *Safeguards and Security*

Agency: *Department of Energy*

Bureau: *National Nuclear Security Administration*

Category	Score
Purpose	80
Planning	50
Management	86
Results / Accountability	42

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
New performance measures are under development.			

Rating: *Adequate*

Program Type: *Capital Assets*

Program Summary:

The Weapons Safeguards and Security program protects the material, information, and people throughout the National Nuclear Security Administration (NNSA) weapons complex which consists of three national laboratories, four production facilities, and the Nevada Test Site. The program employs a number of security measures including guards, fences, electronic sensors, and computer security measures.

Findings from the PART assessment include the following:
1. The Department commits a significant amount of resources to secure the weapons complex, and it is arguably one of the most secure sets of facilities in the country.
2. The program lacks clearly defined goals that can help the program achieve the greatest return on its investment and thus enhance the level of security. The "adequate" rating received by the program largely reflects this shortcoming and should not be interpreted to mean that security at the Nation's nuclear weapons complex is lax or insufficient.
3. The program has a clear purpose which addresses a specific need "securing the Nation's nuclear weapons complex" and thus scored well in the Purpose Category. The design of the program is still evolving and the Department recognizes the need to clearly articulate changes to the existing structure as they are determined.
4. The program does not have strong linkages between performance goals and quantifiable outcomes. For example, the goals of the program are: (1) to "provide a cost effective security program"; (2) to "demonstrate protection against a specific threat"; and (3) to "develop new technologies." These goals are not quantifiable or measurable and it is therefore difficult to quantify the value of additional spending going towards this effort. One may argue that the results section should be higher because there have been no security breaches and a comprehensive, in-depth security posture is in place and operating effectively. However, with improved measures of effectiveness and direct links between goals and outcomes, the safeguards and security program can better assure maximum program effectiveness and efficiency. (The program received an "adequate" rating rather than a "results not demonstrated" rating because NNSA leadership is aware of this shortcoming and is actively working on new measures.)

Based on these findings, the Administration will develop more measurable goals which, ultimately, will improve the results of the program.
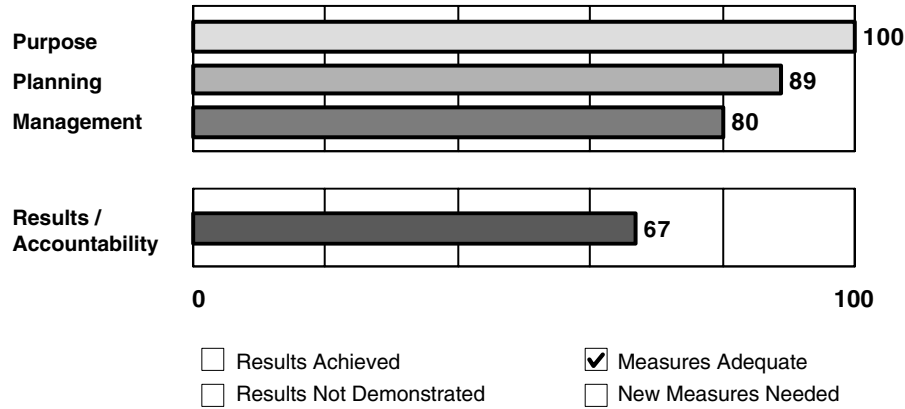
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
525	481	557

102

Program: *Solar Energy*

Agency: *Department of Energy*

Bureau: *Energy Efficiency and Renewable Energy*

Purpose — 100
Planning — 89
Management — 80

Results / Accountability — 67

0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Cost of solar water heating (cents per kilowatt-hour)	1998	6	8
	2000	7	8
	2005	4	
Annual Measure: Cost of electricity from photovoltaics (cents per kilowatt-hour)	2000	12-20	25
	2003	22	
	2004	20	
	2006	18	
Long-term Measure: Measures under development			

Rating: *Moderately Effective*

Program Type: *Research and Development*

Program Summary:

The Solar Energy program develops solar energy devices and systems that are more efficient, reliable and affordable than those currently available.

The program has a very clear purpose and strong planning and management, but needs to develop and apply a consistent methodology for estimating the public benefits of its activities in order to establish priorities within the program and among other applied energy research and development (R&D) programs. Other findings include:
1. In 2000, the National Research Council (NRC) reported that some of the program's activities have been successful, while others, such as its Concentrating Solar Power (CSP) systems activity, have not. The 2003 Budget began to phase out the CSP activity.
2. The program has previously overstated the potential benefits of photovoltaics, and has previously set overly optimistic goals that it did not meet.
3. The program has improved its planning, working closely with industry to identify R&D needs and develop realistic expectations.
4. Congress earmarked $7 million of program funding in 2002. The earmarked funding was used to establish a "site office" and to install energy systems (most of which was not solar) in certain geographic areas. These activities will not contribute to the performance goals of the program.
5. The program has made progress developing annual performance measures, which is a challenge for many R&D programs.
6. The program is part of a division that completed a major reorganization in 2002, which should further improve program planning and management.

In response to these findings and an assessment of the program's activities using the R&D Investment Criteria developed as part of the President's Management Agenda, the Budget proposes to:
1. Terminate the CSP activity.
2. Redirect funding from earmarked activities to R&D that better contributes to the program's performance goals.
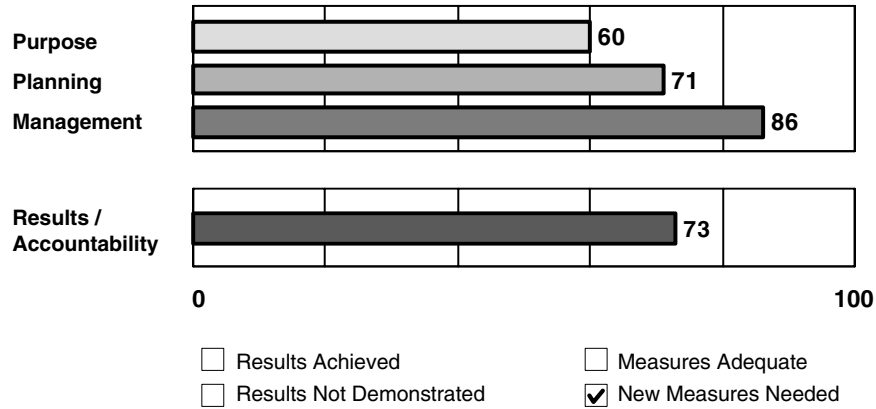
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
88	80	80

Program: *Southeastern Power Administration*

Agency: Department of Energy

Bureau: Power Marketing Administration

Purpose 60
Planning 71
Management 86
Results / Accountability 73

0 — 100

☐ Results Achieved ☐ Measures Adequate
☐ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measures: Measures under development			
Annual Measures: Achieve high ratings for: Efficiency (actual generation output in cycles/second[cps] vs the 60 cps goal); and Reliability (% of operating time generation is within its electricity production tolerances) based on nat'l standards Adopt industry-wide measures of efficiency, such as the cost of generating and transmitting power per kilowatthour	2001	100	204
	2001	90	99.8
	2003	TBD	
Annual measures: Make planned annual debt payments to the Treasury to repay the long-term cost of building hydropower facilities Recover subsidies identified by GAO incurred during construction of hydropower facilities	2001	$27 M	$13 M
	2002	$8.8 M	$10 M
	2003	$26 M	

Rating: *Moderately Effective*

Program Type: Direct Federal

Program Summary:

The Southeastern Power Administration markets hydroelectric power from 23 Corps of Engineers dams located in the Southeastern United States. The program is responsible for covering all its costs through the sale of power to customers.

The program assessment shows that Southeastern largely fulfills its authorized purpose, but the function it performs is not unique in the industry, and the program, though largely in accordance with the law, is not optimally designed --- its power sales activities are inefficient (power is not sold in a bidder's market) and administratively burdensome (rate changes sometimes take years to initiate and implement). Additional findings include:

1. Southeastern plans its activities effectively to ensure that power is provided dependably and meets national standards for quality of service that apply to all utilities. These elments, in concert with its management and execution of operations, earn this activity a high score.

2. The program conducts annual financial audits and managerial reviews and budgets its full annual costs except for a portion of its debt service that the General Accounting Office (GAO) indicates is not recovered.

3. Southeastern lacks adequate long and short term measures and targets, partculalry efficiency measures.

Based on the findings:

1. The Budget proposes to continue current operations and develop long-term goals, measures and targets.

2. The Administration will develop and collect data on efficiency measures comparable to those used by private industry.

3. Southeastern will review its program and develop recommendations to improve its power marketing functions.

4. Southeastern's management team will develop recommendations designed to help the program recover its costs and fully repay its annual debt service obligations.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)
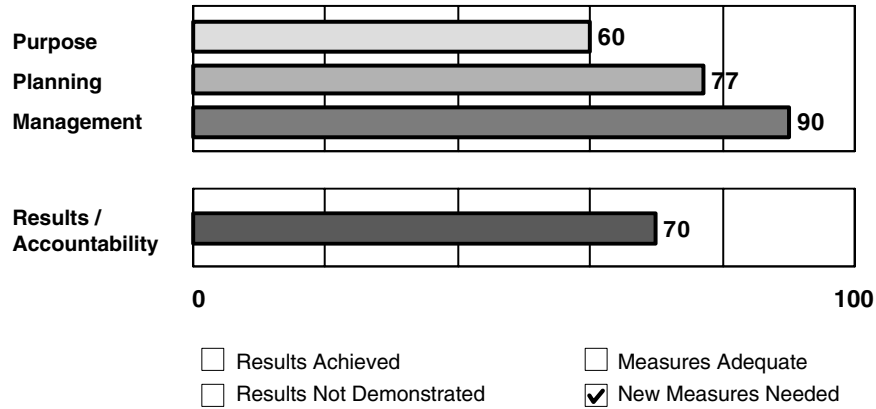
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
5	5	5

Program: *Southwestern Power Administration*

Agency: Department of Energy

Bureau: Power Marketing Administration

Purpose	60
Planning	77
Management	90
Results / Accountability	70

0 — 100

☐ Results Achieved ☐ Measures Adequate
☐ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measures: Measures under develpoment			
Annual Measures: Achieve high ratings for: Efficiency (actual generation output in cycles/second [cps] vs the 60 cps goal); and Reliability (% of operating time generation is within its electricity production tolerances) based on nat'l standards Adopt industry-wide measures of efficiency, such as the cost of generating and transmitting power per kilowatthour	2001	100	192
	2001	90	100
	2003	TBD	
Annual Measures: Make planned debt payments to the Treasury to repay the long-term cost of building hydropower facilities Recover subsidies identified by GAO incurred during construction of hydropower facilities	2001	$22.8 M	$19.9 M
	2002	$25 M	

Rating: *Moderately Effective*

Program Type: Direct Federal

Program Summary:

The Southwestern Power Administration markets hydropower generated at 24 Corps of Engineers dams located the southwestern United States. The program is designed to recover all costs of producing and transmitting power through the sales of electricity to customers.

The program assessment rating shows that Southwestern is effective in planning and managing its program. The program also meets national standards applied to all utilities across the country that measure generation and transmission efficiency, reliability and quality of service. Additional findings include:
1. Southwestern contracts for annual financial audits and conducts periodic managerial reviews.
2. Transmission line construction projects are adequately planned and reviewed. This element, and the previous two, give this activity a high score.
3. Southwestern's rating is reduced because the program makes no unique contribution to addressing a problem in the industry and it competes with other suppliers by buying power in the market to substitute for hydrogeneration when that product is unavailable because of drought or other conditions.
4. The marketing program, though largely in accordance with the law, is not optimally designed. Power sales contracts rely on a time consuming preference system that allocates power to special customers (rather than offering power to bidders) and is administratively burdensome (allocations sometimes take years to develop). In addition, according to the General Accounting Office (GAO), Southwestern, historically, has not recovered all its costs.
5. Southwestern has inadequate long and short term goals, measures and targets, particularly efficiency measures.

Based on these findings:
1. The Budget proposes to continue current operations and provide modest increases for maintenance and high cost electrical equipment identified in its replacement schedule.
2. The Administration will develop and collect data on efficiency measures comparable to those used by private industry.
3. Southwestern will develop long-term goals, targets and measures.
4. Southwestern will develop recommendations to improve its power marketing functions and meet all its financial obligations.

(For more information, see Department of Energy chapter in the Budget volume.)
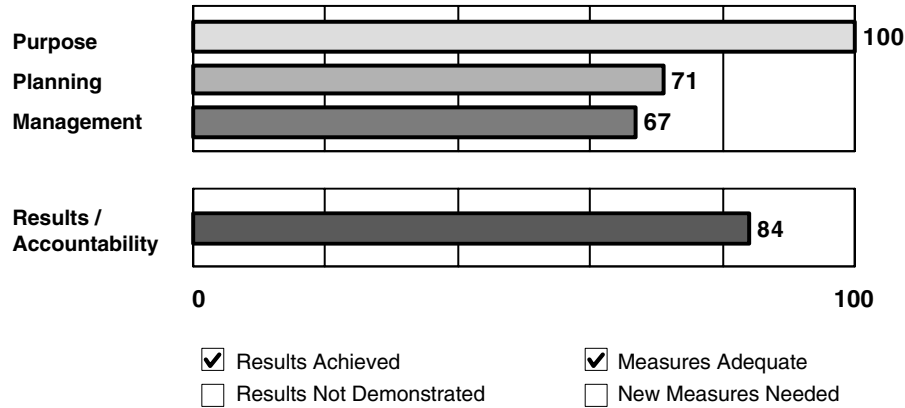
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
28	27	29

Program: *Weatherization Assistance*

Agency: *Department of Energy*

Bureau: *Energy Efficiency and Renewable Energy*

Purpose	100
Planning	71
Management	67
Results / Accountability	84

0 — 100

☑ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Number of homes weatherized from 2002 to 2011	2002	105,000	
	2011	1,200,000	
Long-term Measure: Program benefit-cost ratio (excluding non-energy benefits) The ratio represents the discounted value (4.7 percent discount rate) of energy saved over 20 years divided by the total program costs. (Targets under development).	1989		1.06
	1996		1.79
	2005		
Annual Measure: Number of low-income homes weatherized	2001	74,803	76,631
	2002	105,000	
	2003	123,000	
	2004	123,000	

Rating: *Moderately Effective*

Program Type: *Block / Formula Grants*

Program Summary:

The Weatherization Assistance program provides technical assistance and formula grants to State and local agencies to weatherize homes of low-income families, with target populations including the elderly, people with disabilities, and families with children.

The program has a very clear purpose, and generally weatherizes the number of homes it commits to weatherize each year. Other findings include:
1. On average, the program saves each low-income family more than $200 annually on its energy bill.
2. The program reports a favorable benefit-cost ratio. However, the program does not conduct a periodic independent analysis of its cost effectiveness, nor does the program require States to report on cost effectiveness.
3. Efficiency and quality of service may be improved by better collaboration with other agencies with related missions, particularly the Department of Housing and Urban Development.
4. The program is part of a division that completed a major reorganization in 2002, which should improve program planning and management.

In response to these findings, the Budget:
1. Continues the President's commitment to increase funding by $1.4 billion over 10 years to help a total of 1.2 million low-income families reduce their energy bills.
2. Recommends periodic independent evaluation of the program's cost effectiveness.

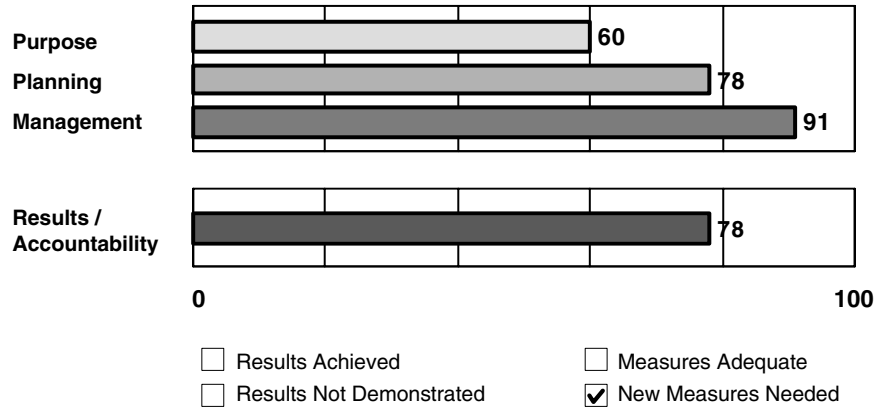(For more information on this program, please see the Department of Energy chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
230	277	288

Program: *Western Area Power Administration*

Agency: Department of Energy

Bureau: Power Marketing Administration

Purpose	60
Planning	78
Management	91
Results / Accountability	78

0 — 100

☐ Results Achieved ☐ Measures Adequate
☐ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measures: Measures under development			
Annual Measures: Achieve high ratings for: Efficiency (actual generation output in cycles/second [cps] vs the 60 cps goal); and Reliability (% of operating time generation is within electricity production tolerances) based on nat'l standards Adopt industry-wide measures of efficiency, such as the cost of generating and transmitting power per kilowatthour	2001	100	187
	2001	90	98
	2003	TBD	
Annual Measures: Make scheduled debt payments to the Treasury to repay the long-term cost of building hydropower facilities Recover subsidies identified by GAO incurred during construction of hydropower facilities	2001	$62.6 M	$11.9 M
	2002	$26.2 M	
	2003		

Rating: *Moderately Effective*

Program Type: *Capital Assets*

Program Summary:

The Western Area Power Administration (Western) markets all available power generated at Corps of Engineers and Bureau of Reclamation dams located in the Northern Midwest states extending through the Southwestern United States. Western is responsible for recovering, through sales to customers, all costs of producing and transmitting power.

The assessment found that Western is effective in planning and managing its activities. It meets national standards for providing dependable power. Additional findings include:
1. Western conducts annual financial audits and management reviews to ensure that its activities are conducted according to sound financial and accounting standards.
2. Its system for reviewing and adopting construction projects is rigorous.
3. Western's role in marketing power makes no unique contribution to solving a problem in the industry and the program, though largely in accordance with the law, is not optimally designed. The process of allocating power sales on preference basis to special customers (rather than to bidders) is time consuming and administratively burdensome (allocations sometimes take years to develop and adjust). Also, according to the General Accounting Office (GAO), Western does not recover all its costs.
4. Western competes with private industry by purchasing unneeded power to resell.
5. Western lacks adequate statements of long and short term goals, targets and measures.

As a result of these findings:
1. The Budget proposes that Western continue current operations and modestly increase construction expenditures for scheduled substation equipment replacements and the ongoing replacement of transmission line facilities and housekeeping needs such as a new roof on one of their buildings.
2. The Administration will develop and collect data on efficiency measures comparable to those used by private industry.
3. Western will review its activities and develop recommendations for improving its record of Treasury repayments and the marketing and delivery of power.
4. Western will develop long-term goals, targets and measures.

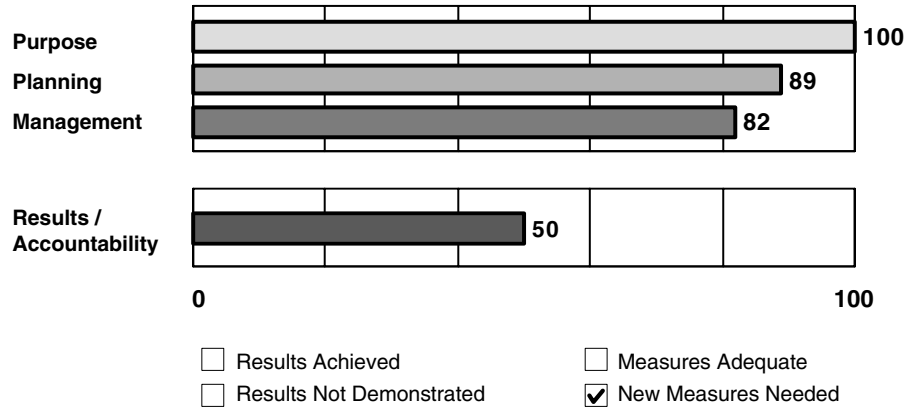(For more information, see Department of Energy chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
172	163	171

Program: *Wind Energy*

Agency: *Department of Energy*

Bureau: *Energy Efficiency and Renewable Energy*

Category	Score
Purpose	100
Planning	89
Management	82
Results / Accountability	50

Scale: 0 to 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure (new): Cost of power in medium wind speed areas (Class 4, or about 12 mph at 30 feet above ground level) Measured as cents per kilowatt-hour.	2002	No Data	5.5
	2010	3	
Long-term Measure: Cost of power from small (< 100 kW) wind turbine systems in low wind speed areas (Class 3, or about 10 mph at 30 feet above ground level) Measured as cents per kilowatt-hour	2002		
	2007	10-15	
Annual Measure: Measures under development			

Rating: *Moderately Effective*

Program Type: *Research and Development*

Program Summary:

The Wind Energy program conducts research and development (R&D) on wind energy systems to reduce their cost and expand their use.

The program has a very clear purpose and strong planning and management. However, it needs to develop and apply a consistent methodology for estimating the public benefits of its activities in order to establish priorities within the program and among other applied energy R&D programs. Other findings include:
1. In 2000, the National Research Council (NRC) reported that "the Wind Energy program, combined with temporary substantial federal and state renewable energy subsidies, have been responsible for the U.S. lead in technology development."
2. The growing commercial success of wind energy systems in high wind-speed areas (15 mph or more) obviates the need for further Federal support of R&D in this area. The President's 2003 Budget reflected this finding by redirecting the program's funding to R&D aimed at reducing costs and improving efficiency of wind energy systems in lower wind-speed areas (10 to 12 mph).
3. Congress earmarked nearly $4 million of program funding in 2002. Most of the earmarked funding was used to install wind energy systems in certain geographic areas and will not contribute to the long-term goals of the program.
4. The program has difficulty developing meaningful annual performance measures, a challenge for many R&D programs. Without meaningful annual measures, the program cannot demonstrate short-term results.
5. The program is part of a division that completed a major reorganization in 2002, which should improve program planning and management.

In response to these findings and an assessment of the program's activities using the R&D Investment Criteria developed as part of the President's Management Agenda, the Budget proposes to:
1. Continue emphasis on wind technology development for low wind-speed areas;
2. Redirect funding from earmarked activities to R&D that contributes to the program's goals; and
3. Develop practical but meaningful annual performance measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
39	44	42

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HHS faces a major management challenge in creating "One HHS" from a highly decentralized structure. Progress on government-wide initiatives has been uneven, but HHS has established internal accountability standards that strengthen reform efforts.

President's Management Agenda

	Status	*Progress*
Human Capital	**R**	**G**

Ambitious programs to address recruitment and succession challenges are in place, and HHS is expanding its use of performance-based employment contracts. HHS has completed difficult personnel office consolidations at NIH and FDA, and is de-layering from as many as seven management levels in some agencies to no more than four Department-wide.

Competitive Sourcing	**R**	**G**

HHS has competitively sourced more than 700 commercial positions in areas such as cleaning services, IT development and support, building maintenance, and clerical support.

Financial Performance	**R**	**Y**

HHS has implemented a corrective action plan to resolve internal control weaknesses and identified common accounting functions for the Unified Financial Management System. HHS is also implementing Medicaid error rate pilots in 12 states.

Expanding E-Government	**R**	**Y**

HHS has developed a standard federal electronic grant application to be linked to a single identifying grant number.

Budget and Performance Integration	**R**	**G**

Budget and performance staff has been integrated within the Office of the Secretary, and HHS has developed for the first time a draft "One-HHS" action plan that identifies key performance goals for 2004 program activities. This plan has been streamlined from reporting 800 performance measures in 15 volumes to about 40 performance measures in one report.

Broadening Health Insurance Coverage Through State Initiatives	**Y**	**G**

Since the beginning of the initiative, HHS has approved seven HIFA demonstrations and five Pharmacy Plus demonstrations. Of the approved HIFA demonstrations, four support enrollment in employer-sponsored health insurance. HHS is working with an independent evaluator to determine whether or not implemented demonstrations are decreasing the number of uninsured.

Faith-based and Community Initiative   (Y) ↑   (G)

HHS progress is strong in encouraging the full participation of faith-based and community organizations (FBCBOs) in service delivery. Efforts are focused on providing FBCBOs with the tools to compete for federal grants. Additional work is needed to ensure that FBCBOs can compete for federal programs administered by States.
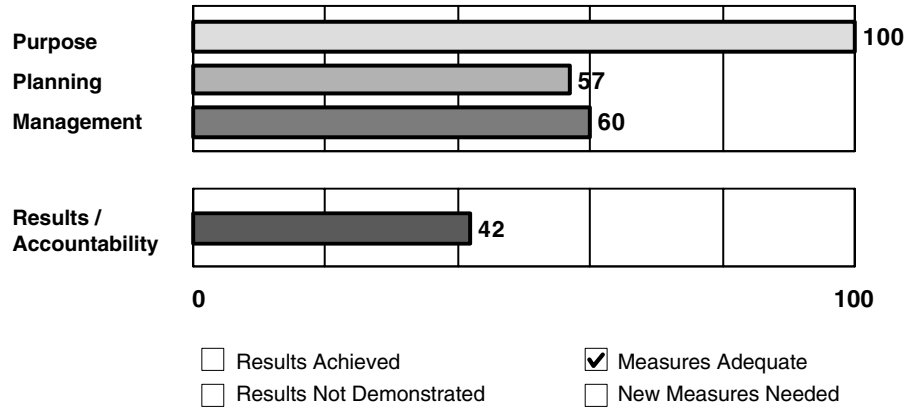
Program Assessments

HHS undertook an ambitious agenda to evaluate, with OMB, 31 programs, one of the highest numbers of programs evaluated for any department government-wide. In general, HHS programs rated slightly above the overall government-wide average. Twenty-two of the 31 programs evaluated developed new performance measures, including 14 new long-term performance measures. The PART highlighted general weaknesses across HHS programs in the financial management area and in budget and performance integration. HHS's development of a Unified Financial Management System should help address these deficiencies. The PART summaries follow.

Program: *317 Immunization Program*

Agency: *Department of Health and Human Services*

Bureau:

Purpose		100
Planning	57	
Management	60	
Results / Accountability	42	

0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures	*Year*	*Target*	*Actual*
Long-Term Measure: Number of cases of vaccine-preventable diseases in the U.S. (Target is 0 or close to 0 for all vaccine preventable diseases, and actual performance reflects a range.)	2001	<150	<183
	2010	0	
Annual Measure: Immunization coverage in children 19-35 months of age for recommended vaccines (target is 90 percent) (Performance is over or close to 90% except for varicella which was recommended in 1999.]	2001	90%	
	2004	90%	>=90%
Annual Measure: Number of polio cases worldwide (2004 target is 0.)	2003		200
	2005	0	

Rating: *Adequate*

Program Type: *Competitive Grants*

Program Summary:

The immunization program awards grants to state health departments and carries out other activities such as surveillance and public education to ensure that children are vaccinated against disease.

The assessment found that:
1. The program is successful in improving immunization rates among children.
2. There are no comprehensive evaluations analyzing current program operations, management, and the structure of the overall program and how that affects achievement of program performance.
3. The program generally has strong management practices, but does not have processes in place to measure or improve efficiency.
4. There is no explicit mechanism linking the program's budget for state immunization administrative activities to program performance.

In response to these findings, the Administration will:
1. Include a legislative proposal in the 2004 Budget to make it easier for underinsured children who are eligible for the CDC Vaccines for Children (VFC) program to receive immunizations in public health clinics, to improve program efficiency in the overall childhood immunization program. This proposal will expand the VFC program and result in savings to the 317 discretionary childhood immunization program.
2. Work on conducting a comprehensive evaluation of the structure, management and operations of the immunization program.
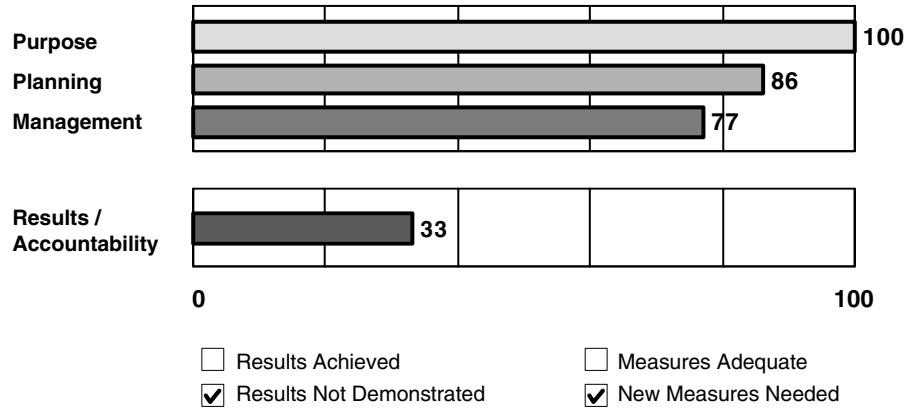
Program Funding Level (in millions of dollars)

2002 Actual	**2003 Estimate**	**2004 Estimate**
627	628	511

Program: Center for Biologics Evaluation and Research

Agency: Department of Health and Human Services

Bureau: Food and Drug Administration

Purpose	100
Planning	86
Management	77
Results / Accountability	33

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-Term Measure: Measures under development			
Annual Measure: Percentage of pre-market reviews reviewed and acted on within 10 months of receipt	1999	30%	100%
	2000	50%	100%
	2004	90%	
Annual Measure: Percentage of pre-market applications submitted to CBER via electronic application (New measure)	2004	85%	

Rating: Results Not Demonstrated

Program Type: Regulatory

Program Summary:

The Center for Biologics Evaluation and Research (CBER) regulates biological products, such as blood and vaccines. CBER reviews new biological products for safety and effectiveness, and ensures that products available to the public remain safe and effective.

Findings from the PART assessment include the following:
1. CBER uses performance data to recommend improvements.
2. Financial management is sound, and managers take meaningful steps to address management problems.
3. CBER created a new annual performance measure for improving the efficiency of the pre-market product reviews through increased use of information technology. Data for this measure is forthcoming.
4. CBER achieved a relatively high score for their Planning efforts. CBER's comprehensive list of annual performance goals allows for annual measurement of performance results. Long-term outcome goals would improve strategic planning at CBER.
5. Long-term measures don't currently exist. Therefore, the program cannot demonstrate the impact it is having on the public.
6. CBER achieves solid performance in meeting current annual performance goals.

In response to these findings, the Administration will:
1. Establish new, measurable long term outcome goals for CBER.
2. Increase funding for CBER pre-market reviews through increases in prescription drug review user fees.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
176	200	203

Program: *Center for Devices and Radiologic Health*

Agency: *Department of Health and Human Services*

Bureau: *Food and Drug Administration*

Purpose		100
Planning		75
Management		69
Results / Accountability		27

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percent of premarket approval application "first actions" for new devices completed within 180 days of receipt	1999	65%	74%
	2000	85%	96%
	2001	90%	96%
	2004	90%	
Annual Measure: Percent of domestic medical device manufacturers inspected (Statutory performance target is 50%.)	1999	26%	30%
	2000	22%	13%
	2001	17%	20%
	2004	20%	

Rating: *Results Not Demonstrated*

Program Type: *Regulatory*

Program Summary:

The Center for Devices and Radiological Health (CDRH) reviews new medical devices, ranging from pacemakers to hearing aids, for safety and effectiveness. CDRH also ensures that medical devices available to the public remain safe and effective.

Findings from the PART assessment include the following:
1. CDRH achieved a high score for their Planning efforts. CDRH's list of annual performance goals allows for measurement of performance results.
2. CDRH does have "strategic goals" (such as "Protect the public health by keeping marketed products safe") that aim to produce long term improvements. However, there is no way to measure progress on those strategic goals. Thus the program cannot currently prove long-term results.
3. Financial management is sound, and managers take meaningful steps to address management problems.
4. In recent years, CDRH has shown some improvement in the review of new medical devices, but further performance improvements are needed.
5. Inspection coverage for medical device manufacturers is poor, and falls far below the statutory expectation each year. CDRH focuses inspection coverage on highest priority establishments.
6. CDRH uses performance data to recommend program improvements.

In response to these findings, the Administration will:
1. Establish new, measurable long term performance goals for CDRH.
2. Improve current annual performance goals for the review of new products. CDRH is developing new annual goals that measure time to completion of CDRH review, an important review process milestone. Past goals measured an intermediate step in the review process.
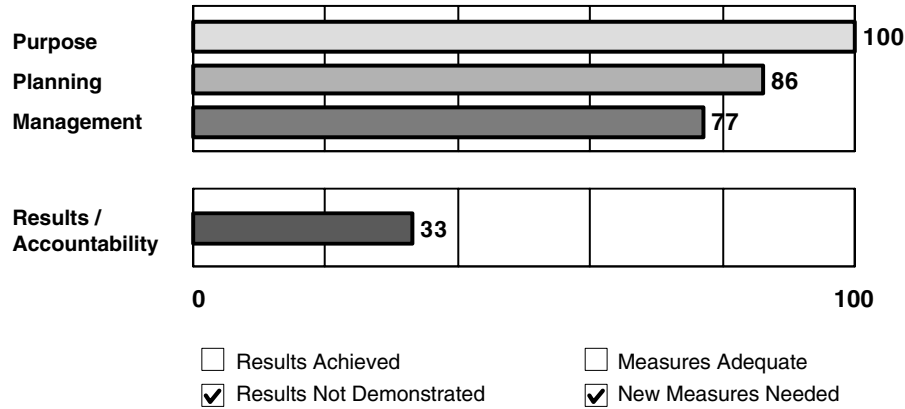3. Increase funding for medical device reviews through recently-authorized medical device review user fees.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
196	221	218

Program: Center for Drug Evaluation and Research

Agency: Department of Health and Human Services

Bureau: Food and Drug Administration

☐ Results Achieved	☐ Measures Adequate
☑ Results Not Demonstrated	☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percentage of new drug applications "reviewed and acted on" within 10 months of receipt	1999	30%	66%
	2000	50%	79%
	2004	90%	
Annual Measure: Percentage of human drug manufacturing establishments inspected (Statutory target is 50%.)	1999	22%	26%
	2000	22%	22%
	2001	26%	19%
	2004	55%	

Rating: Results Not Demonstrated

Program Type: Regulatory

Program Summary:

The Center for Drug Evaluation and Research (CDER) regulates human drugs for safety and effectiveness.

Findings from the PART assessment include the following:
1. Accountability/Results was identified as a weakness. This would improve with the establishment of measurable long-term outcome goals.
2. CDER achieves solid performance in meeting annual performance benchmarks for the review of new drug applications.
3. CDER exhibits poor performance in inspection rates for drug manufacturing establishments. In 2001, CDER inspected only 19 percent of registered drug manufacturing establishments. Inspections are targeted to high priority establishments.
4. CDER uses performance data to recommend improvements. Financial management is sound, and managers take meaningful steps to address management weaknesses.
5. CDER created a new annual performance measure for improving the efficiency of the pre-market review process through enhanced use of information technology.
6. CDER achieved a relatively high score for their Planning efforts. CDER's list of annual performance goals allows for measurement of performance results. Long-term outcome goals would improve strategic planning at CDER.

In response to these findings, the Administration will:
1. Establish new, measurable long term performance goals for CDER.
2. Increase funding to support the timely review of new drugs through increases in prescription drug user fee collection levels.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
367	426	454

114

Program: Center for Food Safety and Applied Nutrition

Agency: Department of Health and Human Services

Bureau: Food and Drug Administration

Purpose	100
Planning	86
Management	69
Results / Accountability	27

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Rating: Results Not Demonstrated

Program Type: Regulatory

Program Summary:

The Center for Food Safety and Applied Nutrition (CFSAN) regulates all foods except meat, poultry, and egg products to make sure such food is safe to eat.

Findings from the PART assessment include the following:
1. CFSAN achieved a high score in Purpose. Food safety is an important public health concern; it is estimated by the Centers for Disease Control that foodborne illness causes 5,000 deaths each year.
2. Weaknesses were identified in Accountability/Results. CFSAN does not currently have long term outcome goals. As a result, it is difficult to measure program results.
3. Inspection rates for "high-risk" food establishments are solid, while inspection rates of imported food are less than two percent. Inspection coverage is targeted to inspect imports that reflect the highest risk of causing foodborne illness.
4. CFSAN uses performance data to recommend program enhancements.
5. Financial management is sound, and managers take meaningful steps to address management deficiencies.
6. CFSAN is improving performance in the review of new food and color additive petitions, but continued improvements are needed.
7. CFSAN achieved a high score for their Planning efforts. CFSAN publishes an innovative annual "Program Priorities" report. Progress reports are published during the year, and a final report is published at the close of the year. These reports are made available to the public, and CFSAN invites stakeholder feedback.

In response to these findings, the Administration will:
1. Establish new, measurable long term performance goals for CFSAN.
2. Improve current annual performance goals for the review of new products.
3. Increase funding to support additional food establishment inspections, and to enhance FDA's ability to analyze samples of imported foods.
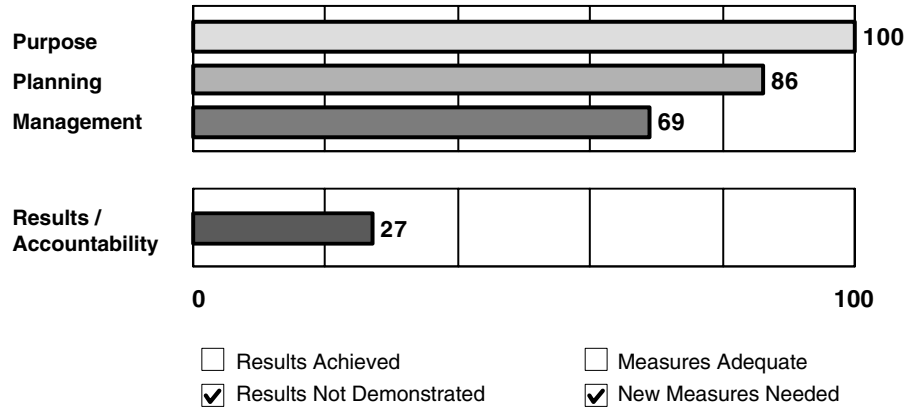
Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percentage of "high-risk" domestic food establishments inspected annually	2000	90%	91%
	2001	90%	80%
	2004	95%	
Annual Measure: Percentage of safety evaluation of food and color additive petitions completed within 360 days of receipt	1999	30%	77%
	2000	40%	91%
	2004	75%	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
404	412	415

Program: *Center for Veterinary Medicine*

Agency: *Department of Health and Human Services*

Bureau: *Food and Drug Administration*

Category	Score
Purpose	100
Planning	86
Management	69
Results / Accountability	27

Scale: 0 to 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percentage of new animal drug applications reviewed and "acted on" within 180 days of receipt	2000	73%	74%
	2001	75%	50%
	2002	50%	
Annual Measure: Percentage of registered animal drug and feed establishments inspected (Statutory performance target is 50%.)	1999	27%	25%
	2000	27%	39%
	2001	50%	37%
	2004	50%	

Rating: *Results Not Demonstrated*

Program Type: *Regulatory*

Program Summary:

The Center for Veterinary Medicine (CVM) regulates the manufacture and distribution of food additives and drugs given to animals. CVM makes sure such additives and drugs are safe for animals and humans who may consume the animals or their products (such as milk).

Findings from the PART assessment include the following:
1. The creation of long-term outcome goals would allow for measurement of program performance, and would strengthen CVM accountability and results.
2. CVM is improving the review of new animal drugs. Years of poor performance created work backlogs, which resulted in the establishment of performance targets that were far from ambitious. CVM identified this weakness, and established an annual performance goal aimed at eliminating backlogs in the review of new animal drugs.
3. CVM has exhibited outstanding performance in the inspection of rendering establishments as a part of CVM efforts to prevent the introduction of Bovine Spongiform Encephalopathy (BSE, or "Mad Cow Disease") in the United States.
4. Financial management is sound, and managers take meaningful steps to address management weaknesses.
5. CVM achieved a high score for their Planning efforts. CVM's list of annual performance goals allows for measurement of performance results. Long-term outcome goals would improve strategic planning at CVM.
6. CVM achieved a high score in Purpose. CVM's efficient and effective regulatory strategy to prevent the introduction of BSE into the United States underscores the relevance of CVM's responsibilities.

In response to these findings, the Administration will:
1. Establish new, measurable long term performance goals for CVM.
2. Improve current annual performance goals for the review of new products. New annual performance goals for the review of new animal drugs will be revised to measure time to completion of FDA review, a critical milestone in the review process.
3. Propose the authorization of new user fees to support performance enhancements in the review of new animal drugs. More ambitious performance goals for animal drug reviews are under development.
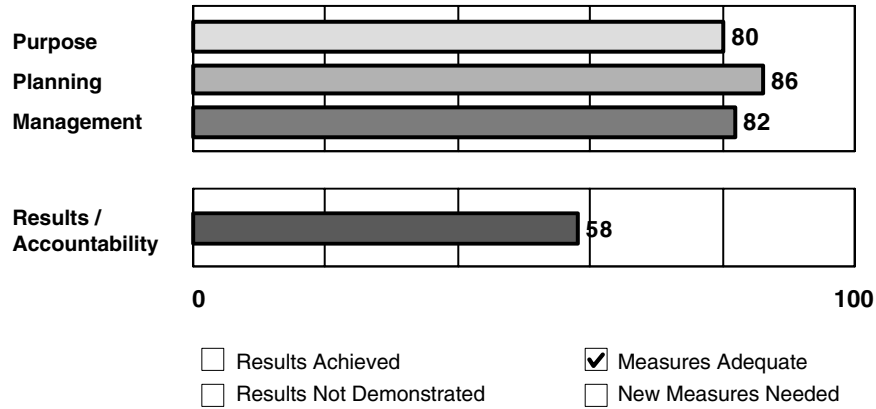
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
86	89	91

Program: *Childrens Mental Health Services*

Agency: *Department of Health and Human Services*

Bureau: *Substance Abuse and Mental Health Services Administration*

Purpose	80
Planning	86
Management	82
Results / Accountability	58

0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Rating: *Moderately Effective*

Program Type: *Competitive Grants*

Program Summary:

The Children's Mental Health Services program makes competitive grants to state and local governments to support services for children with serious emotional disturbance.

The assessment found:
1. The Children's Mental Health Services program is making a unique contribution to improve care for children with serious emotional disturbance, but reaches a limited number of communities and the national impact is not fully known.
2. The program purpose is clear and commonly held by interested parties.
3. The program supports an annual evaluation to demonstrate improvements in services and outcomes for children with serious emotional disturbance in funded communities.
4. While accountability for results could be improved, the program uses performance information to improve annual outcomes.
5. The program has limited data related to the newly adopted long-term performance measures, but is meeting most of the annual targets.
6. A recent evaluation indicates the program is effective at improving the care and well being of children with serious emotional disturbance. After two years of services, 42 percent of the children showed a significant reduction in severe behavioral and emotional problems and an additional 48 percent of the children were stabilized.

Based on these findings, the Administration:
1. Proposes an increase of $10 million above the 2003 Budget to extend the reach of the program and help additional communities provide effective services to children with serious emotional disturbance.
2. Will determine if the program is making lasting improvements in the care of children with serious emotional disturbance. The program will track how well children's behavioral and emotional symptoms improve and how well funded communities sustain their systems of care beyond the period of federal funding.
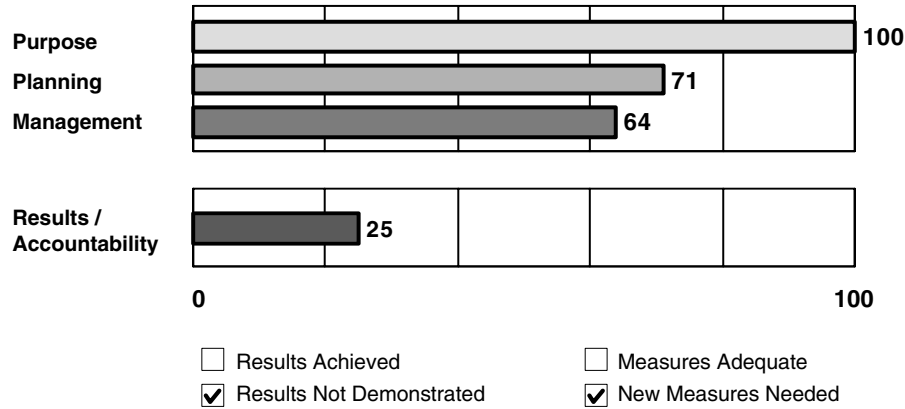
Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of funded sites that will exceed a 30 percent improvement in behavioral and emotional symptoms among children receiving services for six months (New measure)	2001		30%
	2010	60%	
Long-term Measure: Percent of systems of care that are sustained five years after Federal program funding has ended (New measure, baseline under development)	2008	80%	
Annual Measure: Average days of inpatient/residential treatment among children with serious emotional disturbance in grantee communities over the past year (Measure and targets to be refined)	1999	212	144
	2000	212	149
	2001	159	152
	2004	151	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
96	97	107

117

Program: *Chronic Disease - Breast and Cervical Cancer*

Agency: *Department of Health and Human Services*

Bureau: *Centers for Disease Control and Prevention*

Purpose	100
Planning	71
Management	64
Results / Accountability	25

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	*Year*	*Target*	*Actual*
Long-term Measure: Measures under development			
Annual Measure: Percent of newly enrolled women in need of testing These are women who have not received a Pap test within the past five years. (New measure)	2000		21.7
	2004	22.5	
Annual Measure: Percent of women with cancer who start treatment within 60 days of diagnosis for both breast and cervical cancer (New measure)	2000		94/88
	2001		94.4/87.8
	2004	95/90	

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

Program Summary:

The Breast and Cervical Cancer program provides grants to state health departments to support breast and cervical cancer screenings for low-income women who have little or no health insurance coverage for these services.

The assessment found that:
1. The program provides important health screenings to a population that would otherwise not receive these services. However, the program lacks long-term health outcome goals (e.g., reduced morbidity/mortality through early detection). The proposed long-term goals focus strictly on inputs and ouputs (more resources, more screenings) and intermediate measures (e.g. moving those diagnosed with cancer into treatment) rather than health outcomes. Thus the program is, thus far, unable to demonstrate the level of impact on the health of this population.
2. The program has developed new annual performance goals to focus on measuring the contribution of its program on its target population.
3. While the program has relatively strong management practices, all program managers are not held accountable for achieving the program's stated performance goals, and the program lacks procedures to measure or improve efficiency.

To address these findings, the Administration will:
1. Work on developing outcome-oriented long-term measures and more ambitious long-term goals; and
2. Propose a $10 million increase in the 2004 Budget for this program to provide additional screenings.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	**2003 Estimate**	**2004 Estimate**
193	202	212

118

Program: Chronic Disease - Diabetes

Agency: Department of Health and Human Services

Bureau: Centers for Disease Control and Prevention

Category	Score
Purpose	100
Planning	71
Management	60
Results / Accountability	33

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Rating: Results Not Demonstrated

Program Type: Competitive Grants

Program Summary:

This program supports state health department programs which focus on reducing the health complications caused by diabetes.

The assessment found that:
1. While the program does not yet have adequate long-term measures, it has made substantial progress in developing long-term outcome measures and modifying its annual performance measures to reflect output rather than process goals. The program is very close to developing adequate health outcome measures (e.g., reductions in diabetes-related blindness) for its long-term goals.
2. The program has made progress in achieving its annual performance goals and some efficiencies in its program operations.
3. The management of this program is fairly strong with processes and procedures in place to review the efficiency of its operations.
4. There is no explicit mechanism that links the program budget to the achievement of the program's stated performance goals.

To address these findings, the Administration will:
1. Work to develop the program's long-term health outcome goals in 2003 and measure performance on the annual performance goals.
2. Maintain diabetes program funding in the 2004 Budget which will become part of the Administration's disease prevention initiative in 2004, focused on reducing the health complications of diabetes and preventing the onset of diabetes.

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development in 2003			
Annual Measure: Percentage of diabetics receiving eye and foot exams in states with comprehensive diabetes programs	1999	72/62	67.3/57.8
	2000	72/62	69/62.4
	2001	72/62	69.8/62
	2004	72/62	
Annual Measure: Percentage of persons with diabetes who receive at least 2 blood sugar control measures per year in states with comprehensive diabetes programs (New measure)	2000		69.8%
	2004	72.5%	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
62	62	62

Program: *Data Collection and Dissemination*

Agency: *Department of Health and Human Services*

Bureau: *Agency for Healthcare Research and Quality*

Category	Score
Purpose	83
Planning	89
Management	80
Results / Accountability	67

Scale: 0 to 100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed
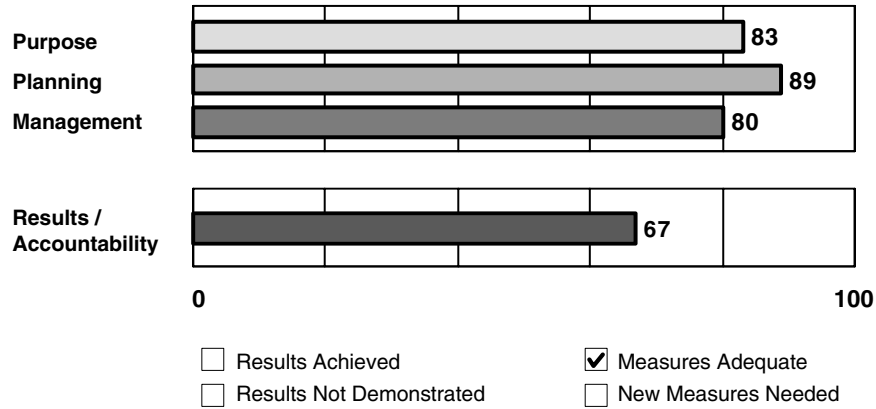
Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Number of months after the date of completion of the Medical Expenditure Panel Survey data will be available (New measure)	1997		19-27
	2008	12	
Long-term Measure: Number of organizations that will use Healthcare Cost and Utilization Project databases, products or tools to improve statewide health care quality for their constituencies (New measure, baseline under development)	2010	5	
Annual Measure: The strategy for achieving the long-term goal on Healthcare Cost and Utilization Project databases, products or tools (New measure, baseline and targets under development)			

Rating: *Moderately Effective*

Program Type: *Research and Development*

Program Summary:

These programs collect data on the cost (Medical Expenditure Panel Survey), use (Healthcare Cost and Utilization Project), and quality of health care in the United States and develop and survey beneficiaries regarding their health care plans (Consumer Assessment of Health Plans).

The assessment found:
1. The Agency for Healthcare Research and Quality (AHRQ) recently developed new long-term and annual performance measures and goals. Program partners have committed to achieving the stated goals and these programs undergo regular evaluations.
2. The programs do not yet have data available to measure their new targets.
3. Program managers acknowledged difficulties tracking budgetary expenditures and their impacts on actual program performance. AHRQ will begin to connect budget and planning systems to identify more easily those activities not meeting their goals.
4. The purpose of these programs is clear--to have a unique impact on the need for and availability of national level health care cost, utilization, and health plan data. These programs do not effectively articulate their public benefits.
5. AHRQ regularly collects timely and credible performance data and uses these data to manage the program. There are some management deficiencies including an inability to determine the full annual costs of these programs.

In response to these findings, the Administration will:
1. Collect performance data on the new measures.
2. Propose an increase of $5 million above the 2003 Budget to support AHRQ's efforts to ensure continued collection and availability of national health care cost, use, and quality data.
3. AHRQ has begun to address management deficiencies by adopting performance-based contracts that require superior performance toward achieving established goals.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
55	60	65

120

Program: *Domestic HIV/AIDS Prevention*

Agency: *Department of Health and Human Services*

Bureau: *Centers for Disease Control and Prevention*

Purpose	100
Planning	57
Management	33
Results / Accountability	8

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures
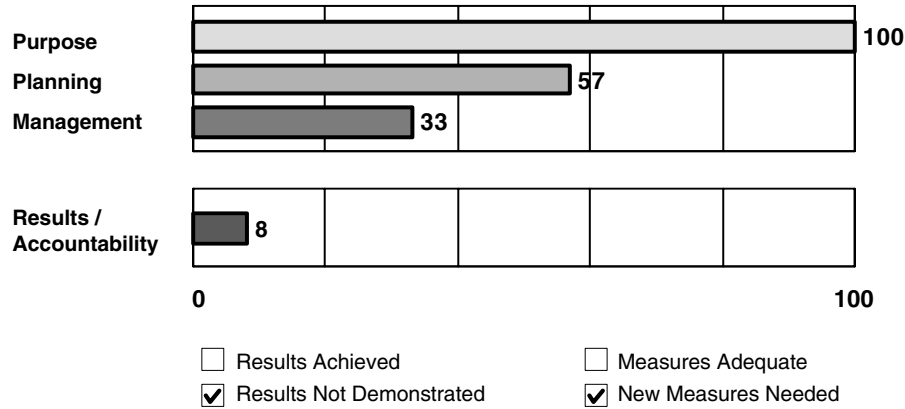
Key Performance Measures	Year	Target	Actual
Long-term Measure: Annual incidence of new HIV infections (Targets under development)	2000		40,000
Annual Measure: Number of HIV infection cases diagnosed each year among people less than 25 years of age (New measure)	2000		1805
	2004	1600	
Annual Measure: Percentage of HIV-positive tests with post-test counseling sessions reported from CDC-funded test sites (New measure)	2001		70%
	2004	80%	

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

Program Summary:

The HIV/AIDS prevention program supports applied research and surveillance activities regarding HIV/AIDS. It also awards grants to state health departments and community based organizations for HIV/AIDS prevention.

The assessment found that:
1. The number of new HIV infections in the U.S. has remained at approximately 40,000 for the past decade and has not declined.
2. The program does have long-term health outcome goals, but not specific targets and timeframes that are consistent with the existing budget. It also has no data on these long-term outcome goals.
3. The program has developed new annual performance indicators but currently does not have data to measure performance on these modified goals.
4. The program has had comprehensive evaluations at regular intervals to inform program improvements.
5. The program has some weaknesses in the management and oversight of grantees and accountability for all Federal funds, including subgrantee funds; in some cases specific grantees have violated CDC's guidelines defining proper expenditures.
6. The budget and program performance are not explicitly lined up.
7. There are no processes/measures in place to improve efficiency.

To address these findings, the Administration will:
1. Maintain program funding to continue efforts to reduce the 40,000 new infections, specifically among minorities and women.
2. Modify the program targets for its long-term measures and collect data on the new annual performance indicators.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
691	691	687

Program: *Foster Care*

Agency: *Department of Health and Human Services*

Bureau: *Administration for Children and Families*

Purpose	80
Planning	43
Management	63
Results / Accountability	8

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term measure: Measure under development			
Annual Measure: Percentage of children with substantiated reports of maltreatment that have a repeated substantiated report of maltreatment within 6 months	1999		8%
	2000		9%
	2001	7%	
	2004	7%	
Annual Measure: Percentage of children with no more than 2 placement settings, for those who had been in care less than 12 months	1999		60%
	2000		58%
	2001	72%	60%
	2002	60%	

Rating: *Results Not Demonstrated*

Program Type: *Block / Formula Grants*

Program Summary:

The purpose of the federal foster care program is to prevent maltreatment and abuse of children in troubled families by providing a stable temporary home - a foster care family - until the children can safely return to their homes, or a permanent home is found. Foster Care Maintenance Payments go to foster parents to cover the costs of a child's food, shelter, clothing, supervision, and travel home for visits.

The assessment indicates that the overall purpose of the program is clear and addresses a specific need. However, the program is suboptimal in design because the program financial structure does not provide appropriate incentives for the permanent placement of children. Additional findings include:
1. Program performance goals are non-specific and target measures are unambitious.
2. There is a lack of independent evaluations, the budget and program goals are not aligned, and the program lacks a proactive, systematic process to address strategic planning deficiencies.
3. While program management is generally sound, relatively high erroneous payments indicate that program funds are not always spent for the intended purpose. There is no existing performance measure to reduce erroneous payments.
4. Finally, there has been inadequate progress toward meeting performance goals.

To address these findings, the Administration recommends legislation to introduce an option available to all states to participate in an alternative financing system for child welfare that will better meet the needs of each state's foster care population. The change will focus on getting results. States choosing to participate will face fewer administrative burdens and will receive funds in the form of flexible grants. This will serve as an incentive to create innovative child welfare plans with a stronger emphasis on prevention and family support, and increased flexibility in services provided and population served. State flexibility will be balanced with accountability to ensure the best outcomes for vulnerable children and their families. Participating states must continue to provide for the safety, permanency, and well-being of children by upholding high standards of performance.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
4,380	4,629	4,887

122

Program: *Head Start*

Agency: *Department of Health and Human Services*

Bureau: *Administration for Children and Families*

	0			100
Purpose			80	
Planning		50		
Management		55		
Results / Accountability	27			

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed
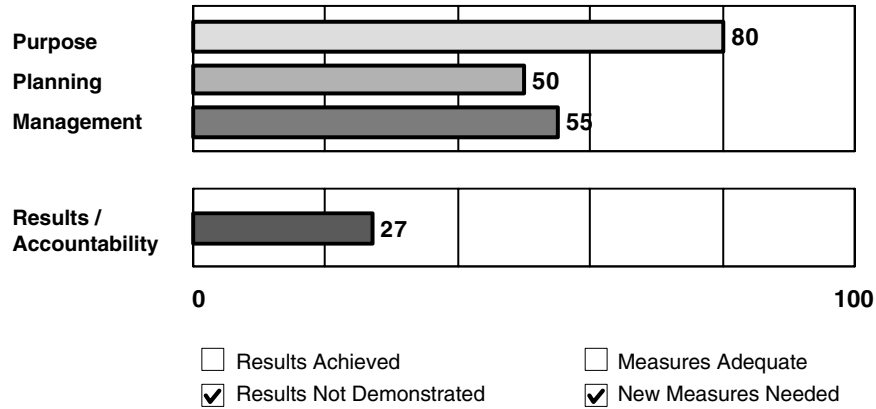
Key Performance Measures	Year	Target	Actual
Long-term Measure: Gain in word knowledge measured at Head Start entry and exit (Prior to 2002, measured as gaining in scale points -- 12 scale pts = 34%, after 2002 as % gains)	2000		10
	2002	32%	32%
	2003	32%	
	2004	34%	
Annual Measure: Percentage of parents that report reading to their child three times a week or more	2000		66%
	2002	70%	70%
	2003	70%	
	2004	70%	
Annual Measure: Other annual measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

Program Summary:

Head Start provides grants to local public, non-profit and for-profit programs to help low-income children prepare for school and improve their overall development.

The assessment found:
1. The program's long-term goals are not well linked to its purpose -- providing comprehensive development services to children and families. President Bush has focused on strengthening Head Start in its traditional mission of promoting school readiness. The current program design is flawed because it does not hold individual grantees responsible for effectively preparing children for school.
2. The program's existing long-term goals are weak in the area of promoting school readiness.
3. Head Start has not demonstrated sufficient progress in achieving short and long-term results. While Head Start children demonstrate gains in vocabulary, math and social skills, relative to their non-Head Start socio economic peers, they still lag behind other children. Head Start is not well coordinated with other early education and care programs.

Based on these findings the Department will:
1. Create a new system to assess every Head Start center on its success in preparing children for schools.
2. Propose legislation to better integrate Head Start, child care and state operated pre-school programs.
3. Develop annual performance measures that assess the progress of individual grantees in improving school readiness and better measure the impact on children.
4. Provide inflationary increase in program funding for 2004.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
6,537	6,668	6,816

123

Program: *Health Alert Network*

Agency: *Department of Health and Human Services*

Bureau: *Centers for Disease Control and Prevention*

Category	Score
Purpose	100
Planning	86
Management	78
Results / Accountability	40

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed
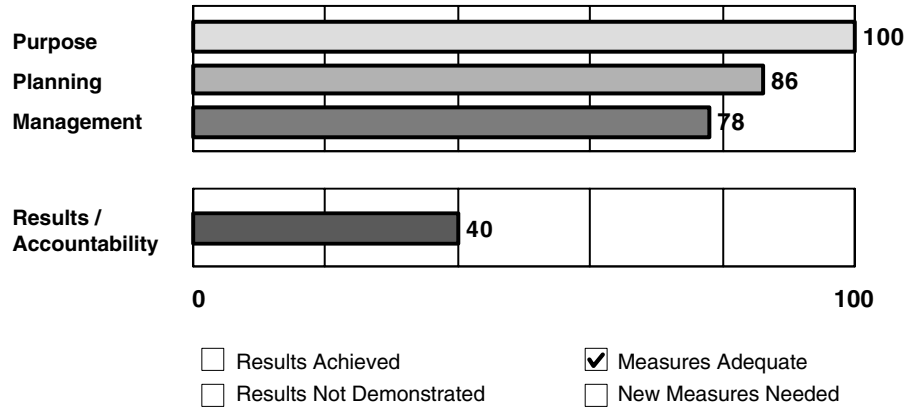
Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of State/Local public health jurisdictions with: (1) high speed, continuous internet; (2) 24/7 broadcast capability to local public health officials and key partners; and (3) distance learning infrastructure (New measure)	2002	baseline	68
	2005	100	
Annual Measure: Percent of HAN grantees are (1) served by a Center for Public Health Preparedness (CPHP) and (2) hold all CDC required certifications Actual performance was 30% in 2002. (New measure)	2003	50/10	
	2004	80/25	
	2005	90/40	
	2006	100	
Annual Measure: Percent of (1) state and (2) local public health agencies to whom CDC is able to transmit health alerts on a 24/7 basis, within 30 minutes of notification that an alert must be transmitted (New measure)	2002	100/60	100/60
	2003	100/80	
	2004	100	

Rating: *Adequate*

Program Type: *Competitive Grants*

Program Summary:

The Health Alert Network is an information network for early warning and response against bioterrorism and other public health threats. CDC provides grants to state public health departments, which provide resources for hardware and staff to ensure rapid exchange of information between local, state and federal public health agencies in the event of an emergency.

Findings from the PART assessment include the following:
1. While CDC has shown progress toward previous output measures, CDC is refining existing goals into better outcome measures for 2004, and therefore cannot yet show significant progress toward these new standards.
2. There were minor deficiencies identified in the management area, including a CDC-wide issue on financial management, and the fact that reports were not available to demonstrate the timeliness of obligations. Otherwise, management of this program is above average.
3. CDC has gone to great lengths to ensure that their grantees are aware of and working to attain the larger strategic goals. Good progress has been made toward previous output goals. However, since new goals with an increased focus on outcomes were established, grantee progress toward these new goals cannot yet be demonstrated.
4. The purpose of the program is clear.

In response to these findings, the Budget proposes:
1. Continued funding at the 2003 Budget level, which is a large increase from the 2001 level.
2. Increased funding for CDC's Public Health Information Network (PHIN) initiative, that will coordinate and establish interoperability between all CDC public health information activities (including HAN, NEDSS, Epi-X, PulseNet and other).

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
183	183	183

124

Program: Health Care Fraud and Abuse Control (HCFAC)

Agency: Department of Health and Human Services

Bureau: Office of the Inspector General

Purpose	100
Planning	17
Management	83
Results / Accountability	25

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

The Health Care Fraud and Abuse Control (HCFAC) program funds efforts to prevent health care fraud, waste, and abuse including prevention, audits and investigations.

The assessment found that the program purpose is articulated clearly by the agency and the authorizing statute, with a design that is appropriate to achieve the mission. Additional findings include:

1. The program does not use objective data to establish workplans, allocate resources, or measure program performance, but rather managers use their professional judgment to identify and pursue program activities.

2. The program has a good management track record. GAO's independent audit of the program has certified in each of the three biennial reports that the financial management practices are free from material weaknesses.

3. The program has demonstrated anecdotal success in helping to reduce fraud, waste and abuse. It has also resulted in identifying and recommending corrections to close loopholes or stop abusive billing practicies.

4. While providing some information on the status of fraud and abuse activities, the existing goals -- return on investment, expected recoveries, and program savings -- do not objectively measure if the program achieves its mission. The current measures do not demonstrate whether health care fraud and abuse have decreased, which is the program's ultimate mission.

In response to these findings, the Administration will:

1. Develop performance measures that are closely tied to the program's mission; measurable against an established, objective baseline; and can be used to make resource allocation decisions.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
139	160	160

125

Program: *Health Centers*

Agency: *Department of Health and Human Services*

Bureau: *Health Resources and Services Administration*

Purpose	100
Planning	86
Management	82
Results / Accountability	80

0 — 100

☑ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed
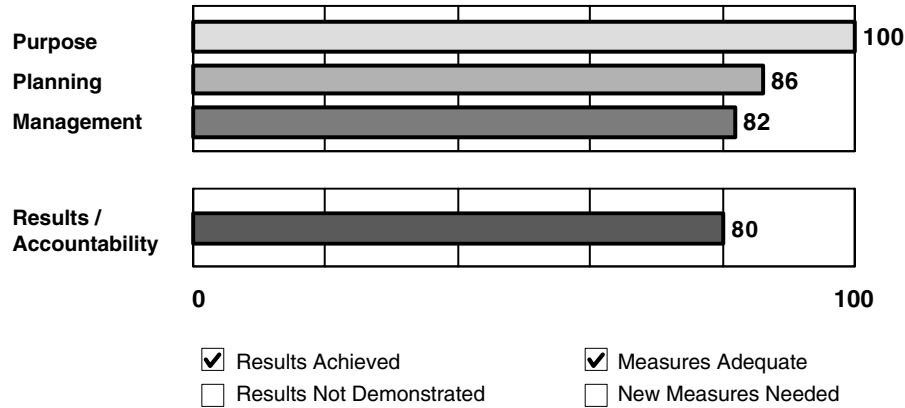
Key Performance Measures	Year	Target	Actual
Long-term Measure: Rate of low weight births among health center patients (New measure)	1999		7.37%
	2000		7.14%
	2001		7.13%
	2006	6.53%	
Annual Measure: Number in millions of those served by health centers who are below 200% of poverty and the national percentage of all people below 200% of poverty served by the program (New measure)	2000		8.4/10%
	2001		9.1/11%
	2004	11.8/14%	
Long-term Measure: Number of new and expanded health center sites and millions of additional people served	2001	Baseline	
	2002	260/1.3	289/NA
	2006	1,200/6	

Rating: *Effective*

Program Type: *Competitive Grants*

Program Summary:

The Health Center program provides grants to health centers to provide medical care to uninsured, underserved and vulnerable populations in rural and urban areas.

The assessment found:
1. The program purpose is clear and commonly held by interested parties and the program is designed to have a unique and significant impact.
2. The program uses performance information to improve annual administrative and clinical outcomes. Internal and external evaluations and reviews are also conducted regularly and indicate the program is effective at extending high quality health care to underserved populations.
3. The program is also making progress on its long-term outcome measures, including reducing the percentage of low-weight births among health center patients. For example, the percentage of low-weight births among health center patients declined from 7.4 percent of all health center births in 1999 to 7.1 percent in 2001.
4. The program more efficiently met key milestones over the previous year by expanding existing health center sites, in addition to opening new ones. Expanded sites can serve more people with lower startup costs.
5. The program has struggled to estimate liabilities to the government that arise from malpractice coverage extended to health center employees under the Federal Tort Claims Act.
6. Collaboration with programs that share common goals could be improved.

In response to these findings, the Administration:
1. Proposes an additional $150 million above the 2003 Budget for the President's health center initiative to expand and create 1,200 health center sites and increase the service capacity by 6.1 million patients by 2006.
2. Proposes an additional $20 million increase to pay health center malpractice claims, a legislative proposal to cap non-economic awards, and a proposal for the HHS Inspector General to improve oversight of health center malpractice coverage.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,343	1,458	1,627

Program: *Health Professions*

Agency: *Department of Health and Human Services*
Bureau: *Health Resources and Services Administration*

Purpose	60
Planning	71
Management	73
Results / Accountability	13

0   100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Proportion of persons who have a specific source of reliable, continuing healthcare (New measure)	1999		84%
	2000		85%
	2001		86%
	2010	96%	
Long-term Measure: Proportion of health professionals completing funded programs that are serving in medically underserved communities (These communities have too few primary care physicians, higher infant mortality rates, lower family incomes and often an older population.) (New measure)	2010	40%	
Annual Measure: Proportion of health professionals completing Health Professions funded programs who are underrepresented minorities and/or from disadvantaged backgrounds (New measure)	2004	40%	

Rating: *Ineffective*

Program Type: *Competitive Grants*

Program Summary:

The Health Professions program provides grants to academic institutions to help meet the costs of training and educating students as nurses, doctors, dentists and other health professionals and provides additional support to minority and low income students and faculty.

The assessment found:
1. There is disagreement regarding the purpose of the program and a clear and focused purpose is not found in the authorizing legislation, external views and program documents. For example, the agency believes the purpose is to address the failure of the market to distribute health providers to all areas of the country and to serve all population groups. Others believe the purpose is primarily to help rural areas or to subsidize schools.
2. While the program is managed well overall, it has not regularly used performance data to improve program outcomes. The General Accounting Office noted in 1997 that effectiveness has not been shown and the impact will be difficult to measure without common goals, outcome measures, and reporting. The program has adopted new performance benchmarks, but lacks data to demonstrate progress.
3. Outcome data on some program activities are available and indicate the impact of the program may be limited. One study found only 1.5% of physicians trained by institutions receiving a family medicine training grant between 1978 and 1993 provide health care in areas with a shortage of physicians, compared to 1.1% of physicians trained by institutions not funded by the program.
4. An expert panel convened by George Mason University in 2002 recommended an increased emphasis on agency activities to support and promote basic nursing.

In response to these findings, the Administration:
1. Proposes to continue the phase-out of most health professions grants consistent with the 2003 Budget and direct resources to activities that are more capable of placing health care providers in medically underserved communities.
2. Proposes to redirect $34 million from advanced education nursing to basic nursing activities, including $12 million to the Nursing Education Loan Repayment program for loan repayment awards and newly authorized scholarships to increase the supply of practicing nurses.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
378	95	82

Program: *IHS Federally-Administered Activities*

Agency: *Department of Health and Human Services*

Bureau: *Indian Health Services*

Purpose	100
Planning	78
Management	60
Results / Accountability	74

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed
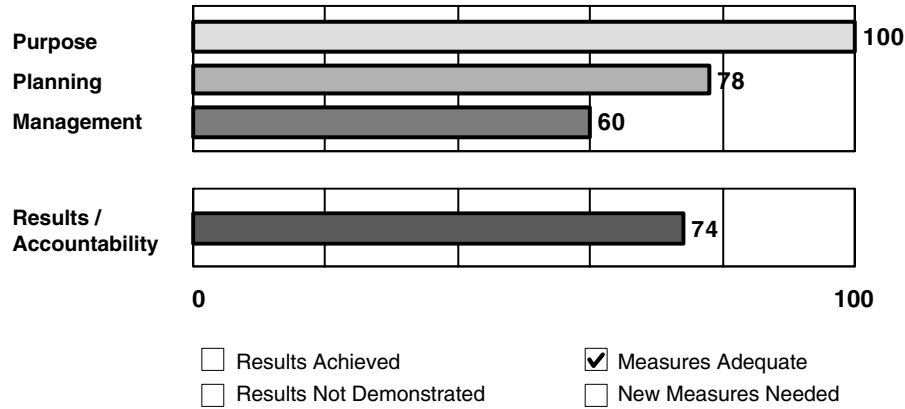
Key Performance Measures	Year	Target	Actual
Long-term Measure: Years of Productive Life lost in American Indian/Alaska Native population (New measure, target will be developed by October 2003)			
Long-term Measure: Obesity rate in American Indian/Alaska Native children (ages 2-5) (New measure, target will be developed by October 2003)			
Annual Measure: Unintentional injury mortality rate in American Indian/Alaska Native population	1998		94.7
	1999	95.8	95.5
	2002	95.8	
	2004	95.8	

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

The Indian Health Service provides health care to the American Indian/Alaska Native population through direct care, contracts, and grants to Tribal and Urban Indian health programs.

The assessment indicates:
1. The overall purpose of the program is clear and unique.
2. The program is successful in meeting the majority of its annual goals and has adopted new long-term goals and established ambitious targets. Even though the measure is new, historical performance data is available to demonstrate the Years of Productive Life Lost rate was reduced by 50 percent from 1973 to 1995 and 19 percent from 1987 through 1998.
3. The program's efficiency and cost effectiveness is demonstrated by the following: a) achieved approximately $182.5 million in savings in contract health services funds in 2001 as a result of rate agreements with frequently contracted providers; b) met its performance goals with a net reduction in staff (592) from 1993-2001 while outpatient visits increased by 50 percent over this same time period; and c) compared favorably on the health common measures exercise with Community Health Centers, and Department of Defense and Veterans Affairs health systems.
4. The program uses performance information to manage, however, activities are grouped under broad categories rather than a cost accounting link for each specific activity.
5. Audited financial statements for the past five years contain material weaknesses with respect to the timeliness of preparation, analysis and reconciliation of financial statements.

In response to these findings, the Administration will:
1. Include $25 million in the 2004 Budget to fund staffing and related operating costs for new facilities.
2. Propose a $25 million increase above the 2003 Budget for contract health services to reduce the number of denied claims due to exhaustion of funds.
3. Support continuation of, and a $50 million increase in, annual mandatory funding for the Special Diabetes Program for Indians for demonstrated performance improvements.
4. Develop baselines and targets for new measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
2,120	2,183	2,232

Program: *IHS Sanitation Facilities Construction Program*

Agency: *Department of Health and Human Services*

Bureau: *Indian Health Services*

Purpose	100
Planning	83
Management	89
Results / Accountability	67

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed
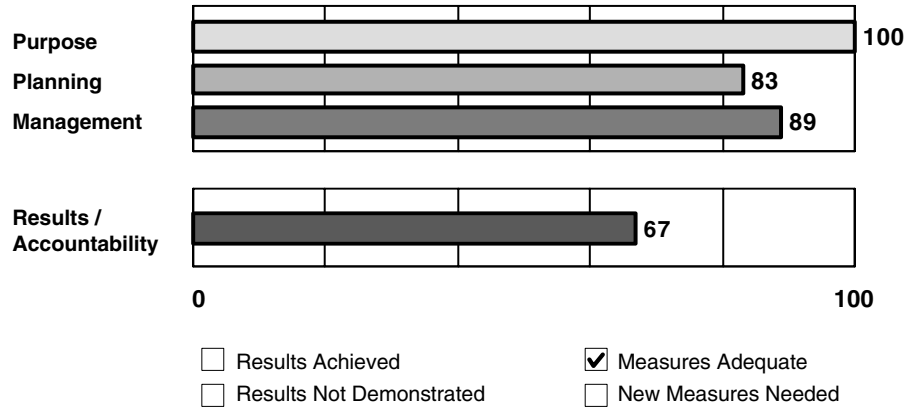
Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of American Indian/Alaska Native (AI/AN) homes with sanitation facilities (New measure)	2000		92.5%
	2010	94%	
Long-term Measure: Percentage of Deficiency Level 4 or 5 AI/AN homes (as defined by U.S.C. 1632) provided with sanitation facilities (New measure, target will be developed by October 2003)			
Annual Measure: Number of new or like-new AI/AN homes and existing homes provided with sanitation facilities	1999	15,230	16,571
	2000	14,775	18,376
	2001	14,730	18,002
	2004	18,150	

Rating: *Moderately Effective*

Program Type: *Capital Assets*

Program Summary:

The Indian Health Service's Sanitation Facilities Construction program provides potable water and waste disposal facilities for American Indian/Alaska Native homes.

The assessment indicates the overall purpose of the program is clear and unique: provide sanitation facilities to American Indian/Alaska Native homes. The program consistently exceeds its annual performance target for the number of homes provided with sanitation facilities. Additional findings include:
1. The program has demonstrated progress toward achieving its long-term goal by increasing the percentage of American Indian/Alaska Native homes with sanitation facilities from 20 percent in 1959 to 92.5 percent today.
2. The program is also able to demonstrate improved efficiencies and cost effectiveness, with declines in the cumulative average cost per home served from over $5,700 in 1995 to $5,200 in 2000 and 2001 despite a 2 percent average rate of inflation in construction costs from 1992-2001.
3. The program compares favorably with similar programs run by the Bureau of Reclamation, the Rural Utility Service, and the Environmental Protection Agency.
4. The program uses performance information to manage the program and has strong financial management practices, however it has not been subjected to a recent, credible cost benefit analysis.
5. No independent analysis of the program has been conducted since 1974.

In response to these findings, the Administration will:
1. Propose a $20 million increase above the 2003 Budget so that the program can increase services to the most needy homes in its inventory which have higher construction costs.
2. Conduct an independent, comprehensive evaluation of the program.
3. Develop baselines and targets for new measures.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
94	94	114

Program: Maternal and Child Health Block Grant (MCHBG)

Agency: Department of Health and Human Services

Bureau: Health Resources and Services Administration

Purpose	100
Planning	71
Management	78
Results / Accountability	73

0 — 100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed
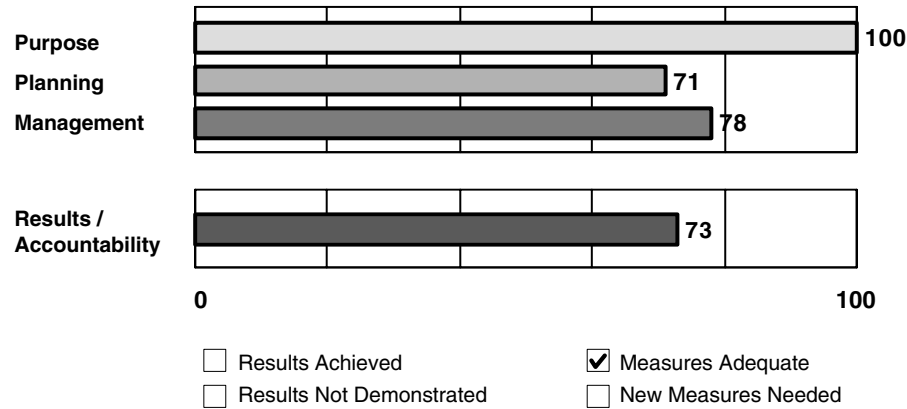
Key Performance Measures	Year	Target	Actual
Long-term Measure: National rate of maternal deaths per 100,000 live births (New measure)	1980		9.4
	1999		8.3
	2008	8	
Long-term Measure: National rate of infant deaths per 1,000 live births (Existing measure)	1995		7.6
	2000		6.9
	2008	6.5	
Annual Measure: National rate of illness and complications due to pregnancy per 100 deliveries (New measure)	1998		31.2
	1999		31.4
	2004	26	

Rating: Moderately Effective

Program Type: Block/Formula Grants

Program Summary:

The Maternal and Child Health Block Grant (MCHBG) provides grants primarily to States to: improve the health of all mothers and children, reduce infant mortality, provide access to comprehensive prenatal and postnatal care, and increase the number of children receiving health assessments.

The assessment found:
1. The program is well designed as a safety net to help improve the health of all mothers and children and to have a significant impact on the health of these populations.
2. The Health Resources and Services Administration (HRSA) regularly collects timely and credible performance data for this program and uses these data to manage the program. This information is used by internal and external experts to review each State's performance and budget data based on previous and future year projections.
3. The Block Grant is effectively achieving results and has mechanisms in place to regularly collect and report timely data.
4. Regular, independent and quality evaluations of the MCHBG are not conducted. Also, HRSA does not make budget decisions based on using a detailed system of costing that is linked to targets.

In response to these findings, the Administration will:
1. Propose an increase of $19 million above the 2003 Budget to support the program's strong performance and to ensure continued efforts to improve the health of all mothers and children.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
731	732	751

130

Program: *Medicare Integrity Program (HCFAC)*

Agency: *Department of Health and Human Services*

Bureau: *Centers for Medicare and Medicaid Services*

Purpose	100
Planning	71
Management	88
Results / Accountability	80

0 — 100

☑ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed
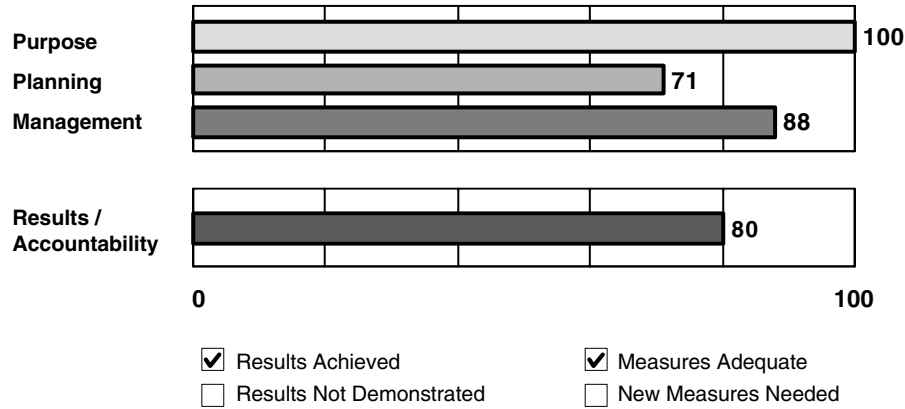
Key Performance Measures	Year	Target	Actual
Long-term Measure: Medicare national fee-for-service error rate	1996		14%
	2000	7%	6.8%
	2001	6%	6.3%
	2008	4%	
Long-term Measure: Percentage of contractor-specific error rates below national Medicare error rate	2005	25%	
	2006	50%	
	2007	75%	
	2008	100%	
Long-term Measure: Provider compliance error rates versus previous year (Baseline under development)	2005	+20%	
	2006	+20%	
	2007	+20%	
	2008	+20%	

Rating: *Effective*

Program Type: *Block / Formula Grants*

Program Summary:

This program funds a variety of efforts to fight fraud and abuse in the Medicare program.

The assessment found the program purpose is clear and is reflected in the reduction of the Medicare Error Rate, which measures the level of erroneous fee-for-service claims. The Medicare error rate, the key measure of the program's overall effectiveness, has declined from 14 percent of fee-for-service payments in 1996 to 6.3 percent in 2001. Additional findings include:
1. The program is well managed and relies on performance measures, such as the Medicare error rate, that are directly relevant to its purpose.
2. The Administration is developing sub-national performance measures that will identify more specific error rates. In addition, the Administration is developing provider compliance rates to identify providers that may require additional assistance billing accurately for Medicare services.
3. Although the program has an effective national performance measure, it does not require its partners to commit to national or subnational error rates.
4. CMS hires contractors on a cost basis, and budgets most MIP funds based on activity level (e.g. number of claims reviewed). As a result, a contractor's reimbursement is unaffected by the number of claims payment errors made.

In response to these findings, the Administration will:
1. Complete development of contractor specific error rates and require contractors to commit to reducing their error rates.
2. Pursue the "Performance-based Outcomes Pilot" that will explore linking award fees to performance.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
700	720	720

Program: *National Health Service Corps*

Agency: *Department of Health and Human Services*

Bureau: *Health Resources and Services Administration*

Purpose	100
Planning	100
Management	82
Results / Accountability	47

0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Patients served through the placement and retention of NHSC clinicians (New measure, baseline under development)	2010	+20%	
Long-term Measure: Patients served through NHSC placements and retention, as well as other sources (Communities with a compelling need for providers that do not receive a NHSC clinician may more easily recruit a provider from another source as a result of increased exposure from the program.) (New measure, baseline under development)	2010	+20%	
Annual Measure: Average Health Professional Shortage Area (HPSA) score of areas receiving NHSC clinicians (HPSA scores gauge provider shortages and whether the program targets communities well.) (New measure, target/baseline under development)	2004	+1%	

Rating: *Moderately Effective*

Program Type: *Competitive Grants*

Program Summary:

The National Health Service Corps (NHSC) provides scholarships and loan repayment awards to doctors and other health providers in exchange for a commitment to provide health care to people living in areas with a shortage of health providers regardless of their ability to pay.

The assessment found:
1. The program purpose is clear and the program is designed to have a unique and significant impact. By directly placing doctors and other clinicians in areas with a shortage of health providers, the NHSC can help patients who were previously without access to a physician and may also have been unable to afford the cost of care.
2. The program ensures clinicians honor their service agreements with the government and uses additional performance information to improve outcomes.
3. The program lacks outcome information for newly adopted measures and will need to set ambitious targets once baseline data are available. However, evaluations indicate the program is effective at increasing health care access. For example, roughly half of program providers remain in service for a long period of time after the end of the federal service contract.
4. The program has shown some efficiency improvements by shifting resources from federal administrative staff positions to pay for more doctors and other clinicians. Greater flexibility in the allocation of funds between scholarships and loans could further improve efficiency.

Based on these findings, the Administration:
1. Proposes $23 million above the 2003 Budget, a 12% increase above 2003 and 46% increase above 2002, to place more doctors and other clinicians in areas facing a shortage of health providers.
2. Will support more underrepresented minorities and other students and health professionals from disadvantaged backgrounds through the program by enhancing recruitment efforts.
3. Will serve areas of greatest need by better targeting NHSC placements and taking into account foreign physicians who serve in areas with a shortage of health providers through visa waivers.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)
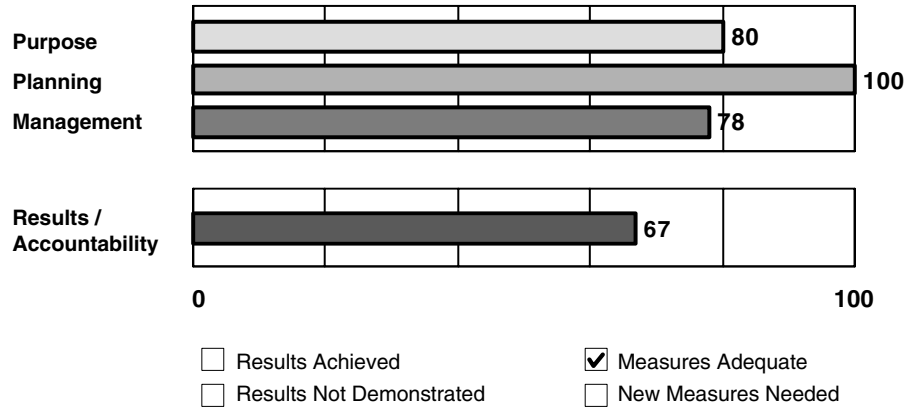
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
145	189	213

Program: *Nursing Education Loan Repayment and Scholarship Program*

Agency: Department of Health and Human Services

Bureau: Health Resources and Services Administration

Purpose	90
Planning	71
Management	82
Results / Accountability	17

0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Number of individuals enrolled nationwide in nurse education and training programs compared with 2004 (Increasing enrollment in these programs can help prevent or reduce a shortage of nurses in the health care system.) (New measure, baseline under development)	2010	+10%	
Annual Measure: Percentage of program participants that serve in nursing homes, hospitals that provide care to a disproportionate number of low-income patients under Medicare and Medicaid, and public health departments and clinics compared with 2003 (New measure, baseline under development)	2004	+10%	
Annual Measure: Percentage of participants who remain employed at the health facility for at least a year after completing their federal service contract (New measure, baseline under development)	2004	+10%	

Rating: *Adequate*

Program Type: *Competitive Grants*

Program Summary:

The Nursing Education Loan Repayment and Scholarship program provides loan repayment awards to nurses in exchange for a commitment to serve in health facilities facing a nursing shortage.

The assessment found:
1. The program directly places registered nurses in facilities that are short of nurses. Research has found health care quality and patient outcomes appear to be impacted by the number of nurses working in the facility relative to the number of patients in their care.
2. The program's national impact on nurse vacancies and staffing is not known. Selecting an outcome measure on a large problem is difficult for a relatively small program such as this one. Further work is needed to improve the measurement of key outcomes.
3. Participating nurses are repaying their loans and serving in eligible facilities.
4. While the program has adopted new performance benchmarks, it does not have data to show progress.
5. An evaluation of program results could be useful to target resources and make other decisions, but no evaluations have been conducted and no other evidence is available to indicate the program's overall impact.

In response to these findings, the Administration:
1. Proposes an increase of $12 million above the 2003 President's Budget for loan repayment awards and newly authorized scholarships by redirecting resources from advanced nursing education activities that do not increase the supply of practicing nurses.
2. Will maximize the impact of the program by targeting providers to nursing homes, hospitals that serve a disproportionate number of low-income patients under Medicare and Medicaid, and other priority health facilities.
3. Will conduct an evaluation of the program's impact, develop outcome measures, and begin to track performance against newly adopted benchmarks by developing a baseline and refining performance targets.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
10	15	27

Program: *Projects for Assistance in Transition from Homelessness*

Agency: *Department of Health and Human Services*

Bureau: *Substance Abuse and Mental Health Services Administration*

Purpose	80
Planning	100
Management	78
Results / Accountability	67

0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of enrolled homeless persons who receive community mental health services (New measure)	2000		61%
	2005	75%	
Annual Measure: Percentage of contacted homeless persons with serious mental illness who are enrolled in services	1997		37%
	1998	30%	36%
	1999	33%	42%
	2000	41%	
Long-term Measure: Average federal cost for enrolling a homeless person with serious mental illness into services (New measure)	1999		$579
	2000		$668
	2004	$668	
	2005	$668	

Rating: *Moderately Effective*

Program Type: *Block/Formula Grants*

Program Summary:

Projects for Assistance in Transition from Homelessness (PATH) makes formula grants to states to provide outreach, mental health and other supportive services to homeless individuals with serious mental illness.

The assessment indicates:
1. PATH is not entirely unique, but is designed to have a significant impact.
2. The program purpose is clear and commonly held by interested parties.
3. As required by the authorizing legislation, PATH supports an evaluation every three years to ensure expenditures are consistent with the authorization and to recommend changes in program design and operations.
4. Evaluations have found PATH succeeds at targeting homeless individuals with serious mental illness. For example, the 2000 evaluation found 35% of clients who received funded services were diagnosed with schizophrenia or some other psychotic disorder and an additional 30% were diagnosed with an effective disorder such as major depression or bipolar disorder.
5. The program has adopted useful and ambitious long-term and annual performance measures and is managed well overall.
6. The program's existing data indicate progress toward meeting newly adopted long-term performance measures.
7. The program can take additional steps to improve administrative efficiency, but operates with a relatively limited number of employees and has some procedures in place to be more efficient, such as electronic application and grantee reporting.

In response to these findings, the Administration:
1. Proposes a $3 million increase above the 2003 Budget, which is a 26% increase above 2002.
2. Will track and improve program performance using newly developed long-term outcome and efficiency measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
40	47	50

Program: *Refugee and Entrant Assistance*

Agency: *Department of Health and Human Services*
Bureau: *Administration for Children and Families*

☐ Results Achieved	☑ Measures Adequate	
☐ Results Not Demonstrated	☐ New Measures Needed	

Key Performance Measures
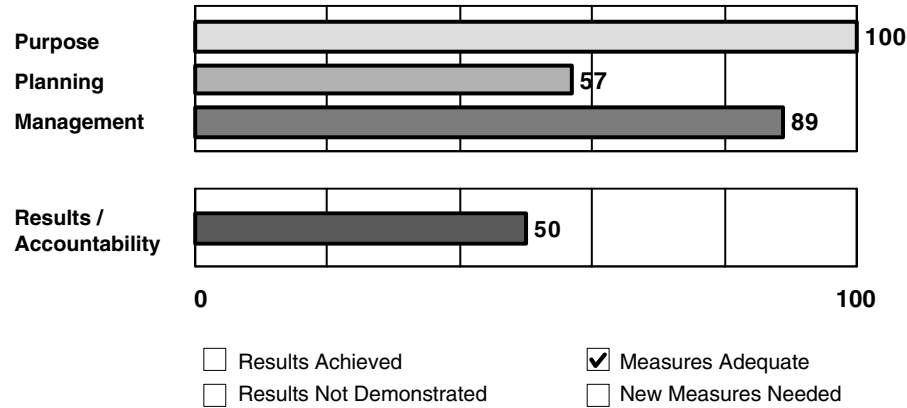
Key Performance Measures	Year	Target	Actual
Long-term Measure: Entered employment rate: the ratio of refugees entering employment relative to the number of refugees receiving employment services (New measure)	2012	85%	
Annual Measure: Number of refugees entering employment through the Administration for Children and Families (ACF) funded refugee employment services	2001	56,885	45,893
	2002	48,188	
	2003	Increase by 3%	
	2004	Increase by 3%	
Annual Measure: Number of entered employments with health benefits available as a subset of full-time job placements	2001	30,613	27,270
	2002	28,702	
	2003	Increase by 3%	
	2004	Increase by 3%	

Rating: *Adequate*

Program Type: *Block/Formula Grants*

Program Summary:

The Office of Refugee and Resettlement's Entrant Assistance Social Services Programs (ORR) helps recently arrived refugees get a job as soon as possible.

The assessment indicates:
1. The program purpose and mission are clear. Social services for refugee populations are not provided by other programs. About 63% of the approximately 70,000 refugees who arrive annually speak no English and require intensive English language and job training.
2. ORR is weak in strategic planning because it fails to: (a) conduct independent evaluations, (b) align program budget with goals and © utilize a system to identify strategic planning deficiencies.
3. ORR's management is generally strong. For instance, the program collects performance data from States.
4. Financial management is good although this program is subject to numerous congressional earmarks, which complicates financial management processes.
5. The results section score is largely due to the fact that the program recently established long-term outcome goals for which data are not yet available.
6. The program tracks and reviews unit costs as a measure of effectiveness, but does not set performance targets to reduce unit costs as part of their annual goals.

In response to these findings:
1. The Budget includes funds ($2 million) for ORR to conduct independent and quality evaluations.
2. ORR will establish targets for unit costs as an annual measure of cost-effectiveness.
3. The agency will continue its ongoing efforts to improve strategic planning to ensure that goals are measurable and linked to the budget, and systems are in place to identify program deficiencies.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
208	201	203

135

Program: *Ryan White*

Agency: *Department of Health and Human Services*

Bureau: *Health Resources and Services Administration*

Purpose	80
Planning	86
Management	55
Results / Accountability	59

0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures
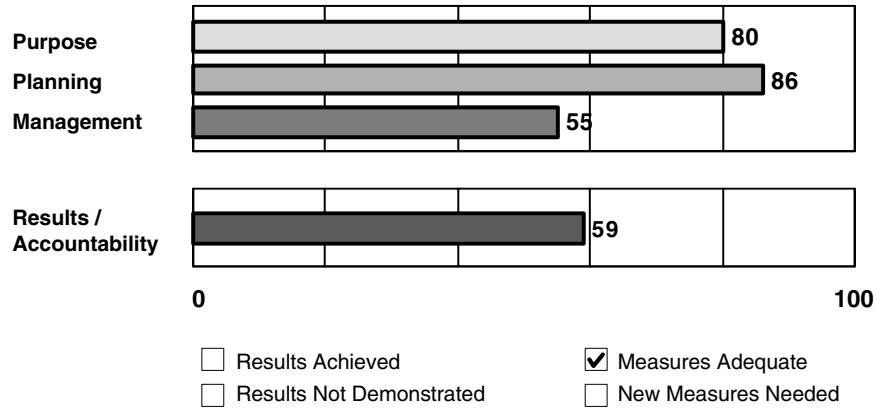
Key Performance Measures	Year	Target	Actual
Long-term Measure: National rate of deaths per 100,000 people due to HIV infection (New measure)	1994		15.4
	1999		5.4
	2010	3.6	
Long-term Measure: National proportion of people living with HIV receiving primary medical care and treatment (New measure)	2000		33%
	2010	50%	
Annual Measure: Number of persons who learn their serostatus from Ryan White CARE Act-funded programs (New measure)	2000		352,283
	2004	381,323	

Rating: *Adequate*

Program Type: *Block / Formula Grants*

Program Summary:

The Ryan White program ensures care and treatment for persons with HIV through assistance to localities disproportionately affected by HIV. The funding goes to States, and other public/private/nonprofit entities.

The assessment found:
1. The program has developed new long-term and annual performance goals.
2. There is effective coordination with similar programs, regular independent evaluations occur, and the Health Resources and Service Administration (HRSA) is working with Booz Allen Hamilton to identify and manage areas in need of organizational improvement.
2. There is general consensus that the program purpose is clear and the program addresses a specific problem. The score for the program design portion of this section was affected by weaknesses with program design. The statute allows duplication among services funded under each Title and funding allocations are based on a formula that provides funds according to the number of AIDS cases over a 5 year period without regard to the level of sickness or need of those living with HIV/AIDS.
3. The program has contributed to the overall decline in the number of AIDS cases and deaths due to HIV. Program results were considerably affected by the fact that in some cases baseline data are not yet available and evaluations could focus more on the results of the program.
4. HRSA has not implemented preemptive mechanisms to identify problems or make corrective fixes prior to the mismanagement of resources. Some grantees/subgrantees do not use their funds according to the terms of their award. When problems are identified, legal action is taken, funds are returned, and/or individuals pay restitution.

In response to these findings the Administration will:
1. Develop recommendations and legislative strategies in preparation for the 2005 reauthorization, to find more meaningful ways of allocating drug treatment funding and standardizing eligibility across states.
2. Increase funding for the Ryan White AIDS Drug Assistance Program, +$100 million, so that the program can purchase drug treatments for an additional 9,200 persons.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

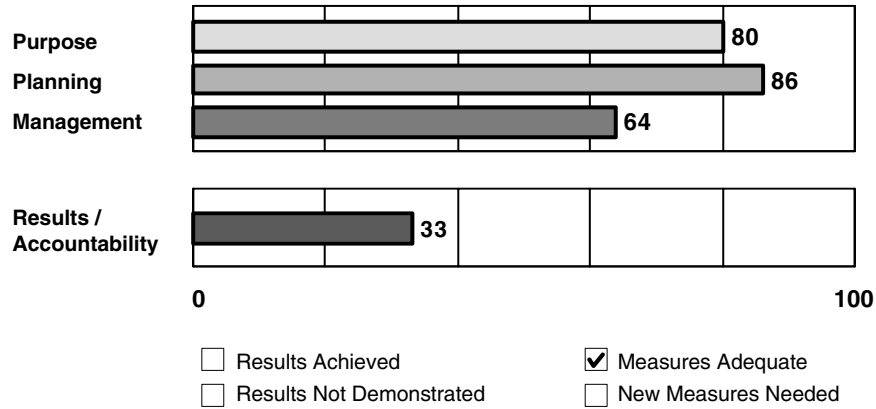### Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,910	1,911	2,010

Program: State and Community-Based Services Programs on Aging

Agency: Department of Health and Human Services

Bureau: Administration on Aging

☐ Results Achieved	☐ Measures Adequate
☑ Results Not Demonstrated	☑ New Measures Needed
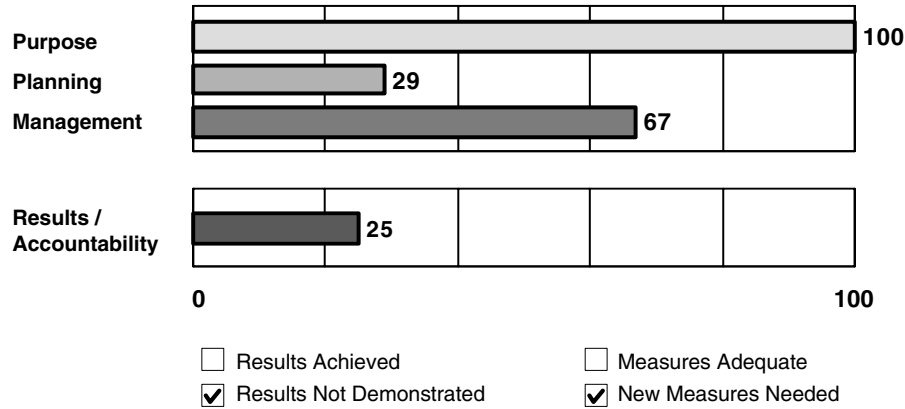
Key Performance Measures	Year	Target	Actual
Long-term Measure: Rate of non-AoA funds leveraged to each $1.00 of program funding (Targets under development)	2000	$1.50	$1.90
	2001		
	2002		
	2003		
Annual Measure: Measure under development			
Efficiency Measure: Measure under development			

Rating: Results Not Demonstrated

Program Type: Block / Formula Grants

Program Summary:

The Administration on Aging (AoA) attempts to enable elderly people to remain in their homes and communities. These programs and services include such activities as meals in community settings and home-delivered, preventive health care, senior centers and support of family caregivers.

The assessment indicates that the overall program has a clear purpose, addresses a specific need, and is effectively designed. However, performance measurement should be strengthened. Findings include:

1. There is a lack of focus on program outcomes in performance measures. The proposed annual targets maintain current performance rather than support long-term improvements. For example, while AoA encourages states to leverage funds from non-federal sources, the 2004 target is $1.90 to $1.00, the same level that has been achieved since 1998.

2. While AoA monitors the financial performance of grantees, it does not actively promote efficiencies, utilize full cost accounting or proactively identify management deficiencies.

3. State and local entities have a great deal of flexibility in designing the programs and leveraging funds. Therefore, grantees cannot be required to adopt AoA's goals and measures, and it is difficult to determine how changes in federal funding may affect program performance.

4. The most recent program evaluation indicated positive outcomes are achieved. However, AoA's annual performance plans do not track or measure these outcomes. Performance measures and targets should be revised to reflect and improve these outcomes.

In response to these findings, the Administration will work with AoA to reevaluate its performance measures to reflect program outcomes, and to develop appropriate performance targets.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,200	1,341	1,344

137

Program: State Childrens Health Insurance Program

Agency: Department of Health and Human Services

Bureau: Centers for Medicare and Medicaid Services

Purpose	80
Planning	86
Management	43
Results / Accountability	75

0   100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed
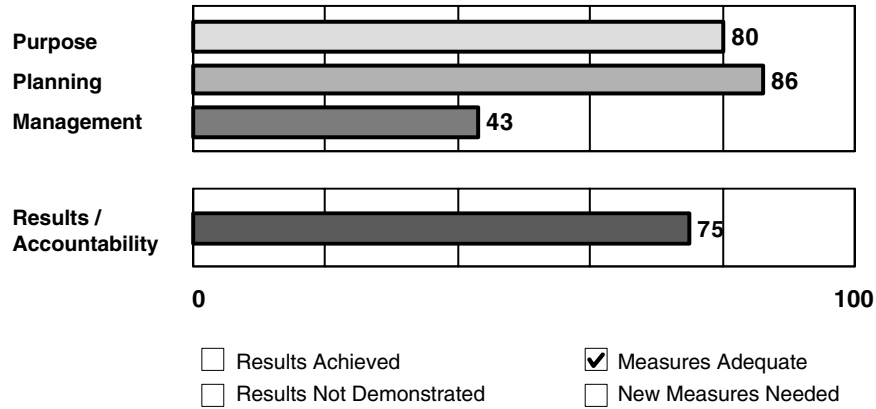
Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Increase in the number of additional children enrolled in regular Medicaid or SCHIP as compared to previous year	2000	1million	>1million
	2001	1million	>1million
	2002	1million	>1million
Long-term Measure: Implement national health care performance measures across Medicaid and SCHIP (Measures under development)			
Annual Measure: (Measures under development)			

Rating: Moderately Effective

Program Type: Block/Formula Grants

Program Summary:

The State Children's Health Insurance Program (SCHIP) provides funds to states to initiate and expand health insurance coverage to uninsured low-income children less than 19 years of age.

The assessment found the program purpose is clear, program planning is very effective, and program results are evident. Since the inception of SCHIP coverage more children have been enrolled in Medicaid and SCHIP, and the overall number of uninsured children has decreased. SCHIP was designed to give states more flexibility to design their health care programs and 34 states have used this additional flexibility. In addition, States annually report on performance measures and enrollment. Additional findings include:

1. Existing performance measures, such as number of children enrolled in the program do not measure what impact the program is having on those children. The measures do not capture health outcomes or the efficiency of the program. Without a core set of national performance measures, the Centers for Medicare and Medicaid Services (CMS) has not been able to adjust program priorities based on national goals or to improve the program's performance in the areas of utilization, access, health outcomes, or financial management. At this time, CMS does not perform risk assessments or calculate error rates.

2. GPRA goals for SCHIP do not reflect appropriate national outcome goals, such as those suggested by HHS in Healthy People 2010, including tracking leading health indicators such as immunization and access to health care.

3.While GPRA goals for SCHIP measure increases in enrollment, they do not measure the impact of SCHIP on the rate of uninsured children.

In response to these findings, CMS should:

1. Develop, a core set of national performance measures with States to evaluate the quality of care received by low-income children.

2. Develop new annual and long term GPRA goals (e.g. measuring the impact of SCHIP on the rate of uninsured children), and

3. Develop a methodology to measure SCHIP improper payments, including producing error rates.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
3,682	4,751	5,090

Program: *Substance Abuse Treatment Programs of Regional and National Significance*

Agency: *Department of Health and Human Services*

Bureau: *Substance Abuse and Mental Health Services Administration*

Rating: *Adequate*

Program Type: *Competitive Grants*

Program Summary:

Substance Abuse Treatment Programs of Regional and National Significance is comprised of a variety of grants and activities intended to improve the quality and availability of drug treatment services.

The assessment indicates:

1. The overall purpose of the program is clear, but the relationship between activities to expand access to drug treatment and activities to improve the quality of drug treatment, such as training, communications and regulatory efforts, is less clear.

2. Grant awards are based on merit and competition is open.

3. The program has not regularly used performance information to improve outcomes and some activities have never been evaluated. The program also lacks data to indicate progress on newly adopted performance benchmarks.

4. A previous evaluation of drug treatment services grants indicates an impact. The 1997 National Treatment Improvement Evaluation Study indicates the program's treatment services demonstration grants were effective. Key findings include drug use declined from 73% to 38% one year after treatment, selling drugs declined 78%, arrests declined 64%, employment increased from 51% to 60%, and alcohol/drug-related medical visits declined 53%.

5. Evidence of impact is not available for research related activities and other efforts.

In response to these findings, the Administration:

1. Proposes $200 million as part of the President's drug treatment initiative to expand access to treatment using vouchers. Vouchers will enable individuals to determine where they will receive treatment. The initiative will involve a variety of settings, including criminal justice and health care systems, to reach out to those in need of treatment and determine the type and level of services needed.

2. Proposes $50 million at the 2003 Budget level for performance-based grants to states.

3. Proposes to redirect $8 million from research related activities and other efforts lacking evidence of effectiveness to drug treatment services grants.

4. Will increase support for the National Treatment Outcome Monitoring System to provide current data on the effectiveness of drug treatment services.

5. Will further improve the effectiveness of services grants by introducing grant funding incentives and reductions based on performance.

Purpose	80
Planning	86
Management	64
Results / Accountability	33

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Individuals who have received drug treatment services that show no past month substance use six months after admission to treatment (New measure; baseline under development)	2006	42%	
Annual Measure: Grantees that provide drug treatment services within approved cost per person guidelines by the type of treatment, such as inpatient, outpatient or methadone (New measure; approved cost range and baseline under development)	2000		60%
	2004	68%	
Annual Measure: Drug treatment professionals trained by the program that adopt proven treatment methods (Adopting proven methods ultimately improves drug treatment outcomes.) (New measure, target to be refined)	2001		40%
	2004	44%	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
291	358	557

Program: *Translating Research into Practice*

Agency: *Department of Health and Human Services*

Bureau: *Agency for Healthcare Research and Quality*

Purpose	100
Planning	88
Management	56
Results / Accountability	33

0 — 100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Rating: *Adequate*

Program Type: *Research and Development*

Program Summary:

Translating Research Into Practice (TRIP) grants are provided to public or private entities, universities, and clinics, to address common health conditions, including: infant mortality, cancer screening, cardiovascular disease, diabetes, HIV/AIDS, child and adult immunizations, and mental health and pediatric asthma. Grantees assess the effectiveness of promising new interventions; determine if the new interventions are replicable; compare their benefits, costs, and effects on existing approaches; and focus on the day-to-day provider behavior changes that could improve health outcomes.

The assessment found:
1. There is general consensus that the program purpose of TRIP is clear.
2. The program developed new long-term goals in September 2001 and modified them for the 2004 Budget. The 2004 national measures will allow TRIP grantees to assess how the use of new interventions in health care settings could help improve health outcomes/reduce the number of unnecessary hospitalizations for those with pediatric asthma and those receiving adult immunizations. The program recognizes the difficulty of linking expenditures to actual program performance, but plans to better integrate its existing planning and budget databases to easily identify those programs that are not meeting their GPRA goals.
3. The program does not use performance information to manage the program and does not measure efficiencies and/or cost savings.
4. There is a lack of long-term and annual performance goals. As a result, it is difficult to measure the success of the program or the achievements/contributions it may be making to changes in provider behavior.

In response to these findings the Administration will:
1. Maintain funding at the 2003 Budget level to ensure continued efforts to go beyond collecting data to actually changing provider behavior and thus improving health outcomes.
2. The program is addressing its management deficiencies and will begin better integrating its planning and budget decision-making processes.

Key Performance Measures	Year	Target	Actual
Long-term Measure: Rate of hospitalizations for pediatric asthma in persons under age 18 (Modified existing measure)	1999		178,901
	2000		150,876
	2010	105,613	
Long-term Measure: Number of immunization-preventable pneumonia hospital admissions of persons aged 65 and older (Modified existing measure)	1999		792,264
	2000		743,487
	2010	520,441	
Long-term Measure: Number of immunization-preventable influenza hospital admissions of persons aged 65 and older (Modified existing measure)	1999		17,508
	2000		16,529
	2010	11,570	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
14	7	7

140

DEPARTMENT OF HOMELAND SECURITY

Over the next two years, DHS faces the challenge of reorganizing nearly two dozen programs and agencies with nearly 180,000 employees. Key to success are new management flexibilities. Because DHS is new, the status starts at red reflecting the known condition of several of the large components being transferred to the department. Progress ratings will be determined in the next year. As such, specific near-term goals for each initiative are highlighted below rather than progress reports in reaching them.

President's Management Agenda

Status

Human Capital   Ⓡ

- Conduct a workforce analysis to identify mission-critical skills, the competencies of current workers, and actions to be taken to close the gaps.

- Develop a performance-based human resources management system to reward and motivate employees.

Competitive Sourcing/Procurement   Ⓡ

- Use innovative procurement methods during DHS' start up. Partner with the private sector when possible and appropriate.

- Conduct a review of the Department's activities, identify commercial functions, and develop a plan for competing jobs that can be done in the private sector.

Financial Performance   Ⓡ

- Implement a unified financial management system that links funding to performance.

Expanding E-Government   Ⓡ

- Develop a unified operating infrastructure that supports DHS programs and activities.

- Map operational systems to identify any redundancies and obsolete systems.

- Develop an interactive website that allows for on-line benefit and grant applications.

Budget and Performance Integration   Ⓡ

- Develop a five-year strategic plan and line up resources with goals for the 2005 Budget.

- Develop a performance management system that links resources to programs' operations.

Program Assessments

Nine programs that moved into DHS received PART reviews. Seven did not demonstrate results. These programs generally have a clear purpose but lack long-term, measurable goals. DHS will undertake performance evaluations of its programs over the next two years to identify remedial steps or other appropriate action.

Program: *Aids to Navigation*

Agency: *Department of Homeland Security*

Bureau: *Coast Guard*

Category	Score
Purpose	80
Planning	66
Management	82
Results / Accountability	53

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The Aids to Navigation (ATON) program helps ensure that vessels move safely in U.S. ports and waterways. This mission includes maintaining buoys, lighthouses, and radio navigation systems.

The PART raised questions about the design of the ATON program, which is run directly by the Coast Guard. Other program designs, such as contracting out some functions, may be more appropriate or efficient. In addition, the assessment found that the ATON program has no long-term performance measures and no regular evaluations. Therefore, the program cannot demonstrate at this time the level of impact it is having on vessel safety. To address these findings, the Administration will conduct an A-76 study on the ATON program to determine whether its services may be more efficiently provided by the private sector.

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Total number of commercial vessel collisions, allisions, and groundings A collision is when two moving objects hit each other. An allision is when a vessel hits a stationary object. While this is an acceptable indicator, the program is not yet able to demonstrate its effect on accidents in the long-term.	1999		2,194
	2000		2,152
	2001	2,261	1,677
	2002	2,098	
Annual Measure: Percentage of time waterways are available for commerce Waterways are usually open to traffic but may be closed due to accidents or to navigational aids being unavailable. (New measure)	2003	98%	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
973	974	1,073

Program: Disaster Relief Fund - Public Assistance

Agency: Department of Homeland Security
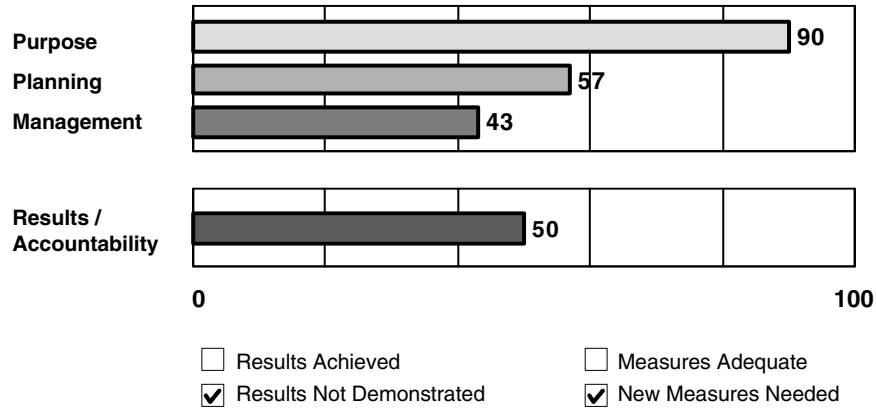
Bureau:

Category	Value
Purpose	90
Planning	57
Management	43
Results / Accountability	50

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measures: Measures under development			
Annual Measure: Customer satisfaction rating on survey of grant recipients	2001		87%
	2002	87%	
	2003	88%	
	2004	87%	
Annual Measure: Efficiency measure under development			

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

The Public Assistance program provides grants to States following disasters, for the repair of damaged public facilities such as court houses, community centers, sports stadiums, and hospitals. The grants also pay for debris removal and some emergency services.

The program assessment demonstrated that the program has a strong purpose, but suffers from planning and management deficiencies that hinder results.
1. The program has no long-term outcome measures.
2. It cannot meaningfully track its operations with annual performance measures.
3. The program fails to adequately screen requests for assistance to determine whether Federal help is needed.

Additional program reforms are being deferred until establishment and incorporation of the program into the Department of Homeland Security. Note--Funding identified below is estimated percentage of spending from the Disaster Relief Fund for the Public Assistance program in each year. FEMA does not budget separately for this program, but budgets, instead, for the Disaster Relief program as a whole. Actual funding from year to year depends on the level of disaster activity and destruction to public facilities.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
5,521	981	1,054

Program: *Drug Interdiction*

Agency: *Department of Homeland Security*

Bureau: *Coast Guard*

Purpose	100
Planning	65
Management	83
Results / Accountability	25

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The Coast Guard's Drug Interdiction program seizes and disrupts illegal drug shipments before they arrive in the U.S. This mission is accomplished by Coast Guard ships and aircraft patrolling the ocean areas between drug source countries and the U.S. border.

The PART found that while the program is generally well-managed, it faces challenges in strategic planning and performance.
1. The PART identified no significant problems with the Drug Interdiction program purpose or management.
2. This program has significant weaknesses in strategic planning. First, it does not have long-term performance measures specific to this program. Also, comprehensive evaluations for this program are not performed on a regular basis.
3. While the Coast Guard has not met its annual goals, it is developing new strategies and making key investments to improve its performance in the future.

In response to these findings, the Administration will work to develop useful long-term performance measures and efficiency measures for this program and to plan for regular evaluations.

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Seizure rate for cocaine shipped through the transit zone (Metric tons of cocaine seized by Coast Guard relative to total estimated by interagency flow models to be smuggled through a six-million square mile area including the Carribean Sea, Gulf of Mexico, Central America, northern coast of South America, Mexico, and Eastern Pacific)	1999	12.5%	12.2%
	2000	13.0%	10.6%
	2001	15.0%	11.1%
	2002	18.7%	
Efficiency Mesaure: Measures under development			

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
724	697	788

Program: *Federal Law Enforcement Training Center*

Agency: *Department of Homeland Security*

Bureau: *Federal Law Enforcement Training Center*

Category	Score
Purpose	80
Planning	68
Management	65
Results / Accountability	40

Scale: 0 to 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Partner organization satisfaction rate of law enforcement training (New measure, targets under development)			
Annual Measure: Student satisfaction rate of law enforcement training (New measure, targets under development)			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The Federal Law Enforcement Training Center (FLETC) trains Federal law enforcement officers for over 74 Federal agencies. FLETC also conducts numerous training programs for State, local and international officials and organizations. FLETC is transferring from Treasury to the Department of Homeland Security.

The assessment indicates the overall purpose of the program is clear, but coordination between FLETC and other training providers needs improvement. Additional findings include:
1. The program's long-term performance goals lack specific targets to determine whether or not outcome goals are being achieved.
2. FLETC's budget is not structured in a way to assess the impact of funding and policy changes on program performance.
3. The program's annual performance goals are not directly tied to achieving the long-term performance goals.

To address some of these findings, FLETC recently hired a private firm to conduct a capacity assessment and it will submit the results to OMB by March. In addition, the program is implementing a series of reforms designed to address these findings, including:
1. Developing clear long-term performance goals with specific timeframes and measures;
2. Working with other training providers to establish uniform measures and unit costs of training personnel; and
3. Refining existing annual performance goals and align them with the long-term performance goals.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
169	144	146

Program: *Hazard Mitigation Grant*

Agency: *Department of Homeland Security*

Bureau:

☐ Results Achieved	☐ Measures Adequate
☑ Results Not Demonstrated	☑ New Measures Needed
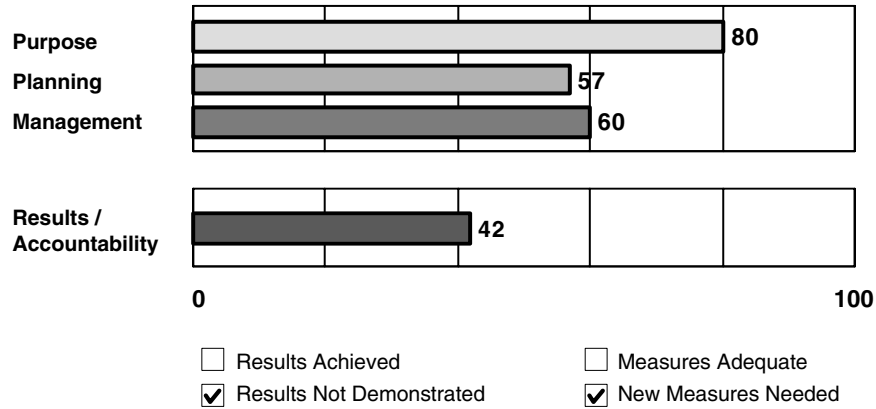
Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Value of avoided property damage (Interim targets under development)	2008	$2.45 B	
Annual Measure: Community resistance to natural hazards- as measured by reduction in lives at risk (Targets under development)	2001	5,000	11,274

Rating: *Results Not Demonstrated*

Program Type: *Block / Formula Grants*

Program Summary:

The Hazard Mitigation Grant Program provides grants to States for projects designed to reduce losses to public and private property from future disasters.

Although the program has a relatively clear purpose, it suffers from planning and management weaknesses that limit results. Chief among these are that performance measurement and reporting are lacking, and grant oversight is inadequate. As the PART revealed, the program also suffers from a number of design flaws. Key findings of the assessment include:
1. The program allocates funds to States based on a formula rather than on need. Thus the program is reactive and lacking in targeting funding for areas of greatest risk.
2. The program sets a low hurdle for project eligibility determinations by requiring that mitigation projects require no more than $1 in benefits for every $1 spent.
3. The program reserves a significant portion of funds for projects for which FEMA requires no benefit-cost determination so that a project could result in less than $1 in benefits for every $1 spent.

The budget proposes a major restructuring of the program to increase its effectiveness.
1. The program will be replaced with a pre-disaster competitive grant program, funded at $300 million, that will allocate limited Federal funding to high risk mitigation priorities.
2. The new program will operate independently of the Disaster Relief programs, assuring that funding remains stable and is not subject to spikes in disaster activity.
3. Awarding grants on a pre-disaster, competitive basis would ensure that the most worthwhile, cost-beneficial projects receive funding. No further funding is recommended for the existing program.

Note--Funding identified below is estimated percentage of spending from the Disaster Relief Fund for the Hazard Mitigation Grant program in each year.

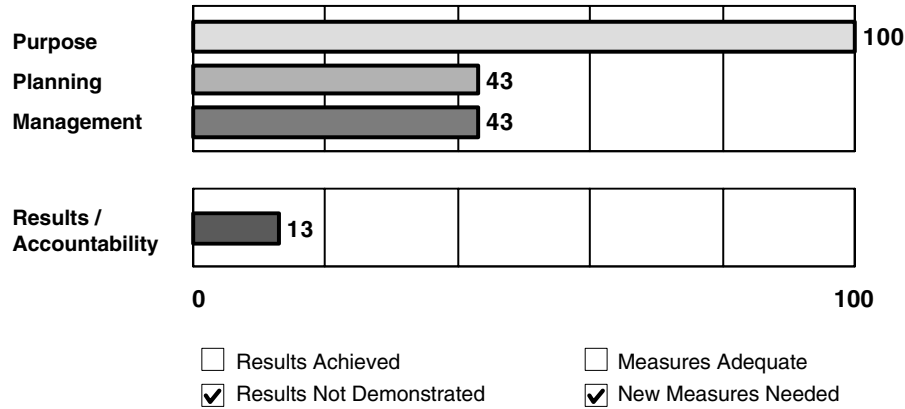(For more information on this program, please see the Department of Homeland Security chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
589	0	0

Program: *Immigration Services*

Agency: *Department of Homeland Security*

Bureau: *Bureau of Citizenship and Immigration Services*
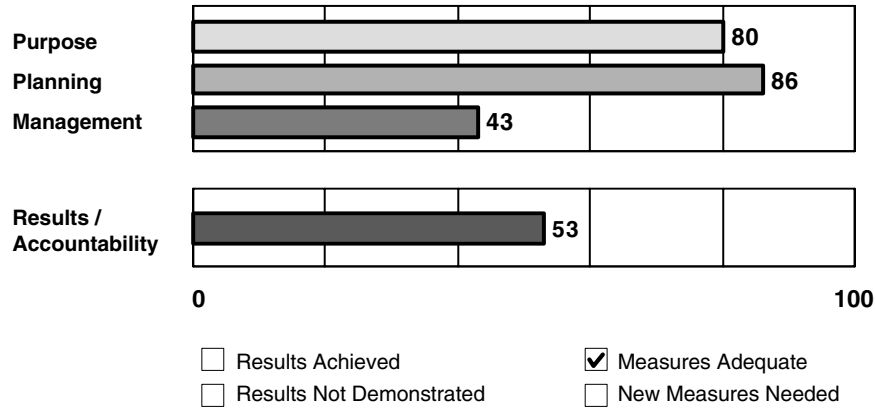
Purpose	80
Planning	86
Management	43
Results / Accountability	53

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Average number of months to process benefit applications (data in months; 2001-2002 data for naturalization applications only; 2003-2004 data for all benefit applications; 2003 target under development)	2001	9	8
	2002	8	10
	2004	6	
Annual Quality Measure: Percentage compliance with naturalization quality procedures (2001-2002 data for naturalization applications only; 2003-2004 data for expanded application types) (New quality measure under development)	2001	99%	99%
	2002	99%	99%
Efficiency measure: Specific measure and targets under development			

Rating: *Adequate*

Program Type: *Direct Federal*

Program Summary:

Immigration Services provides immigration information and benefits to the public. Immigration Services makes decisions about who receives different benefits for both temporary and permanent legal status in the U.S. These benefits range from alien registration cards and asylum applications, to the ultimate benefit of citizenship.

Findings from the PART assessment include the following:
1. Immigration Services has engaged in extensive strategic planning with both long and short term goals.
2. Significant progress has been made towards achieving key performance goals such as reducing the application backlog and maintaining processing times.
3. The program has a plan to reduce backlogs of applications. It tracks the processing times of its applications and reports to Congress on a monthly basis on its progress towards achieving goals.
4. Although Immigration Services has made a number of improvements in the last several years, it is not yet designed to quickly respond to unforeseen events. In the past year, events such as September 11, expansion of national security checks, and new legislation/policies implemented to meet the needs of special populations have diverted resources and caused sudden increases in its workload.
5. Immigration Services also has significant financial management challenges such as not making timely deposits of application fees pursuant to Treasury guidelines and audit problems concerning the inability to compute "deferred revenue" through automated systems for case processing. The program is implementing a series of reforms designed to address these findings.

(For more information on this program, please see the Department of Homeland Security chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,604	1,656	1,799

Program: Metropolitan Medical Response System

Agency: Department of Homeland Security

Bureau: Departmental Management

Purpose	100
Planning	43
Management	43
Results / Accountability	13

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			

Rating: Results Not Demonstrated

Program Type: Block/Formula Grants

Program Summary:

The MMRS program helps local health personnel respond to a mass casualty incident, including a terrorist use of a weapon of mass destruction.

Findings from the PART assessment include the following:
1. The purpose of MMRS is clear. The program was designed to provide 122 cities with funding to establish a base level of preparedness.
2. The program has not developed any long-term or short-term outcome goals by which to measure results.
3. Evidence of proper management demonstrated mixed results. No financial audit information was available for this program.
4. Due to the fact that this program is administered through contracts rather than grants, contractors are in many ways automatically aligned with and accountable to the goals of the program. However, goals are not well established across contracts, nor is performance information used to change contract funding amounts, or purposes.

The Budget recommendation reflects:
1. Discontinuation of this program in 2004 since the large increase in the 2003 Budget completes the mission of providing 122 cities with necessary funding to establish a base level of preparedness.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
25	60	0

Program: *National Flow Insurance*

Agency: *Department of Homeland Security*

Bureau:

Purpose 90
Planning 86
Management 100

Results / Accountability 67

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Estimated value of disaster and property loss avoided	2002	$1.000B	$1.102B
	2003	$1.200B	
	2008	$10B total	
Long-term Measure: Percentage of flood claims processed according to program standards (New measure)	2004	90%	
	2008	100%	
Annual Measure: The income to expense ratio of the flood insurance program	2000		112.4%
	2001	114.0%	
	2003	116.0%	
	2004	117.0%	

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

The National Flood Insurance Program offers basic flood insurance coverage for homes and businesses in the United States.

The PART revealed that the program purpose and design, strategic planning, and program management are basically sound. The program receives some criticism concerning its low participation rate and the inclusion of some properties which are only a burden on the taxpayer. Currently, less than half of the eligible properties in identified flood plains participate in this program. In comparison, the participation rate for private wind and hurricane insurance is near 90 percent in at-risk areas. Additionally, FEMA is not currently targeting the proper properties, allowing repetitive loss properties to be insured under this program. Some modifications could improve program results. Examples include:
1. Phasing out repetitive loss properties.
2. Ending taxpayer subsidies for second homes and vacation properties.
These reforms depend on enactment of legislation, which Congress has previously declined to do.

In response to these findings, the Administration will develop outcome based performance measures. Additional program reforms are being deferred until establishment and incorporation of the program into the Department of Homeland Security.

Note--Funding identified below is estimate of gross spending for this program. There are fees and premiums which offset the program costs.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
943	1,527	1,551

Program: *Search and Rescue*

Agency: *Department of Homeland Security*
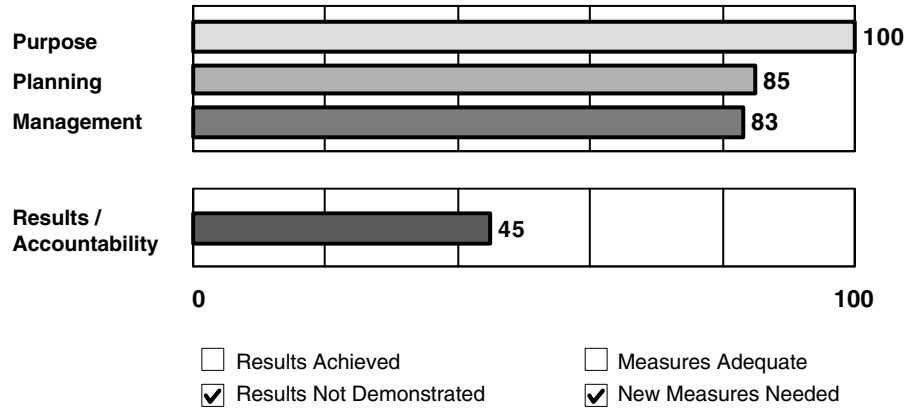
Bureau: *Coast Guard*

☐ Results Achieved	☐ Measures Adequate
☑ Results Not Demonstrated	☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percent of all mariners in imminent danger rescued	1999		87.5%
	2000		82.7%
	2001	85%	84.2%
	2002	85%	

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The Search and Rescue (SAR) program saves people in distress in or on the water.

While the program is well-managed, it faces strategic planning and performance challenges.
1. The program has a clear purpose and is well-managed.
2. While the Coast Guard has a useful performance measure to assess its annual progress, more work is needed to develop long-term goals for the program.
3. Coast Guard has reached or very nearly reached its ambitious annual goal of saving 85% of all mariners in imminent danger. However, the program did not receive high scores in "Results" because it lacks long-term performance measures and because an audit found readiness problems.
4. A recent audit by the Inspector General identified "serious staffing, training, and equipment problems in the SAR program." These findings are supported by a few high-profile SAR cases that have been mishandled in the past decade.

To address these findings:
1. The Budget will provide funding in 2004 for two Coast Guard initiatives to improve SAR station readiness. These initiatives, totaling $20 million, will enable the Coast Guard to increase SAR staffing. With additional personnel available at small boat stations and command centers, individuals' workweeks will be reduced to 68 hours and watch standards will be capped at 12 hours per shift. These changes will ensure that SAR operations are not hampered by personnel who are overworked and exhausted.
2. Coast Guard will work to develop useful long-term performance measures for the SAR program.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
640	777	830

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

For many years, audits and other assessments have documented chronic weaknesses in HUD's staffing as well as information and financial systems. Two large programs, comprising two-thirds of the Department's funds, are rated high-risk by the General Accounting Office. HUD officials have focused on these deficiencies and have demonstrated sustained progress.

President's Management Agenda

	Status	*Progress*
Human Capital	Ⓡ	Ⓨ

HUD is red in status for several reasons including skill gaps and human capital deficiencies across the Department. HUD does not sustain a high-performing workforce that is continually improving in productivity. HUD's progress, which is yellow, includes stepped up recruitment and hiring, adding new talent to augment the Cabinet's oldest workforce.

Competitive Sourcing	Ⓡ	Ⓨ

HUD is red in status because it has completed no studies of public-private competitions to determine the best method to deliver services. Progress is yellow because HUD has decided on the activities it plans to subject to public-private competition.

Financial Performance	Ⓡ	Ⓖ

HUD's red status is due to five repeat material weaknesses on its latest audit report. Some financial systems fail to meet federal requirements. HUD's progress is green because of new internal controls procedures and the successful implementation of the first phase of the FHA commercial accounting system.

Expanding E-Government	Ⓡ	Ⓖ

HUD is red in status because of chronic problems implementing IT systems. HUD's progress is green because of improved oversight and control of costs on investments in information technology.

Budget and Performance Integration	Ⓡ	Ⓖ

HUD is red in status because planning and budget are separate, with not enough focus on outcomes. HUD's green progress rating results from using outcomes rather than outputs in selected cases in this year's budgeting and its development of a performance-based budget format.

HUD Management and Performance   (R)   (Y)

HUD is red in status until improvements reach the targeted levels. HUD's progress is commendable. The housing provided to HUD-assisted tenants is better today than it was a year ago; many more units comply with HUD's physical standards. Some large long-troubled public housing authorities are turning around. FHA has lowered risks of its FHA loan guarantees by eliminating firms with inflated appraisals and improving the way it manages defaulted properties.

Program Assessments

Program assessments for six HUD programs are presented below. Ratings range from moderately effective for housing vouchers and HOME to ineffective for project-based rental assistance. In three programs, results were not demonstrated. HUD has ample room to improve.

Program: HOME Investment Partnerships Program

Agency: Department of Housing and Urban Development

Bureau: Community Planning and Development
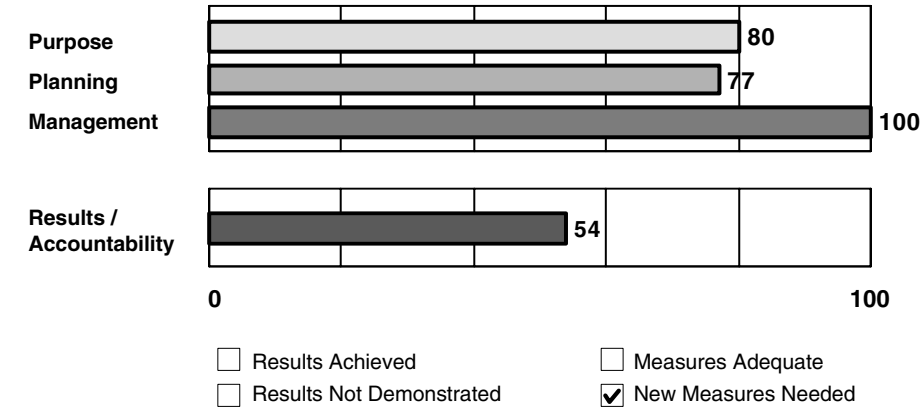
Category	Score
Purpose	80
Planning	77
Management	100
Results / Accountability	54

Scale: 0 to 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development They will be included in HUD's Strategic Plan.			
Annual Measure: Number of HOME production units completed This figure includes rental units produced and new homebuyers and existing homeowners assisted.	2000	58,000	76,609
	2001	60,000	55,148
	2002	61,000	52,344
	2003	62,000	
Annual Measure: Number of homeowners assisted with HOME funding (includes Downpayment Assistance Initiative in 2003)	2000	32,000	30,748
	2001	36,000	29,690
	2002	34,000	32,490
	2003	45,000	

Rating: Moderately Effective

Program Type: Block/Formula Grants

Program Summary:

The HOME Investment Partnerships Program provides grants to state and local governments to expand the supply of affordable housing for low income families. Grantees may assist renters, new homebuyers or existing homeowners through a variety of activities such as rehabilitation, new construction, buying property, or tenant-based assistance.

Designed to provide affordable housing, the HOME program has a clear public purpose. A strong management team is in place, but current performance measures do not capture outcomes. Key findings include:
1. The program purpose and flexible design enable HOME to have a potentially significant impact on affordable housing problems.
2. In comparison to other forms of housing assistance, HOME is often used in conjunction with other housing programs, creates no long-term Federal liability, leverages outside funding, and works with community-based nonprofit organizations.
3. Management is excellent. HOME program managers excel at using performance information submitted by grantees to manage the program and promote accountability and transparency. HOME publishes several online reports that rank the more than 600 state and local grantees on several measures of performance and efficiency.
4. The program has made progress toward its annual performance goals and demonstrated improved efficiency over time.
5. The primary shortcoming of the program is its lack of long-term outcome goals, which limits HOME's ability to demonstrate its impact on communities or the lives of low-income persons assisted. For instance, the current measures focus on the number of people assisted, not on the long-term impact on the community or recipients.

While no major program changes are recommended, to address these findings, HOME will include long-term outcome measures in HUD's Strategic Plan. To expand the program, funding requests include $200 million for the President's Down Payment Assistance Initiative to help first-time, low-income homebuyers.

(For more information on this program, please see the Department of Housing and Urban Development chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,796	2,084	2,197

Program: *Housing for the Elderly*

Agency: *Department of Housing and Urban Development*

Bureau: *Housing Programs*

Purpose	40
Planning	43
Management	18

Results / Accountability	13

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of elderly households (in thousands) in the United States with worst-case housing needs These households are renters that do not receive Federal assistance but have incomes below 50 percent of the local median and pay more than half of their income on rent or live in poor quality housing.	1995		1,051
	1997		1,180
	1999		1,028
	2003	970	

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

Program Summary:

The Housing for the Elderly grants program (also known as "Section 202" program) provides construction grants and on-going operating subsidies for very low-income elderly persons. The grants go to nonprofit organizations who own and operate the housing. Grants to these organizations provide the money to finance the acquisition, construction, or rehabilitation of homes for poor elderly persons. Funds for operating the housing are provided when projects are occupied.

The analysis resulted in low performance scores due, largely, to unclear long-term outcome goals, insufficient performance measures, the small numbers of units produced relative to need, higher costs compared to alternative housing programs for this population, and long lead times to produce units for occupancy. Additional findings include:

1. Although most elderly households who eventually receive housing under the program are satisfied with their units, the program lacks evidence indicating the overall level of impact it is having on poor elderly individuals. HUD has been focused on inputs in funding and program management, including reducing the backlog of unexpended funds. Little attention has been given to long-term outcomes.

2. Over one million very low-income elderly households have severe housing needs, but the program provides fewer than 6,000 new housing units a year. While severe housing needs are one measure of housing outcomes, it is difficult to isolate the effect of this program on this measure as it is only one factor among many affecting the level of need.

3. Development delays and cost increases are common. Causes for delay include inexperience of non-profit sponsors in housing development and need for additional funding to complete projects.

In response to these findings, HUD will produce a plan to improve the program's performance within a year, which will include the development of meaningful performance measures. HUD will examine possible policy changes or reforms (statutory, administrative, regulatory) within the program's current design to strengthen performance.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
783	773	773

154

Program: *Housing for Persons with Disabilities*

Agency: *Department of Housing and Urban Development*

Bureau: *Housing Programs*

Purpose	40
Planning	43
Management	18
Results / Accountability	13

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of households including a disabled person with worst-case housing needs (in thousands) These households do not receive Federal assistance but have incomes below 50 percent of the local median, and pay more than half of their income on rent or live in poor quality housing.	1995		1,050
	1997		1,100
	1999		1,100
	2003	1,070	

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

Program Summary:

The Housing for Persons with Disabilities program (also known as "Section 811" program) provides construction grants, on-going operating subsidies, and housing vouchers for very low-income persons with disabilities. It is limited to non-profit organizations who own and operate the housing. Federal grants finance the acquisition, construction, or rehabilitation of multifamily or group homes. Funds for project operation are provided when projects are occupied. HUD designates up to 25 percent of annual funding for housing vouchers, which gives assistance directly to recipients so that they can afford to rent apartments on their own in the private market.

Major findings are:
1. Development delays and cost increases are common for the housing production program. Overall, the program does not monitor cost-effectiveness or efficiency in delivery of housing assistance.
2. Long-term measures are inadequate to determine what impact the program has on poor disabled individuals. HUD has been focused on inputs in funding and program management, including reducing the backlog of unexpended funds, but the program needs to track the extent to which recipients find and stay in their housing. This problem is the major reason the program received a low "Accountability" score.
3. An estimated 1.1 to 1.4 million very low-income disabled households have severe housing needs, but the program only provides about 3,000 new housing units a year. While the number of households with severe housing needs is one measure of whether this program is working, it is difficult to isolate the effect of this program on this number. It is only one factor among many affecting the level of need.

As a result of the analysis, HUD will take the following actions.
1. Develop performance measures that attempt to measure outcomes and the efficiency of the program.
2. Propose amendments to streamline the delivery of new housing assistance to provide more housing units for very low-income disabled persons. Amendments to the current program would allow non-profit organizations more flexibility in using grant funds to respond to local needs.
3. Give priority to local projects that are part of the strategy to end chronic homelessness by housing those disabled who are at high risk of homelessness.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
241	251	251

Program: *Housing Vouchers*

Agency: *Department of Housing and Urban Development*

Bureau: *Public and Indian Housing Programs*

Purpose	80
Planning	86
Management	73
Results / Accountability	67

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures
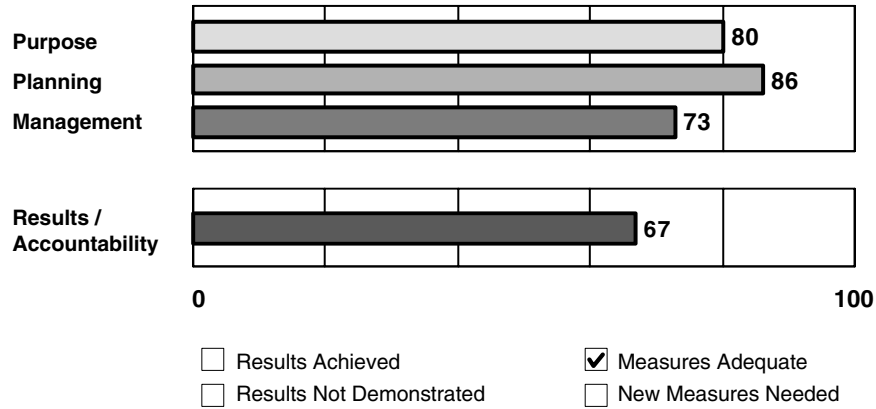
Key Performance Measures	Year	Target	Actual
Long-term Measure: Number of worst-case needs households in the US (households with incomes below 50 percent of the local median income, who pay more than half of their income in rent or live in poor quality units) (In thousands)	1997	NA	4,331
	1999	NA	3,921
	2001	3,807	
	2003	3,730	
Annual Measure: Share of the Housing Choice Voucher program administered by housing agencies with poor records of using their allocation of program funds (Targets under development)	2000		53.9%
	2001	43.9%	43.3%
	2003	33.3%	
Long-term Measure: Number of Housing Choice Voucher households that have accumulated financial savings through the Family Self-Sufficiency program	2001		15,603
	2002	16,383	
	2003	17,202	

Rating: *Moderately Effective*

Program Type: *Competitive Grants*

Program Summary:

The Housing Voucher program provides assistance directly to extremely low income households so they can afford to go out on their own and rent apartments in the private market.

This program received a relatively high score in comparison to the other HUD programs because it is a cost-effective alternative to other forms of housing assistance. The specific findings are:

1. It provides greater benefits (choice in housing, portability) at a lower cost than alternatives such as public housing.
2. While focusing on the goal of providing housing, the program also incorporates goals of tenant mobility and movement toward self-sufficiency.
3. Some of the 2,700 local public housing authorities (PHAs) that administer the vouchers are poor managers. For instance, more than $1.7 billion in available federal aid was not used by the PHA's last year. This additional assistance could have housed 200,000 families.
4. The program is not coordinated effectively with related programs such as TANF.
5. A rating system has been implemented to help measure the success of long-term goals, but HUD has not taken effective action to sanction poorly performing PHAs nor do they appear confident in the data received from them.

In support of the President's Management Agenda item to improve the performance of housing intermediaries, the Budget proposes replacing the Housing Voucher program now administered by 2,700 PHAs with a new block grant, Housing Assistance for Needy Families (HANF), administered by states. This would improve the utilization of vouchers, enable and encourage strong coordination with TANF while allowing greater flexibility in the uses of funds and lessen HUD's administrative burden.

(For more information on this program, please see the Department of Housing and Urban Development chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
9,518	11,891	12,535

156

Program: *Native American Housing Block Grants*

Agency: *Department of Housing and Urban Development*

Bureau: *Public and Indian Housing Programs*

Purpose	80
Planning	29
Management	56
Results / Accountability	0

0　　　　　　　　　　　100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of overcrowded houses on tribal lands (New measure, targets under development)			
Annual Measure: Percent of overcrowded houses on tribal lands (New measure, targets under development)			
Annual Measure: Number of households receiving assistance	2003	19,967	
	2004	23,960	

Rating: *Results Not Demonstrated*

Program Type: *Block / Formula Grants*

Program Summary:

The Native American Housing Block grant provides funding to tribes which they use to provide rental assistance, rehabilitation, new construction, homeownership counseling, and other housing-related activities.

The assessment indicates that the overall purpose and design of the program is clear. However, the program receives poor performance scores primarily because the program does not have a history of establishing quantifiable performance goals, targets, and timelines. It, therefore, cannot currently demonstrate what level of impact it has on providing housing to those who need it. Furthermore, the program does not have information systems in place to monitor whether grantees are in compliance with reporting requirements.

To address these findings, HUD will:
1. Look to the HOME program, which received a management score of 100 percent, for ways to effectively run a housing block grant.
2. Develop short- and long-term, outcome-oriented performance measures that track reductions in overcrowded housing.
3. Complete the development and implementation of performance tracking systems. HUD has scheduled and funded the development of information technology systems for the block grant in 2003.
4. Simplify reporting requirements for grantees. HUD should re-examine the essential data needed to evaluate grantee performance and compliance with federal regulations and also give consideration to how administratively burdensome reporting requirements are on smaller tribes.
5. Propose legislative language to strengthen and expedite enforcement actions. HUD should develop language that will expedite enforcement action in cases of fraud or non-compliance.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
649	647	647

Program: *Project-Based Rental Assistance*

Agency: *Department of Housing and Urban Development*

Bureau: *Housing Programs*

Purpose	40
Planning	35
Management	63
Results / Accountability	22

0 — 100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures
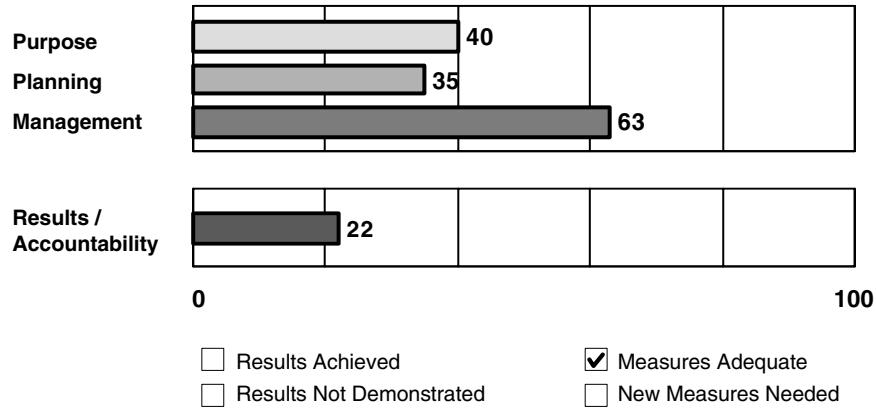
Key Performance Measures	Year	Target	Actual
Long-term Measure: Thousands of households with worst-case housing needs (households not receiving federal assistance with incomes below 50 percent of the local median, who pay more than half of their income on rent or live in poor quality housing)	1997		4,331
	1999		3,921
	2001	3,807	
	2003	3,730	
Annual Measure: Percent of units meeting physical standards	1999		77.3%
	2000		86.2%
	2001	86.5%	93.1%
	2003	97.6%	
Long-term Measure: Self-Sufficiency: Average earnings among non-elderly, non disabled households (Target under development)			

Rating: *Ineffective*

Program Type: *Capital Assets*

Program Summary:

Project-based rental assistance provides funding to landlords who rent a certain number of affordable apartments to low-income families or individuals. Assistance is tied directly to the properties; tenants can generally not move without losing their assistance.

This program receives low performance scores because it has a poor focus on program outcomes and produces poor results relative to alternative forms of housing assistance. The specific findings are:

1. There is confusion over the objectives of the program and incomplete performance targets. For example, while HUD has committed to increasing the self-sufficiency of assisted households, it has not set specific performance targets for the project-based program.

2. There is a lack of strong financial accountability. For example, there is poor control of rents paid to landlords.

3. While worst-case needs are one measure of housing outcomes, it is difficult to isolate the effect of this program on this measure as it is only one factor among many affecting the level of need.

4. Assisted households lack the ability to move to better housing. Although the physical quality of project-based housing has improved significantly in recent years, those households in substandard properties are often trapped without the option of moving. Similar programs such as the Housing Vouchers Program don't have this problem.

5. The program costs more than other forms of rental assistance.

In light of this assessment HUD will make management improvements, including stepped-up enforcement against properties in poor condition. These actions will increase the number of units meeting acceptable physical quality standards. Performance measures for self-sufficiency will also be developed. No expansion of the program is proposed in 2004. Funding increases in 2004 only because more properties are renewing assistance contracts than in 2003; the total number of properties assisted does not increase.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
4,413	4,536	4,523

DEPARTMENT OF THE INTERIOR

Since it was established in 1849, the Interior Department has consisted of semi-autonomous bureaus with diverse missions and strong, independent cultures. Interior's challenge is to improve efficiency by managing common functions collectively. Interior has recently begun to make significant progress in overcoming these century-old institutional barriers, in part by effectively using an internal scorecard to monitor the bureaus.

President's Management Agenda

	Status	*Progress*
Human Capital	(R)	(G)

Interior has developed a human capital strategy that is generally aligned with mission, goals, and objectives. It has also completed a final action plan to guide implementation steps, such as an SES performance system and mid-career exchange program.

Competitive Sourcing	(R)	(G)

DOI has many work sites with few employees, so it is taking the initiative to find more efficient ways to review small groups. While these efforts are reflected in progress, the limited number of cost comparisons completed to date is reflected in status.

Financial Performance	(R)	(R)

Indian Trust Fund reform remains the greatest financial management challenge facing Interior. DOI has done well to correct eight FMFIA material weaknesses this past year, but it still has several outstanding material weaknesses and non-compliance issues. It also needs to incorporate its business processes into its Enterprise Architecture.

Expanding E-Government	(R)	(G)

DOI has documented its Capital Planning and Investment Control process and drafted an initial Enterprise Architecture. It still needs to better manage its IT portfolio and IT security. The Department leads two e-gov initiatives: Recreation.gov and Geospatial one-stop.

Budget and Performance Integration	(R)	(G)

Interior will soon release for public comment a new, department-wide strategic plan to replace multiple bureau-level plans. The draft plan has already helped formulate the 2004 Budget, as well as other management initiatives. Three bureaus already use activity-based costing to track and manage costs, with all bureaus scheduled to do so by 2004.

Program Assessments

The PART process resulted in new goals and performance measures for most of the programs assessed. The Department performed slightly above the government-wide PART average with six programs rated as Moderately Effective, two as Adequate, and seven as Results Not Demonstrated. The last group will develop new measures to better indicate effectiveness.

Program: *Abandoned Mine Land Reclamation*

Agency: *Department of the Interior*

Bureau: *Office of Surface Mining Reclamation and Enforcement*
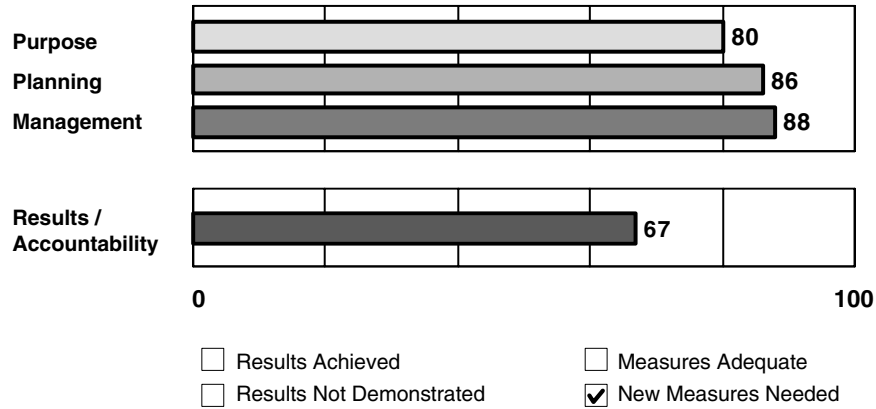
Purpose	80
Planning	86
Management	88
Results / Accountability	67

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Outcome measures under development, such as measuring reduction of health and safety problems of abandoned coal mine sites near communities			
Annual Measure: Equivalent acres of abandoned coal mine land with health and safety problems remaining to be reclaimed. (Base is 1998 - 129,000 acres held constant) NOTE: States identify additional equivalent acres at the rate of about 22,000 annually.	1999	119,900	118,051
	2000	111,800	105,875
	2001	103,200	92,067
	2002	96,200	
Efficiency Measure: Measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Block / Formula Grants*

Program Summary:

The Abandoned Mine Land program reclaims and restores land and water degraded by abandoned coal mining activities. Fees on coal production fund the program and a portion of the fees collected are appropriated annually. Twenty-three states and three Indian Tribes carry out the program with grants and program oversight from the Office of Surface Mining (OSM).

The assessment found that the program is well managed and implemented with considerable coordination among program stakeholders -- coal states and Indian Tribes. Over the past 25 years, the program has restored only one-third of the identified abandoned coal mine sites. Some states and Tribes have restored all of their abandoned coal mine sites and are using their grants for other purposes, as allowed by the program's authorizing legislation. The law requires about one-half of the fees collected within a state to be returned to the state for restoration or other purposes. The increased use of this funding by states for other uses is slowing the reclamation in states with large numbers of sites. Consequently, it will take over 50 years to restore all the sites. The coal fee, which funds this program, will expire on September 30, 2004.

While this assessment was based largely on existing measures, these measures do not adequately demonstrate results and will not be used in the next assessment. The Office of Surface Mining needs to develop measures that are outcome oriented, such as measuring how well the program is reducing health and safety problems related to abandoned coal mine sites near communities. In addition, OSM needs to develop an efficiency measure.

In response to these findings, the Administration will:
1. Propose legislative changes to the program's authorization to increase the rate of pre-1977 abandoned coal mine land reclaimed.
2. Extend the coal fee, which expires on September 30, 2004, to fund the remaining work.
3. Develop long-term measures that are more outcomes oriented and develop at least one efficiency measure.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
203	174	174

160

Program: *DOI Wildland Fire Management*

Agency: *Department of the Interior*

Bureau: *Bureau of Land Management*

Purpose	100
Planning	57
Management	43
Results / Accountability	33

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-Term Measure: Number of high priority acres moved to a better condition class Measures the extent to which excessive fuel loads (small trees and brush that exacerbate risks of catastrophic fire) are reduced and forest health is improved (New measure, targets under development)			
Annual Measure: Number of high priority acres treated in (1) the wildland urban interface (WUI) or (2) in condition classes 2 or 3...outside the WUI Measures acres treated to reduce fire risk in areas adjacent to communities and in other high-priority areas. (New measure, targets under development)			
Efficiency Measure: Number of high priority acres treated in (1) the wildland urban interface (WUI) or (2) in condition classes 2 or 3...outside the WUI per million dollars of gross investment (New measure, targets under development)			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

DOI is responsible for managing and, if necessary, extinguishing fires on the lands it owns. The program consists of five major activities: (1) fire preparedness, (2) fire suppression, (3) hazardous fuels reduction, (4) burned area rehabilitation, and (5) rural fire district assistance.

The assessment found that the program faces significant obstacles in meeting its long-term goals, most of which appear to be management challenges. A number of management changes are currently underway at the Department to address these issues. Specific findings include:
1. The purpose and design of the program is clear and well-focused.
2. The cost of responding to fires is rapidly rising and no systematic cost containment strategy is in place to track and control firefighting efficiency.
3. The program cannot demonstrate that fuels reduction (removal of excess wood) activities are adequately targeted and efficiently managed. For instance, a significant amount of fuels reduction funding ($56 million) remains unused from prior years.
4. The long-term goals developed as part of the 10-Year Fire Strategy still require baseline data, annual and long-term targets, and clear prioritization among the 4 goals and 18 measures.

Based on the identified problems in the program, the Administration will implement management improvements in the fire program, including:
1. Improving accountability for firefighting costs and ensuring that states are paying their fair share of such costs.
2. Developing a new fire preparedness model that focuses on efficient allocation of available resources.
3. Establishing project criteria to ensure that hazardous fuels reduction funds are targeted as effectively as possible to reduce risks to communities in the wildland-urban interface.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
678	654	699

161

Program: *Habitat Restoration Activities*

Agency: *Department of the Interior*

Bureau: *Bureau of Land Management*

Purpose	100
Planning	86
Management	86
Results / Accountability	50

0 — 100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures
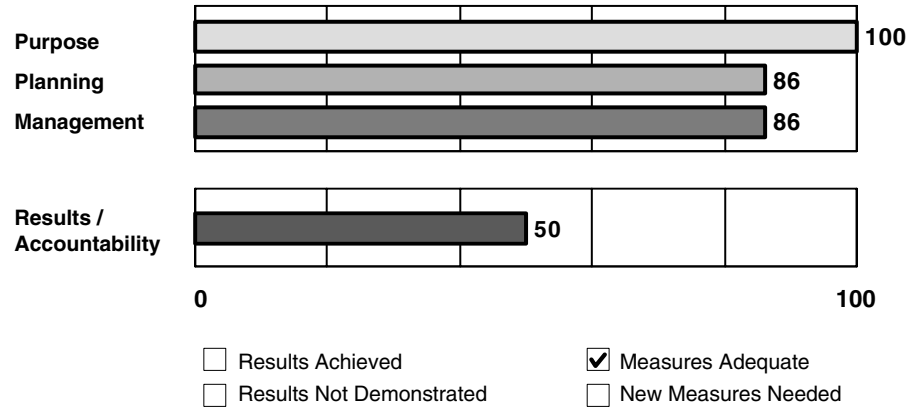
Key Performance Measures	Year	Target	Actual
Long-Term Measure: Percent of plant and animal species listed or proposed for listing pursuant to the Endangered Species Act with a stable or increasing trend in the resident populations (New measure)	2001	17.5%	28%
	2002	35%	34%
	2003	43.5%	
Long-Term Measure: Percent of watersheds within priority sub-basins achieving proper functioning condition or an upward trend (New measure)	2001	10%	14%
	2002	24%	23%
	2003	34%	
Efficiency measure: Measures under development			

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

This Bureau of Land Management (BLM) program restores natural habitats. Work may include invasive weed treatments, reintroduction of native plants, or enhancements to riverbanks.

The assessment found that BLM's restoration activities are well-managed and include leveraging of significant funding from non-federal partners to get necessary work done. The agency's Challenge Cost Share program leveraged approximately $16.4 million in 2002 with Federal funding of $9.1 million, and BLM maintains an extensive network of volunteers for its restoration activities. BLM also emphasizes the use of performance-based contracts, conducts regular internal program evaluations, and uses funds in a timely manner. However, some weaknesses were identified in the assessment. These include:
1. Gaps in monitoring of resource conditions to support management decisions and to assess the impacts of restoration activities.
2. A lack of program performance measures that focus on efficiency.
3. Insufficient data on exising performance measures to ensure that baseline data is accurate and performance targets are aggressive.
4. Significant similarities and potential overlaps between activities conducted in BLM's restoration programs and in the Department's wildland fire management program for rehabilitation and fuels reduction.

Based on these findings, the Administration will:
1. Provide an additional $2 million in 2004 for BLM monitoring activities to improve baseline data and track trends over time.
2. Refine existing performance measures and develop consistent efficiency measures across the Department for similar restoration activities.
3. Evaluate options for more clearly distinguishing between restoration activities funded within the Department's wildland fire program and BLM's operating programs.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
139	145	147

162

Program: *Indian School Construction*

Agency: *Department of the Interior*

Bureau: *Bureau of Indian Affairs*

Purpose	80
Planning	56
Management	80
Results / Accountability	28

0   100

☐ Results Achieved   ☑ Measures Adequate
☑ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: The average Facility Condition Index (FCI) (FCI is a measure commonly used by private firms to monitor the condition of facilities. This is a new measure with the baseline established using 2001 data)	2001		.265
	2002		.21
	2007	.10	
Annual Measure: Percentage of BIA's building square footage identified as excess. (New measure)			
Efficiency Measure: Measure and targets under development			

Rating: *Results Not Demonstrated*

Program Type: *Capital Assets*

Program Summary:

This program is responsible for the repair and construction of the Bureau of Indian Affairs' (BIA) schools and dormitories. BIA operates 185 elementary and secondary schools, including dormitories, serving approximately 48,000 Indian students in 23 states. The President has committed to eliminate the 2001 repair/maintenance backlog over 5 years.

The assessment found that public laws are fairly prescriptive for guidelines governing what the BIA can regulate as far as the terms and conditions being negotiated between the tribes and the bureau. Additional findings include:
1. The program had limited flexibility to adjust funds appropriated to a specific project cost when there are delays or changes due to planning or design for the original project.
2. Recent designs for replacement schools and major improvement and repair projects do not reflect trends, such as a declining student population.
3. No comparison exists for costs of similar state schools.
4. There is insufficient planning to ensure the President's commitment to eliminate the backlog will be met. The program has established new measures, so data is not yet available. The rating is based on new measures. The program will continue to develop additional measures.

To address the PART findings, BIA will:
1. Refrain from identifying construction cost estimates until final project designs have been completed. This will avoid project "earmarks" in the program's budget and appropriations reports.
2. Establish an efficiency measure, such as reducing the time lag from receipt of funding to completion of project, or the cost per square foot of the project.
3. Complete an independent study comparing the cost of recently constructed BIA schools to schools built by states in similar locations.

The Budget proposes to fund 7 or more replacement schools and 8 major improvement and repair projects.

(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

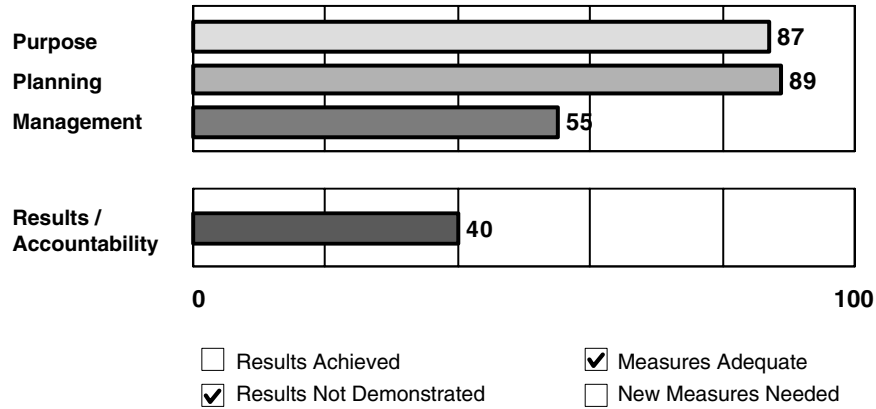### Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
293	293	293

163

Program: *Indian School Operations*

Agency: *Department of the Interior*
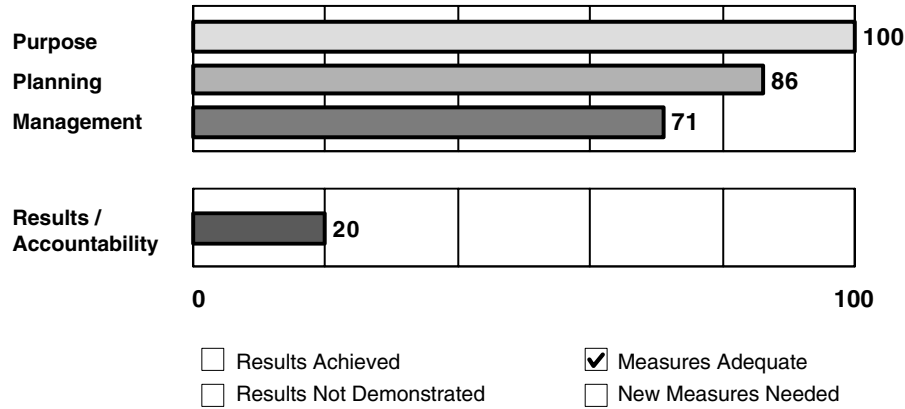
Bureau: *Bureau of Indian Affairs*

Purpose	100
Planning	86
Management	71
Results / Accountability	20

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of students achieving standardized proficiency ratings in math and language arts	2012	70	
Annual Measure: Percentage of students achieving standardized proficiency ratings in math	1999	45	43
	2000	47	50
	2001	54	50
	2002	58	
Efficiency Measure: Measure and targets under development			

Rating: *Adequate*

Program Type: *Direct Federal*

Program Summary:

The Bureau of Indian Affairs (BIA) supports 185 elementary and secondary schools serving approximately 48,000 Indian children in 23 states. Tribes operate 121 of these schools under Indian self-determination grants/contracts. The 64 remaining schools are BIA operated.

The assessment identified a need for more independent review of the effectiveness of the program. Additional findings include:
1. BIA schools meet the cultural needs of American Indians, and serve children in remote and isolated communities often not accessible to public schools. Its system also includes boarding schools and dormitories, which is unique to other state and local school systems.
2. BIA changed the target year for reaching its long term goal of a score of 70% in math and language arts proficiency for students from 2005 to 2012. The program's annual target was adjusted, as well, to realign with actual figures.
3. In 2002, 43 schools needed corrective action plans, as defined under the Department of Education guidelines, for raising student achievement scores.
4. The program does not have adequate academic performance and cost-efficiency measures that provide valid comparisons with public schools in rural areas with high concentrations of Indian students.
5. In 2002, BIA instituted a pilot program, focused on the 5 lowest performing schools, aimed at helping the faculty improve student achievement test scores. Initial findings indicate that at least 4 of the schools have shown improvement.

In response to these findings:
1. BIA will establish a measure to report on schools (number and %) that are below, near, meet or exceed academic proficiency performance goals.
2. BIA will develop academic performance and cost-efficiency measures that are comparable to similarly located public schools.

(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
504	522	529

164

Program: National Fish Hatchery System

Agency: Department of the Interior

Bureau: United States Fish and Wildlife Service

Purpose	57
Planning	76
Management	53
Results / Accountability	33

0   100

☐ Results Achieved   ☑ Measures Adequate
☑ Results Not Demonstrated   ☐ New Measures Needed
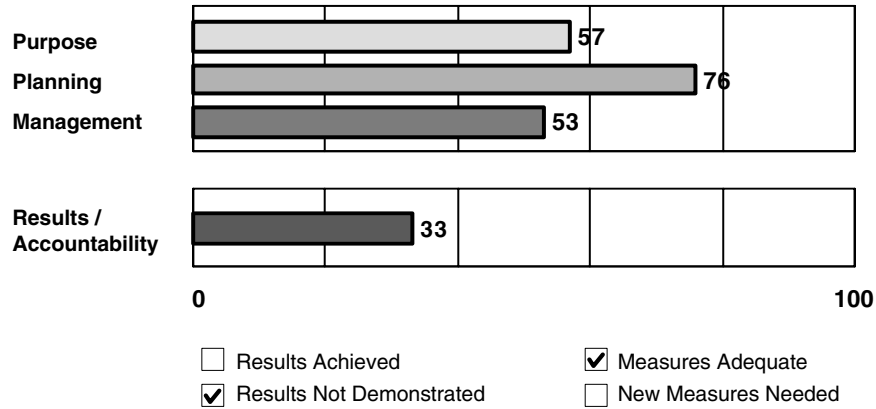
Key Performance Measures	Year	Target	Actual
Long-term Goal: Percent of National Fish Hatchery System priority recovery tasks implemented as prescribed in approved Recovery Plans to recover listed species. (New measure)	2008	48%	
Annual Goal: Percent of National Fish Hatchery System priority restoration tasks implemented as prescribed in approved Fishery Management Plans to restore depleted native fish populations. (New measure)	2004	72%	
	2005	73%	
	2006	74%	
	2007	75%	
Efficiency Measure: Pounds of healthy rainbow trout produced per dollar spent. (New measure)	2004	0.37	
	2008	0.41	

Rating: Results Not Demonstrated

Program Type: Mixed

Program Summary:

The National Fish Hatchery System (NFHS) produces and distributes a variety of fish for the recovery of threatened or endangered species, mitigation of fish losses due to federal water development actions, restoration of depleted native fish stocks, and the enhancement of tribal fisheries. The program was rated "ineffective" in the 2003 President's Budget and funds were reallocated to higher priority, more effective programs.

The assessment reflects a focusing of the role of the NFHS from historically providing sport fish to a more diversified and balanced mission of conserving and managing aquatic resources including restoring native species and recovering threatened and endangered species and supporting Federal water project mitigation programs. Efforts over the past year to address concerns with the direction of the NFHS helped focus the program. However, the program still needs to address issues concerning its mission, design, and performance measures. The assessment rating is based largely on previous measures that were revised during the assessment process. Through the assessment process, a draft mission statement and performance measures were crafted. Additional findings include:
1. The program does not have complete flexibility to open, close, change, move, or consolidate hatcheries to emphasize priorities and seek reimbursement for mitigation production programs.
2. The program does not have regularly scheduled objective, independent and quality evaluations of program strategic planning efforts and program results.
3. Field managers are generally held accountable for their performance but not held directly accountable for achieving program goal-related performance targets.
4. The Fish and Wildlife Service does not do full cost accounting to help allocate costs and associate them with specific performance measures.

In response to these findings, the Administration will:
1. Adopt the mission statement and goals developed during assessment process.
2. Schedule periodic strategic planning and program result evaluations.
3. Link individual employee performance plans with goal-related performance targets for each fiscal year.
4. The FWS will begin implementing Activity Based Costing in 2004 to help allocate and associate program costs with specific performance measures.

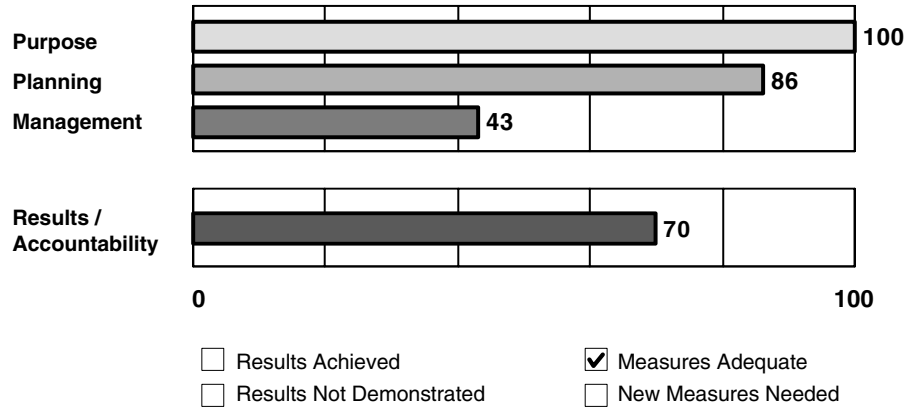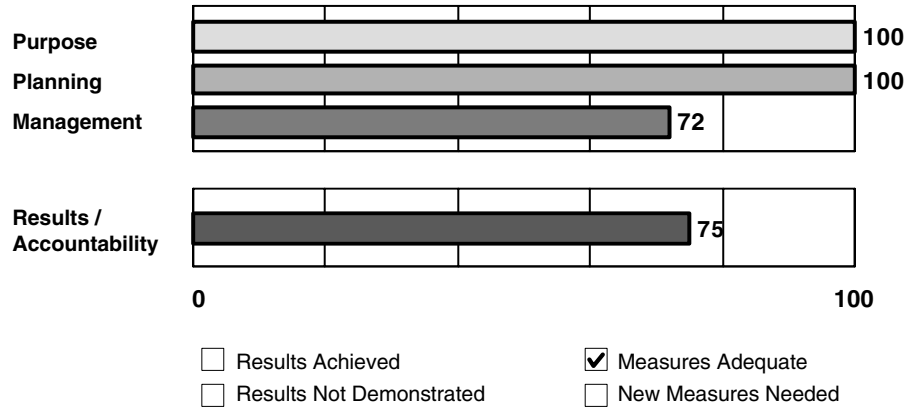(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
55	50	58

Program: *National Mapping*

Agency: *Department of the Interior*

Bureau: *United States Geological Survey*

Purpose	87
Planning	89
Management	55
Results / Accountability	40

0 — 100

☐ Results Achieved ☑ Measures Adequate
☑ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of the nation's surface for which hydrography, elevation, and orthoimagery data are available through the National Spatial Data Infrastructure Clearinghouse and supported through partnerships (This measure indicates whether basic information needed to make maps is easily accessible to the public.) (New measure)	2002	1%	.8%
	2003	15%	
	2012	80%	
Annual Measure: Produce draft standard to fill gaps in data integration capabilities and standards to accomplish long term data integration goals. (New measure)			
Efficiency Measure: Cost per scene of delivery of Landsat type data (currently $600) A scene is one snapshot of a part of the earth by a satellite. (New measure)	2003	$595	

Rating: *Results Not Demonstrated*

Program Type: *Research and Development*

Program Summary:

This program in the United States Geological Survey enables the public to access and use geospatial data such as maps. It is in transition from a program that collects and distributes such data, to a program that enables others to access, integrate and apply geospatial data. The program no longer concentrates on collecting and disseminating because this is done by the private sector and at the state and local levels.

The analysis found that USGS is moving very slow on making the transition. Other PART findings included the following:
1. The purpose of the program is clear, and while the program is designed to have a unique impac, it is not optimally designed.
2. The program has new long term goals but lacks the data to demonstrate results. The program has been successful at partnering with other organizations, but has not demonstrated how these partnerships help contribute to progress on long-term goals.
3. The program is not effective at identifying termination or decision points to ensure achievement of strategic outcomes.
4. The program does not have the appropriate workforce necessary to move USGS mapping forward. USGS currently has a work force better suited for producing paper map products or providing technical advice on remote sensing.
5. Most employees are located at three mapping centers which concentrate on the collection and dissemination of geographic information, rather than more dispersed organization that facilitates others to find, integrate and apply geographic information.

In response to these findings:
1. To speed the transition, the budget proposes to reduce data collection and acquisition efforts by $5 million and increase support for activities that promote geospatial data standards, ensure data quality, promote interoperable web applications, and align geospatial data requirements and investments across federal, state and local governments.
2. USGS will work with the Federal Geographic Data Committee to collect data requirements across federal, state and local governments, and explore options for coordinating the update and integration of data.
3. USGS will develop a realistic implementation plan that is consistent with the agency's new role by April 2003.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
133	129	119

Program: National Park Service Facility Management

Agency: Department of the Interior

Bureau: National Park Service

Purpose	100
Planning	67
Management	10
Results / Accountability	25

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Rating: Results Not Demonstrated

Program Type: Capital Assets

Program Summary:

This program builds and maintains all the buildings, roads, and other facilities in the nation's 387 national parks. Over time, the condition of these assets has declined as visitation increased, the number of parks expanded, and the existing infrastructure got older. To change this trend, the President set a goal of eliminating the deferred maintenance backlog within national parks.

The PART found that NPS plans to use a Facility Condition Index (FCI) to measure performance. Before it can set FCI targets, however, NPS must complete other steps, such as assessing current facility conditions and implementing a facility maintenance software system (FMSS) to track improvements. Because NPS cannot document its results until FCI targets are in place, the Results rating is low. The PART also found that:

1. The purpose of the program is very well defined.
2. Strategic Planning has improved and will get better once NPS sets FCI targets for its long-term goals.
3. Management still needs significant work. The PART focused on a number of steps to improve financial and management oversight of facility programs.
4. Results depend upon getting FCI targets in place. NPS then needs to show how different funding levels can lead to different output levels. It also needs to compare its cost-effectiveness against benchmarks.

In response to these findings, the Administration will:
1. Provide $4.9 billion in funding over five years for maintenance and construction of park facilities and roads. This includes highway funding increases to bring park roads up to good condition (as measured by FCI) by the end of the next six-year highway bill. Construction funds remain flat until NPS long-term goals are set.
2. Complete condition assessments and FCI targets by July 2003 and fully implement FMSS by 2004.
3. Publish a 5-year priority list emphasizing deferred maintenance projects.
4. Increase use of efficiency measures, benchmarks, performance-based contracts, and capital asset plans.
5. Continue ongoing efforts to reduce unobligated balances, improve financial management, and streamline environmental compliance reviews.

(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

Key Performance Measures	Year	Target	Actual
Long-term Measure: The average Facility Condition Index (FCI) FCI is a measure commonly used by private firms to monitor the condition of facilities. (New measure, targets to be developed by June 2003)			
Annual Measure: Percent of parks that have completed condition assessments for all facilities	2001		0
	2002	50	35
	2003	100	
Efficiency Measure: Maintenance cost per square foot (New measure, targets under development)			

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
661	661	706

Program: National Park Service Natural Resource Challenge

Agency: Department of the Interior

Bureau: National Park Service

Purpose	100
Planning	86
Management	43
Results / Accountability	70

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of 270 national parks that use monitoring networks to track key "vital signs" parameters (Vital signs are the key indicators that best represent how an overall ecosystem is doing.)	2002		0%
	2004	4%	
	2006	37%	
	2008	80%	
Annual Measure: Percent of the total of 2,767 data sets completed (Data sets consist of 12 basic inventories of natural resources, such as vegetation, soil, and water chemistry.)	2002	27%	28%
	2003	41%	49%
	2004	54%	
	2005	56%	
Annual Measure: Percent of 990 federally listed species found in national parks that are in stable or improving condition	2002	32%	32%
	2003	33%	
	2004	33%	
	2005	34%	

Rating: Moderately Effective

Program Type: Direct Federal

Program Summary:

The NPS Natural Resource Challenge monitors the quality of natural resources, such as wildlife habitat, in 270 of the Nation's national parks. The President made a commitment to support this program, arguing that "park managers must have access to the best scientific research about the ecosystems they manage."

The PART found that the Challenge has a well-planned process for parks in 32 monitoring networks to collect data, monitor resources, and establish performance measures. NPS will have in place 25 networks by the end of 2004. The Results rating is not as high as it could be because the program is still new. In particular, the PART concluded that:

1. The purpose of the program is very well defined.
2. Strategic planning is excellent. The program aims precisely at long-standing gaps in information on natural resources.
3. Management of the program is adequate, but the Park Service needs to address broader weaknesses in finance and other management issues.
4. Results have not yet been fully demonstrated, because the program is so new. There will be more evidence of results next year.

In response to these findings, the Administration will:

1. Provide $76 million in 2004 (+$8 million over 2003) for the program, keeping this Presidential commitment on track.
2. Coordinate performance measures in the program with ongoing changes to the Department's overall strategic plan.
3. Continue efforts to improve overall Park Service management in finance, contracting, and other areas.
4. Establish efficiency measures.

(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

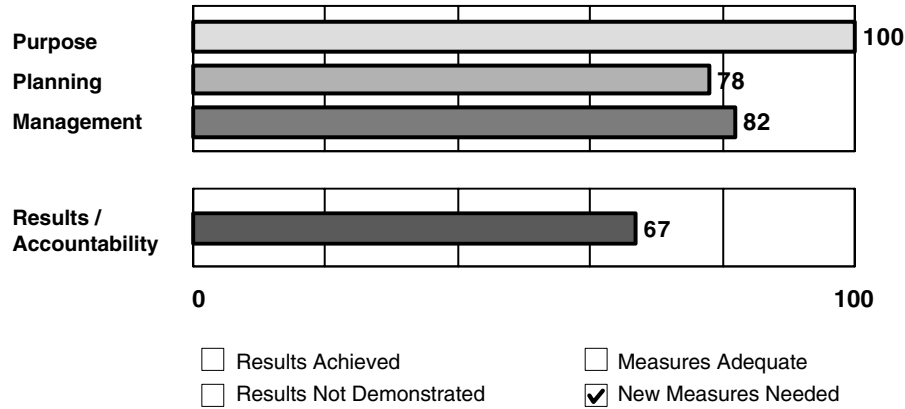## Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
50	68	76

Program: Outer Continental Shelf Environmental Studies

Agency: Department of the Interior

Bureau: Minerals Management Service

Purpose	100
Planning	100
Management	72
Results / Accountability	75

0 — 100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Acquire the environmental information needed for agency NEPA documentation completion for the next five-year OCS leasing program in accordance with the program's five-year study strategic plan (The quantification of this measure is under development.)			
Annual Measure: Timely design and execution of individual research projects reflecting the priorities in the annual National Studies List (The quantification of this measure is under development.)			
Efficiency Measure: Measures under development			

Rating: Moderately Effective

Program Type: Research and Development

Program Summary:

The environmental studies program provides environmental information for Interior decision makers, states, local governments, and public to use to ensure that proposed Outer Continental Shelf (OCS) -- oil, gas, and minerals extraction -- is conducted in an environmentally safe manner.

The assessment found that the program is very effective in providing timely and peer reviewed environmental research to decision makers. The assessment found:
1. An independent OCS Scientific Committee, consisting of OCS stakeholders, was established to advise on the feasibility, appropriateness, and scientific value of the Environmental Studies program.
2. The program uses a planning process that develops five-year study strategic plans in consultation with the Scientific Committee and other stakeholders. The five year plans are used to determine which studies are conducted annually.
3. To implement the annual studies, research is conducted externally through competitive contracts, cooperative agreements, and interagency agreements.
4. To avoid duplication and maximization of opportunities for collaboration and cost sharing, the program coordinates extensively with other research programs -- Federal, state, industry, and universities and colleges.
5. To ensure good science, the program uses the Scientific Committee and other venues to provide peer review and to recommend changes in study scope, direction or emphasis.

Because program activities are largely process-oriented, developing meaningful outcome measures is particularly challenging. This assessment was based largely on existing measure; however these measures are being revised to reflect meaningful program outcomes. The assessment also found that individual study performance information is compiled manually. This reporting process could cause time delays for management to take appropriate action on individual studies with emerging problems.

In response to these findings:
1. The 2004 Budget provides funding at the 2003 Budget level.
2. The Administration will work to quantify the measures, while being sensitive to the difficulties that research programs face in attempting to predict progress.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
15	16	16

Program: *Partners for Fish and Wildlife*

Agency: *Department of the Interior*

Bureau: *United States Fish and Wildlife Service*

Purpose		80
Planning		68
Management		57
Results / Accountability		67

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed
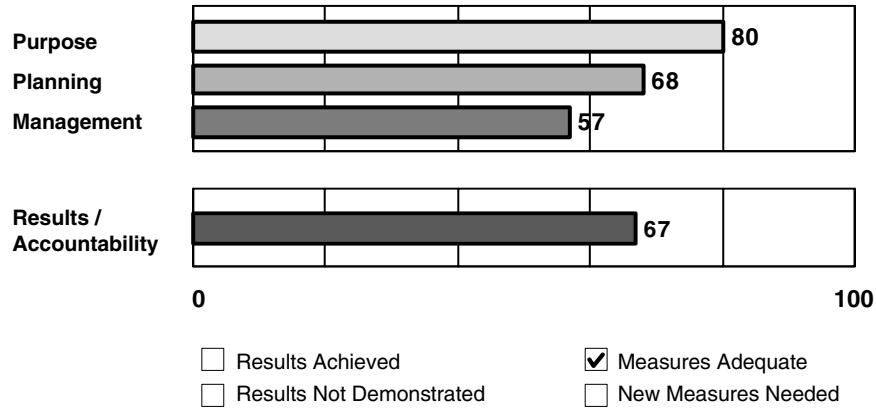
Key Performance Measures	Year	Target	Actual
Long-term Goal: Acres of wetlands enhanced or restored through voluntary agreements to help improve fish and wildlife populations	2005	330,000	
Annual Goal: Acres of wetlands enhanced or restored through voluntary agreements to help improve fish and wildlife populations	2001	39,700	45,787
	2002	33,395	57,522
	2003	39,074	
	2004	41,158	
Annual Goal: Acres of upland habitat enhanced or restored through voluntary agreements to help improve fish and wildlife populations	2001	65,979	283,606
	2002	179,467	158,176
	2003	160,979	
	2004	197,457	

Rating: *Adequate*

Program Type: *Direct Federal*

Program Summary:

The Partners for Fish and Wildlife program provides technical and financial assistance to private landowners who wish to restore fish and wildlife habitat on their lands.

The assessment indicates that while the program is performing well annually by hitting targets, the long-term goal will not likely be achieved by the target date. This is because the long-term targets are overly ambitious and not tied to any baseline. Through the assessment, it became obvious that the program's current process to address strategic planning flaws did not identify or correct this problem. Additional findings include:
1. The program purpose is clear and the program is optimally designed to encourage habitat restoration and conservation on private lands.
2. The program does not have regularly scheduled objective, independent and quality evaluations of program strategic planning efforts and program results.
3. While senior level managers and landowners are held directly accountable for achieving program goals, field managers are not.
4. The Fish and Wildlife Service (FWS) does not do full cost accounting to help allocate costs and associate them with specific performance measures.

In response to these findings, the Administration will:
1. Develop a schedule to evaluate strategic planning efforts and program results on a regular basis.
2. Link individual employee performance plans with goal-related performance targets for each fiscal year.
3. Propose additional funding in the President's 2004 Budget to fund activities supporting annual goals which the assessment showed were being met or exceeded.
4. Continue to develop efficiency measures as part of the common measures exercise.
5. The FWS will begin implementing Activity Based Costing in 2004 to help allocate program costs and associate those costs with specific performance measures.

(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

Program Funding Level (in millions of dollars)
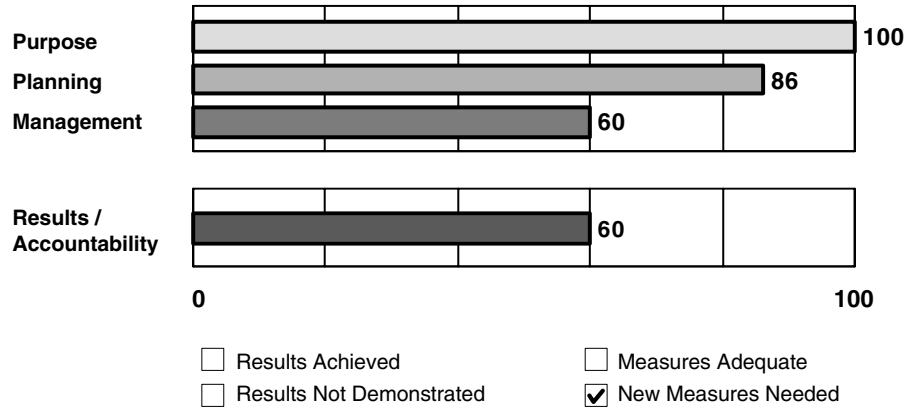
2002 Actual	2003 Estimate	2004 Estimate
37	29	38

Program: *Reclamation Hydropower*

Agency: *Department of the Interior*

Bureau: *Bureau of Reclamation*

Purpose	100
Planning	78
Management	82
Results / Accountability	67

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Rate of unplanned generator shutdowns as a percent of scheduled generating time. This measures how often a generator is shutdown for unplanned maintenance.	2002	3%	1.6%
	2003	3%	
Annual Measure: Power production efficiency as measured by dollar per megawatt goal that is cheaper than 75% of comparable hydropower facilities. The agency is still improving technical details on how costs are determined for this measure.	2001	7300	7100
	2002	7300	unknown
	2003	7300	

Rating: *Moderately Effective*

Program Type: *Capital Assets*

Program Summary:

The Bureau of Reclamation's hydropower program provides electricity and ancillary services for the 17 Western States. It operates 58 power generating dams, which generate about 10 percent of electrical capacity in the western U.S. The dams and resulting resevoirs also provide water for irrigation, drinking water supply and recreation. Financing of Reclamation's hydropower program is complex, including a combination of appropriations and direct funding, most of which is reimbursable through power sale revenues or direct reimbursement from power customers.

The assessment indicates that the program is strong overall but needs to improve its long-term planning. Specific findings include:
1. Reclamation competently manages its hydropower program. It effectively maintains its facilities, closely tracks costs, and reliably provides low-cost power to its customers.
2. The dams and other facilities are aging, yet Reclamation has not adequately developed a long-term strategic plan to address this.
3. The main goal for the hydropower program is to maintain reliable power generation while keeping power production costs low. Reclamation has successfully met its annual performance goals for these measures. However, its long-term goal is to meet its annual goals in perpetuity. Meeting its annual goals in perpetuity is inadequate as a long-term goal because it lacks a vision for Reclamation's future in hydropower.
4. The Administration is developing long-term goals that will better reflect areas where Reclamation could improve its tracking and provision of ancillary power delivery services.

In response to these findings, the Administration recommends that:
1. The Department of the Interior give funding priority to dam safety and maintenance of aging facilities, above non-core activities.
2. Interior develop long-term strategic plans including long-term performance measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
164	166	171

Program: *Rural Water Supply Projects*

Agency: *Department of the Interior*
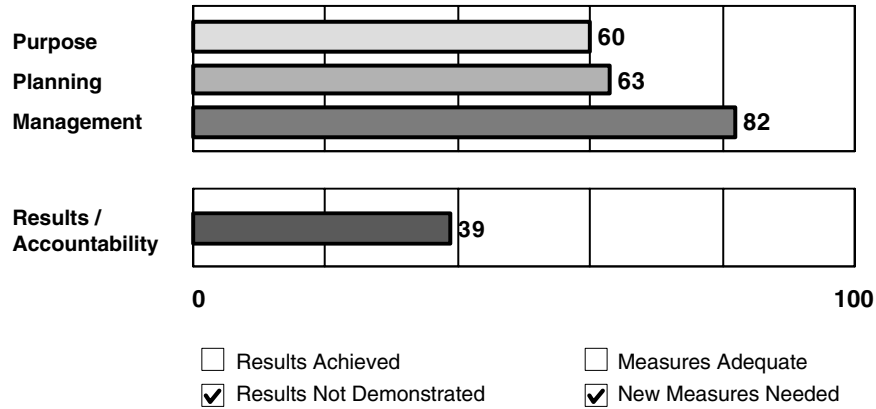
Bureau: *Bureau of Reclamation*

Category	Score
Purpose	60
Planning	63
Management	82
Results / Accountability	39

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of targeted population served with reliable, safe drinking water. This measure is being considered for inclusion in Interior's Strategic Plan, and Reclamation's Performance Plan, and is not finalized. (Measure under development)			
Annual Measure: Percent of acre-feet of water delivered on time as defined in contracts. This measure is currently being considered for inclusion in Interior's Strategic Plan, and Reclamation's Performance Plan, and is not finalized. (Measure under development)			
Annual Measure: Efficiency measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Capital Assets*

Program Summary:

The Bureau of Reclamation's Rural Water Supply Projects are an amalgamation of water development projects that serve large, sparsely populated areas, and focus on developing municipal, industrial, and residential water supplies.

The PART evaluation of Reclamation's rural water program suggests:
1. Reclamation does a competent job of managing its rural water projects. The program needs stronger controls for project development. Many projects are currently developed by local project sponsors without agency involvement and submitted to Congress for authorization. Agency involvement is necessary to ensure that all options to efficiently and effectively meet local needs are considered. The lack of agency involvement during project development may result in a project that is not in the federal interest.
2. Local cost sharing is insufficient and varies between programs.
3. There is significant overlap with other federal rural water programs, including those in the Rural Utilities Service, Indian Health Service, and the Environmental Protection Agency.
4. Reclamation is developing performance measures for these projects. These measures are not yet finalized and are being evaluated as part of DOI's Strategic Plan.

In response to these findings, the Administration will:
1. Submit legislation this Spring establishing a Reclamation rural water program with adequate controls and guidelines, instead of an amalgamation of individually-authorized and developed projects that are based on different standards and rules.
2. Scale back funding for Reclamation's rural water projects unless and until systemic program weaknesses are addressed, such as non-existent guidelines for eligibility, local cost share, and program planning.

(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
83	69	32

172

Program: *Title XVI Water Reuse and Recycling*

Agency: *Department of the Interior*

Bureau: *Bureau of Reclamation*

Category	Score
Purpose	100
Planning	86
Management	60
Results / Accountability	60

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Attain 500 thousand acre feet (taf) per year of recycled and reused water. The Administration has determined that this is an inadequate goal because it has no time frame for reaching this benchmark of annual use. (New measure under development)	2002	none	98
Annual Measure: Execute all necessary cooperative agreements and obligation of appropriated funds. An inadequate goal, because it measures outputs, not outcomes. (New measure under development)	2000	100%	97.3%
	2001	100%	97.7%
	2002	100%	98% (est.)
Long-term Measure: Increase affordability and pubic acceptance of water reuse projects through research. Aim for 10% reduction in wastewater treatment cost. Inadequate because no time frame. (New measure under development)			

Rating: *Moderately Effective*

Program Type: *Competitive Grants*

Program Summary:

Reclamation's Title XVI Water Reuse and Recycling Program is an earmark-driven grant program for local projects encouraging the reuse and recycling of wastewater. Additionally, a small component of the Title XVI program is dedicated to water reuse and recycling research, although this aspect of the program is only in its second year. The federal share of project funding is up to 100% for appraisal studies, up to 50% for feasibility studies, and up to 25% for project construction.

The assessment resulted in the following findings:
1. While water reuse and recycling is important to meeting the west's future water needs, this activity is not one of Reclamation's core functions.
2. There is no clear linkage between federal funding and progress toward outcomes. Performance measures need to be revised to better address the linkage between federal funding and performance. It is not clear what role Reclamation should play in pursuing water reuse and recycling research.
3. The program is moderately well-managed, although Reclamation's oversight of individual projects is limited by the strong degree of local control.
4. These water reuse and recycling projects help expand water supplies in areas that routinely face severe water shortages, and are especially important in helping to shift California from its dependence on Colorado River water.
5. Reclamation staff generally work very closely and effectively with local sponsors in project development and planning and are efficient in supplying grant funds and technical assistance to the projects.
6. The program's main weakness is its lack of long-term planning. Reclamation is reluctant to set any long-term goals within clear timeframes that would commit resources to this program that is tangential to its core mission.

To address these findings:
1. The Administration will consider reclamation's water research functions in the context of any re-alignment of federal water research priorities, and based on that analysis either expand or transfer those functions to another agency.
2. Because this program serves a function that is a local responsibility, the 2004 Budget scales back funding.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
36	18	13

Program: *Tribal Land Consolidation*

Agency: *Department of the Interior*

Bureau: *Bureau of Indian Affairs*
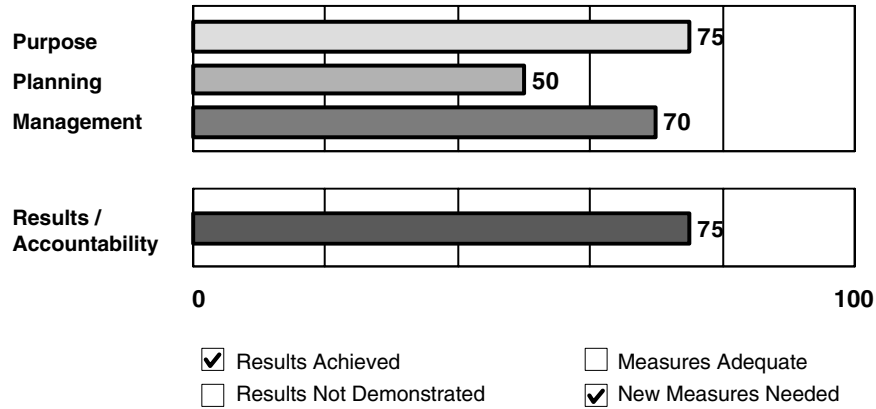
	Year	Target	Actual
Key Performance Measures			
Long-term Measure: Number of ownership interests acquired	1999		8,178
	2000		17,523
	2001		10,788
	2002		10,699
Annual Measure: Number of Individual Indian Money accounts inactivated/closed (Targets under development)	2001		310
	2002		479
Effectiveness Measure: Average purchase price of ownership interests acquired	1999		$231
	2000		$215
	2001		$283
	2002		$632

Rating: *Moderately Effective*

Program Type: *Capital Assets*

Program Summary:

The Tribal Land Consolidation pilot program purchases small ownership interests (2% or less) in Indian land allotments. There are 4 million ownership interests in 10 million acres of Indian lands that were originally transferred to individual tribal members in the 1800s. The federal program is intended to prevent further fractionation among individual owners, enable tribal economic development, and reduce future federal trust administration expenses.

The assessment concluded the pilot projects need to be better targeted to statutory purposes and objectives, such as reducing federal trust management operations and coordinating federal purchases with tribal development plans, before the program is made permanent. Additional findings include:
1. There is a high level of interest and voluntary participation by willing sellers.
2. The rate of fractionation has been reduced, but the total number of ownership interests remained about the same due to additional inheritance transfers during 1999-2002.
3. The federal purchase cost averages $328 per interest acquired. Federal acquisition costs could be recovered sooner if targeted on landowners with Individual Indian Money (IIM) trust accounts. Closing IIM accounts would save about $143 per account annually.
4. Significant federal probate costs can be avoided in the future by acquiring all ownership interests from willing sellers. Probate administration costs about $3,200 per decedent.

In response to these findings, the Administration will:
1. Propose additional funding in the 2004 Budget to improve program management, standardize business processes, and develop a strategic plan to guide program expansion to other tribal reservations.
2. Target federal acquisitions to reduce future costs in trust management functions, such as managing land title records, administering land leases, distributing lease payments to IIM accounts, and processing probate actions.
3. Quantify federal program impacts, including new measures on net reductions in target ownership interests and federal benefit-cost ratios, for Report to Congress.
4. Develop legislative amendments to consolidate revenue accounts and guidelines for waiving full/partial repayment of purchase costs.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
11	8	21

174

DEPARTMENT OF JUSTICE

DOJ's biggest management challenge is transferring the Immigration and Naturalization Service (INS) and other programs to the new Department of Homeland Security (DHS). Overall, Justice has made good progress in the initiatives identified below, but remains a long way from reaching goals.

President's Management Agenda

	Status	*Progress*
Human Capital	**R**	**G**

DOJ has drafted a human capital management implementation plan that outlines action items, along with target dates and responsible staff, to support each of the plan's objectives. DOJ is developing a workforce model that links performance plan objectives, measures, and results to employee performance.

Competitive Sourcing	**R**	**G**

DOJ has submitted a competitive sourcing plan to achieve the 15 percent goal by the end of 2003. For instance, in 2003, DOJ will subject to competition with the private sector 140 FBI auto mechanics and 441 grants management personnel in the Office of Justice Programs.

Financial Performance	**R**	**G**

DOJ's systems are not in compliance with federal statutory or regulatory requirements. To address these deficiencies, DOJ will acquire a Department-wide core financial system. Because of its commitment to implement such a system, and because of its unqualified opinions, DOJ received a green for progress in this initiative.

Expanding E-Government	**R**	**G**

Many of DOJ's IT business cases have serious weaknesses in the area of IT security, but DOJ has committed to a plan that will correct them. It has also taken steps to redesign its website to promote and facilitate greater citizen access, one of the key tenets of the E-Government initiative. DOJ has issued its IT Strategic Plan and prepared 2004 business cases for its major IT investments.

Budget and Performance Integration	**R**	**G**

In many instances, DOJ's strategic plan lacks long-term, measurable outcome oriented goals; however, DOJ's budget is presented in a new format that aligns budget accounts, staff and program activities to performance goals.

Faith-based Initiatives	**R**	**Y**

While progress on this initiative has been slow, a timeline for implementing outreach, pilot projects, and technical assistance is now in place.

Program Assessments

The Program Assessment Rating Tool (PART) was completed for 10 DOJ programs, including DEA, Bureau of Prisons, FBI, and various Office of Justice Programs activities. The assessments represent diversity in program type, scope and size. There is considerable variance in the effectiveness ratings among the DOJ programs; however, a consistent theme throughout the PART analyses is the lack of long-term, outcome oriented goals for these programs. DOJ is encouraged to develop long-term, measurable goals that align with its strategic objectives.

Program: Bureau of Prisons

Agency: Department of Justice

Bureau: Federal Prison System

Purpose — 88
Planning — 71
Management — 71

Results / Accountability — 80

0 — 100

☑ Results Achieved
☐ Results Not Demonstrated
☐ Measures Adequate
☑ New Measures Needed

Rating: Moderately Effective

Program Type: Direct Federal

Program Summary:

The Federal Bureau of Prisons (BOP) incarcerates Federal prisoners. At present, the BOP houses approximately 165,000 federal inmates in 102 secure prison facilities nationwide. The 2004 Budget requests $252 million to activate six new prisons located in various regions throughout the country to help maintain prison crowding at reasonable levels. Funding for opening the new prisons is made available, in part, by using previously appropriated planning and construction resources that are not needed at this time.

The assessment indicates that the overall mission of the BOP is clear. The assessment also indicates a fairly high level of competence in program management, yet reveals weaknesses in the program's long term goal setting and outcome orientation. However, the BOP has committed to the development of long term program performance measures. Strong annual performance measures indicate the program is relatively results oriented. Additional findings include:
1. The BOP has identified broad range, long term objectives but not long term performance goals with measurable, long-term outcomes.
2. The BOP makes inadequate use of contract prison space. Although the BOP has increased the percentage of federal inmates in contract bedspace from less than 1 percent in 1980 to over 16 percent today, the fact remains that many states and localities and private sector prison facilities have a surplus of prison bedspace available for federal use.
3. The BOP has insufficient knowledge of, or comparison of costs and services to, similar prison operations in the state, local and private sectors. This makes it difficult to determine whether the BOP provides the best service to the government at the best rate.

In response to these findings, the BOP will:
1. Develop long term outcome-oriented performance goals.
2. Make greater use of contracted space for low/minimum/special category Federal inmates.
3. Begin using the National Clearinghouse for Prison Bedspace Availability, when it becomes operational, to identify available prison bedspace, and compare locations, costs and services, and ultimately place inmates and detainees in appropriate, cost-effective non-BOP facilities to help ensure that the BOP is able to obtain the best incarceration services for federal inmates at the lowest cost.

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of escapes from secure prisons	2001	0	4
	2002	0	0
	2003	0	
	2004	0	
Annual Measure: Percent of eligible inmates who attained high school diplomas or GED certifications within 7 months prior to their release from prison	2001	66%	66%
	2002	66%	64%
	2003	75%	
	2004	75%	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
4,182	4,208	4,453

177

Program: Community Oriented Policing Services

Agency: Department of Justice

Bureau: Office of Justice Programs

Purpose	45	
Planning	57	
Management	64	
Results / Accountability	30	

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of training hours delivered	2002	12254	
	2003	12254	
	2004	12254	
Annual Measure: Total number of funded officers on the street (at present)	2001	91,000	83,024
	2002	100,000	88,028

Rating: Results Not Demonstrated

Program Type: Competitive Grants

Program Summary:

The Community Oriented Policing Programs (COPS) provides grants, training and technical assistance to local law enforcement agencies. Its centerpiece has been a hiring grant program (authorized in the 1994 Crime Act) to advance community policing.

The assessment indicates that the COPS program's long-term goals have no timelines or specific targets. These objectives, such reducing local crime and increasing trust in police, are to replace the existing goals focusing on hiring grants, that are no longer funded. Additional findings include:
1. The program has good financial oversight procedures in place and there are no financial material weaknesses.
2. The sheer number of grantees makes it difficult for the COPS Office to sustain detailed oversight of how grant funds are being used. For instance, COPS appears to have surpassed its original goal of advancing the community policing concept by funding 100,000 officers by 2000. However, while funding sufficient for almost 117,000 officers was awarded through 2002, less than 90,000 officers have actually been hired or redeployed to street duty. This variance is primarily due to over-optimistic projections of "efficiency savings" from grants supporting technology-based redeployments.
3. COPS has used evaluation studies to assess whether its efforts have had an impact on crime, though the resulting findings are inconclusive.

In response to these findings, the agency will:
1. Increase local accountability by making information on grantee activities more available to the public.
2. Better define its long-term goals to specify when they will be achieved.
3. Take additional steps to guarantee the independence of external evaluations.
4. Increase the level of grantee oversight as the number of active grants declines.
5. Realign COPS funding structure to include only those activities administered by the COPS Office.

(For more information on this program, please see the Department of Justice chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
684	737	164

178

Program: *Cybercrime*

Agency: *Department of Justice*
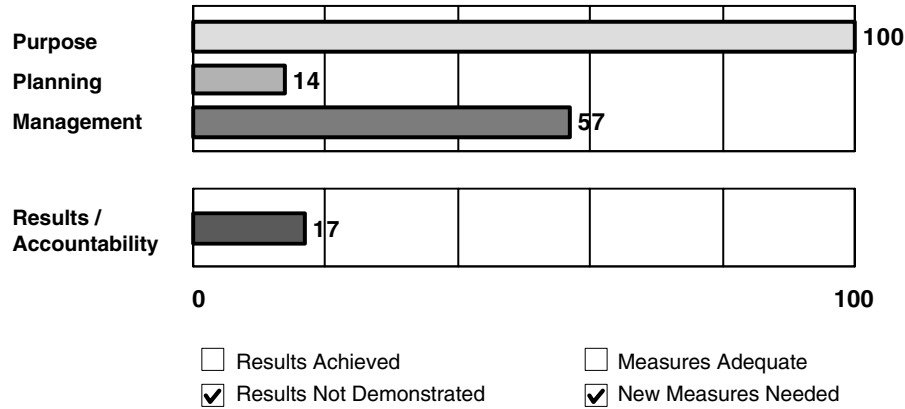
Bureau: *Federal Bureau of Investigation*

Purpose	100
Planning	14
Management	57
Results / Accountability	17

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures | *Year* | *Target* | *Actual*

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Computer intrusions investigated (Setting annual targets not appropriate for this measure; however, actual results are reported.	2001		2,226
	2002		1,956
Annual Measure: Computer intrusion convictions (Setting annual targets not appropriate for this measure; however, actual results are reported.	2001		98
	2002		101

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The FBI's Cybercrime Program prevents, deters, and investigates cybercrimes -- criminal acts facilitated by or involving computers. A primary focus of the program is the protection of the Nation's critical infrastructures, such as telecommuncations networks, transportation systems, energy supplies, and financial services.

The assessment found that the Cybercrime Program has a clear purpose and addresses a specific need. It is designed to make a unique contribution and have a significant impact on the problem. Additional findings include:
1. There are no long-term, outcome-oriented goals, nor are there annual performance goals. There are no independent, regular evaluations of the program.
2. Financial management and accounting controls are strong, but FBI managers are not held accountable for results through formal personnel contracts with performance goals. Program performance can not be correlated with changes in funding.
3. The only available benchmark for results is a General Accounting Office evaluation conducted in 2001, in which the program received generally good marks in such areas as investigative capabilities and tactical analyses.

The Cybercrime Program provides a unique Federal contribution to the prevention and investigation of cybercrimes, and an increase is proposed for 2004 consistent with this finding. However, the assessment also identified the need to improve performance measures and to hold managers accountable for results. In response to these findings, the FBI will:
1. Develop long-term and annual performance goals and a plan for regular program evaulations.
2. Include the achievement of performance goals as an element of personnel contracts with senior officials.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
82	89	133

Program: Drug Courts

Agency: Department of Justice
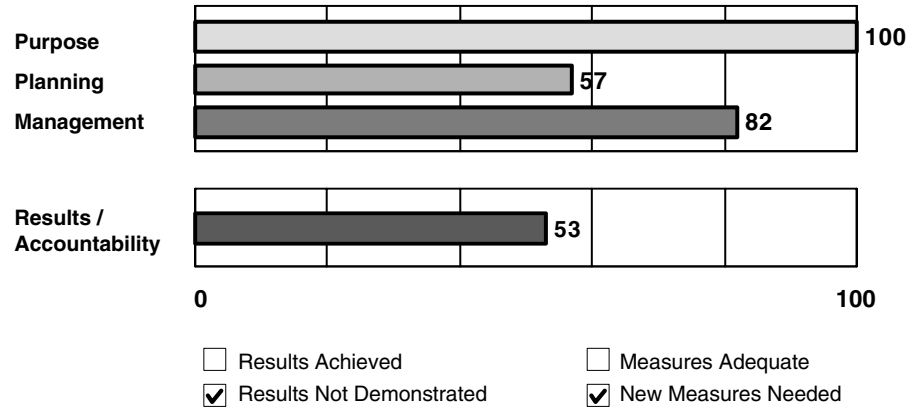
Bureau: Office of Justice Programs

Purpose	100
Planning	57
Management	82
Results / Accountability	53

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measures: Measures under development			
Number of drug courts that become operational	2001	56	49
	2002	50	46
	2003	50	
	2004	55	
Percentage of drug-court participants who remain arrest-free	2001	80%	80%
	2002	80%	80%
	2003	80%	
	2004	80%	

Rating: Results Not Demonstrated

Program Type: Competitive Grants

Program Summary:

Drug Court provides grants and technical assistance to state, local, and tribal governments to implement "drug courts." These courts break the cycle of substance abuse and crime by providing non-violent offenders with substance abuse treatment while keeping them under court supervision, including drug testing.

The assessment indicates that the Drug Court program has identified good long-term objectives: improving public safety and reducing recidivism in drug court communities. However it has not specified measures or timelines for these objectives. Additional findings include:
1. Annual performance measures are focused on outputs, i.e. the number of active courts, instead of grantees' effectiveness or quality.
2. From a financial management standpoint, Drug Courts is one of the better managed programs in the Office of Justice Programs (OJP), with few obvious weaknesses. Like other OJP programs, a fair number of grantees fail to submit required status reports or performance data. However, the limited number of grantees makes it possible to correct this problem by taking such actions as witholding funds from grantees who are non-compliant.
3. The program appears to have achieved its target recidivism rate over the last few years, though this only tracks offenders currently in the program. Independent studies of drug courts indicate that they provide an effective intervention to substance abusers who might not otherwise receive treatment, and generally result in lower recidivism rates. Still, more attention is needed to track how participants fare after they complete the program.

In response to these findings, the agency will:
1. Develop measures for the long-term goals of improving public safety and reducing recidivism.
2. Determine how many additional drug court programs are needed to reach these goals enough, which could be based on the optimal number of jurisdictions covered or the total offender capacity.
3. Improve grantees' performance reporting.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
50	52	68

180

Program: Drug Enforcement Administration

Agency: Department of Justice

Bureau: Drug Enforcement Administration

Purpose	90
Planning	14
Management	34
Results / Accountability	0

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percent reduction in the supply of illegal drugs in the United States (New measure)	2003	5%	
	2004	5%	
Annual Measure: Percent of DEA's over 600 priority targeted organizations disrupted/dismantled (targets nominated by field offices and approved by DEA Headquarters)	2001	5%	18%
	2002	6%	20%
	2003	10%	
	2004	10%	

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

The Drug Enforcement Agency (DEA) enforces the nation's drug laws. This includes preventing, deterring, and investigating the illegal growing, manufacture, or distribution of controlled substances in, or destined for, the U.S.

The assessment indicates that the overall purpose of the program is clear but DEA activities are not unique in that other Federal agencies (e.g. FBI, Customs Service, Coast Guard) and State and local entities have drug law enforcement responsibilities. Additional findings include:
1. DEA is unable to demonstrate its progress in reducing the availability of illegal drugs in the U.S. While DEA has developed some strategic goals and objectives, these goals lack specificity in targets and time frames.
2. DEA recently developed two annual performance measures to assess its impact on disrupting the drug supply. However, these measures need further refinement to establish links to an impact on drug availability, baseline data, and ambitious targets.
3. DEA managers are not held accountable for achieving results.

In response to these findings, the Administration will ensure that DEA collects appropriate performance information to determine what effect its efforts have on the drug problem. In addition, the program will:
1. Revise its strategic plan to include specific, ambitious goals with clear timeframes, continue to develop and refine existing performance measures and continue data collection and validation. DEA will continue development of more specific measures that could assist in resource allocations, priority shifts, or other management actions.
2. Hold managers accountable for performance by identifying specific performance goals and schedules and implementing periodic reviews to assess results.
3. Contract for a comprehensive, independent evaluation of program performance.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,482	1,546	1,559

Program: *Juvenile Accountability Block Grants*

Agency: *Department of Justice*
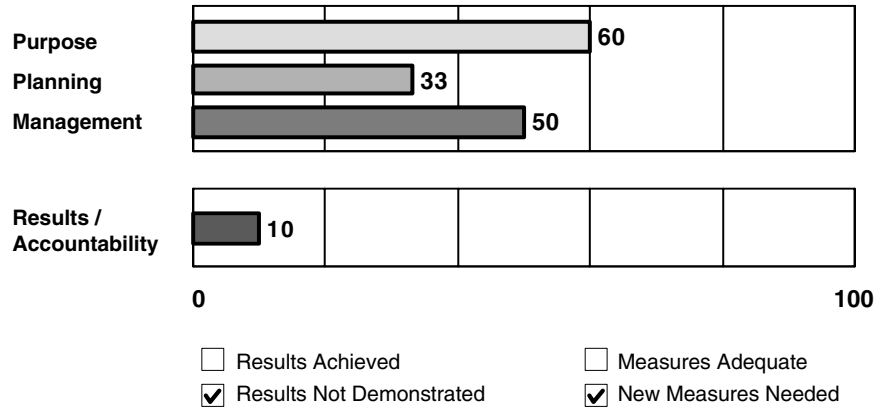
Bureau: *Office of Justice Programs*

Purpose	60	
Planning	33	
Management	50	

Results / Accountability	10

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measures: None			
Annual Measures: None			

Rating: *Ineffective*

Program Type: *Block/Formula Grants*

Program Summary:

Juvenile Accountability Incentive Block Grants (JAIBG) provide states with funds to support improvements in state and local juvenile justice systems.

Grants can support up to 16 different purpose areas, including innovative sentencing programs, hiring court personnel, and building or renovating youth correction facilities. The ultimate purpose of the grants is to make juvenile offenders more accountable for their actions and to make the justice system more accountable for juveniles' safety. These disparate goals and the lack of a consistent definition of "accountability" have made it difficult for DOJ to develop clear, outcome-based performance measures. Several funding areas have only a tangential relationship to juvenile crime. Instead, DOJ has opted to track the "Number of formula grant awards made", which does little to illustrate the program's effectiveness. Additional findings include:
1. Because the funding criteria are extremely broad and the reporting criteria are minimal, OJP has little power to redirect funds to higher priority areas or from poorly-performing grantees to successful grantees.
2. Other than anecdotal evidence, the program has not demonstrated any measurable impact on either juvenile crime or the juvenile justice system to date.

In response to these findings, the Budget requests no funding for this program in 2004.

(For more information on this program, please see the Department of Justice chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
211	140	0

182

Program: *Residential Substance Abuse Treatment*

Agency: *Department of Justice*

Bureau: *Office of Justice Programs*

Purpose	60
Planning	71
Management	56
Results / Accountability	20

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed
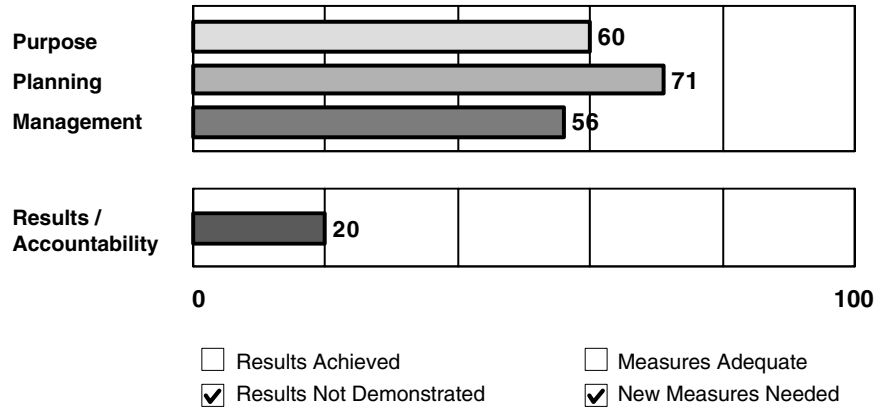
Key Performance Measures	Year	Target	Actual
Long-term Measures: Percentage of treated offenders arrested within one year of release (target and actual data under development)			
Annual Measure: Average treatment cost per inmate	2001	N/A	4317
	2002	4665	
	2003	4665	
	2004	4665	
Annual Measure: Number of state and local offenders treated annually by RSAT-funded programs	2001	7,293	10,546
	2002	4,375	38,639
	2003	40,000	
	2004	40,000	

Rating: *Results Not Demonstrated*

Program Type: *Block/Formula Grants*

Program Summary:

The Residential Substance Abuse Treatment (RSAT) grant program assists state and local governments in developing, implementing, and providing residential substance abuse treatment programs within their correctional systems. The ultimate goal of prison drug treatment is to reduce recidivism among participating inmates and facilities.

The assessment indicates that actually measuring recidivism has been hindered by the failure of nearly half of grantees to provide consistent, reliable program data. The generally poor quality of RSAT grantee performance data makes it difficult to ascertain how many prisoners are treated annually, not to mention the outcomes of such treatment. Additional findings include:
1. Establishing a clear linkage between funding and performance has been complicated by highly variable treatment costs among grantees, so that a given level of funding will have different impact in each state. This is in contrast to treatment programs in the Federal Bureau of Prisons, which have a much lower per inmate cost.
2. There have been few independent evaluations of either RSAT grantees or the overall program.

In response to these findings, the agency will:
1. Institute changes to improve the quality of grantee performance data.
2. Develop a simplified model for estimating grantees' enrollment and treatment costs.
3. Develop long-term goals for reducing recidivism among funded programs.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
70	77	76

Program: Weed and Seed

Agency: Department of Justice
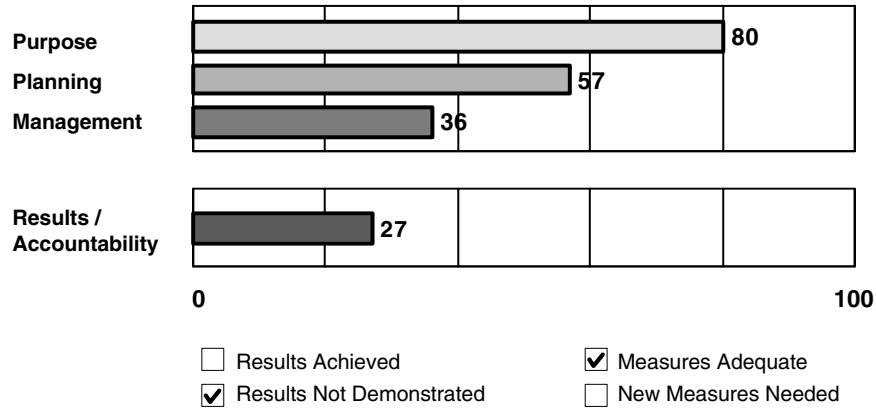
Bureau: Office of Justice Programs

Purpose	80
Planning	57
Management	36
Results / Accountability	27

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long term Measure: Measures under development			
Annual Measure: Percentage of Weed & Seed sites implementing community policing	2001	100%	99%
	2002	100%	99%
Annual Measure: Number of homicides per Weed and Seed site	2000	0	5.5
	2001	0	4.1

Rating: Results Not Demonstrated

Program Type: Competitive Grants

Program Summary:

Weed and Seed aims to reduce violent and drug-related crime in high-crime areas. Grants fund locally devised crime reduction plans which include such activities as targeting specific drug markets and providing after-school activities for at-risk youth.

The assessment indicates that many jurisdictions have actively sought DOJ's assistance in developing local Weed and Seed strategies, but the large number of active projects has led to inconsistent oversight and results. Additional findings include:
1. While Weed and Seed had selected good performance objectives, such as lower homicide rates, it lacks the data to specify a 'baseline' against which improvements can be measured. Furthermore, DOJ has been averse to setting goals implying that any level of crime is "successful."
2. Despite the program's 11-year history, only a limited number of Weed and Seed sites have been independently evaluated. Those results have been promising, but difficult to generalize given the wide variation in local strategies and effectiveness.

In response to these findings, the agency will:
1. Establish performance baselines and targets.
2. Toughen reporting requirements to require annual reports from all sites, and withhold from grantees that fail to submit performance data.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
59	59	58

184

Program: *White Collar Crime*

Agency: *Department of Justice*

Bureau: *Federal Bureau of Investigation*

Purpose	100
Planning	17
Management	67

Results / Accountability	0

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Recoveries, restitutions, and fines from white collar fraud cases ($ in billions) (Setting annual targets not appropriate for this measure; however, actual results are reported)	2001		6
	2002		10
Annual Measure: Convictions in public corruption cases (Setting annual targets not appropriate for this measure; however, actual results are reported)	2001		475
	2002		631

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The FBI's White Collar Crime Program prevents and investigates fraud. This includes financial institution fraud, insurance fraud, governmental fraud, money laundering, telemarketing fraud, and Internet fraud.

The assessment found that the White Collar Crime Program has a clear purpose and addresses a specific problem. It is designed to make a unique contribution and have a significant impact on the problem. Additional findings include:
1. Improvement is needed in the area of strategic planning. There are no long-term, outcome-oriented goals, nor are there annual performance targets. There are no regular evaluations of the program conducted by independent organizations.
2. Financial management and accounting controls are strong, but FBI managers are not held accountable for results through formal personnel contracts with performance goals. Program performance can not be correlated with changes in funding.
3. The only available benchmarks for results are output measures -- such as the number of public corruption convictions and monetary recoveries and fines. No annual goals are set for these measures.

The White Collar Crime Program provides a unique Federal contribution to the prevention and investigation of fraud schemes, but would benefit from improved performance measures and independent assessments of the program, particularly as counterterrorism efforts become the primary focus of the FBI. To address these findings, the FBI will:
1. Maintain the current level of effort in 2004, with increases only for inflation and corporate fraud, where the Budget proposes a $16 million increase to support additional investigative efforts.
2. Develop long-term and annual performance goals that demonstrate the progress and contribution of the White Collar Crime Program, and support continued investment in this program.
3 Develop a capacity for program evaluation either by re-focusing internal organizations or contracting for internal assessments.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
490	506	546

DEPARTMENT OF LABOR

To address DOL's wide array of management problems, the Secretary has created a Management Review Board.

President's Management Agenda

	Status	*Progress*

Human Capital — **Y** **G**

DOL has overhauled its employee appraisal system; screened 250 candidates through its MBA recruitment initiative; and selected 24 of the 196 applicants to its SES candidate development program.

Competitive Sourcing — **R** **Y**

The Department has made progress, exceeding its 2002 competitive sourcing goal by directly converting 152 positions. However, it has not yet initiated a competition or completed its 2003 competition plans. Green status will require competition or direct conversion of at least 1,400 FTE from DOL's 2000 inventory.

Financial Performance — **Y** ↑ **G**

DOL's financial statements consistently receive clean audits, and its work to reduce Unemployment Insurance benefit overpayments by states could save hundreds of millions of dollars annually. Green status will require an integrated financial and performance management system to inform managers' real-time decisions about programs.

Expanding E-Government — **Y** **G**

DOL led the creation of the GovBenefits website, which informs visitors about federal programs for which they may qualify; was the first agency with a central fund to promote cost-effective IT investments; and had the highest grade of any Cabinet agency on a recently issued congressional Computer Security Report Card.

Budget and Performance Integration — **Y** ↑ **G**

DOL has proposed a format that would show the Department's budget requests in terms of its strategic goals and performance. The 2004 budget attempts to identify all funding sources within the Department for each activity, and calculate the costs of achieving major program goals.

Faith-Based and Community Initiative — **Y** ↑ **G**

DOL is providing technical assistance, and has begun pilot programs to determine the best practices for incorporating FBCOs into the local workforce development system.

Program Assessments

Nine DOL programs were reviewed, including three regulatory, two grant programs, and four administered directly by the federal government. PART scores ranged broadly. A number of PARTs called for efficiency measures to relate outcomes to resources, while others reflected the need for more rigorous performance indicators or the absence of appropriate, reliable evaluation data.

Program: *Bureau of Labor Statistics*

Agency: *Department of Labor*

Bureau: *Bureau of Labor Statistics*

Purpose	100
Planning	86
Management	100
Results / Accountability	60

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed
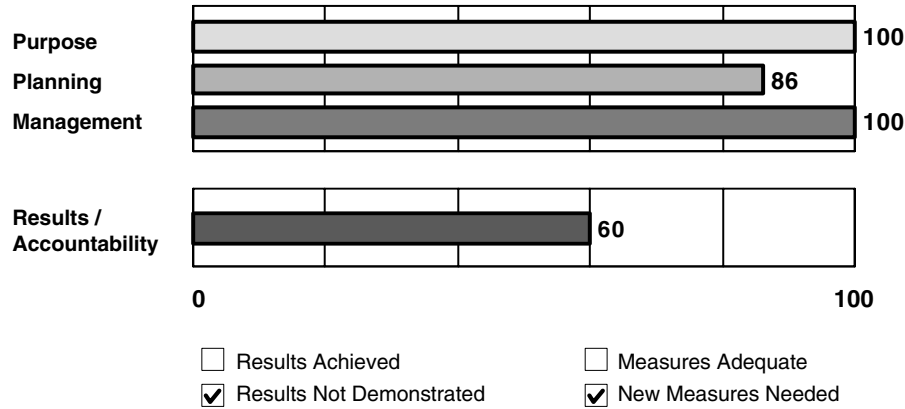
Key Performance Measures	Year	Target	Actual
Long-term Measure: Coverage of the entire business sector by labor productivity measures	2001	54%	54%
	2002	60%	60%
	2003	60%	
	2004	61%	
Long-term Measure: Coverage of the service sector by the Producer Price Index (PPI)	2001	47.8%	47.8%
	2002	53.1%	53.1%
	2003	54.0%	
	2004	59.1%	
Annual Measure: Accuracy measure: That only a minimal revision is required to PPI data (that is, referring to a key component of PPI, the measure is the percent of monthly-change data that needs to be revised no more than than 0.2 percentage points.)	2001	90%	100%
	2002	90%	100%
	2003	90%	
	2004	90%	

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

The BLS collects and disseminates data on employment and unemployment, price change, compensation, productivity, safety and health, and associated labor-related statistics.

The assessment found:
1. Design for data collection and reporting is sound; BLS fills a unique role in the development of national labor-related statistics.
2. BLS is a pioneer in performance budgeting, but its approximately 364 performance measures (listed in a 56-page table) are too many and do not clearly explain how resources drive performance. The program carefully monitors its operations.
3. Independent, quality evaluations have demonstrated program effectiveness and have been used by BLS to improve its practices.
4. Judging by a variety of informal information, the program's efficiency has been improving. Also, despite their limitations, its long-term goals have been largely achieved. However, BLS lacks outcome-based, quantitative, and transparent performance measures. Many performance targets are established only in terms of completion of activities on schedule. Also, there are no explicit efficiency goals.

In response to these findings, DOL will ensure:
1. The development of more outcome-based, quantitative, and transparent performance measures.
2. That an efficiency measure is developed.
3. That the new performance measures clearly demonstrate improved accuracy to the general data user.
4. The maintenance of BLS' current successes in program monitoring and operations.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
475	498	512

Program: *Community Service Employment for Older Americans*

Agency: *Department of Labor*

Bureau: *Employment and Training Administration*

Purpose	40
Planning	29
Management	57

Results / Accountability	7

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Entered Employment: % employed in 1st quarter after program exit. New measure: result of common measure exercise; targets to be determined. 2001 reports performance against a previous measure of job placement.	2001	26%	30%
	2002	37%	
	2003	37%	
	2004	37%	
Long-term and Annual Measure: Retention in Employment: % employed in 1st quarter after program exit who remained employed in the 2nd and 3rd quarters after exit. New measure (see above)			
Long-term and Annual Measure: Earnings: % change in earnings: (1) pre-enrollment to program exit; (2) 1st quarter after exit to 3rd quarter after exit. New measure (see above)			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The Community Service Employment for Older Americans (CSEOA) program provides grants to public and private non-profit organizations, and States to hire older low income people part-time to perform community service. Such service includes literacy tutoring, community beautification, health and economic development activities.

This program's rating is "Results Not Demonstrated" in part because its results on the new common performance measures for job training programs are unavailable at this time. As indicated under "Key Performance Measures" and below, this program achieved its target for a previous performance measure of employment, but its measures are inadequate.

Key PART findings include:
1. Although the 2000 Older Americans Act (OAA) amendments authorize competition for grants in cases where grantees repeatedly fail to perform, the programs' 10 national grantees have historically been the sole recipients of grant funds, regardless of performance.
2. The program does not have any adequate long-term or annual performance measures and, therefore, cannot demonstrate the impact it is having on the public or its target population. The program currently has identified one long-term measure for employment. It is in the process of adopting 3 long term measures based on common measures that allow comparisons to similar programs.
3. As required by the authorizing legislation, DOL is completing work on a proposed rule that will strengthen accountability by establishing rigorous and comprehensive long term performance measures.

In response to these findings, DOL will:
1. Award national grants competitively to strengthen service delivery and open the door to new grantees, including faith-based and community-based organizations.
2. Develop a cost-effectiveness measure.
3. Ensure that the annual and long-term performance goals established for the new common measures are sufficiently challenging.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
445	440	440

Program: Dislocated Worker Assistance

Agency: Department of Labor

Bureau: Employment and Training Administration

Purpose	60	
Planning	71	
Management	44	
Results / Accountability	40	

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Entered Employment: % employed in 1st quarter after program exit New measure: result of common measures exercise; targets to be determined 2001 reports performance against a similar previous measure of job placement for Program Year 2001.	2001	73%	78%
	2002		
	2003		
	2004		
Long-term and Annual Measure: Retention in Employment: % employed in 1st quarter after program exit who remained employed in the 2nd and 3rd quarters after exit New measure (see above) 2001 reports performance against a previous measure of employment retention.	2001	83%	87%
	2002		
	2003		
	2004		
Long-term and Annual Measure: Earnings: % change in earnings: (1) pre-enrollment to program exit; (2) 1st quarter after exit to 3rd quarter after exit New measure (see above) 2001 reports performance against a previous measure: earnings replacement.	2001	91%	101%
	2002		
	2003		
	2004		

Rating: Results Not Demonstrated

Program Type: Block/Formula Grants

Program Summary:

The Dislocated Worker Assistance program provides formula grants to States and localities for retraining and re-employment services for workers who have permanently lost their jobs.

This program's rating is "Results Not Demonstrated" because its results on the new common performance measures for job training programs are unavailable at this time. However, as indicated under "Key Performance Measures," this program has achieved all of its targets for previous performance measures.

Key PART findings include:
1. There is duplication among this program's purpose, funding, services, administration, and target population and those of the Workforce Investment Act (WIA) program for Adults, and Trade Adjustment Assistance (TAA).
2. The only program evaluation was canceled before its completion in 1998.
3. Too few resources are available to the Secretary and Governors to target large layoffs in specific locations, because too much funding goes to local areas by formula.
4. The program cannot show how much funding is available to provide services to workers because it cannot adequately track State and local spending.
5. Although the program needs to adopt challenging new common measures, it appears to be somewhat effective in helping dislocated workers to find and keep new jobs at wages close to those they used to have, and at lower cost per participant than TAA.

In response to these findings, the Administration will:
1. Consolidate this program with several other adult job training programs to streamline and improve service delivery and eliminate unnecessary duplication.
2. Increase the Secretary's and Governors' flexibility to target resources to address special, local layoff situations.
3. Adopt common performance measures to be used to compare the performance of various job training programs, including a new measure to gauge cost-effectiveness.

[Note: In 2004, formula grants to assist dislocated workers will be funded through a new Consolidated Adult and Dislocated Worker Grant program.]

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,129	1,106	

191

Program: *Federal Employees Compensation Act (FECA)*

Agency: *Department of Labor*
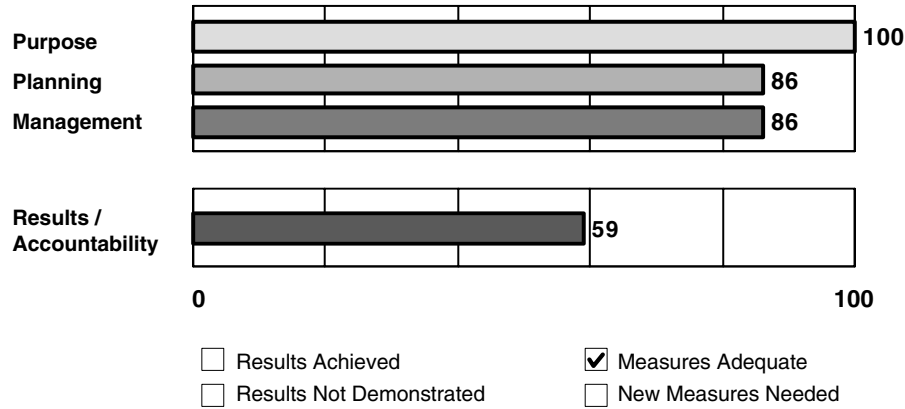
Bureau: *Employment Standards Administration*

Purpose			100
Planning			86
Management			86
Results / Accountability		59	

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Average lost production days (LPDs) resulting from work-related disability, compared to 2001 baseline of 56 days (New measure)	2002	55	54
	2003	55	
	2004	54	
Efficiency Measure: Cumulative savings in first-year benefit payments realized as a result of periodic beneficiary roll review (expressed in millions)	2001	$95	$103
	2002	$122	$129
	2003	$142	
	2004	$160	
Annual Measure: Change in average medical service cost per case, compared to the annual rate of change in nationwide health care costs as measured by the national Milliman Health Cost Index (New measure)			

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

FECA provides wage-replacement and medical benefits to Federal employees who suffer work-related injuries or illness.

Key PART findings include:
1. FECA's purpose is clear and its design is rational. Its non-adversarial design contains administrative overhead (which averages 4% of costs).
2. Performance goals are clear, outcome-oriented, and aligned with agency mission.
3. Efforts to minimize erroneous benefit payments have reduced the overpayment rate to 0.65%. In the past, the timing of the Department's submission of Federal agency FECA liability data has hampered the timely development of government-wide financial statements.
4. FECA's performance goals are ambitious, and properly aimed at returning individuals to work and containing federal costs. FECA's performance has generally been good, although in the most recent year it fell short of its lost production day and medical cost containment targets.

DOL is implementing a series of reforms designed to address these findings and build upon FECA's strengths. These reforms include:
1. Re-proposing legislation to update the benefit structure, improve benefit equity, adopt best practices of state workers' compensation systems, and charge customer agencies for their full FECA costs. These reforms would produce 10-year government-wide benefit savings approaching $390 million without reducing benefits for current recipients.
2. Undertaking an evaluation of FECA's design and strategic goals, the success of various program strategies, and State/industry best practices.
3. Changing the method used to estimate Federal agencies' FECA liability to ensure timely submission of these data.
4. Exploring the efficacy of a cost-effectiveness performance goal (e.g., cost per rehabilitation).
5. Continuing to measure and improve the level of customer satisfaction (the most recent claimant survey yielded a 59% overall satisfaction score).

(For more information on this program, please see the Department of Labor chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
81	86	88

192

Program: Occupational Safety and Health Administration

Agency: Department of Labor

Bureau: Occupational Safety and Health Administration

Category	Value
Purpose	100
Planning	75
Management	54
Results / Accountability	47

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Rating: Adequate

Program Type: Regulatory

Program Summary:

OSHA develops and enforces regulations to protect employee safety and health in the workplace.

Key PART findings include:
1. Studies have shown workplace-level safety improvements following OSHA inspections (particularly inspections where penalties are imposed). Data on the effect of compliance assistance on workplace safety is limited. In addition, there is no agreement on the extent to which declining national injury and illness rates are attributable to OSHA.
2. While OSHA's goals are generally meaningful and measurable, a lack of timely data has hindered timely performance assessment. Numerous OSHA performance measures rely on Bureau of Labor Statistics data, which are high-quality but entail a time lag of up to one year, limiting the usefulness of the measures as management tools.
3. OSHA does not perform cost-benefit comparisons in its Regulatory Impact Analyses for proposed regulations, or evaluate regulatory alternatives.
4. OSHA is unable to provide evidence of efficiency improvements from year-to-year or that the program maximized net benefits and programmatic goals were achieved at the least incremental cost to society.

To address these findings:
1. OSHA will develop new, challenging performance measures and use fatality data from its own system to complement the Bureau of Labor Statistics data and allow more timely performance assessment.
2. OSHA will improve effectiveness by conducting more rigorous cost-benefit analysis of proposed standards, including regulatory alternatives.
3. OSHA will develop a plan to evaluate the results and cost-effectiveness of its regulatory and non-regulatory programs.

(For more information on this program, please see the Department of Labor chapter in the Budget volume.)

Key Performance Measures	Year	Target	Actual
Long-term Measure: Number of workplaces that experienced a significant (20 percent or greater) reduction in injuries following OSHA intervention	2000	50,000	67,900
	2001	75,000	88,850
	2002	100,000	110,000
	2003	125,000	
Annual Measure: Reduction in injuries and illnesses in five high-hazard industries (Data reflect only the targets and actual levels for the construction industry measure.)	2000	-3%	-23%
	2001	-7%	
	2002	-10%	
	2003	-10%	
Annual Measure: Reduction in the three most significant types of workplace injuries and causes of illnesses (Data shown are silica exposure.) Baseline varies by injury/illness.	2000	-7%	-59%
	2001	-11%	-87%
	2002	-15%	
	2003	-15%	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
444	437	450

Program: Office of Federal Contract Compliance Programs (OFCCP)

Agency: Department of Labor

Bureau: Employment Standards Administration

Purpose	80
Planning	63
Management	54
Results / Accountability	20

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures
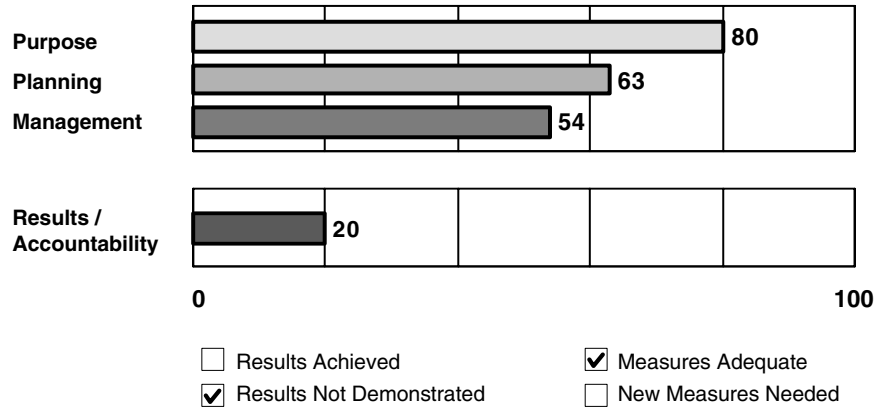
Key Performance Measures	Year	Target	Actual
Long-term Measure: Reduce the incidence of employment discrimination among federal contractors to 7% from a 2001 baseline of 12% (based on findings made in OFCCP compliance reviews) (New measure)	2001		12%
	2002		
	2003	9%	
	2004	9%	
Long-term Measure: Increase contractor compliance with other equal opportunity workplace standards, including technical statutory and regulatory requirements, to 65% over a 2001 baseline of 57% (New measure)	2001		57%
	2002		
	2003	59%	
	2004	61%	
Annual Measures: The agency has annual goals of 1-2% improvement in each area which build to the long-term goals described above.			

Rating: Results Not Demonstrated

Program Type: Regulatory

Program Summary:

OFCCP enforces Executive Order 11246 and federal laws requiring federal contractors to adopt and abide by equal employment opportunity and affirmative action in their hiring, firing, and promotion practices. This includes practices related to race, color, gender, religion, national origin, disability, and veterans' rights.

Key PART findings include:
1. Currently, OFCCP cannot measure the impact of its civil rights enforcement -- that is, its contribution to the reduction of employment discrimination as a whole. Lack of recent, appropriate evaluation data prevents a detailed, accurate assessment of day-to-day operations and overall effectiveness. This information gap is the basis for a portion of the low scores in three of the four areas evaluated by the PART.
2. Strong quality controls and effective communication between national and regional offices give teeth to program management. However, OFCCP does not conduct look-back studies and has not adequately established the practical utility of particular reporting requirements. One major regulation, particularly the implementation of an Equal Opportunity Survey, has been criticized as burdensome and not providing useful, reliable data.

In response to these findings, the program:
1. Has developed new performance goals that are clear and well targeted. They will measure high-level employment discrimination among contractors as well as compliance with more detailed requirements. OFCCP exceeded its annual performance goals for 2002, and has already established baselines against which to measure performance in 2003. However, because OFCCP did not have data for its new goals, it was not able to demonstrate results for this assessment.
2. Will complete, in 2003, an external evaluation and DOL staff analysis to help measure and improve program performance.
3. Will complete review of and, as appropriate, modifications to the Equal Opportunity Survey.
4. Will consider a more comprehensive review to update and simplify program regulations.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
78	78	80

Program: Pension and Welfare Benefits Administration (PWBA)

Agency: Department of Labor

Bureau: Pension and Welfare Benefits Administration
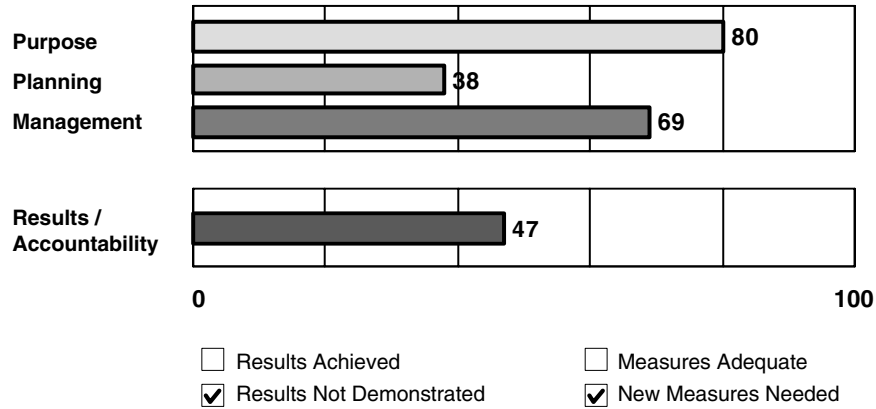
Purpose	80
Planning	38
Management	69
Results / Accountability	47

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Ratio of criminal cases referred for prosecution to total criminal cases. Measures success in protecting benefits. (Target lowered for 2004 and later)	2000	42.91%	64.27%
	2001	43.16%	53.98%
	2002	43.41%	
	2004	25.00%	
Annual Measure: Percentage of telephone inquiries responded to within 24 hours. The baseline is 1998 when 99.9% of calls were answered within 24 hours. Measure provides incentives to managers to avoid very delayed responses to inquiries.	1998		99.90%
	1999	99.00%	99.98%
	2000	99.00%	99.90%
	2001	99.00%	99.90%
Annual Measure: Ratio of closed civil cases with corrected violations to all civil cases closed. Measures success in protecting benefits. (Target lowered for 2004 and later.)	1999	15.92%	36.49%
	2000	21.10%	44.45%
	2001	34.99%	57.20%
	2004	50.00%	

Rating: Results Not Demonstrated

Program Type: Regulatory

Program Summary:

This program helps safeguard private-workplace retirement and health plans against embezzlement and other illegal acts, using enforcement, compliance assistance, education, and outreach. Note: With the Budget's publication, The Pension and Welfare Benefits Administration (PWBA) will be renamed the Employee Benefits Security Administration (EBSA).

The assessment found:
1. Although the program design is good, the program's impact on protecting pension and health plans is unknown.
2. The long-term performance goals are not outcome-oriented as possible. For instance, the long-term measure shown does not indicate EBSA's contribution to protecting benefits. Moreover, the program is not yet adequately addressing such strategic planning difficulties. Program evaluations have been irregular and of limited scope. They do not build a solid foundation for program improvement.
3. Despite good rulemaking and economic analysis, cumulative burdens are not accounted for. Past regulations are rarely updated.
4. The agency generally meets its performance targets, but they are not ambitious, such as when targets have been lowered. Thus, while the program is beating its targets, this did not heavily influence the "Results/Accountability" score. The lack of adequate long-term measures (see finding 2 above) was a more important factor to this score.

In response to these findings, the Administration will:
1. Develop more outcome-oriented performance measures to quantify program impacts on protecting pension and health plans.
2. Develop more ambitious performance targets.
3. Expand existing efforts for more comprehensive and regular program evaluation.
4. Examine whether the program should conduct a review of existing regulations. This examination will weigh the advantages of regulatory review against the disadvantages of altering past regulations that have guided pension plan investment strategies.

(For more information on this program, please see the Department of Labor chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
110	117	129

Program: Trade Adjustment Assistance

Agency: Department of Labor

Bureau: Employment and Training Administration

Purpose	60
Planning	71
Management	86
Results / Accountability	33

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Percentage of participants who entered employment in the 1st quarter after program exit. New measure: result of common measures exercise, targets to be determined beginning in 2003. 2001 reports performance against a similar previous goal.	2001	73%	66%
Long-term and Annual Measure: Percentage of participants who were employed in the 1st quarter after program exit who remain employed in 2nd and 3rd quarters after exit. New measure (see above)	2001	80%	90%
Long-term and Annual Measure: Percentage change in earnings: Based on (1) pre-enrollment to program exit; (2) 1st quarter after exit to 3rd quarter after exit New measure (see above) For 2001, performance is based on the previous measure.	2001	82%	88%

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

Trade Adjustment Assistance (TAA) provides training and cash benefits to workers that lose their jobs due to imports and other trade-related events. TAA eligibility and benefits were recently expanded in the 2002 Trade Act, resulting in substantially higher funding.

This program's rating is "Results Not Demonstrated" because its results on the new common performance measures for job training programs are unavailable at this time. However, as indicated under "Key Performance Measures," this program has achieved most of its targets for previous performance measures.

Key PART findings include:
1. TAA serves a subset of all dislocated workers, many of whom are already eligible for services through the Workforce Investment Act (WIA) dislocated worker program. TAA provides a narrow set of expensive benefits (training, income support, supportive services) and relies on other programs to provide the less expensive job search assistance. TAA has proven to be less effective than the WIA dislocated worker program in helping trade-dislocated workers find new jobs at wages close to those they used to earn. TAA also costs more per participant than WIA.
2. While DOL has not conducted an impact evaluation of TAA since 1993, it is developing a plan to conduct regular evaluations for job training programs over the next several years and will include a TAA assessment.
3. DOL has made good progress in using performance information to manage TAA, which is run by the States for DOL. DOL began tracking performance in 1999 and has linked the TAA performance measures and goals to those of the WIA dislocated worker program.
4. The program is adopting challenging new common measures.

In response to these findings, DOL will:
1. Add common performance measures that can be used to compare the performance of various job training programs, including a new measure to gauge cost-effectiveness.
2. Use the revised regulations for the TAA program as well as its Secretary-Governor agreements to increase accountability for TAA outcomes, and better link the TAA program to the WIA dislocated worker program

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
416	972	1,338

196

Program: *Youth Activities*

Agency: *Department of Labor*

Bureau: *Employment and Training Administration*

Purpose	40	
Planning	57	
Management	44	

Results / Accountability	40	

0   100

☐ Results Achieved   ☑ Measures Adequate
☑ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measure: Job Placement: Entry into employment or enrollment in postsecondary education/advanced training (Note: Target population is youth who are not employed at program entry.) New goal: result of common measures exercise 2001 reports performance against a similar previous measure for 14-18 year olds.	2001	50%	50.2%
	2002		
	2003		
	2004	60%	
Long-term and Annual Measure: Attainment of diploma or certificate: Attainment of a high school diploma, certificate, or GED (Note: Target population is youth without this education credential at enrollment.) New goal: result of common measures exercise	2001		
	2002		
	2003		
	2004	50%	
Long-term and Annual Measure: Literacy and Numeracy: Increace in literacy and numeracy skills of participants New goal: result of common measures exercise, targets to be determined	2001		
	2002		
	2003		
	2004	TBD	

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

Youth Activities provides formula grants to States and local governments to provide training to low-income and other disadvantaged youth ages 14-21 to help them secure employment.

This program's rating is "Results Not Demonstrated" because its results on the new common performance measures for job trainng programs are unavailable at this time. However, as indicated under "Key Performance Measures," this program has achieved its targets for previous performance measures.

Key PART Findings Include:
1. There is duplication and overlap between the program's purpose, services and target population and programs for in-school youth within the Department of Education such as Vocational Education and Tech Prep.
2. There is no program evaluation for this program. An impact evaluation was last conducted of the predecessor program in 1992.
3. The current program does not have the authority to target or reallocate resources to areas of greatest need.
4. DOL cannot show how much funding is available to provide services to youth because it does not adequately track State and local spending.

In response to these findings, the Administration will:
1. Adopt common performance measures and long-term targets that can be used to compare all job training programs, including a new measure to guage cost-effectiveness.
2. Minimize duplication between DOL and the Department of Education by focusing DOL resources entirely on out-of-school youth, and non-school programs.
3. Through appropriations language, provide the Secretary and States with increased authority to reallocate resources to areas of need.
4. Plan and conduct an impact evaluation for this program.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,128	1,001	1,001

197

DEPARTMENT OF STATE

The Department of State (DOS) has improved in the first quarter of 2003 by making progress in four of five PMA areas.

President's Management Agenda

	Status	*Progress*
Human Capital	(R)	(G)

DOS is red in status because it has not resolved its human capital challenges, such as skill and staffing gaps, integration of its three separate workforces, and strategic management of human resources. DOS has made significant gains in the past year, including a record number of applicants for the Foreign Service exam and increased leadership and management training.

	Status	*Progress*
Competitive Sourcing	(R)	(Y)

DOS is in red status due to the fact it has not met the competitive sourcing goal of 15 percent. Its primary challenge is building up the expertise to enable it to hold competitions effectively. State has made some progress, including targeting funding to the effort and revising the Foreign Affairs Manual to cover competitive sourcing, obtaining expert contractual assistance, and hiring a competitive sourcing manager. However, progress has slipped from green to yellow reflecting insufficient progress overall.

	Status	*Progress*
Financial Performance	(R)	(G)

State's progress is green because the Regional Financial Management System (RFMS) system implementation continues on track, and State has worked diligently to eliminate material weaknesses. Forty-four posts have been transitioned to RFMS. Twenty-five percent of State's transactions are now covered by the new system. The system is expected to be fully completed during 2003. The status remains red pending removal of material weaknesses.

	Status	*Progress*
Expanding E-Government	(R)	(Y)

Status remains red; however, State' progress has been upgraded to yellow. Significant slippage in implementation and quality of deliverables remains (particularly security action plans); however, State used this quarter to focus senior management on Enterprise Architecture development and security certification and accreditation.

	Status	*Progress*
Budget and Performance Integration	(R)	(G)

State's status remains red because it has yet to connect performance of its programs with budgetary decisions relating to those programs. State has also put budget and planning staffs together in a resource management office. It has also begun to institute accountability for achieving performance goals as part of annual manager evaluations.

	Status	*Progress*
A Rightsized Overseas Presence	(R)	(G)

The State Department has worked closely with OMB to review current staffing and costs overseas and to develop future plans for overseas presence. The 2002 State Department

authorization bill mandates that the State Department establish an inter-agency working group to review rightsizing of posts worldwide in 2003. Over the past year, OMB and the State Department have worked with agencies to develop a capital surcharge proposal to cover Agency costs for housing their employees at facilities paid for by the State Department. The Administration will continue to advance this initiative.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

Historically, USAID has had significant difficulties managing thousands of projects in over 80 countries because of obsolete management systems. The agency faces serious challenges in improving, given the low starting point for each agenda item.

President's Management Agenda

	Status	*Progress*
Human Capital	**R**	**R**

More than 40 percent of USAID workforce can retire within five years. So, the agency has increased recruitment with its New Entry Professional program. Yet, USAID has not finalized a strategic plan, and has not yet evaluated the reorganization of its Washington headquarters.

Competitive Sourcing	**R**	**R**

USAID has not yet provided a competition plan that commits the agency to competing any of the nearly 600 commercial positions on its FAIR Act inventory.

Financial Performance	**R**	**Y**

For the first time, USAID got audit opinions on three of the 2001 financial statements and has increased financial reporting capacity. USAID anticipates an improved 2002 audit, and plans to deploy an integrated agency-wide accounting system.

Expanding E-Government	**R**	**Y**

USAID has improved its process for overseeing information technology investments and has an enterprise architecture with a strong technology layer. USAID has begun active participation in government-wide initiatives and has improved collaboration with the Department of State. The agency still needs to strengthen its business cases for proposed information technology investments and continue work on a comprehensive modernization strategy for the agency.

Budget and Performance Integration	**R**	**G**

While unable to support its 2004 Budget request according to performance criteria, USAID has developed a model for resource allocation and begun implementing full-cost accounting.

Reform of Food Aid Programs	**R**	**G**

The Administration has successfully reformed federal food aid policy to provide greater certainty of funding, target funding to feeding hungry people and to increase consistency in USDA and USAID management of food aid programs. Based on these successes, this initiative will no longer be monitored as part of the President's Management Agenda.

Program Assessments – State, USAID, and other International Affairs Agencies

Program assessments were completed for 17 international affairs programs, including nine in the Department of State, three in USAID, two in the Department of the Treasury, and one each in the Export-Import Bank, the Overseas Private Investment Corporation, and the Broadcasting Board of Governors.

In part, international affairs programs are hampered in demonstrating performance by the inherent difficulty in quantitatively measuring certain foreign policy results. However, the programs that rated particularly low in this area will focus their efforts in 2003 on putting into effect clear quantitative, or objective qualitative performance measures, and on adjusting strategic and performance plans as appropriate to facilitate performance measurement.

Program: *Anti-Terrorism Assistance*

Agency: *Department of State*

Bureau:

☐ Results Achieved	☐ Measures Adequate
☐ Results Not Demonstrated	☑ New Measures Needed
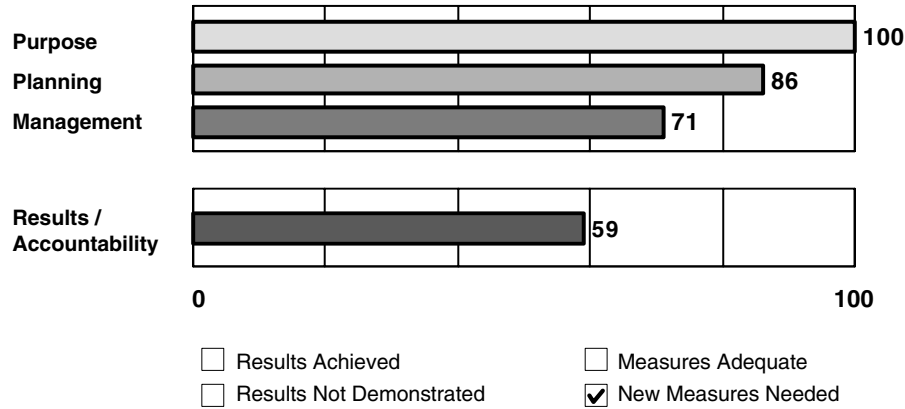
Key Performance Measures	Year	Target	Actual
Long-term Measure: Anti-terrorism skill level of key countries sufficient to deter and counter terrorist threats (Specific measure and targets not yet developed)			
Annual Measure: Number of planned anti-terrorism courses and number of course evaluations to ensure that skills taught continue to be retained and used after training is completed	2001	135 /14	135/ 14
	2002	160/160	160/TBD
	2003	190/190	
	2004	210/210	
Annual Measure: Percentage of United Nations (UN) member states implementing UN Security Council Resolution 1373 that requires all states to take sweeping measures to combat terrorism	2002	82%	82%
	2003	86%	
	2004	91%	

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

The Anti-Terrorism Assistance (ATA) program builds the capacity of key countries abroad to fight terrorism, establishes security relationships between U.S. and foreign officials to strengthen cooperative anti-terrorism efforts, and shares modern, humane and effective anti-terrorism techniques.

The assessment found that the ATA program does teach effective ways to counter terrorist threats and generally meets its annual performance goals. However, the program's long-term goals do not have performance indicators or other long-term targets. Thus the program cannot demonstrate the impact it is having on terrorism preparedness. Additional findings include:
1. The events of September 11th have compelled the Department to improve strategic planning and to expand the program's capability to provide on site training overseas.
2. Courses covering such areas as airport security, bomb detection, hostage rescue, and crisis management have been expanded to cover new training needs including weapons of mass destruction (WMD) incident response.
3. The program collects information relating to achievement of program mission and allocates resources to specific country program activities. Spending is monitored to make sure there are no improper payments.
4. ATA program plans are constantly reviewed in the context of new priorities as outlined by the Secretary of State's Coordinator for Counter-Terrorism.
5. The ATA program is establishing quantifiable measures for its training programs.

In response to these findings, the Administration will:
1. Propose a 2004 funding level that will allow the program to continue all training programs currently underway and to expand courses to new functional areas that respond to the evolving terrorist threat.
2. Improve long-term performance measurement and establish measures to gauge progress toward long-term goals.

(For more information on this program, please see the Department of State and International Assistance Programs chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
166	64	106

202

Program: *Capital Security Construction Program*

Agency: *Department of State*

Bureau: *Department of State, activities*

Purpose	100
Planning	100
Management	91
Results / Accountability	60

0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☑ New Measures Needed
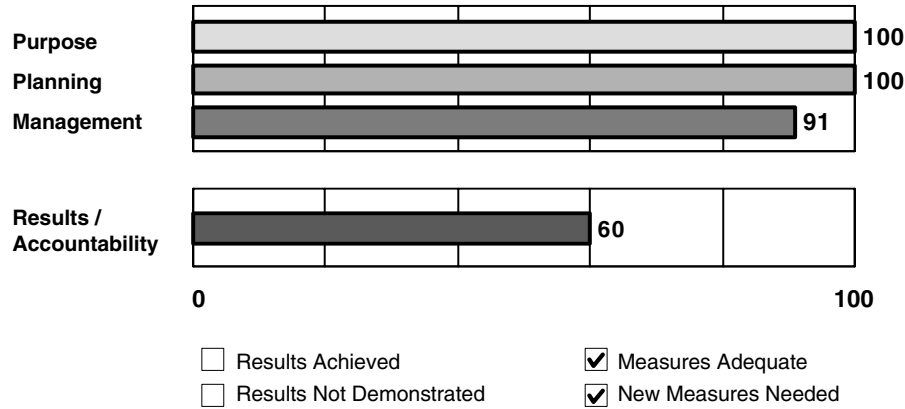
Key Performance Measures	Year	Target	Actual
Long-term Measure: Number of secure facilities constructed at high-risk overseas posts to protect employees from terrorists and other security threats. Includes awarding new capital projects aligned with a long range overseas building plan (based on September 2002 data)	2002	9	3
	2003	9	
	2004	8	
	2005	9	
Annual Measure: Number of building sites acquired that meet security setback requirements for construction of new embassies (based on September 2002 data)	2002	6	7
	2003	8	
	2004	10	
	2005	10	
Annual Measure: Number of capital security projects completed within the approved project budget	2002	100%	100%
	2003	100%	
	2004	100%	
	2005	100%	

Rating: *Moderately Effective*

Program Type: *Capital Assets*

Program Summary:

This program builds or purchases safe, secure and functional facilities for US Diplomatic and Consular missions overseas.

From 1986-1996, the State Department constructed 19 new embassies worldwide. After the 1998 bombings of the US Embassies in Africa a new emphasis was placed on building the safest most cost-effective buildings using the fastest method of construction. Since 1998, three embassies have been completed. In 2001 the program was placed under new management and significantly reorganized. The effects of these changes are not fully known at this time. In the future the score for this program should increase because the design of the program and the planning efforts that are in place should serve to improve the program's efficiency, cost and performance. Further, although current performance measures are adequate, the State Department is developing new goals that more closely link performance to the budget. Additional findings include:

1. The Department is acquiring sufficient data to succesfully manage this program but the results of the most recent evaluations of management reforms are not yet available.
2. The bureau of Overseas Building Operations has reorganized and developed a planning tool called the Long Range Overseas Building Plan to annually publish a 6 year plan that lays out projects, priorities and costs for the upcoming year.
3. The program has established a system for prioritizing the backlog of work at buildings that are considered not secure based on current security criteria.
4. Overall the program has good planning, purpose and management and results should improve significantly over time.

In response to these findings:
Funding for 2004 includes $120m for a new capital security cost sharing initiative, of which $56 million represents the non-State agency share of the first year of this 5 year phase-in and $64m represents the State share. This cost sharing initiative will be fully implemented in 2005 with all agencies with staff overseas, under Chief of Mission (COM) authority, paying a share of the capital security construction costs.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
866	608	761

Program: *Educational and Cultural Exchange Programs in Near East Asia and South*

Agency: *Department of State*

Bureau: *Administration of Foreign Affairs*

Purpose	100
Planning	64
Management	90
Results / Accountability	33

Scale: 0 to 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Expose current, emerging and future foreign leaders to American values, language, ideas and methods, as measured by the percentage of participants who change behavior and the percentage of participants who facilitate an innovation or benefit in their institution or country (Targets under development)			
Long-term Measure: Increase knowledge and understanding of international issues and foreign societies and cultures among current, emerging and future American leaders, as measured by percentage of participants who change their behavior as a result of the exchange program (Targets under development)	2001	70%	81%
	2002	72%	92%
Annual Measure: Percentage of participants who increased their understanding of the host country, as demonstrated by follow-up surveys of participants (Targets under development)	2001	70%	92%
	2002	72%	91%

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

Program Summary:

The purpose of the program is to increase mutual understanding between the people of the United States and the people of Near East and South Asia by means of educational and cultural exchange. Exchange programs also help build a corps of American intellectuals and opinion leaders who are well informed about beliefs, values and events in other countries.

Findings from the PART assessment include the following:
1. The program is managed well overall. For example, the Exchanges Bureau utilizes a number of means to ensure strong financial management practices and regularly collects performance data. However, the program needs to strengthen its strategic planning. Specifically, the long-term goals are not set relative to an established baseline and do not have clear time frames and targets against which to measure annual progress. Furthermore, the program does not have regional long-term goals for Near East and South Asia but rather has worldwide, functional goals (e.g., worldwide Fulbright student program).
2. Despite scoring high on purpose and management, the program scored lower on results because of problems in its long-term strategic planning as described above.

In response to these findings, 2004 funds will be made available based on the State Department's development of an acceptable plan that will address the following:
1. For long-term strategic goals and annual performance goals, the program should establish measurable time frames and targets that reflect past performance and define exactly what is being measured by the targets.
2. In order to achieve the U.S. Government's public diplomacy strategic objectives in Near East and South Asia, it is critical for exchange programs in these geographic regions to identify and reach those program participants who are in a position to help further this cause. Therefore, the program should increasingly tailor its planning in these regions/countries in order to identify strategic audiences and employ those exchange programs that most effectively reach the target audiences.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
58	49	49

Program: *Military Assistance to new NATO and NATO Aspirant Nations*

Agency: *Department of State*

Bureau: *Department of State, activities*

Purpose 100
Planning 57
Management 86
Results / Accountability 75

0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed
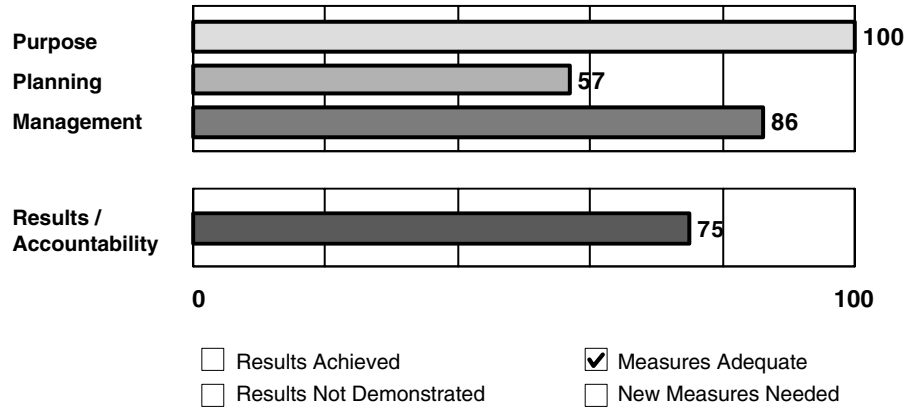
Key Performance Measures	Year	Target	Actual
Long-term Measure: The proportion of allied nations that spend at least 2% of GDP on military budget	2002	100%	40%
	2003	100%	
	2004	100%	
	2005	100%	
Annual Measure: As new NATO military reforms continue, percentage of aspirants making progress achieving NATO-defined and measured, country-specific Membership Action Plans	2002	100%	60%
	2003	100%	
	2004	100%	
Annual Measure: Percentage of countries that contribute military capabilities (e.g., equipment, units, and forces) or infrastructure (e.g., airfields) for contingencies when requested by the U.S.	2002	100%	90%
	2003	100%	
	2004	100%	

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

The program provides US military equipment, services, and training to the governments of the ten new NATO countries and Eastern European nations recently offered NATO membership. These include the Czech Republic, Hungary, Poland, Estonia, Latvia, Lithuania, Bulgaria, Romania, Slovakia, and Slovenia.

Findings from the PART Assessment include the following:
1. The program purpose is very clear, to promote U.S. security by strengthening military and political reform, to promote ties between U.S. military forces and those of receiving nations and, to encourage these nations' support for U.S. security goals and activities.
2. Strategic goals for the program are established by the State Department, based on Presidential decisions and assistance from the National Security Council, the Defense Department, and other agencies. Formally, the State and Defense Departments annually review the annual and mid-term goals of the program in several highly structured processes.
3. A few management deficiencies have been noted. One is that there is no regularly scheduled evaluation of the program's effectiveness by independent and disinterested parties. Another is that the State and Defense Departments may differ on priorities for the programs which are proposed and defended in Congress by the State Department. State and Defense have budget development schedules which do not produce recommendations simultaneously; this is being addressed by both departments.
4. The review found that program results are positive in many of the ten countries. Most have adopted or plan to develop military force objectives, including force structure and professional development. An important result is the support shown for Balkans deployments, the war on terrorism, and Operation Enduring Freedom (OEF) in Afghanistan. Several of the countries have promised or shipped arms and equipment to help the U.S. build military forces in Georgia and Afghanistan. Others provide military units to assist in OEF and other contingencies.

In response to this review,
1. The budget proposes a funding level that, with estimated carryover balances, will allow the program to achieve its 2004 goals.
2. State and Defense will press nations that are lagging in their reform efforts.
3. Continued development of an e-government management tool will assist managers in determining program deficiencies.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
93	104	85

205

Program: PKO - including East Timor and OSCE

Agency: Department of State

Bureau: Department of State

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

This PART evaluated two separate Peacekeeping Operations (PKO) programs. East Timor programs support the development of a functioning law enforcement system in the fledgling country. Organization for Security and Cooperation in Europe (OSCE) programs promote regional and sub-regional stability in the independent states of the former Soviet Union and the countries of southeastern Europe.

Findings from the PART assessment include the following:
1. The performance plans for these programs do not contain adequate annual targets and baseline information. Instead, there is one set of goals which appear to be long-term, with associated annual targets, but no annual goals. The U.S. Mission to the OSCE will address this problem in 2005 for goals associated with the OSCE programs. However, this is an agency-wide problem.
2. Many of the programs' performance goals are overly broad and dependent on a number of factors, which makes it difficult to demonstrate the performance of any specific program. An example of such a goal is: "Georgia is a sovereign democratic state, at peace with its neighbors, free of foreign troops, capable of safeguarding its borders, citizens and economic interests, and increasingly integrated into regional and international economic, security and political organizations."
3. State program managers require and evaluate a variety of reports that address program performance and contract compliance. However, information in these reports is not linked to key performance measures and should feed into baseline data included in performance plans.
4. There is some confusion regarding which program managers are ultimately accountable for the performance of these programs. For example, program managers in the U.S. Mission to the OSCE, the Political Military Bureau and the European Bureau all have varying degrees of responsibility for OSCE programs.

In response to these findings:
1. Performance plans will be restructured to include separate annual and long-term goals, targets and baseline information.
2. Performance information will be collected in a standardized manner and be included in performance reports that evaluate progress toward key performance goals.
3. The division of responsibility for these programs will be clarified and measures that hold program managers accountable for program performance (such as performance management contracts) will be implemented.

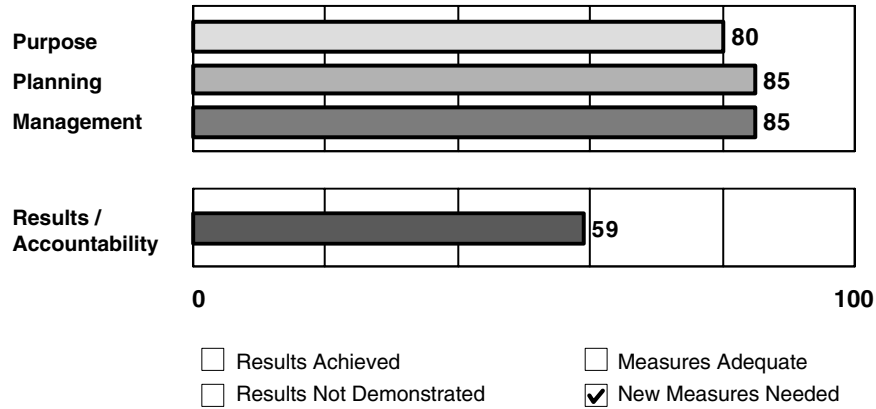### Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
63	52	34

Program: *Refugee Admissions to the U.S.*

Agency: *Department of State*

Bureau:

		Year	Target	Actual
Key Performance Measures				

Purpose — 100
Planning — 86
Management — 82

Results / Accountability — 33

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: The refugee admissions ceiling is established based on real assessment of need and thus includes no more than a 5% unallocated reserve by 2005. The USG identifies the regions/countries from where all refugees will be arriving. (New measure)	2002		30%
	2005	5%	
Annual Measure: Percentage of sponsoring agencies (grant recipients) that provide standardized essential services (including decent housing, employment opportunities, and education for children) during the period of refugees' initial resettlement in the U.S. (New measure)	2002	80%	80%
	2003	85%	
Annual Measure: Assist UNHCR to strengthen its capacity to identify appropriate durable solutions (ensuring a safe place to live) including third-country resettlement, for refugees Measured by number of referrals to U.S. government (New measure)	2002		5,000
	2005	20,000	

Rating: *Adequate*

Program Type: *Competitive Grants*

Program Summary:

This program provides grants to some non-governmental organizations (NGOs) to process refugees for resettlement in the U.S. and to other NGOs to help acclimate refugees to life in the U.S.

Findings from the PART assessment included the following:
1. The program scored well for planning and management. Program managers at the Department closely collaborate with grantees and state governments to ensure effective use of funds.
2. Strategic planning would benefit from more management attention. 2003 and prior performance plans had overly broad goals, such as "provide U.S. resettlement opportunities to refugees and encourage other countries to do so," that made it difficult to measure effectiveness.
3. Because of weaknesses in strategic planning, management has devoted significant attention to this area and the draft 2004 performance plan now includes more focused and quantifiable goals.
4. The low score in the results section is primarily due to the fact that the program has recently developed new performance measurements and does not yet have data available to measure whether it is meeting its new targets.
5. The Administration expects performance in this area to increase in future years once managers begin managing to the new measures and once new performance data becomes available.
6. The analysis also confirmed an overlap between one function of the program and another program run by the Department of Health and Human Services.

In response to these findings:
1. The Budget proposes a funding level that will allow the program to achieve its 2004 goals.
2. The Administration will review the relationship between the Refugee Admissions program at the Department and the Office of Refugee Resettlement at HHS.
3. The agency will continue its ongoing efforts to improve strategic planning to ensure that goals are measurable and mission-related.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
84	130	136

207

Program: *Refugees to Israel*

Agency: *Department of State*

Bureau:

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of humanitarian migrants that are self-sufficient members of Israeli society (Measured by: 100% of humanitarian migrants receive necessary services to help acclimate them to Israeli society)	2002	100%	100%
	2003	100%	
	2004	100%	
	2005	100%	
Annual Measure: Percentage of humanitarian migrants from Ethiopia that are assisted in becoming self-sufficient in Israel through provision of effective vocational training (Measured by: percentage employed within four months of receiving training) (New measure)	2003	60%	
Annual Measure: Percentage of humanitarian migrants that are assisted in becoming self-sufficient in Israel through provision of effective Hebrew language training by advancing a full grade level (5 mos. for refugees from former Soviet Union, 10 mos. for Ethiopians)	2002	80%	90.7%

Rating: *Adequate*

Program Type: *Block/Formula Grants*

Program Summary:

The program provides "assistance for the resettlement in Israel of humanitarian migrants from the former Soviet Union, countries in Eastern Europe, Africa and the Near East, and other countries of distress." The program consists of a grant to the United Israel Appeal, which is renegotiated annually.

Findings include the following:
1. The program purpose is clear.
2. The number of individuals assisted by the program has decreased from a high of 184,000 in 1990 to 37,070 in 2001.
2. The program needs continued focus on strategic planning as some current goals are sufficiently ambitious and appear to be easily achieved. However, the program has made recent progress in its strategic planning and the score acknowledges the significant efforts made in the past year to improve planning.
3. The agency has been working with the United Israel Appeal and the Jewish Agency for Israel (the ultimate recipient of U.S. funds) to create annual performance goals that meaningfully reflect the program purpose. The 2002 grant agreement was the first to include annual performance goals.
4. Overall, the program is well managed. After a 1995 IG report found problems with financial management, the Department has been much more diligent in watching how funds are spent.
5. The program is making some progress towards achieving its long-term and short-term goals, such as providing effective Hebrew language training to new migrants and including a greater number of performance goals in the grant agreement.

In response to these findings:
1. The budget recommendation reflects the program's decreasing need (see item number 2 above).
2. The State Department has established better long-term goals, as well as more annual goals, with the United Israel Appeal in the 2003 grant agreement.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
60	60	50

208

Program: *Security Assistance to Sub-Saharan Africa*

Agency: *Department of State*

Bureau: *Department of State*

Category	Score
Purpose	100
Planning	43
Management	57
Results / Accountability	33

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

Security assistance programs for Sub-Saharan Africa are designed to promote peace and stability, develop indigenous African peacekeeping and humanitarian response capabilities, develop more professional African militaries and develop relationships between US and African militaries.

Findings from the PART assessment indicate the following:
1. The performance plans for these programs do not contain both annual and long-term goals, targets and baseline information. Instead, there is one set of goals which appear to be long-term, with associated annual targets, but no annual goals. As a result, it is difficult to evaluate the programs' performance on an annual basis using the performance plans.
2. Many of the programs' goals are overly broad, which makes it difficult to tie the achievement of a given goal to a specific program.
3. Program managers receive regular reports on program implementation and performance, and this information is used to manage the programs. However, information in these reports is not linked to key performance measures or baseline data included in performance plans.
4. Actual performance information gathered through reporting requirements should be included in annual performance reports in a way that compares the annual and long-term goals to the programs' actual performance.
5. These programs do not use performance measurement contracts or other means for holding program managers accountable for achieving program results.

In response to these findings:
1. Performance plans will be restructured to include separate annual and long-term goals, targets and baseline information. Performance information will be collected in a standardized manner and included in performance reports that evaluate progress related to key performance goals.
2. Measures that hold program managers accountable for program performance (such as performance management contracts) will be implemented.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
81	70	63

209

Program: Visa and Consular Services

Agency: Department of State

Bureau:

Purpose 80

Planning 85

Management 85

Results / Accountability 59

0   100

☐ Results Achieved   ☐ Measures Adequate
☐ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Goal: Percentage of consular application forms revised annually as a protective check for the safety of American Citizens who travel and live abroad	2000	100%	64%
	2001	100%	76%
	2002	100%	73%
	2003	100%	
Annual Goal: Timely and effective passport issuance with passport document integrity assured	2001	100%	100%
	2002	100%	100%
	2003	100%	
Annual Measure: Facilitate travel to US by qualified foreigners, immigrants and refugees while preventing entry by those who abuse US immigration laws or threaten national security through the use of electronic tracking and saving of all visa applications in accordance with P.L. 107-173 (Goal of 100% paper in 2002 and 100% electronic thereafter)	2002	100%	100%
	2003	100%	

Rating: Moderately Effective

Program Type: Direct Federal

Program Summary:

Consular Affairs (CA) administers laws, writes regulations and implements policies relating to a broad range of consular services and activities provided to American citizens (AmCits) abroad. For instance, CA is responsible for issuing visas and providing travel advisories. Historically, Consular Affairs processes more than 9 million visa applications and 5 million passport applications annually in addition to the other citizen services provided. In general, the purpose of the Border Security Program is to protect American citizens here and abroad and to safeguard US borders through improvements in consular systems and programs.

The purpose of this program is clear. The program is unique but many of its activities work in conjunction with several other federal programs and agencies. 1. Various portions of the program are frequently evaluated and the overall visa and consular programs regularly achieve annual targets for protection & safety of Americans who travel or live abroad and facilitation of travel for qualified foreign visitors. Annual goals and targets do not adequately link to the long-term goals or provide relevant performance data. There have been highly publicized lapses related to visa and consular officers as shown by the events of 9/11. Since 9/11, the State Department has taken some steps to better integrate the visa process into overall border security efforts by improving access to intelligence data for visa issuance through the referral of questionable applications to the FBI and CIA. In addition, CA has imposed a mandatory delay on visa issuances to certain nationalities and demographic groups, to permit a more thorough interagency review of each application. The Administration will work to develop measurable goals that better reflect what State is actually doing to meet the needs of Americans traveling abroad and non-US citizens traveling to the US. These new goals should demonstrate results for this program in the future. 2. The Department is collecting adequate financial information. 3. The program is designed to have a significant impact on the safety and welfare of Americans abroad, wishing to travel abroad, and the provision of visas to qualified foreigners to travel to the US. In the past years two laws (Patriot Act and Border Security Act) have been passed that have added significant new requirements on CA. The bureau has revised its planning in accordance with those laws to better integrate its planning with other agencies related to homeland security & counterterrorism. 4. Consular Affairs is relatively effective and heavily scrutinized. CA is funded predominantly by fee collections, therefore funding decisions in 2004 were not based on this PART analysis.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
486	664	807

Program: Broadcasting to Near East Asia and South Asia

Agency: Broadcasting Board of Governors

Bureau:

Purpose	100
Planning	40
Management	100
Results / Accountability	17

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			
Annual Measure: Efficiency measure under development			

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

The purpose of the program is to broadcast accurate and objective news and information about the United States and events in Near East Asia and South Asia in languages spoken in these regions.

Findings from the PART assessment include the following:

1. The program scored well for program and financial management, with the agency performing routine Language Service Reviews and other reviews to identify under-performing programs and redirect funds if necessary. For example, a review of Arabic broadcasting revealed a low number of listeners and resulted in a redirection of funds away from lower-priority language services to a revamped Arabic service known as the Middle East Radio Network.

2. The program scored poorly in strategic planning, primarily because the long-term and annual goals are vague and do not include time frames and measurable targets. For example, the goal "Build out the U.S. International Broadcasting System progressively" does not include any time frames or benchmarks by which to measure performance. With the exception of the Middle East Radio Network, the agency does not identify target audiences in the region critical to the U.S. Government's strategic objectives and design broadcasting to effectively reach these audiences in order to foster a more informed understanding of the United States and its policies. Also, many of the annual goals are the same for 2003 and 2004 and do not include targets for each year or demonstrate how they achieve progress towards the long-term goals.

3. The agency has taken steps to improve performance and link its budget requests to specific goals, and included a newly adopted 2003-2007 Strategic Plan with its 2004 Budget request. However, these goals continue to be overly broad and vague. For instance, one goal is to "Design the broadcasting architecture for the 21st century."

4. In the past, the agency has not clearly demonstrated a link between the funding request and the desired outcome. The agency continues to refine and improve the performance plans to support their funding requests.

In response to these findings:

1. The Administration will improve the strategic planning process and define specific, measurable goals and performance targets.

2. As a new television service is launched, budget and planning objectives will be integrated to improve performance.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
66	45	85

Program: *Export Import Bank - Long Term Guarantees*

Agency: *Export-Import Bank of the United States*

Bureau:
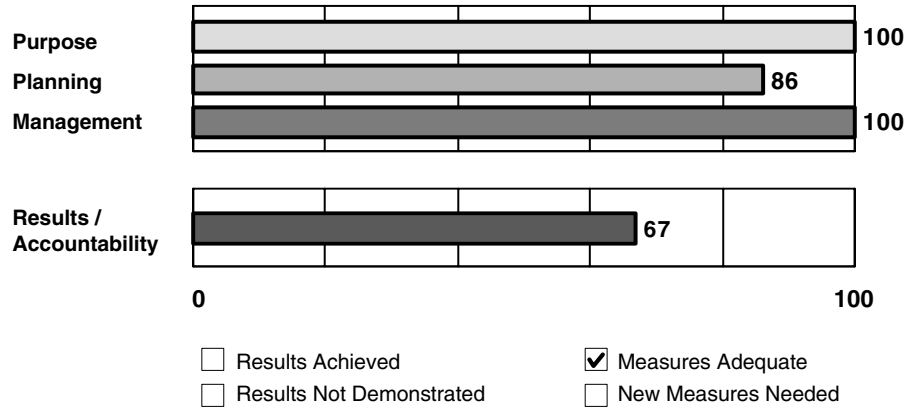
Purpose	100
Planning	86
Management	100
Results / Accountability	67

0   100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Financing terms (interest rates and fees) competitive with those terms provided by foreign governments to their exporters (Compet. = Competitive)	2001	Compet.	Compet.
	2002	Compet.	Compet.
	2003	Compet.	
	2004	Compet.	
Annual Measure: Percentage of Long Term Guarantees that involve high-risk markets or high-risk customers (Annual measures under development)	2001	60%	64%
	2002	60%	66%
	2003	60%	
	2004	60%	

Rating: *Moderately Effective*

Program Type: *Credit*

Program Summary:

The long-term guarantee program provides repayment protection for private sector loans to creditworthy buyers of U.S. exports to maximize support for US exports and contribute to the promotion and maintenance of U.S. jobs. The guarantee allows Ex-Im Bank to match financing offers from foreign competitors supported by their governments or to provide financing support for high risk countries/markets for which private financing is not available.

Findings from the PART assessment include the following:
1. The long-term guarantee program scored a perfect score for management evidenced in part by its ability to collect performance information, to use effective financial management practices, to have incentives and procedures to measure and achieve efficiencies and cost effectiveness, and to consistently meet the requirements of federal credit programs.
2. While the program analyzes guarantee applications to assess whether an exporter faces competition, it needs to strengthen its performance measure that ssesses the availability of private financing for the export.
3. Overall, the program has demonstrated significant results in its ability to match financing offers from foreign competitors supported by their governments.
4. In 2001, 64% of the program's total long-term guarantee transactions involved high-risk markets or high-risk customers. Even though this rate exceeded the program's target of 60%, the program has not been able to justify the rationale for 60% as an adequate performance measure, nor has it been able to prove that private sector financing did not exist for all of these exports.

In response to these findings:
1. The President's Budget fully supports Ex-Im Bank's long-term guarantee lending levels and provides appropriate administrative resources. Due to sufficient carry-over resources, Ex-Im Bank does not require funding for credit subsidy in 2004. This lack of credit subsidy, in addition to the funding for administrative expenses and a large estimated increase in negative credit subsidy, produces the negative proposed funding level.
2. The Administration will work with the Bank to develop and implement more effective performance measures and to ensure that the Bank does not provide undue subsidies to exporters.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
765	597	-36

212

Program: *International Development Association*

Agency: *Department of the Treasury*

Bureau: *International Affairs*

Rating: *Adequate*

Program Type: *Block / Formula Grants*

Program Summary:

The International Development Association (IDA) is part of the World Bank. It provides both long-term zero-interest loans (so-called "concessional" lending) and grants to the poorest developing countries to finance investments in health, education, sanitation, and infrastructure.

The assessment primarily indicates that IDA lacks a system to measure, monitor, and evaluate overall results. Therefore, it is difficult to determine if IDA funding is having any measurable effect, and this difficulty is reflected in the Accountability/Results score. However, the recently concluded agreement to replenish the resources of IDA -- the IDA-13 replenishment agreement -- calls for the establishment of such a system. The agreement also identifies six pre-existing and widely-used indicators to serve as annual performance measures to track IDA's progress in health, education, and private sector development.

Additional findings include:

1. IDA is not the only provider of concessional lending. Other regional development banks have very similar programs.
2. The poorest developing countries should not borrow more money than they can afford to repay. IDA should provide more grants than it currently does.
3. The World Bank manages the IDA program well on a project-specific level. The successful establishment of the measurable results system will allow IDA to track its progress in meeting development objectives across the board.

In response to these findings:

1. By signing on to the IDA-13 replenishment agreement, the U.S. committed to provide $850 million annually for the next three year (2003 through 2005). The Administration is also requesting $27 million in 2004 to clear some of the $73 million in arrears that the U.S. owes IDA.
2. The Administration will request an additional $100 million for IDA in 2004 if IDA meets specific performance benchmarks and an additional $200 million for IDA in 2005 if IDA makes satisfactory progress in the areas of health, education, and private sector development.
3. The Administration will continue to press IDA and other donors to increase the amount of grants that IDA provides.

Purpose — 60
Planning — 71
Management — 100
Results / Accountability — 33

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Universal primary education (Ensure that by 2015 children everywhere will be able to complete a full course of primary schooling)	2015	100%	
Annual Performance Measure: Measles immunization rate (New measure) Indicator of progress in health	2002		58%
	2004	60%	
Annual Performance/Efficiency Measure: Reduction in number of days required for business start-up (New measure) Indicator of progress in private sector development	2002		81
	2004	75	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
792	874	977

213

Program: Overseas Private Investment Corporation - Finance

Agency: Overseas Private Investment Corporation

Bureau:

Category	Score
Purpose	100
Planning	35
Management	80
Results / Accountability	17

Scale: 0 to 100

☐ Results Achieved
☑ Results Not Demonstrated
☐ Measures Adequate
☑ New Measures Needed

Key Performance Measures

	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Five-year average of number of jobs generated in host country	2002	3,212	
	2001	3,579	1,942
	2000	3,771	2,603
Annual Measure: Five-year average of value of new finance commitments with high developmental impact ($ thousands)	2002	823	855
	2001	1,044	905
	2000	1,173	991

Rating: Results Not Demonstrated

Program Type: Credit

Program Summary:

The Overseas Private Investment Corporation (OPIC) provides financing and political risk insurance to eligible U.S. companies investing in emerging markets overseas.

The assessment indicates the program generally manages its resources well, but that the program cannot adequately show what results it achieves due to the lack of long-term goals and inadequate annual performance measures. Additional findings include:
1. While the program purpose is clear, clients seem confused about OPIC's development mission.
2. While not entirely unique, the program differs from multilateral institutions by focusing on U.S. investors and provides financing in foreign countries where little or no private sector financing is available. However, recent OPIC actions, such as lending to nonprofit organizations, have created some uncertainty about the types of projects it supports versus the types of projects other federal programs support.
3. The program collects and tracks performance information, but does not often use it to manage or assess the program.
4. The program regularly monitors the credit-worthiness of its finance portfolio, and OPIC consistently receives a clean audit opinion.
5. The program does not adequately coordinate and cooperate with other agencies that have complementary missions and an overseas presence.

In response to these findings, the Administration:
1. Will establish specific, long-term goals that reflect the types of development impacts OPIC is best-suited to achieve.
2. Will establish performance measures that capture the range of developmental impact that OPIC's programs have on foreign countries, including private sector growth, job creation, transfer of skills and technology, improvements in corporate citizenship, and infrastructure enhancements.
3. Will improve coordination and cooperation between the program and other government agencies.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
-251	-227	-198

Program: *Public Law 480 Title II Food Aid*

Agency: *United States Agency for International Development*

Bureau: *Democracy, Conflict, and Humanitarian Assistance*

Purpose	80
Planning	86
Management	64
Results / Accountability	46

0 — 100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Emergency Food Aid: critical food needs of targeted population met (measured by % of targeted population reached by food aid over 1996-2001 period) Note for all measures shown: Current strategic plan only through 2001 - plan and possibly measures are under revision (Targets unchanged between 2001 and 2003)	1996		67%
	2001	85%	90.7%
	2002	85%	
	2003	85%	
Annual Measure: Emergency Food Aid: improved and/or maintained nutritional status of targeted groups in specified % of reporting programs	1996		37%
	2001	65%	73%
	2002	65%	
	2003	65%	
Annual Measure: Development (Non-Emergency) Food Aid: nutritional and other targets achieved in specified % of reporting programs	2001	90%	60%
	2002	90%	
	2003	90%	

Rating: *Adequate*

Program Type: *Competitive Grants*

Program Summary:

This program uses U.S. food to feed and improve the well-being of hungry populations in poor countries.

The program is making an impact by feeding people who would otherwise be in need. Additional findings include:
1. Overall changes in the well-being of hungry people are difficult to measure. The impact of development food aid, which consists of direct feeding programs as well as programs to improve the health, well-being and farming practices of needy populations, is harder to measure than emergency food aid.
2. Emergency food aid, which provides food to prevent or reduce discrete and protracted famines, has demonstrated adequate progress. The development program has made progress in implementing results-oriented programs and has met some of its objectives but needs to do more.
3. The program would be more cost-effective if several congressional mandates were eliminated. For example, cargo preference requirements compel the use of U.S. flagged vessels which increases delivery cost and time. Requirements in the law that establish minimum amounts of food to be used for development food aid reduce flexibility to direct food to where it may be most needed, particularly for emergencies. Recent legislative changes such as preventing the U.S. from setting and recouping a minimum cost in those cases where food aid is sold for cash make the program less cost effective.
4. While the program has developed extensive performance indicators, certain measures need to be improved, particularly for development food aid. The program is currently revising its strategic plan and reviewing its outcome measures.
5. Food aid needs to be more and better integrated with other USAID resources in Washington and at USAID missions to ensure better results.

In response to these findings, the Administration will:
1. Implement changes to improve efficiency and continue others (such as for monetization).
2. Address flexibility by implementing better contingency planning for emergency needs that arise late in a fiscal year.
3. Improve performance measures that incorporate the implementation of programs by USAID's non-governmental partners, such as private voluntary organizations (PVOs).

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
864	1,185	1,185

Program: *Treasury Technical Assistance*

Agency: *Department of the Treasury*

Bureau: *International Affairs*

Purpose	100
Planning	43
Management	86
Results / Accountability	25

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of countries in which tax administration agencies will initiate substantive changes to reorganize on a functional basis (Better targets under development)	2001	3	3
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

This program provides technical assistance to developing countries to help them reform the way they budget, tax, enforce financial laws, and manage government finances.

Findings from the PART Assessment include the following:
1. The program scored well for program design and management. Program managers at the Office of Technical Assistance (OTA) closely collaborate with advisors implementing programs and with countries receiving assistance to ensure well-designed projects and effective use of funds.
2. Strategic planning is the area most in need of management attention. OTA has a limited number of long-term performance goals. However, these goals are not linked to measurable achievements, do not identify clear targets towards which to manage OTA's resources, and do not establish a timeframe for completion.
3. The absence of quantifiable long-term performance measures makes it difficult for OTA to justify how a particular funding level will help achieve results.
4. While annual performance goals are delineated, the absence of quantifiable long-term goals makes annual progress difficult since it cannot be measured against a long-term baseline. Furthermore, annual goals should be more ambitious, since most are usually achieved by 100 percent.
5. The low score in the results section is due primarily to the fact that the program has not yet developed adequate performance measures and targets. This makes it impossible to hold the program accountable for achieving results.

In response to these findings OTA managers will improve strategic planning by developing quantifiable annual and long-term performance measures and targets in 2003.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
7	10	14

216

Program: *USAID Climate Change*

Agency: *United States Agency for International Development*

Bureau: *Economic Growth, Agriculture, and Trade*

☐ Results Achieved	☐ Measures Adequate
☐ Results Not Demonstrated	☑ New Measures Needed

Rating: *Adequate*

Program Type: *Competitive Grants*

Program Summary:

The climate change program promotes sustainable development that minimizes the associated growth in greenhouse gas emissions and reduces vulnerability to climate change. The program supports activities to decrease the rate of growth in net greenhouse gas (GHG) emissions by decreasing GHG sources and maintaining or increasing GHG sinks; increase developing and transition country participation in the UN Framework Convention on climate Change and decrease developing and transition country vulnerability to the threats posed by climate change.

1. The program is managed well. The real issue for the program is redefining its role in foreign policy.
2. AID programs sustainable development projects with corollary climate benefits based on annual funding targets. At the end of each year, AID counts the level of funding to all sustainable development programs with corollary climate benefits to meet its original funding target. AID comments that developing countries are not interested in assistance with climate as the primary purpose; therefore, AID is not able to plan ahead to meetspecific direct climate outcomes.
3. Only one of the program's performance measures is measurable and has a cumulative target linked to an outcome (hectares where AID funding increased carbon stocks or reduced their rate of loss.
4. Existing, adequate measures were used for this assessment; however, the program would benefit from improved measures.

In response to these findings:
1. The Administration intends to provide guidance to AID on priority areas where funding should be targeted in the short term: specifically, the high priority geographic and programmatic areas that would support the Administration's climate negotiating team.
2. The reason for the decrease in funding from 2003 to 2004 is that $20 million requested in AID last year is now being requested in the Dept. of Treasury.

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Cumulative area (hectares) where AID has acted to maintain or increase carbon stocks or reduce their rate of loss	1999	57	57.4
	2000	58	66
	2001	59.5	93
	2002	61	TBD
Annual Measure: Annual emissions of carbon dioxide equivalents (million metric tons) avoided due to AID assistance	1999	2.9	3.88
	2000	2.9	3.0
	2001	2.95	5.8
	2002	2.95	TBD

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
167	205	185

Program: *USAID Development Assistance - Population*

Agency: *United States Agency for International Development*

Bureau: *Global Health*

Purpose	100
Planning	70
Management	40
Results / Accountability	93

0 — 100

☑ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures
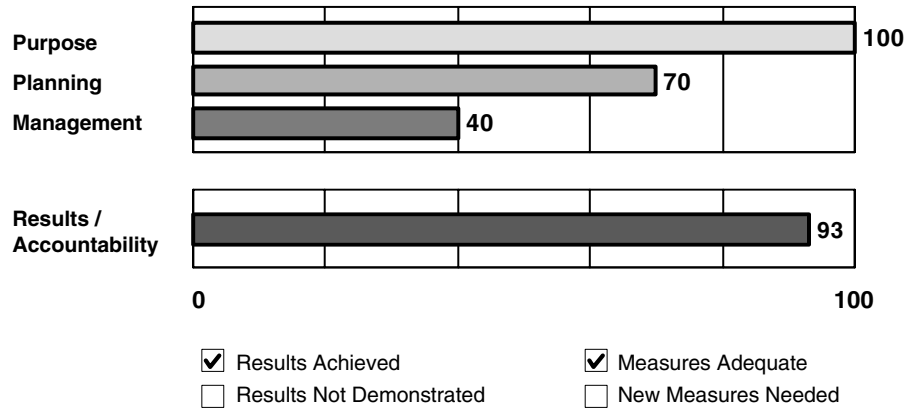
Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of married women across 54 countries receiving population assistance who use modern contraceptives	1999		37.7
	2000		40.6
	2001		41.7
	2007	47.7	
Annual Measure: Percentage of total demand for family planning satisfied among married women across 34 countries receiving population assistance (New measure)	2000		68.9
	2001		70.5
	2002	72.0	
	2003	73.5	
Annual Measure: Percentage of first births to women under age 18 among Married women across 34 countries receiving population assistance (New measure)	2000		16.6
	2001		16.4
	2002	16.2	
	2003	16.0	

Rating: *Moderately Effective*

Program Type: *Competitive Grants*

Program Summary:

The USAID Population program supports programs in over 60 developing countries that promote healthy reproductive behavior (e.g. abstinence, fewer partners, treatment for sexually transmitted diseases) and improve access to voluntary family planning services.

The assessment found that the program has been highly effective in increasing contraceptive use in assisted countries, has taken steps to better measure its contribution to improving maternal and child health, but does not allocate resources across regions and countries in an optimal way to respond to highest need. For example, countries in Africa, with high unmet needs, get fewer dollars than countries in Latin America, where the level of health and family planning services has become widespread. Additional findings include:

1. As program success has increased, the purpose has broadened to address other health risks such as HIV/AIDS. This has required the program to begin to integrate its activities with other federal programs that try to prevent the spread of HIV/AIDS.
2. The program is decentralized, placing most program design and funding decisions in the hands of technical experts in the field.
3. The program has been successful in preventing resources from being used for prohibited activities such as using abortion as a method of family planning.
4. The program collects useful performance and management information at both country and aggregate levels, although no comprehensive evaluations of the program by outside evaluators have been done in recent years.
5. The most efficient use of funds is not achieved because they are often appropriated for regions with high foreign policy priority but low need for family planning programs relative to other regions.
6. The program has recently adopted new long-term and annual performance measures that better reflect the full impacts of the program.

In response to these findings, the Administration will:
1. Continue to provide resources at the 2003 request level; and
2. Take steps to better align resource allocations with country needs through new performance budgeting efforts.

(For more information on this program, please see the Department of State and International Assistance Programs chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
425	425	425

218

DEPARTMENT OF TRANSPORTATION

DOT has shown substantial progress in each management agenda area.

President's Management Agenda

	Status	*Progress*

Human Capital (R) (G)

DOT has not yet achieved the majority of its measurable results-driven outcomes. DOT's progress score reflects completion of a detailed Department-wide human capital strategy with timelines and specific deliverables, such as the establishment of a Departmental Human Capital Planning Council.

Competitive Sourcing (R) (G)

DOT did not meet the President's annual competitive sourcing goal for 2002 but did develop a comprehensive plan that identifies the positions to be evaluated for outsourcing. DOT will begin subjecting positions to competition to the private sector by late 2003.

Financial Performance (R) (G)

DOT's current financial management systems do not meet Federal financial system requirements. DOT is in the process of implementing a new accounting system – Delphi – which will be set up by the Spring of 2003. DOT received a clean audit opinion in February 2002. In addition, DOT is implementing a recovery auditing program to collect and reduce erroneous contract payments.

Expanding E-Government (R) (G)

DOT developed an IT security program to decrease cyber vulnerabilities by 75%. However, DOT remains red in status because major DOT IT projects remain over-budget and behind schedule, and it has yet to complete a department-wide IT enterprise architecture.

Budget and Performance Integration (Y) (G)

DOT issued performance-based 2004 Budget justifications for a number of agencies, and senior management has started using performance data in allocating resources. DOT is continuing to refine its measures to better connect spending to outcomes. Its mission will change significantly with the migration of components to DHS.

Program Assessments

Programs reviewed perform above average, in large part because DOT's programs have meaningful performance measures and real data. Results vary among programs, however. The analyses reveal that management weaknesses across programs need addressing.

Program: FAA Grants-in-Aid for Airports (Airport Improvement Program)

Agency: Department of Transportation

Bureau: Federal Aviation Administration

Purpose		80
Planning		71
Management		64
Results / Accountability		80

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Eliminate airport conditions that cause aircraft accidents and security breaches (Such conditions include safe runways and taxiways that meet standards. The long-term target is to bring all 520 runway safety areas to standard by 2007. The annual target is to bring 65 runway safety areas to standard each year.)	2000	65	71
	2001	65	68
	2002	65	
	2003	65	
Long-term Measure: Reduce the number of people exposed to high levels of noise by 50,000 over 5 years (The annual target is a reduction of 10,000 people exposed a year.)	2000	10,000	13,501
	2001	10,000	18,813
	2002	10,000	
	2003	10,000	
Long-term and Annual Measure: Maintain at least 93% of active airfield pavement in fair or better condition (The 93% figure was selected because 5-7% of all runways are undergoing major repairs each year.)	1999	93%	95 %
	2000	93%	94.5%
	2001	93%	
	2002	93%	

Rating: Moderately Effective

Program Type: Competitive Grants

Program Summary:

The Airport Improvement program (AIP) provides funding to airports for infrastructure improvements such as safety, security and capacity projects.

The assessment indicates the overall purpose of the program is clear and performance goals are clearly defined and achievable. Additional findings include:
1. The program is working to improve its overall cost effectiveness and efficiencies through greater use of automated systems and greater delegation to the regions.
2. The structure of the program combined with the statute can limit the programs' ability to quickly respond to new situations and events.
3. The program has a number of long and short term goals that are intricately linked together. Headquarters and regional office staff take the goals very seriously. The Department's 2004 budget proposal has aligned spending with goals to create linkages within the AIP program.
4. Dependence on the Federal government's assistance varies based on the airports' location, size and financial resources. Large airports are less dependent on Federal funds because of their ability to access different revenue sources such as landing fees.

In response to these findings, the Administration will propose to review and possibly restructure the AIP program. To change the authorization formula so that funds will be primarily targeted to medium and small airports that are more dependent on Federal assistance. AIP will continue to support safety, security, and major capacity projects at airports that provide the greatest benefits to the national system.

(For more information on this program, please see the Department of Transportation chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
3,475	3,400	3,400

Program: *Federal Motor Carrier Safety Administration Grant Program*

Agency: *Department of Transportation*

Bureau: *Federal Motor Carrier Safety Administration*

Category	Score
Purpose	80
Planning	86
Management	67
Results / Accountability	47

Scale: 0 — 100

☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed
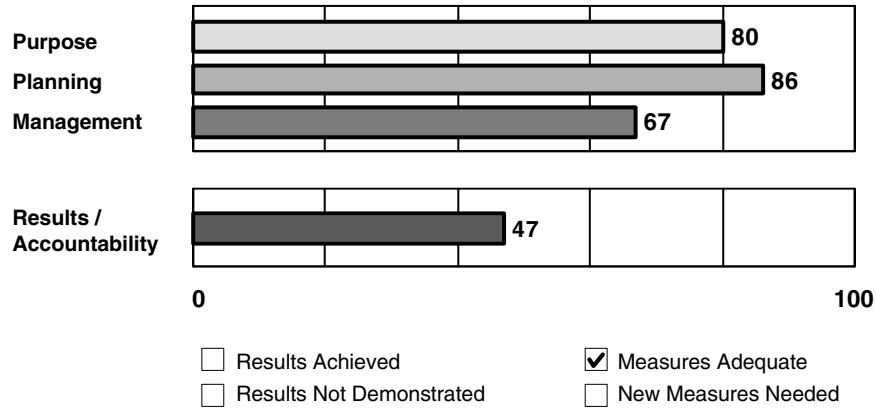
Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Number per 100 million commercial Vehicle Miles Traveled (VMT) of fatalities in crashes involving large trucks	2000	4,934	5,282
	2001	4,830	5,082
	2002	4,710	4,984
	2003	4,540	
Annual Measure: Number per 100 million commercial Vehicle Miles Traveled (VMT) of injured persons in crashes involving large trucks	2000	125	140
	2001	122	142
	2002	121	131

Rating: *Adequate*

Program Type: *Block / Formula Grants*

Program Summary:

The Federal Motor Carrier Safety Administration's (FMCSA) grant program awards grants to states to continue aggressive state enforcement of Interstate commercial motor vehicle regulations. But, working with the states to ensure that commercial motor vehicles are in compliance with federal safety regulations, FMCSA is able to reduce large truck related fatalities on our nation's highways through Commercial Drivers License regulation, safety inspections, safety education and outreach.

1. The assessment indicated that the grant program's purpose is in close alignment with the agency's mission of saving lives and reducing injuries by preventing truck and bus crashes.
2. Unlike many federal programs, this program has good outcome-oriented performance measures. Through its strategic planning process, FMCSA is adopting a limited number of specific, ambitious long-term and annual performance goals to assess progress toward achieving long-term outcomes.
3. Although FMCSA has worked to align management of the grant program and states performance, FMCSA is not pro-active in demanding accountability for results from its partners. FMCSA also does not conduct many internal program evaluations aimed at identifying and remedying management deficiencies.
4. After declining for a number of years, the rate of fatalities and injuries involving large trucks is not decreasing, and, in fact, rose in 2001. Actual performance is below the annual safety stretch targets the agency has set for itself.

In response to these findings, the Administration will:
Propose a budget increase and legislative improvements, such as streamlining the grant program to address management deficiencies and align states goals/results with Federal goals through awards of incentive grants. Through the reauthorization of surface transportation legislation in 2004 states will be held accountable for motor carrier safety by linking state safety performance with grant awards.

(For more information on this program, please see the Department of Transportation chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
206	190	223

Program: *FHWA Highway Infrastructure*

Agency: *Department of Transportation*

Bureau: *Federal Highway Administration*

Purpose	100
Planning	86
Management	100
Results / Accountability	67

0 — 100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures
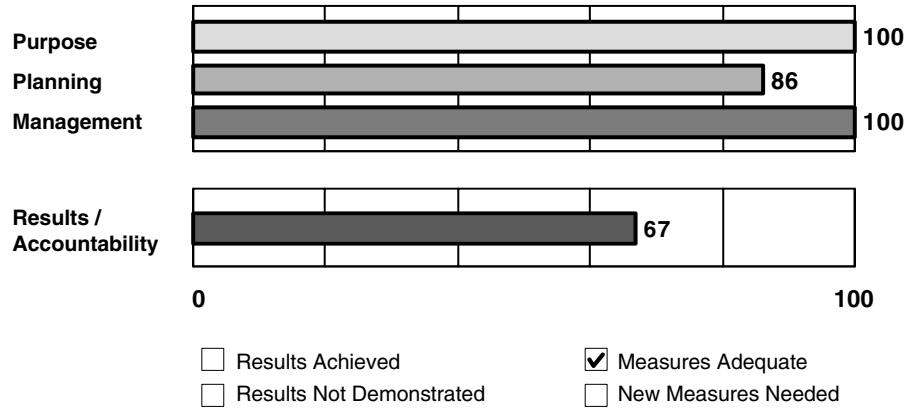
Key Performance Measures	Year	Target	Actual
Long-term Measure: Reduce the rate of highway-related crashes and their vehicle miles traveled	2000	1.5	1.5
	2001	1.5	1.5
	2002	1.4	
	2003	1.4	
Annual Measure: Slow the growth of the percent of travel under congested conditions	2000		33.1
	2001	33.4	33.6
	2002	33.7	
	2003	34.0	
Annual Measure: Increase the percent of vehicle miles traveled on highway pavements with acceptable ride quality, based on an International Roughness Index less than or equal to 170 inches per mile	2000	91.0	90.9
	2001	91.5	90.9
	2002	92.0	
	2003	92.5	

Rating: *Moderately Effective*

Program Type: *Block/Formula Grants*

Program Summary:

This program provides funding and technical assistance to states to construct and maintain highways. It includes the Interstate Maintenance, National Highway System, Bridge, and Surface Transportation programs.

The assessment indicates that the purpose of the federal highway infrastructure program is clear and is unique. Additional findings include:
1. The highway infrastructure program has ambitious performance goals relating primarily to safety and mobility and has made adequate progress in achieving its goals. Each year, these goals and measures have been refined.
2. Although the program has worked in recent years to clarify its management role and has expanded financial management and project oversight activities, particularly for very large projects, the program does not sufficiently encourage accountability from its State partners.
3. While independent evaluations of the program are conducted, the program does not have regularly-scheduled, independent evaluations that provide comprehensive assessments of program results in relation to specific performance measures.

In response to these findings, the Administration will:
1. Propose budget and legislative changes to this program through the reauthorization of surface transportation legislation in 2004 that will allow FHWA to more effectively and efficiently meet its performance goals.
2. Prepare a draft plan by April 2003 of how the program will provide improved program and project oversight of States.
3. Recommend that resources be directed to more comprehensive evaluation activities, particularly on the State project level.

(For more information on this program, please see the Department of Transportation chapter in the Budget volume.)

(Amounts shown represent the entire Federal-aid Highway program.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
31,799	27,574	29,294

Program: National Highway Traffic Safety Administration Grant Program

Agency: Department of Transportation

Bureau: National Highway Traffic Safety Administration

Purpose	80
Planning	71
Management	89
Results / Accountability	74

0 — 100

☐ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures
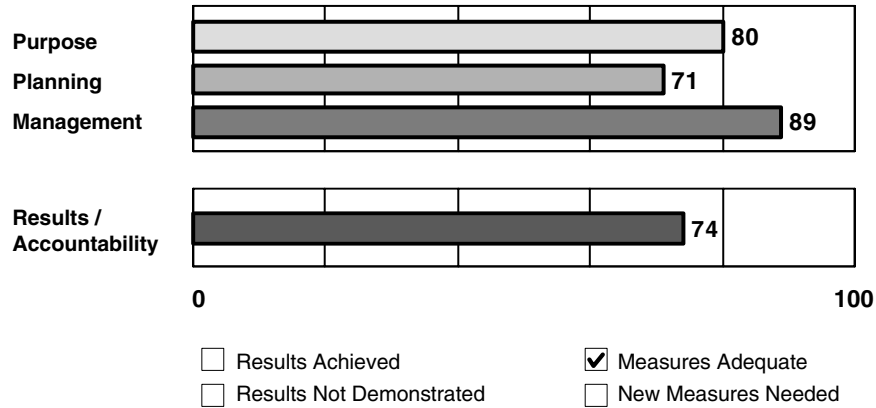
Key Performance Measures	Year	Target	Actual
Long-term Measure: Fatalities per 100 million vehicle-miles of travel (VMT)	1999	1.6	1.6
	2000	1.5	1.5
	2001	1.5	1.5
	2002	1.4	1.5
Annual Measure: Injured persons per 100 million vehicle-miles of travel	1999	127	120
	2000	116	116
	2001	113	109
	2002	111	N/A
Annual Measure: Percentage of front occupants using seat belts	1999	80%	67%
	2000	85%	71%
	2001	86%	73%
	2002	75%	75%

Rating: Moderately Effective

Program Type: Block/Formula Grants

Program Summary:

The Highway Traffic Safety Grant program provides money to every State, territory and Indian nations to fund a wide range of highway safety programs. State highway safety programs are funded with Occupant Protection Incentive Grants, Safety Incentive grants for Primary Seat Belt Laws, State Safety Data Grants, Emergency Medical Services Grants, among others.

The assessment shows that the program is in close alignment with the agency mission of saving lives and reducing injuries by preventing vehicle crashes. The assessment also found that NHTSA was successful in meeting their performance goals to decrease the fatality rate and has a good relationship with states.
1. NHTSA manages the grant program through the Grants Tracking System and maintains funding efficiencies.
2. NHTSA has shown measurable progress toward achieving their performance goals. The rate of highway fatalities has been declining steadily since the inception of the state and community safety grant program in the mid 1960s. Continued success depends in large part on the progress of the agency's partners - states, local jurisdictions, private sector and safety organizations.

In response to these findings, the Administration will:
Propose to streamline and focus grants to address state fatality rates, increase the direct appropriation of funds for the grant program, and establish criteria for receiving grants that creates links between performance of states and awarding incentive grants to states.

(For more information on this program, please see the Department of Transportation chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
223	225	447

223

DEPARTMENT OF THE TREASURY

Treasury is making progress improving its performance across the five management initiatives, but significant barriers remain.

President's Management Agenda

	Status	*Progress*

Human Capital — Status: **R** Progress: **G**

Treasury has made good use of the Human Capital Assessment and Accountability Framework to build a more thorough and functional human capital strategy. It has designated officials, set timelines, and progressed in developing measures and an accountability system.

Competitive Sourcing — Status: **R** Progress: **G**

Treasury is exploring competition of more than 5,000 commercial positions to determine the best means of delivering services such as IRS tax form distribution (500 positions), IRS building maintenance (100 positions), and Mint customer services (48 positions). These competitions should begin to yield results in 2003 and 2004.

Financial Performance — Status: **R** Progress: **G**

Treasury can now produce accurate financial reports within three days after the end of each month. In 2001 it took an average of 20 days to close the books. Treasury met its goal to produce audited financial statements by November 15th, two years ahead of the Administration's goal to require agency financial statements 45 days after the end of the fiscal year. However, despite these accomplishments, the Department will not be able to correct significant weaknesses in IRS's tax accounting systems until late 2006.

Expanding E-Government — Status: **R** Progress: **Y**

The Department has expanded and enhanced the services it provides over the internet, such as free electronic tax filing. However, it must improve its ability to manage its critical technology investment programs.

Budget and Performance Integration — Status: **R** Progress: **G**

IRS is developing outcome measures and working to rationalize its budget structure. These efforts, and other improvements in performance measures, will make it easier to manage Treasury's programs to yield maximum results.

Program Assessments

Program assessments for eight Treasury programs are presented below. Ratings range from "effective" for the Mint and Treasury's bank regulators to "results not demonstrated" for IRS's collection program. The assessments show significant opportunities for Treasury to improve its outcome measures to better understand and monitor program effectiveness.

Program: *ATF Consumer Product Safety Activities*

Rating: *Adequate*

Agency: *Department of the Treasury*

Bureau: *Bureau of Alcohol, Tobacco and Firearms*

Program Type: *Regulatory*

Program Summary:

This program protects the public against contaminated alcohol products. It does this by verifying the content of alcohol products and evaluating the claims on the product labels. Under the provisions of the Homeland Security Act of 2002, the consumer product safety activities and alcohol and tobacco excise tax collections of the ATF are being removed from the ATF and established as the Alcohol and Tobacco Tax and Trade Bureau in the Department of the Treasury.

The program assessment indicates the overall purpose of the program is clear, and the program has demonstrated results based on its historical performance measures. However, the current measures do not sufficiently capture the impact of the program's performance on public safety.

In response to these findings the Alcohol and Tobacco Tax and Trade Bureau will:
1. Refine performance measures to more accurately reflect the goals and achievements of the program.
2. Establish clear guidelines and procedures to insure that goals are very specific. Establish written guidelines and supporting documentation for all aspects of the program.

Purpose	100
Planning	71
Management	93
Results / Accountability	47

Scale: 0 to 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: The percentage of Certificate of Label Approvals issued, by initiating electronic application and approval procedures (New measure for 2004)	2003	10%	
	2008	75%	
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
21	23	23

Program: *Bank Enterprise Award*

Agency: *Department of the Treasury*

Bureau: *Departmental Offices*

Purpose	40
Planning	71
Management	78
Results / Accountability	40

0   100

☐ Results Achieved   ☑ Measures Adequate
☑ Results Not Demonstrated   ☐ New Measures Needed
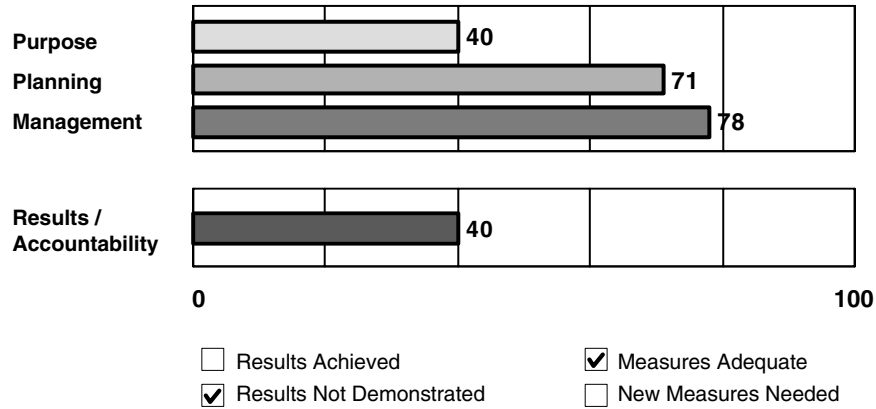
Key Performance Measures	Year	Target	Actual
Long-term Measure: Jobs in underserved communities created or maintained by businesses financed by BEA Program applicants (New measure adopted in 2003)	2003	4,930	
	2004	4,930	
Long-term Measure: Commercial real-estate properties financed by BEA Program applicants that provide access to essential community products and services in underserved communities (New measure adopted in 2003)	2003	612	
	2004	612	
Annual Measure: Number of affordable housing units in underserved communities whose development or rehabilitation is financed by BEA Program applicants (New measure adopted in 2003)	2003	391	
	2004	391	

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

Program Summary:

The Bank Enterprise Awards (BEA) Program offers financial awards to banks that participate in community development activities. Such activities include supporting community development financial institutions, financing affordable housing and economic development projects, and the provision of financial services.

The assessment indicates that while there is some evidence that BEA awardees use awards to reinvest in community development initiatives, program results are hard to measure because it cannot be determined how awardees would behave in the absence of the program. Additional findings include:
1. The program purpose is clear, but design limitations hamper the program's effectiveness. Under the current structure, it cannot be determined if banks participate in community development activities because of regulatory requirements (under the Community Reinvestment Act) or because of the money provided by the awards program. Thus, the results of the program cannot be determined until the Fund collects additional data.
2. In the last year, the program has developed new outcome-oriented goals and has taken steps to collect additional data on program results. However, as the award is for past performance, there are no prospective performance requirements on how awardees spend award funds. This prevents the Fund from ensuring that program awardees commit to the long-term goals of the program.
3. The program is efficiently managed.

In response to these findings, the Budget proposes to:
1. Reduce the funding for the BEA until statutory changes to the authorizing legislation are made that would clearly distinguish this program from the mandates of the Community Reinvestment Act and would insure that award funds are spent on community development activities.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
23	17	8

227

Program: *Coin Production*

Agency: *Department of the Treasury*

Bureau: *United States Mint*

Purpose	100
Planning	95
Management	71
Results / Accountability	82

0 — 100

☑ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures
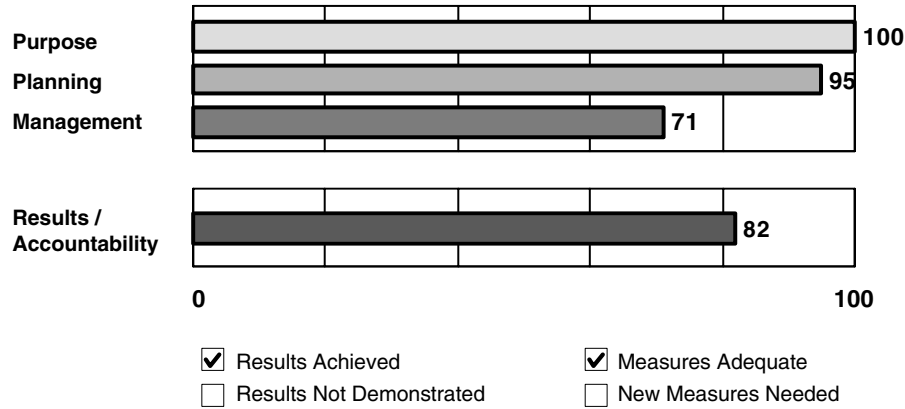
Key Performance Measures	Year	Target	Actual
Long-term Measure: Reduction in the controllable costs of circulating coinage from a 1997 baseline of $10.27 per 1000 coins Controllable costs exclude the costs of metals which vary considerably with market conditions. (Targets being refined)	2001		19%
	2005	15%	
Long-term Measure: Federal Reserve Board Customer Satisfaction survey (Average rating out of one hundred, based on surveys of Federal Reserve officials)	2001	85%	
	2002	85%	
Long-term Measure: Conversion costs per 1,000 coin equivalents This measures production cost efficiency.	2002	$11.00	$8.69
	2003	$10.25	
	2004	$9.75	

Rating: *Effective*

Program Type: *Direct Federal*

Program Summary:

The United States Mint makes coins for use as legal tender.

This assessment of the Mint found that the Mint has established performance measures focused on customer satisfaction and improving cost efficiencies. Additional findings include:
1. The Mint needs to improve customer satisfaction survey scores.
2. The Mint has shown some efficiency improvements in achieving reduced manufacturing costs (19 percent reduction since 1997).

The Mint is implementing a series of reforms to address these findings. These reforms include:
1. Reducing the maintenance down time of coin manufacturing machinery.
2. Competing customer service and order mailing staff to determine if contractors could handle these functions more efficiently.
3. Establishing a performance target to reduce the time required to process raw materials into finished goods.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
827	946	971

Program: *Earned Income Tax Credit (EITC) Compliance*

Agency: *Department of the Treasury*

Bureau: *Internal Revenue Service*

Category	Score
Purpose	100
Planning	60
Management	69
Results / Accountability	10

☐ Results Achieved   ☐ Measures Adequate
☐ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures
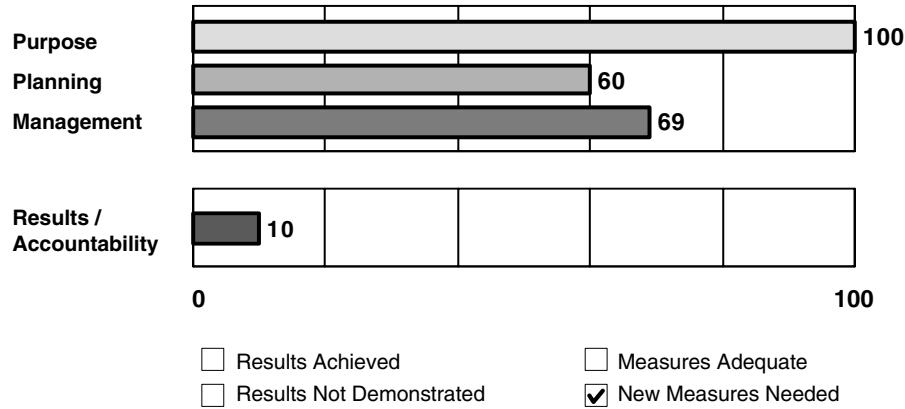
Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of EITC dollars paid that should not have been paid. This means that more than one dollar in four paid under EITC should not have been paid. (Targets under development)	1997		24 to 26%
	1999		27 to 32%
Annual Measure: Revenue protected, i.e., dollars incorrectly claimed by taxpayers that IRS either did not pay or later recovered ($ in billions) (Targets under development)	2001		$1.169
Annual Measure: EITC returns audited	2001		453,947
	2002	413,331	437,799
	2003	349,000	
	2004	364,000	

Rating: *Ineffective*

Program Type: *Direct Federal*

Program Summary:

The Earned Income Tax Credit (EITC) Compliance Initiative is intended to reduce erroneous payments of the Earned Income Tax Credit. It is run by the Internal Revenue Service (IRS).

This assessment indicates the EITC compliance initiative has failed to reduce EITC erroneous payments to acceptable levels.
1. IRS has a strong planning process closely linked to its budget process, but it has not yet used this outcome information to set performance targets that allow it to demonstrate results.
2. While IRS prevents roughly $1 billion in erroneous EITC payments per year, annual data reveals that 27 to 32 percent of all EITC payments were still made in error in tax year 1999. The magnitude of this error rate compels a rating of "ineffective."
3. IRS has made numerous management improvements in recent years. However, its financial management systems remain weak.

Treasury formed a Task Force in the spring of 2002 to recommend solutions to the EITC high error rate. The Budget provides a $100 million increase for the following initiatives recommended by the Task Force to improve EITC compliance.
1. IRS will require high-risk EITC applicants to pre-certify that the children claimed on their return are really qualifying children under EITC. Incorrectly claimed qualifying children have been a major source of EITC error. High risk applicants will be identified through databases such as the Federal Case Registry (information on child custody) and by focusing on taxpayers with characteristics linked to high error rates in compliance studies (e.g., relatives other than parents who claim a child for EITC purposes).
2. IRS will delay refunds on returns deemed to be high risk for filing status or income errors while agents take action to resolve cases. High-risk returns will be identified by researching taxpayer historical compliance and by requiring new information on EITC returns.

Note these initiatives will reduce EITC audits as resources are focused on correcting errors earlier in the process.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
146	146	251

Program: _IRS Tax Collection_

Agency: _Department of the Treasury_

Bureau: _Internal Revenue Service_

Category	Score
Purpose	100
Planning	80
Management	68
Results / Accountability	17

(Scale 0 to 100)

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Taxpayer Delinquent Accounts case closures (field cases) These are cases where taxpayers have not paid known tax debts.	2001	846,800	757,392
	2002	804,085	724,430
	2003	714,000	
	2004	769,000	
Annual Measure: Field Collection Quality (Percent of cases meeting strict standards for process and treatment of taxpayers)	2001	86%	84%
	2002	85%	84%
	2003	87%	
	2004	89%	

Rating: _Results Not Demonstrated_

Program Type: _Direct Federal_

Program Summary:

The Internal Revenue Service (IRS) Collection program collects known delinquent taxpayer liabilities (tax debts). This is distinct from IRS audits which determine how much a taxpayer owes. Collection agents contact taxpayers through notices, phone calls and personal visits to secure payments. If necessary, collection agents can use liens, levies or seizures, or refer taxpayers for criminal prosecution.

Tax revenue is necessary to finance government operations, and the Collection program is necessary to the success of tax enforcement. However, the assessment indicates that the Collection program needs improvements. Additional findings include:

1. Collection yields substantial revenue ($18 billion in 2001). However, IRS does not work enough collection cases with its current resources, work processes and technology to ensure fair tax enforcement. Each year IRS fails to work billions of dollars worth of collection cases.

2. IRS has made numerous management improvements in the last several years, including implementing good output measures. However, it's financial management systems remain weak.

3. IRS has a strong planning process closely linked to its budget process. However, it has not yet developed collection outcome measures or goals.

The Administration is working on several efforts to improve collection performance.

1. The Budget includes a legislative proposal to allow IRS to hire private collection contractors to secure payment in some cases. The legislation includes strong taxpayer rights protections. The contractors will be paid from receipts based on actual collections.

2. The Budget includes funding for 537 new collection employees.

3. Reengineering and technology modernization efforts are ongoing to introduce risk-based approaches to target specific taxpayers with the most effective collection procedure (i.e., notice, phone call, or field visit).

(For more information on this program, please see the Department of the Treasury chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
923	967	1,038

Program: OCC Bank Supervision

Agency: Department of the Treasury

Bureau: Comptroller of the Currency
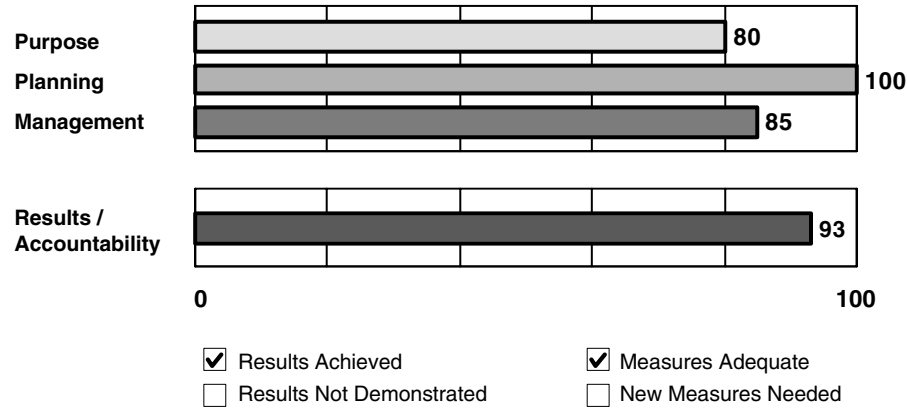
	Score
Purpose	80
Planning	100
Management	85
Results / Accountability	93

0 — 100

- ☑ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of National banks with high ratings according to industry standards (composite CAMELS rating of 1 or 2) (Performance measure was adopted in 2002)	2001	90%	94%
	2002	90%	95%
	2003	90%	
	2004	90%	
Annual Measure: Percent of problem banks rehabilitated, as measured by industry standards (Performance measure was adopted in 2002)	2001	40%	44%
	2002	40%	47%
	2003	40%	
	2004	40%	
Annual Measure: Percent of national banks that are well capitalized (Performance measure was adopted in 2002)	2001	95%	98%
	2002	95%	99%
	2003	95%	
	2004	95%	

Rating: Effective

Program Type: Regulatory

Program Summary:

The Office of the Comptroller of the Currency (OCC) mission is to ensure a safe and sound and competitive national banking system. OCC charters and is the primary federal regulator of national banks. It is responsible for examining the financial records of banks and for maintaining the integrity of the Bank Insurance Fund (FDIC deposit insurance).

The assessment indicates that the program contributes to the safety and soundness of the banking industry. For example, a key performance indicator shows that more than 95% of banks regulated by the OCC have strong ratings in 2002 which incorporate measures for: capital, asset quality, management competence, earnings, liquidity, and sensitivity to market risk, commonly known as CAMELS. Additional findings include:
1. The program purpose is clear.
2. The program goals are outcome-oriented and program measurements are clear.
3. The program is efficiently and effectively managed.
4. The program is not unique in that other agencies, including the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA) and the Federal Reserve Bank (FRB), perform similar types of regulatory functions in the banking industry.

In response to these findings:
1. Federal banking regulatory agencies, including the OCC, the OTS, the NCUA, the Federal Reserve, and the FDIC, will work together to align outcome goals and related measures to allow for greater comparison of program performance in the industry.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
413	435	454

Program: Office of Foreign Assets Control (OFAC)

Agency: Department of the Treasury

Bureau: Departmental Offices

Category	Score
Purpose	100
Planning	70
Management	70
Results / Accountability	40

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Timely development of trade sanction programs (New measure, targets under development)			
Annual Measure: Compliance with US trade sanctions (New measure, targets under development)			

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

Treasury's Office of Foreign Assets Control (OFAC) develops and enforces economic and trade sanctions against targeted foreign countries, terrorism sponsoring organizations and international narcotics traffickers. For instance, OFAC and our Allies were responsible for blocking over $124 million in terrorist assets worldwide since September 2001.

The assessment indicates the overall purpose of the program is clear, but unit cost measures are lacking. Additional findings include:
1. OFAC lacks long-term performance goals with specific targets, which makes it difficult to determine whether or not outcome goals are achieved.
2. The program has not yet instituted annual performance goals to determine the effectiveness of OFAC sanctions.

The program is implementing a series of reforms designed to address these findings. These reforms include:
1. Developing long-term performance goals with specific timeframes and measures.
2. Adopting annual performance goals and aligning them with the long-term performance goals.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
26	22	22

232

Program: *OTS Thrift Supervision*

Agency: *Department of the Treasury*

Bureau: *Office of Thrift Supervision*
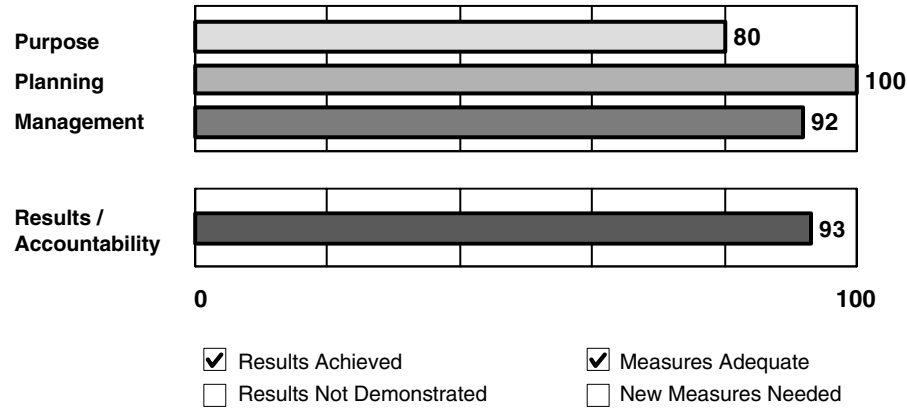
Purpose	80
Planning	100
Management	92
Results / Accountability	93

0 — 100

☑ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percentage of thrifts with high ratings according to industry standards (composite CAMELS ratings of 1 or 2) (Performance measure was adopted in 2003)	2002	90%	90%
	2003	90%	
	2004	90%	
Long-term Measure: Thrifts with consumer compliance ratings of 1 or 2 (Performance measure was adopted in 2003)	2002	90%	92%
	2003	90%	
	2004	90%	
Annual Measure: Percent of thrifts that are well capitalized (Performance measure was adopted in 2003)	2002	95%	98%
	2003	95%	
	2004	95%	

Rating: *Effective*

Program Type: *Regulatory*

Program Summary:

The Office of Thrift Supervision (OTS) charters, examines, supervises and regulates thrift institutions and savings associations.

The assessment indicates that the program contributes to the safety and soundness of the banking industry. For example, a key performance indicator shows that more than 90% of banks regulated by the OTS have strong ratings in 2002 which incorporates measures for: capital, asset quality, management competence, earnings, liquidity, and sensitivity to market risk, commonly known as CAMELS. Additional findings include:
1. The program purpose is clear.
2. The program recently developed new goals that are outcome-oriented and program measurements which are clear.
3. The program is efficiently and effectively managed.
4. The program is not unique in that other agencies, including the Office of Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA) and the Federal Reserve Bank (FRB), perform similar types of regulatory functions in the banking industry.

In response to these findings:
1. Federal banking regulatory agencies, including the OTS, the OCC, the NCUA, the Federal Reserve, and the FDIC, will work together to align outcome goals and related measures to allow for greater comparison of program performance in the industry.
2. The OTS will evaluate the efficiency and effectiveness of a single examination for both Safety and Soundness and Compliance functions.
3. The OTS will take steps to examine long-term systemic risks in the industry.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
163	168	168

DEPARTMENT OF VETERANS AFFAIRS

One in every six federal non-Defense employees works for VA. These employees perform functions as varied as cemetery operations, benefits claims processing, and direct health care. VA's overall performance on the President's Management Agenda has been one marked by steady improvement.

President's Management Agenda

	Status	*Progress*
Human Capital	R	G

VA delivered a workforce restructuring plan, as well as a workforce planning recruitment and marketing plan. VA also launched a new recruitment web-site. These will assist VA in addressing identified human capital shortages.

| *Competitive Sourcing* | R | G |

VA completed a plan to compete 52,000 jobs over the next five years, such as laundry, food and sanitation services. This will result in an estimated savings of as much as $3 billion over 5 years.

| *Financial Performance* | R | G |

VA initiated the first of two building phases for its new financial management system. In addition, it plans to resolve four of the six material weaknesses reported in its 2001 audit.

| *Expanding E-Government* | Y ↑ | G |

VA has made a good business case for all information technology efforts, addressed concerns with its Enterprise Architecture, and expanded its participation in E-Gov initiatives.

| *Budget and Performance Integration* | Y ↑ | G |

VA submitted its 2004 budget on time, and completed a comprehensive budget restructuring. VA needs to improve its ability to make long-term budget projections of its entitlement programs and their relationship to discretionary administrative needs.

| *Department of Defense (DoD)/ VA Sharing* | Y | G |

This is a high priority for DoD and VA, and both recently created a joint Executive Council to coordinate information technology, human resources, business practices, facilities, and equipment sharing.

Program Assessments

Veterans' needs are always in the forefront of VA's management decisions, as it strives to perfect service, access, and quality of benefits. Three of VA's major programs were evaluated and it has demonstrated good management practices in all of them. Medical care and disability compensation were rated "results not demonstrated" mainly because neither have a clear mission nor a process to ensure that services and benefits support the mission. The burial program's mission is well defined.   However, the program received a moderately effective rating because it needs to perfect strategic planning.

Program: *Burial Benefits*

Agency: *Department of Veterans Affairs*
Bureau: *Department of Veterans Affairs*

Purpose		100
Planning		86
Management		71
Results / Accountability		73

0   100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures
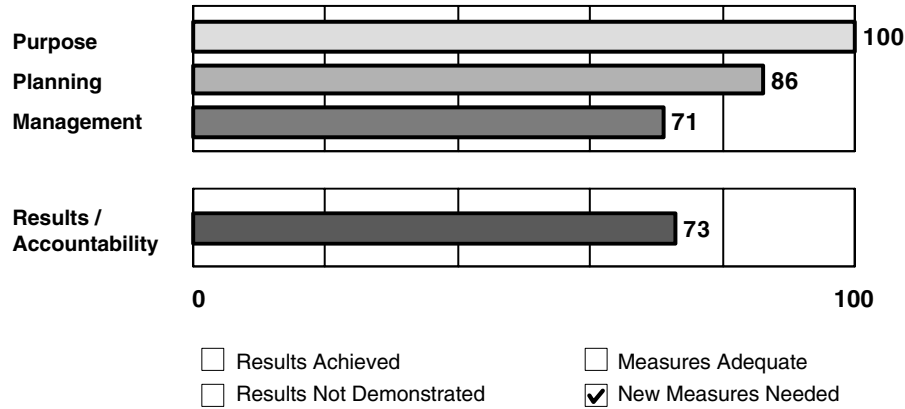
Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	1999	76.3	67
	2000	75.1	72.6
	2001	75.8	72.6
	2002	73.9	73.9
Long-term and Annual Measure: Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	1999	88	84
	2000	88	88
	2001	90	92
	2002	93	91
Long-term and Annual Measure: Percent of respondents who rate national cemetery appearance as excellent	1999	80	79
	2000	82	82
	2001	88	96
	2002	96	97

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

The purpose of this program is to honor veterans with a final resting place and lasting memorials that commemorate their service to our Nation. The center piece of this program is the system of 124 national VA cemeteries. VA also provides headstones, markers, and monetary benefits to veterans' families to help defray burial costs; and awards grants to states to build veterans cemeteries.

The assessment indicates that the program provides a valuable service to veterans and eligible family members in an efficient manner. Additional findings:
1. The program purpose is very clear and commonly held by interested parties.
2. The program meets key long-term and annual performance goals. However, VA has received $25 million in additional funding over the last three years to enhance the appearance of cemeteries to those befitting national shrines, yet lacks a way to define and measure national shrine commitment needs and performance. Measures also do not yet exist for state cemetery grants and monetary benefits.
3. The program uses performance information to improve cemetery operation and outcomes. Even so, the Department is working to strengthen the link between budget, performance, and accountability.
4. Recent evaluations by an independent contractor indicate that the cemetery program performs well. VA continues to improve service such as adding kiosks to help visitors locate grave sites.

In response to these findings, the Administration:
1. Proposes a 4.8 percent increase in discretionary funding;
2. Will adopt more performance measures to address all burial benefits and the national shrine commitment; and
3. Will strengthen methods to link performance, budget, and accountability.

(For more information on this program, please see the Department of Veterans Affairs chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
386	410	427

Program: *Disability Compensation*

Agency: *Department of Veterans Affairs*

Bureau: *Veterans Benefits Administration*

Purpose	20
Planning	0
Management	57
Results / Accountability	0

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Targets under development			
Long-term Measure: Targets under development			
Long-term Measure: Targets under development			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The VA disability compensation program provides monthly benefit payments to veterans who suffer diseases or disabilities related to their military service. Disabled veterans are assumed to earn less in civilian occupations than non-disabled veterans. The VA pays this difference in earnings to disabled veterans.

The assessment revealed that, while the program serves a unique role as the workers' compensation program for the military workforce, no study to measure the income loss associated with a specific disability has been conducted since 1945. As such, it is unclear whether the benefits payments are too high or too low and meeting their "purpose" -- the reason for the score of 20 in this area. Additional findings:

1. The list of covered disabilities has grown over the years. Many of the currently covered disabilities are usually not associated with loss of earnings. These include acne scars, hemorrhoids, high blood pressure, and diabetes.

2. The program has both goals and measures for productivity, but lacks long-term measures about how disability payments affect the quality of life of disabled veterans. The program also lacks cost-efficiency measures. It has been almost 60 years since a study has been done to determine whether the purpose of the program is being met. VA has not been able to develop long-term goals and measures related to its purpose. This is the reason that the program got a zero rating on both planning and results/accountability.

3. Program management has significantly improved. Claims examiners and their supervisors are subject to increasing accountability with real consequences. Resources are now distributed among offices based on productivity and performance.

In response to these findings, the Administration:
1. Will maintain current staffing level for the program;
2. Will initiate a program evaluation in 2004; and
3. Will develop long-term and cost-efficiency measures.

(For more information on this program, please see the Department of Veterans Affairs chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
23,375	26,140	26,832

Program: Medical Care

Agency: Department of Veterans Affairs

Bureau: Veterans Health Administration

Purpose	15
Planning	40
Management	50
Results / Accountability	60

0   100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Chronic Disease Index II. Metric measuring the effectiveness of health providers in treating conditions including heart disease, hypertension diabetes, depression, smoking cessation, and others. Components of this index are currently used by the private sector (hospitals and accrediting agencies).	2001	77%	77%
	2002	78%	80%
Annual Measure: Waiting Times for Primary Care. Percentage of patients seen within 30 days of their desired appointment date	2002	88%	89%
Annual Measure: Patient Satisfaction Measures (outpatient). Percentage of patients who responded that they were pleased with the care received during their visit through a mailed survey following an appointment	1999	79%	65%
	2000	67%	64%
	2001	67%	65%
	2002	67%	71%

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

The VA medical care program provides health care services to an estimated 4.4 million veteran patients. Veterans may receive health care at any of VA's 162 medical centers, 800 clinics, nursing homes and other facilities at little or no expense. The benefit package includes primary, specialty, and surgical care, nursing home and non-institutional long-term care, drugs, and other related services.

Findings and determinations:
1. The score is low mainly because there is no clear consensus among components of the Congress, the Administration, and the public on VA's medical care mission. Historically and legislatively, the core mission is to provide care to higher priority veterans (those with service-connected disabilities, the poor and other veterans with special needs); however, VA has been providing an increasing amount of care to non-disabled, higher income veterans since eligibility reform in 1996. These non-disabled wealthier veterans have grown from 2 percent in 1997 to 31 percent of enrollees in 2002.
2. The growth in the enrollment of non-disabled wealthier veterans has contributed to VA's long waiting lists for appointments, and has diverted some attention away from caring for higher priority veterans.
3. VA has made progress in meeting most of its long-term goals, especially those related to quality. The annual key performance measures monitor progress in meeting long-term goals. Improved long-term planning is needed in areas such as infrastructure, long-term care, DoD coordination, and providing care to the most needy veterans.
4. VA is collecting data to measure efficiency and this measure will be refined in 2003.

In response to these findings:
1. The Budget assumes that in early 2003, VA will focus on higher priority veterans by limiting enrollment. There will be no further expansion of enrollment by lower-priority veterans who have not yet sought care from the VA.
2. The Budget proposes increased cost sharing for all other lower-priority veterans.
3. VA will provide institutional long-term care for veterans with a disability rating of 70 percent or greater (no affect on current institutionalized patients)

(For more information on this program, please see the Department of Veterans Affairs chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
21,515	22,815	25,406

ARMY CORPS OF ENGINEERS

The Army Corps of Engineers (Corps) is assessing its workforce with the objective of eliminating many non-core functions. Unfortunately, the Corps will not meet the President's goal for public-private competitions until 2008. Although the Corps is on track to produce audited financial statements, it needs to improve its management of information technology projects and the quality of its performance measurement.

President's Management Agenda

	Status	*Progress*
Human Capital	R	G

The Corps is rated green for progress because the agency's top leadership has recognized the need to focus efforts in this area on improving the capability of the Corps in skills needed to accomplish its core mission. The Corps will use recruitment tools – like a website advertising Corps employment opportunities – to address impending employee departures.

Competitive Sourcing	R	R

The current Corps plan indicates it does not intend to meet the 50 percent competitive sourcing goal but suggests it will compete 37 percent by 2008. The current plan should expand the number of positions that would be subject to competition.

Financial Performance	R	G

The Corps did not receive a clean audit opinion for 2001. It now is actively working with the DOD OIG to resolve problem issues, including confirming the construction-in-progress balances, which would allow for a clean audit opinion for 2003.

Expanding E-Government	R	Y

The Corps lacks an IT modernization blueprint. The Corps is developing a blueprint and sound business cases for its major IT investments.

Budget and Performance Integration	R	Y

The Corps has not developed acceptable performance data for its program evaluations. It is working with OMB to identify suitable performance measures, as a first step toward collecting the outcome-based data needed to inform budget decisions.

Program Assessments

Five PART analyses covering programs were completed that account for over 50 percent of the Corps budget. While program management generally is effective, the Corps needs to improve the long-term and short-term measures for many of its programs.

Program: *Corps Hydropower*

Agency: *Army Corps of Engineers*

Bureau: *Civil Works*

Purpose	80
Planning	56
Management	82
Results / Accountability	28

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percent of time hydropower facilities are out of service due to forced outages	2000	2.3%	3.7%
	2001	2.3%	2.3%
	2002	2.3%	3.7%
Annual Measure: Other annual measures, including efficiency measures such as operating cost per megawatt of electricity generated, are under development.			

Rating: *Results Not Demonstrated*

Program Type: *Capital Assets*

Program Summary:

The Corps generates power at 75 existing Federal dams, while meeting the other authorized purposes of these dams such as flood damage reduction or commercial navigation. It produces about two percent of the nation's electricity and is a significant source of peaking power in some regions.

The assessment shows the following:
1. Overall program performance is less than it was 15 years ago. Much of the power equipment is approaching the end of its design life. The Corps does not have an overall asset management strategy. Each regional office develops its own plan for the maintenance, major rehabilitation, and replacement of this equipment.
2. Generally, program management is strong. The Corps uses current data on the condition of its facilities to manage its hydropower program, and develops cost-effecive solutions to equipment problems.
3. In the Pacific Northwest, under a direct financing arrangement with the Bonneville Power Administration, the Corps is making significant investments to improve power efficiency without evaluating whether these decisions are justified incrementally in national economic terms.
4. The Corps has not evaluated how power production role at the existing 75 dams might change in the future, or whether it should continue indefinitely.
5. The score on "results" reflects: the need to develop additional performance measures; the relatively high forced outage rate; the lack of a quality, systematic program evaluation; and the failure to complete major rehabilitations within the time frames established in project planning documents.

In response to these findings:
1. The Corps will set priorities among potential investments from a national perspective, and determine when it should propose to undertake them.
2. To reduce the amount of time that power facilities are out of service due to forced outages, and to better align user requirements with funding decisions, the Budget proposes that the Congress authorize the Southeastern, Southwestern, and Western Area Power Administrations to finance directly the full cost of operating and maintaining the Corps facilities that generate power for them.
3. The Corps periodically will seek public comment on and revise the basic operational rules that its project managers follow at each dam when making trade-offs between power production and other project purposes.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
185	245	284

Program: *Emergency Management*

Agency: Army Corps of Engineers
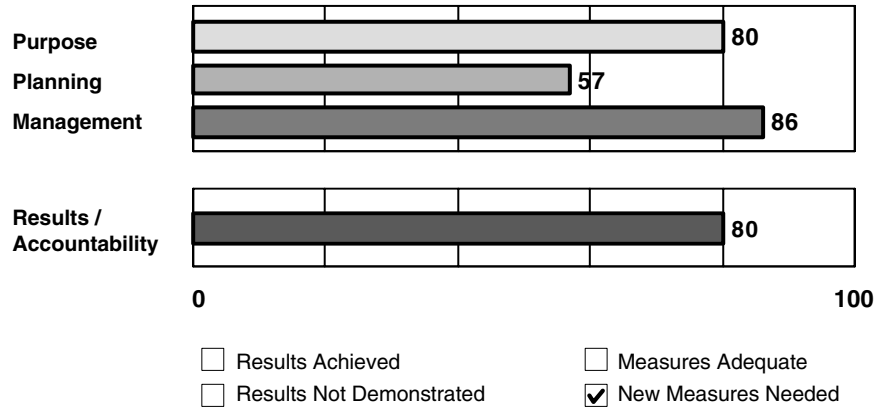
Bureau: Civil Works

Category	Score
Purpose	80
Planning	57
Management	86
Results / Accountability	80

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: New long- term measures are under development.			
Annual Measure: Percent of identified levee deficiences that are corrected prior to next flood season (New measure, 2002 data under development)	2002	90%	
Annual Measure: Outcome measure under development that will be based on an assessment of actual responses to emergencies			

Rating: *Moderately Effective*

Program Type: Direct Federal

Program Summary:

The Corps Flood Control and Coastal Emergencies program is the major component of its emergency management activity. The program trains and equips personnel for flood and storm damage disasters, takes advance measures (for instance, it contracts for emergency supplies and creates response plans), responds to impending floods and storms (sandbagging, for instance), provides immediate post-flood responses, repairs damaged flood control facilities and provides emergency water to communities due to drought or contaminated water sources.

The assessment shows the following:
1. The purpose of this program is very clear. The program assists state and local governments when they encounter emergency situations beyond their own response capability and assists with levee repairs and public works engineering.
2. Planning for flood and storm disasters is integral to the program. It has long-term and annual operational goals, but they are very similar and, for the most part, they do not emphasize quantitative measurement of outcomes. The goals emphasize readiness capability, inspecting facilities, and coordinating with other organizations, but they do not include measuring responses to disasters.
3. The program uses contracts for supplies and assistance in advance of disasters to improve time and cost efficiency.
4. During an emergency, the Flood Control and Coastal Emergencies program may have to borrow funds from other Corps programs, which disrupts the other programs and is not conducive to business-like operation of the emergency response program.
5. Program managers are constantly reviewing and reevaluating responses, but the program lacks an outcome measure tied to this review process.
6. Long-term and short-term measures need improvement. However, the Corps partners and clients were pleased with Corps performance in responding to the Midwest floods of 93 and 95; the California Floods of 97 and 98; and the Mississippi and Ohio River Floods of 97 and 02. For this reason, a "moderately effective" rating is appropriate.

As a result of these findings, the Administration:
1. Proposes funding this program at $70 million, its ten-year average annual cost of doing business in order to reduce the risk of having to borrow from other Corps programs. (In 2002, Congress rescinded $25 million of previously appropriated balances.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
-25	20	70

Program: *Flood Damage Reduction*

Agency: *Army Corps of Engineers*

Bureau: *Civil Works*

Purpose	80
Planning	67
Management	82
Results / Accountability	67

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percent of time that Corps owned flood protection infrastructure functioned properly	2001	95%	100%
	2002	95%	
	2003	95%	
Annual Measure: Additional measures are being modified or developed			

Rating: *Results Not Demonstrated*

Program Type: *Capital Assets*

Program Summary:

The Corps Flood Damage Reduction Program is designed to reduce flood damage through structural projects (building levees and modifying channels) and non-structural projects, such as buying and removing buildings from flood plains and through technical assistance to states. Today, most projects are constructed by the Corps are owned and operated by local communities. The Corps maintains large federally owned projects that were built many years ago on major rivers.

The assessment shows the following:
1. The program's long-term goal is to reduce flood damages, but there is no overall flood reduction target. Also, the Corps is completing projects that reduce potential damages to specific areas, but annual flood damages to the nation are increasing.
2. There are annual measures and targets relating to project operations and construction. The Corps attempts to measure outcomes (e.g., percent of the time that Corps's owned levees carry out their designed purpose), but needs refine this measure to better reflect the occurrence and extent of flooding in particular locations each year. Other measures need improvement. An example of such a measure is the percent of time project construction costs are controlled sufficiently to maintain a projected benefit-cost ratio. This measure allows cost to rise as long as benefits are sufficient to cover the increment. Cost issues are addressed only when they exceed a fairly liberal authorization ceiling.
3. Although the program is generally well managed, it does not demonstrate results due to the lack of long-term outcome measures.

As a result of these findings, the Administration will:
1. Broaden the Corps approach flood damage reduction by more closely coordinating this program with the other Federal programs (e.g., Federal Emergency Management Agency Flood Mitigation program) and considering ways for the Corps to be more pro-active in preventing flood risks rather than reacting to them.
2. Develop additional outcome oriented performance measures.

(For more information on this program, please see the Corps of Engineers chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,398	1,099	1,116

Program: *Inland Waterways Navigation*

Agency: *Army Corps of Engineers*
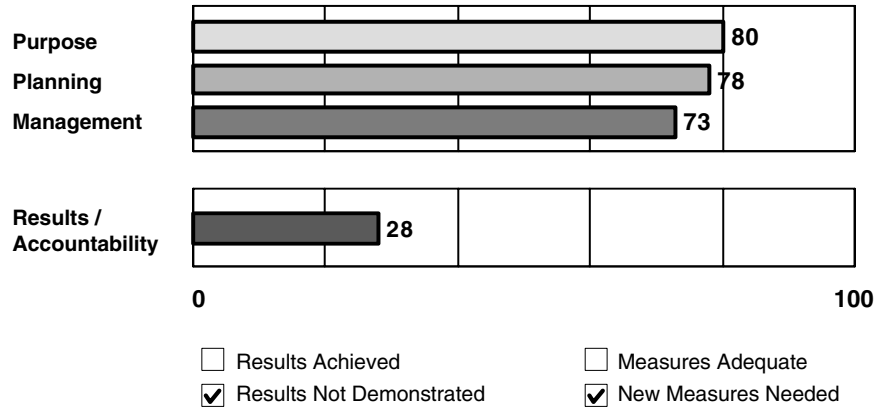
Bureau: *Civil Works*

Purpose	80
Planning	78
Management	73
Results / Accountability	28

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long- term Measure: Measures that reflect outcomes are under development.			
Annual Measure: Percent of the time the Inland Waterways segments (locks, dams and channels) with high commercial activity are available when customers want to use them	2000	90%	96%
	2001	90%	93.5%
Annual Measure: Additional annual measures are under development.			

Rating: *Results Not Demonstrated*

Program Type: *Capital Assets*

Program Summary:

The Corps Inland Waterways Navigation program operates, maintains, and upgrades the 11,000 mile Inland Waterway Navigation System in order to provide water transportation.

The assessment shows the following:
1. The purpose of the program is clear. The program deals with congestion at navigation locks by proposing expansions, but does not emphasize management tools such as traffic scheduling, congestion fees, and lockage fees that could help operate its system more efficiently.
2. While the Corps has considerable experience in benefit-cost analysis, the National Academy of Sciences concluded that it is not using an appropriate economic model to evaluate the benefits of potential navigation improvements on the Upper Mississippi and Illinois Rivers.
3. The Corps, for the most part, employs modern financial and managerial tools.
4. The Corps made investments to upgrade/rehabilitate its aging infrastructure and has kept the entire system in running order. However, congestion exists at key facilities since current projects are delayed. Construction delays occurred because the Corps has had to spread its construction budget over an ever-increasing number of projects.
5. In recent years, it has become difficult for the Corps to maintain both high commercial use segments that provide national benefits, and low-use segments that provide primarily local benefits.
6. The score for program results is low because congestion is increasing at key facilities and because the program needs new outcome measures to drive it forward. For example, the Corps has proposed as a new measure minimizing the ratio of breakdown maintenance to preventative maintenance expenditures. This is not an outcome measure.

As a result of these findings,
1. The Corps will develop a new economic model so that it will be able to estimate properly the benefits of a range of possible improvements on the Upper Mississippi and Illinois Rivers.
2. The Budget places priority on maintaining high-commercial use segments and proposes that the Inland Waterways Trust Fund be used to finance a portion of operation and maintenance expenditures.
3. Well develop additional performance measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
639	617	637

Program: *Non-regulatory Wetlands Activities*

Agency: *Army Corps of Engineers*
Bureau: *Civil Works*
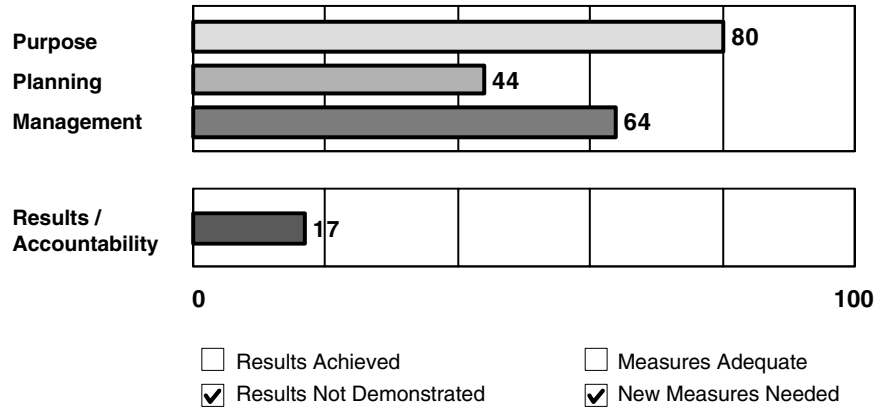
Category	Value
Purpose	80
Planning	44
Management	64
Results / Accountability	17

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measures: Measures under development			
Annual Measures: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Capital Assets*

Program Summary:

This assessment covers Corps efforts to establish, re-establish, rehabilitate, enhance, or protect/maintain wetlands through Corps projects. The Corps is working to improve the natural functions and values of existing wetlands or to create additional wetlands in: (1) projects whose principal purpose is ecosystem restoration, (2) projects that involve a requirement to mitigate for wetlands losses, (3) wetlands areas created by the formation and operation of Corps reservoirs, and (4) projects operated or maintained by the Corps that have naturally occurring wetlands within their boundaries.

The assessment shows the following:
1. While some Corps projects have led to large wetlands losses, the Corps increasingly is involved in projects whose purpose is to restore degraded wetlands. Neither the Corps nor any outside party has conducted a comprehensive evaluation of the long-term ecological success of these Corps wetlands restoration projects or of the other Corps wetlands efforts.
2. The cost to establish an acre of wetlands can vary greatly. On average, it appears to be higher for Corps ecosystem restoration projects than for wetlands projects undertaken by other Federal agencies.
3. The Corps often does not seek out the best opportunities nationwide for wetlands restoration. Instead, it tries to develop an engineering solution to a site-specific water resources problem in the area identified in a Congressional study authorization.
4. The score on "results" reflects: the need to develop performance measures; the absence of a process for tracking the cost-effectiveness and efficiency of wetlands actions over time; the high cost per acre for some projects; the lack of a quality, systematic program evaluation; and the failure to complete wetlands projects and mitigation work in the time frames established in project planning documents.

In response to the findings, the Administration will:
1. Develop ecological and cost criteria for determining when a proposed wetlands investment is justified.
2. Focus more broadly on identifying where, and how, the Corps can best contribute to the overall national wetlands effort.
3. Provide a high level of funding in the Budget for three Corps wetlands efforts that are nationally significant: restoring Florida's Everglades, revitalizing the side channel system of the Upper Mississippi, and re-creating a string of natural areas along the lower Missouri River.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
230	187	249

ENVIRONMENTAL PROTECTION AGENCY

EPA's management challenges are to strengthen its reputation for unbiased, sound science and to focus on health-based program results. As can be seen by across-the-board green progress ratings, EPA is making progress on all five management initiatives.

President's Management Agenda

	Status	*Progress*
Human Capital	R	G

EPA has continued the innovative Senior Executive Service mobility program, which allows managers to rotate to different jobs in the agency, improving program knowledge and skill sets. EPA remains red in status because its human capital strategy is not aligned with the agency's strategic plan.

Competitive Sourcing	R	G

EPA has not yet met the competitive sourcing goal of 15 percent to get to yellow. To get to green, EPA must meet a 50 percent goal. However, EPA's progress is green as it has exceeded its 2002 goal, and is on target to meet the 2003 goal. Competitions are underway for scientific and technical functions that perform risk assessment and analysis.

Financial Performance	Y ↑	G

EPA has corrected all material weaknesses, begun implementation of grants competition, and reviewed its State Revolving Fund erroneous payments.

Expanding E-Government	Y	G

EPA was recently chosen to be the managing partner for the online rulemaking initiative.

Budget and Performance Integration	Y	G

The absence of valid outcome performance data has hindered EPA in evaluating the impacts of its programs on the environment and public health.

Program Assessments

Eleven EPA programs were reviewed using the Program Assessment Rating Tool (PART). The programs included four grant programs, six direct federal programs and one regulatory program. The purpose of each of the eleven programs is clear and most are well designed. Program management is generally good. However, the lack of measured results and appropriate outcome measures pulls overall ratings down. In terms of patterns within this sample, strategic planning is much stronger for direct federal programs than it is for the grant programs. But insufficient performance measures affected all programs about the same. As with many other agencies, to improve accountability further work will continue to focus on developing outcome-oriented performance measures, including efficiency metrics.

Program: *Air Toxics*

Agency: *Environmental Protection Agency*

Bureau: *Environmental Protection Agency*

Category	Score
Purpose	100
Planning	75
Management	77
Results / Accountability	20

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures
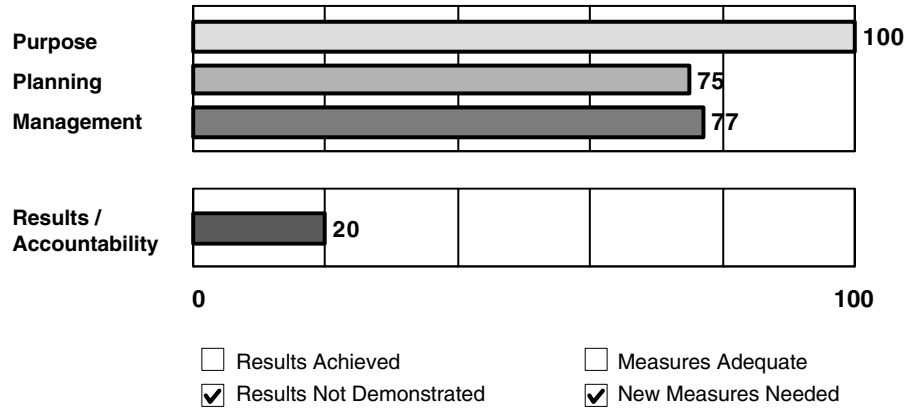
Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of U.S. population free from unacceptable risks of cancer and other significant health problems from air toxic emissions	2020	95	
Annual Measure: Percentage reduction in nationwide air toxics emissions from stationary and mobile sources combined (actual data available later in 2003)	2002	5	
	2001	5	
	2000	3	
	1999	12	
Efficiency Measure: Measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The Air Toxics program is designed to reduce emissions of hazardous air pollutants (HAPs), such as hexane and benzene, from stationary sources, such as factories, and from vehicles.

The program's purpose is clearly laid out in the statute -- to reduce HAP emissions and unacceptable health risk from HAPs. The assessment showed that management is generally good. However, EPA has not fully utilized statutory flexibilities when implementing parts of the program. Although the long-term cancer reduction goal is clearly outcome-related, "unacceptable risk" is not defined, the relation between emissions changes and actual health outcomes are not known, and there are no efficiency measures. Specific findings include:
1. There is a clear purpose and design for the program.
2. The program has not shown it is maximizing net benefits, and proposing the most cost effective regulations.
3. There are inadequate linkages between annual performance and long-term goals that prevent it from demonstrating its impact on human health.
4. There are large data gaps for toxicity and on actual population exposure.

In response to these findings, the Administration will:
1. Increase funding for toxic air pollutant programs by $7 million in State grants for monitoring to help fill data gaps.
2. Focus on maximizing programmatic net benefits and minimizing the cost per deleterious health effect avoided.
3. Establish better performance measures (including an appropriate efficiency measure).

(For more information on this program, please see the Environmental Protection Agency chapter in the Budget volume.)

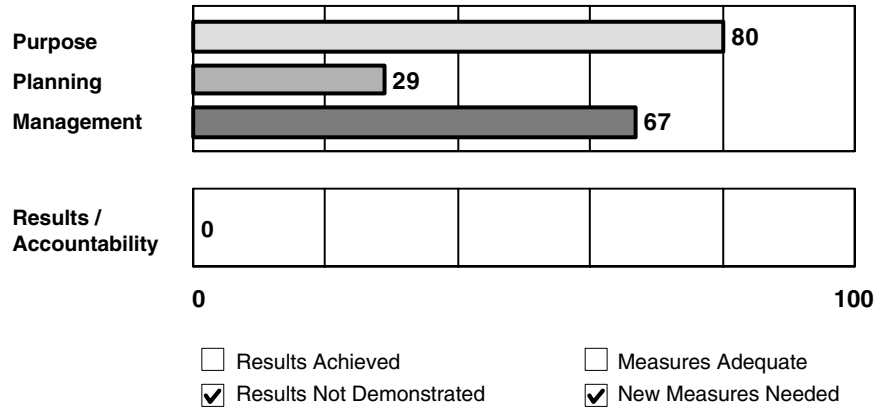### Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
115	118	125

Program: *Civil Enforcement*

Agency: *Environmental Protection Agency*
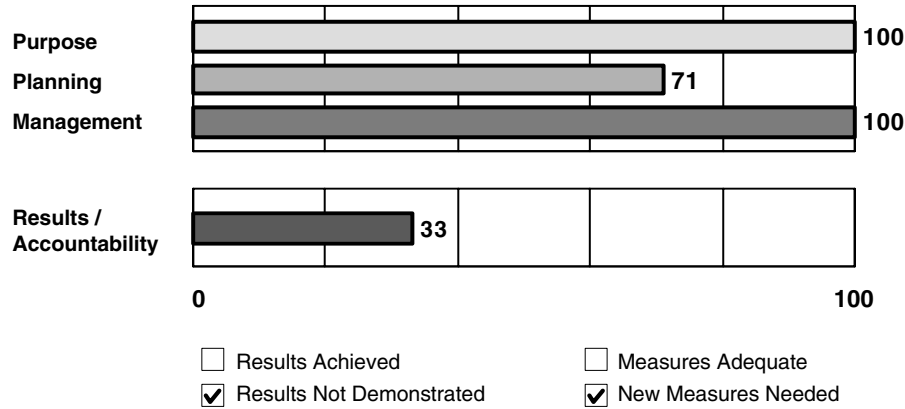
Bureau: *Environmental Protection Agency*

Purpose	100
Planning	71
Management	100
Results / Accountability	33

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Millions of pounds of pollutants reduced by eliminating discharges through enforcement activities	2001	350	660
	2002	300	
	2003	300	
	2004	350	
Efficiency Measure: Dollars negotiated per workyear from polluters for Supplemental Environmental Projects that restore, protect or improve the environment	1999		17,000
	2000		
	2001		27,000

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

EPA's civil enforcement program enforces federal environmental laws to protect human health and the environment by ensuring that regulated entities comply with these laws. EPA's management of their federal enforcement responsibility includes direct federal action (inspections, investigations, compliance assistance and incentives) as well as assisting and overseeing state, tribal, and local partners in achieving compliance to protect human health and the environment.

Findings from the PART assessment include the following:
1. The program lacks adequate outcome oriented performance measures. This impacts both program planning and results. With better outcome performance measures, program planning could be adjusted to achieve more effective results.
2. Outside evaluators have criticized the program for: a) lack of adequate workload analysis to support existing staffing and priorities, and b) lack of good quality data to accurately determine compliance and monitor the effectiveness of enforcement activities.

In response to these findings the Administration will:
1. Fund $5 million for an improved compliance data system.
2. Revise EPA's strategic plan with a focus on defining EPA's federal enforcement role and appropriate outcome performance measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
433	439	454

249

Program: *Drinking Water State Revolving Fund*

Agency: *Environmental Protection Agency*

Bureau: *Environmental Protection Agency, activities*

Purpose	80
Planning	43
Management	76
Results / Accountability	22

0 — 100

☐ Results Achieved　☐ Measures Adequate
☑ Results Not Demonstrated　☑ New Measures Needed
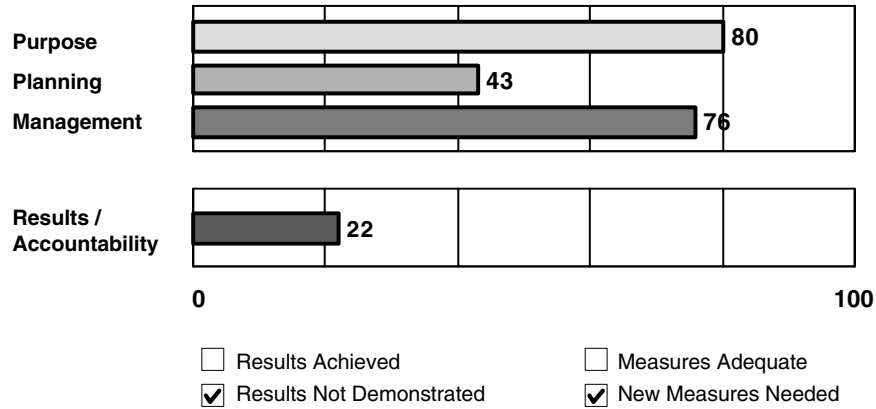
Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of population served by community water systems in compliance with health-based drinking water standards	2001	91	91
	2003	92	
	2005	95	
Annual Measure: Measure under development			
Efficiency Measure: Measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Block/Formula Grants*

Program Summary:

The Drinking Water State Revolving Fund program capitalizes state revolving loan funds that finance infrastructure improvements for public water systems and other activities that support state drinking water programs and promote public health protection. Most of the money has gone to upgrade water treatment plants.

The PART indicated that the Drinking Water SRF program is very competent as a national financial resource for state infrastructure projects targeted at compliance with health-based drinking water standards. A challenge facing the Drinking Water SRF program is to develop measurable long-term and annual performance goals that link the program to its public health mission. Additional findings include:
1. The program purpose is clear and it is designed to have a significant impact on a well identified need, although, there are other federal, state and private resources available to address the problem.
2. Evaluation of public health impacts from infrastructure improvements is difficult, in part because states provide only aggregate data.

In response to these findings, the Administration will:
1. Continue capitalization of the Drinking Water SRF at the 2003 President's Budget level because, although target revolving levels for the fund have been reached, continued federal support will close the recently identified gap in funding capital infrastructure needs for the next twenty years. The extended commitment proposed in the President's 2004 Budget is expected to provide $45 billion for loans and assistance through the State Drinking Water SRFs, which will support over 21,000 new projects.
2. Develop new performance measures to be included in EPA's 2004 GPRA plan to better demonstrate the impact of the program.

(For more information on this program, please see the Environmental Protection Agency chapter in the Budget volume.)
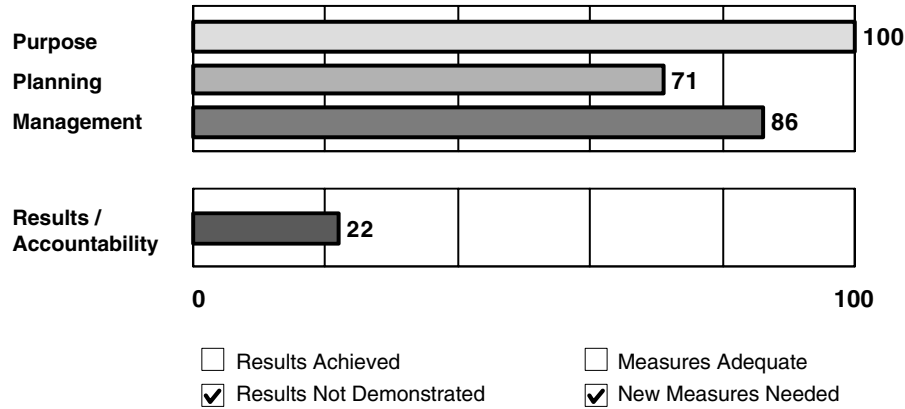
Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
850	850	850

Program: *Existing Chemicals*

Agency: *Environmental Protection Agency*

Bureau: *Environmental Protection Agency*

Purpose — 80

Planning — 43

Management — 86

Results / Accountability — 8

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Percent reduction in current year production-adjusted Risk Screening Environmental Indicators (RSEI) chemical risk based index (New measure)	2002	3	
	2003	4	
	2004	2	
Efficiency Measure: Measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

EPA reviews and regulates chemical substances and mixtures that may harm human health or the environment. EPA's Existing Chemicals program covers the 62,000 chemicals that were already in commerce when Congress enacted the Toxic Substances Control Act, including testing, regulation, and reporting.

The assessment found:
1. The program has strong purpose and management. The program, however, lacks strategic planning.
2. The program cannot demonstrate any long-term impact. EPA's long-term goal does not focus on outcomes and lacks a baseline and clear time frames. The program also does not have an efficiency measure.
3. The program has demonstrated few results. EPA has reviewed approximately two percent of existing chemicals. GAO found that EPA has been slow to address these chemicals.
4. The law requires that EPA compile industry data, which can be costly and time-consuming.
5. EPA's current annual performance goals cannot be assessed because data are not available until two years into the future.

In response to these findings, the Administration will:
1. Provide $1 million above the 2003 President's Budget to develop acute exposure chemical guidelines (AEGLs). AEGLs are important for homeland security response, recovery, and preparedness. AEGLs represent three tiers of health effects (discomfort, disability, death) for five exposure durations (eight hours or less). This funding will help EPA to obtain more information on the possible harm to humans and the environment from chemicals, which will help the Agency to achieve a higher level of accountability and results.
2. Establish better performance measures, including efficiency measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
11	12	13

Program: *Leaking Underground Storage Tanks*

Agency: *Environmental Protection Agency*

Bureau: *Environmental Protection Agency*

☐ Results Achieved	☐ Measures Adequate
☑ Results Not Demonstrated	☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Leaking underground storage tank cleanups completed New annual outcome measures being developed	2000	21,000	20,834
	2001	21,000	19,074
	2002	21,000	
	2003	20,000	
Efficiency Measure: Measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Block / Formula Grants*

Program Summary:

The purpose of the Leaking Underground Storage Tank program is to clean up leaking underground petroleum tanks.

The assessment showed that:
1. The program purpose, to clean up leaking underground storage tanks, is clearly defined and is understood by states and other stakeholders.
2. The program is well managed, but would benefit from regular independent evaluations and a systematic process to review strategic planning.
3. Strategic planning is particularly critical to this program since it has already achieved its current long term goal and has no new long-term goal to challenge program managers. EPA may finish the backlog of 140,000 cleanups within the next decade. In the future, a smaller program may be suitable to address the lesser number of new releases that occur every year.
4. The program appears to be successful, as evidenced by achieving the goals of its authorizing legislation: cleanup of releases and upgrading tanks. However, the program scores poorly on the results section since it has no outcome based performance metrics that demonstrate an impact on people and the environment.

In response to these findings, the Administration will:
1. Continue to clean storage tank sites at a rapid pace.
2. Develop outcome measures that will test the link between the activities of the program and the impact on human health and the environment.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
73	72	73

252

Program: *New Chemicals*

Agency: *Environmental Protection Agency*

Bureau: *Environmental Protection Agency*

Purpose			100
Planning		71	
Management			100
Results / Accountability	32		

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures
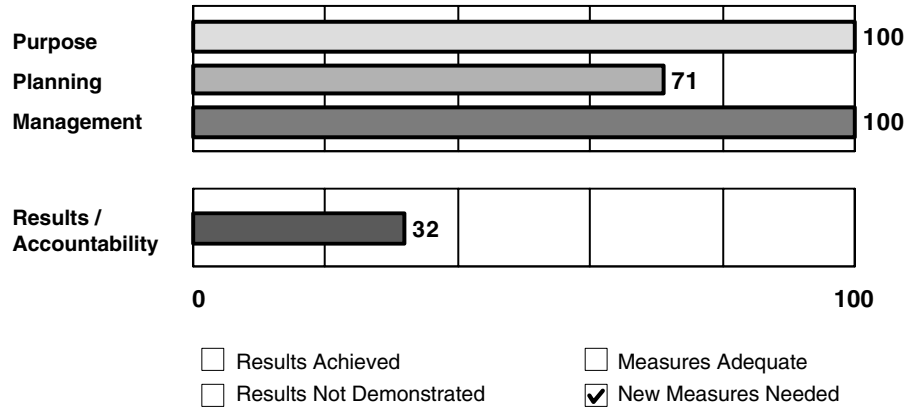
Key Performance Measures	Year	Target	Actual
Long-term Measure: Reduction of hazardous substances from products and processes in millions of pounds (Targets under development)	2007	250	
Annual Performance Goal: Annual quantity of hazardous substances eliminated through the Green Chemistry Challenge Awards Program from 1996 levels, in millions of pounds	2001		150
	2004	150	
Efficiency Measure: Measure under development			

Rating: *Adequate*

Program Type: *Direct Federal*

Program Summary:

EPA's New Chemicals program reviews new chemicals being introduced into commerce (manufactured or imported) to prevent possible harm to the public and environment.

The assessment found:
1. The program has very strong purpose and management.
2. The program collaborates with the Department of Labor on worker protection controls and has a cooperative agreement with Florida State University to identify and develop improved environmental indicators and program performance measures.
3. While the program has to some extent shown results, the main deficiency is the lack of adequate long-term measures. The measures are not outcomes, do not have clear targets and do not include at least one efficiency measure.
4. The PART exercise, however, has resulted in serious attention by the program to develop long-term goals for the program that can demonstrate results for human health and/or the environment.

In response to these findings, the Administration will:
1. Maintain funding at the 2003 President's Budget level.
2. Recommend improvement of the program's strategic planning, including an independent evaluation of the program, which can result in significant improvement of program results.
3. Establish more outcome-oriented measures including at least one efficiency measure.

(For more information on this program, please see the Environmental Protection Agency chapter in the Budget volume.)

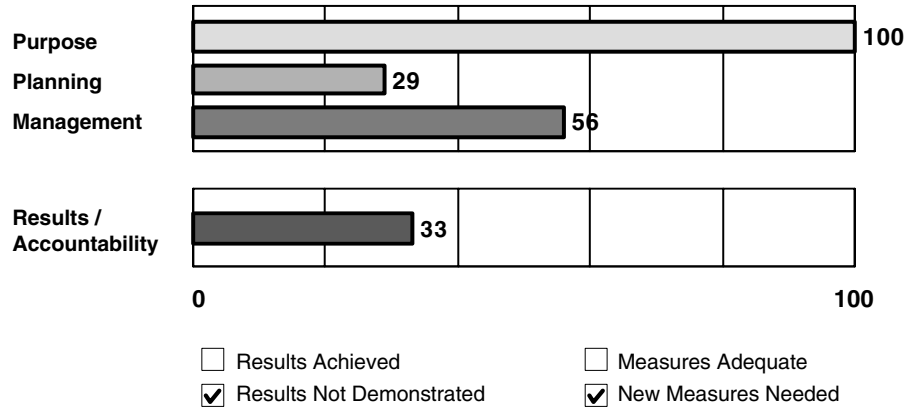### Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
14	15	15

253

Program: *Nonpoint Source Grants*

Agency: *Environmental Protection Agency*

Bureau: *Environmental Protection Agency*

Purpose	80
Planning	29
Management	67
Results / Accountability	0

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Current measure achieved New measures under development			
Annual Measure: Measures under development			
Efficiency Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Block/Formula Grants*

Program Summary:

EPA's nonpoint source grants program, authorized by Section 319 of the Clean Water Act, gives money to States to reduce water pollution caused by nonpoint source runoff.

The analysis found that:

1. The program purpose is clear and agreed upon by interested parties.
2. The program has not collected sufficient performance information to determine whether it has had a significant effect on pollution.
3. The program's greatest weaknesses are strategic planning and a lack of measurable program results. Consequently, the program lacks adequate long-term, annual, and efficiency measures. Existing annual measures, such as "Number of states reporting on progress in implementing nonpoint source programs" do not provide useful, results-based performance information. The program's previous long-term goal has been met, and the agency has not yet developed a new one.
4. The program is in the process of developing new performance measures that focus on outcomes and efficiency.
5. EPA has made significant improvements to program management over the past several years, which will assist in their efforts to develop new performance measures. For example, in 2002 EPA implemented a new grants tracking system with additional reporting requirements. Through this new system, EPA will be able to see the estimated reductions in sediment and nutrient loads associated with each project implementation, as well as project geolocation.
6. The program overlaps with others in rural areas, such as the Department of Agriculture's Environmental Quality Incentives Program (EQIP) and Conservation Reserve Program.

In response to these findings, and to reduce overlap with similar Department of Agriculture programs that received significant funding increases in the Farm Bill (EQIP goes from $200 million in 2002 to $800 million in 2004), the Budget proposes to:

1. Shift the program's focus in agricultural watersheds from implementation of pollution reduction projects to planning, monitoring and assisting in the coordination and implementation of watershed-based plans in impaired and threatened waters.
2. Establish more outcome-focused measures and at least one efficiency measure.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
237	238	238

Program: *Pesticide Registration*

Agency: *Environmental Protection Agency*

Bureau: *Environmental Protection Agency*

Purpose	100
Planning	71
Management	86
Results / Accountability	33

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Number of new reduced risk active ingredients registered	2001	11	11
	2002	10	15
	2003	13	
	2004	13	
Long-term Efficiency Measure: Measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The Pesticide Registration program at EPA evaluates new pesticides and registers them for use in the United States. EPA examines the ingredients of the pesticide, how it will be used, as well as storage and disposal practices to ensure that, when used properly, the pesticide will not have any adverse effects on humans or the environment.

The assessment indicates that the program addresses an important nationwide interest and that further work is needed in the area of performance measurement. Specific findings include:

1. The program has a clear mission and statutory authority, and it provides for the safe use of pesticides on a nationwide basis.

2. The program has established long-term goals but they are not adequate because the goals lack quantified baselines and/or performance targets and they need to be more outcome-focused.

3. The program regularly reviews overall progress toward annual goals and does make management decisions to address issues that impede progress.

4. The program does not use efficiency or cost effectiveness metrics to monitor program management or performance.

5. Generally the program has met its annual goals but it is unclear how achieving these annual targets leads to quantifiable progress toward the program's long-term goals. One new long-term efficiency goal that targets reductions in decision-making time has been proposed for this program by EPA, but further work is needed to finalize the goal and to develop appropriate annual targets to support it.

In response to these findings, the Administration will:

1. Implement appropriate long-term measures.

2. Develop adequate efficiency and cost effectiveness measures to improve program performance and goal-setting.

(For more information on this program, please see the Environmental Protection Agency chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
45	44	48

255

Program: *Pesticide Reregistration*

Agency: *Environmental Protection Agency*

Bureau: *Environmental Protection Agency, activities*

Category	Score
Purpose	100
Planning	71
Management	86
Results / Accountability	22

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Percent of Reregistration Eligibility Decisions (REDs) completed A RED document summarizes the reregistration conclusions and outlines any risk reduction measures necessary for the pesticide to continue to be registered in the U.S.	2001	72.4	71.6
	2002	76.4	72.7
	2003	83	
	2004	88	
Efficiency Measure: Measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The Pesticide Reregistration program reviews pesticides already registered by EPA to make sure they meet current scientific and regulatory standards. The reregistration process considers the human health and ecological effects of pesticides and can result in changes to existing registrations to reduce risks that are of concern.

The assessment indicates that the program addresses an unambiguous quantifiable need and that further work is needed in the areas of efficiency evaluation and performance measurement. Specific findings include:
1. The program is the only entity that reviews existing pesticides to ensure they keep pace with advancing safety standards. The program has a clear mission and statutory authority.
2. The program has established long-term goals but they are not adequate because the goals lack quantified baselines and/or targets and because they need to be more outcome-focused.
3. The program regularly reviews progress toward annual goals and does make management decisions to address issues that impede progress but the program does not use efficiency or cost effectiveness measures to monitor program management and performance.
4. EPA has proposed a long-term efficiency goal for this program that targets reductions in decision-making time but further work is needed to finalize the goal and to develop appropriate annual targets to support it.
5. The program has met statutory deadlines but does not always meet annual goals and it is unclear how achieving annual targets leads to quantifiable progress toward the program's long-term goals. Progress toward future deadlines will require additional work on antimicrobial pesticides.

As a result of this review, the Administration:
1. Recommends providing an additional $1.0 million for antimicrobial pesticides and $0.5 million for inerts reregistration activities.
2. Will implement appropriate long-term performance measures, improved annual targets, and adequate long and short term efficiency measures.

(For more information on this program, please see the Environmental Protection Agency chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
45	48	52

Program: Superfund Removal

Agency: Environmental Protection Agency
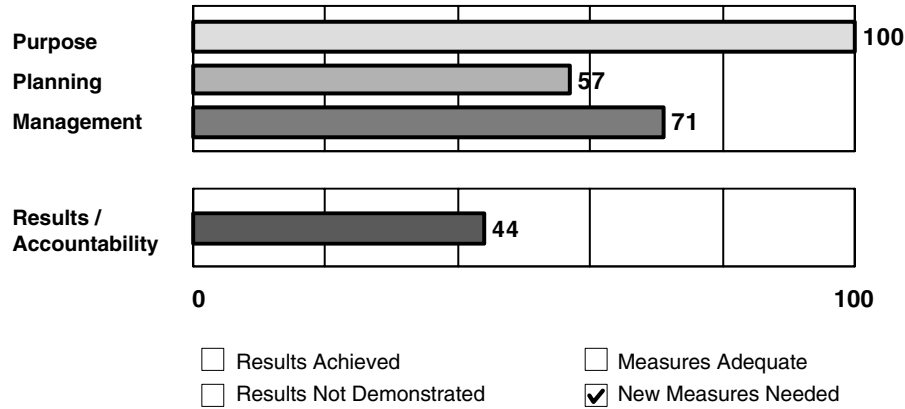
Bureau: Environmental Protection Agency

☐ Results Achieved	☐ Measures Adequate
☐ Results Not Demonstrated	☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Number of removals completed	2001	300	302
	2002	275	426
	2003	350	
	2004	350	
Efficiency Measure: Measure under development			

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

Superfund's Removal Program is a short term cleanup program to remediate emergency and non-emergency situations in two years or less.

The assessment showed that:
1. The program's purpose, to perform emergency cleanup of hazardous materials, is very clearly defined and understood by states and stakeholders.
2. The program would benefit from regular independent evaluations and a systematic process to review strategic planning.
3. The program meets its targets for number of removals each year, an output measure. However, the program scores poorly on the Results/Accountability section since it has no outcome based performance metrics that demonstrate the extent of the impact on public health and the environment.
4. There are no efficiency measures and the development requires overcoming significant data issues, namely, poor historic data quality in EPA's Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) database.

In response to these findings, the Administration will:
1. Propose funding at the 2003 President's Budget level.
2. Develop outcome oriented measures that test the linkage between program activities and the impact on human health and the environment.
3. Improve data quality in the CERCLIS database.

(For more information on this program, please see the Environmental Protection Agency chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
203	203	203

Program: *Tribal General Assistance*

Agency: *Environmental Protection Agency*

Bureau: *Environmental Protection Agency*

Purpose	100
Planning	29
Management	56
Results / Accountability	33

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long term Measure: Measure under development			
Annual Measure: Percent of tribes with delegated and non-delegated environmental programs (New measure, targets under development)			
Efficiency Measure: Measure under development			

Rating: *Results Not Demonstrated*

Program Type: *Block / Formula Grants*

Program Summary:

The Indian Environmental General Assistance Program (GAP) provides grants to federally recognized Native American tribes and eligible intertribal consortia to improve their ability to administer environmental regulatory programs.

The analysis found that:

1. The program's purpose is very clear and agreed upon by interested parties. Not all tribes currently have the financial resources and technical ability to develop and implement Federal environmental programs on their own.

2. Strategic planning is the program's weakest area, and plans from 2003 and earlier had weak performance goals that focused on processes more than environmental outcomes.

3. In recognition of these weaknesses, EPA has been working to develop new long-term goals and efficiency measures.

4. The program also adopted new annual performance measures, which more accurately reflect the program's purpose and activities.

5. GAP has improved its program management over the last year. It implemented a new grants management system which provides better information on grantee activities, and it also developed a tribal database which holds environmental, cultural, and administrative information on each of the tribes.

As a result of these findings, the Administration recommends:

1. Increasing GAP funding to $62.5 million, $5 million above the 2003 President's Budget level of $57 million, in recognition that program management is improving.

2. That EPA use the new information from the recently implemented grants management system to further improve the program's strategic planning and management, including the development of long-term goals and efficiency measures.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
52	57	62

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Setting priorities among its different research activities is a major management challenge for NASA, as is controlling the costs of its supporting capabilities, such as the Space Shuttle and Space Station. NASA is a government-wide leader in the human capital and budget and performance integration initiatives, and is making substantial progress in competitive sourcing.

President's Management Agenda

	Status	*Progress*
Human Capital	Y ↑	G

NASA's status has improved to yellow because it is implementing a strategic human capital plan. A key element of this plan is a human capital tracking system, which allows NASA to identify workforce deficiencies across the agency and undertake corrective actions.

Competitive Sourcing	R	G

In competitive sourcing, NASA has achieved the government-wide goal by contracting out 15 percent of its commercial positions but still has not conducted a competition or finalized a plan to achieve the long-term 50 percent goal.

Financial Performance	R ↓	G

NASA's received a disclaimer of opinion on its 2001 audit. However, NASA has addressed the issues from the audit, and it could improve from a red to a yellow rating if it earns an unqualified opinion on its 2002 audit. NASA also has begun implementing a common, agency-wide financial management system.

Expanding E-Government	R	G

NASA's progress rating is green due to recent actions to improve its information technology (IT) architecture and its reporting on IT security and project justifications. NASA's status rating could improve if its new processes yield improved architectures, IT security, and project justifications.

Budget and Performance Integration	Y ↑	G

NASA's status improved to yellow because the agency budgets for the full cost of its programs, including workforce, facilities, and overhead, and has integrated its budget and performance reports.

Program Assessments

NASA's three program assessments demonstrate a wide range of performance, from the Mars Exploration Program, which was rated effective for its planning and execution since the loss of two Mars missions in the late 1990s, to the Space Station program, which was rated adequate because it is still recovering from recent cost overruns. All NASA programs must improve performance measures so that the annual and long-term results of multi-year investments in NASA research are made clearer.

Program: *Mars Exploration*

Agency: *National Aeronautics and Space Administration*

Bureau: *National Aeronautics and Space Administration*

- ☑ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Determine if life exists or has ever existed on Mars by: 1) exploring a high priority site on the Martian surface for definitive signs of organic molecules, and 2) mapping potential biosignatures from Mars orbit and the Martian surface (New measure)	2011	2 milestone	
Annual Measure: Percentage cost overrun on spacecraft missions	2002	<+10%	-1% to +14%
	2003	<+10%	
	2004	<+10%	
Annual Measure: Percentage of budget allocated through open, peer-reviewed competition	2002	>75%	70%
	2003	>75%	
	2004	>75%	

Rating: *Effective*

Program Type: *Research and Development*

Program Summary:

The Mars Exploration Program (MEP) conducts scientific exploration of the planet Mars, focusing on the search for water and evidence of life. MEP develops technologies, builds, launches, and operates robotic spacecraft, and performs research to better understand Mars and its past and present potential for life.

This assessment indicates that the MEP is a very well-defined and focused program that ties directly to NASA's mission. In the late 1990s, the MEP lost two spacecraft to mission failures. This assessment indicates that the MEP has recovered well since that time and is yielding quality science results today. Additional findings include:
1. The success of the next mission to Mars, the Mars Exploration Rovers (MERs), is important to validating NASA's revamped Mars program strategy.
2. Scientific and educational returns could be increased many-fold if new communications technologies, such as optical communications, were used by the MEP.
3. Advance planning for the next decade of Mars missions is important to understanding what technologies the MEP should be investing in this decade.
4. Large Mars missions must be planned carefully as they can cost two to five times as much as smaller Mars missions.
5. Although annual MEP performance measures quantify program inputs and outputs, long-term MEP performance lacks quantifiable measures of program outputs and outcomes. R&D programs like MEP have historically experienced difficulty quantifying long-term outcomes because scientific discoveries are hard to predict.

In response to these findings, the Administration will:
1. Demonstrate new optical communications technology critical to future, high data rate, deep space communications. This demonstration will focus on the 2009 Mars Mobile Laboratory mission.
2. Develop options for the next decade of Mars missions, including both large and small missions, to help guide MEP technology investments in future budgets.
3. Develop long-term, quantitative, outcome oriented performance measures.

[For more information on this program, please see the National Aeronautics and Space Administration chapter in the Budget volume. 2004 estimate reflects NASA's change to full cost budgeting and is not directly comparable with prior years.]

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
457	496	570

Program: *Space Shuttle*

Agency: *National Aeronautics and Space Administration*

Bureau: *National Aeronautics and Space Administration*

Purpose	80
Planning	33
Management	64
Results / Accountability	80

0 — 100

- ☑ Results Achieved
- ☐ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Average number of potential flight safety problems (anomalies) per flight	2002	<8	6
	2003	<8	
	2004	<8	
Annual Measure: Percentage of flight objectives achieved Flight objectives include activities such as spacewalks completed or delivery of crew to the Space Station.	2002	100%	100%
	2003	100%	
	2004	100%	

Rating: *Moderately Effective*

Program Type: *Capital Assets*

Program Summary:

The Space Shuttle program is primarily responsible for transporting astronauts and cargo to and from the Space Station. The Shuttle program operates and maintains the fleet of Space Shuttles.

The assessment indicates that day-to-day Shuttle operations are generally well managed but the Shuttle program suffers from inadequate long-range, strategic planning. Additional findings include:
1. The program collects timely and credible information on Shuttle operations and continuously assesses and manages risks for safe operations.
2. Under NASA's new Integrated Space Transportation Plan, a Shuttle replacement will take longer to develop than originally anticipated and thus the Shuttle will operate longer than expected.
3. Shuttle operational costs are rising.
4. While the Shuttle program has good measures for tracking the performance of Shuttle operations, there is no clear, measurable relationship between investments in the Space Shuttle and improvements in Shuttle's operational life, flight safety, or facilities conditions. The Shuttle program would also benefit from one or more clear efficiency measures.
5. Several major Shuttle investments have been cancelled due to excessive cost growth. Projected cost growth can sometimes reach 200 percent or more.

In response to these findings, the Administration will:
1. Make investments to extend the Space Shuttle's operational life.
2. Incorporate the Space Shuttle in the President's Competitive Sourcing Initiative and make adjustments in the Shuttle infrastructure to help mitigate cost growth in Shuttle operations.
3. Develop outcome oriented, long-term performance measures for tracking the performance of Shuttle investments and efficiency measures for Shuttle operations.
4. Develop outcome oriented, long-term performance measures and efficiency measures.

(For more information on this program, please see the National Aeronautics and Space Administration chapter in the Budget volume. 2004 estimate reflects NASA's change to full cost budgeting and is not directly comparable with prior years.]

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
3,270	3,208	3,974

Program: Space Station

Agency: National Aeronautics and Space Administration

Bureau: National Aeronautics and Space Administration

Purpose	80
Planning	78
Management	73
Results / Accountability	39

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percentage of mission objectives completed as planned	2002	90%	>90%
	2003	90%	
	2004	90%	
Annual Measure: Percentage of planned Station resources available for research	2002	80%	>80%
	2003	80%	
	2004	80%	

Rating: Results Not Demonstrated

Program Type: Capital Assets

Program Summary:

The Space Station program builds and operates the United States' contributions to International Space Station. The Space Station program develops and manages Station resources like power, research space, and crew time. Other NASA programs manage the actual research conducted on the Space Station.

Two years ago, NASA projected a 50 percent overrun in the cost of work needed to complete the Space Station. To keep the Station within budget, the Administration scaled it down. It also set specific management goals that NASA must meet before any further additions to the Station would be considered.

This assessment indicates that the Space Station program has improved cost controls but also indicates that it is still too early to tell whether management reforms will continue to be successful. Additional findings include:
1. FY 2002 was the first year that the Space Station ended the fiscal year without reducing its funding reserves, a key indicator of improved cost controls.
2. The Space Station program still has a full year to go before it is scheduled to finish building the core Station.
3. To help manage risks as the Station transitions from development to operations, independent cost estimates show that the Space Station program will likely need additional budget reserves in future years.
4. Space Station performance measures reflect processes, not outputs or outcomes, do not measure efficiency, and provide no long-term objectives. Thus the program is not yet able to demonstrate results.

In response to these findings, the Administration will:
1. Continue building the core Space Station and monitor the program's performance to see if management reforms are successful.
2. Increase budget reserves for the Space Station in the President's 2004 Budget consistent with independent Station cost reviews.
3. Develop outcome-oriented, long-term performance measures and efficiency measures.

(For more information on this program, please see the National Aeronautics and Space Administration chapter in the Budget volume. 2004 estimate reflects NASA's change to full cost budgeting and is not directly comparable with prior years.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,721	1,492	1,707

NATIONAL SCIENCE FOUNDATION

The National Science Foundation (NSF) is taking a systemic view of the management agenda, understanding that the five management initiatives are intrinsically linked. NSF is the government-wide leader in Financial Management and Expanding E-Government and is making progress in Human Capital. However, its performance in the Competitive Sourcing and Budget and Performance Integration lags behind its other efforts.

President's Management Agenda

	Status	*Progress*
Human Capital	**R**	**G**

NSF has made significant progress in the Human Capital initiative. It established the NSF Academy for ongoing staff training and issued revised senior executive performance management objectives to measure executives' performance against the goals set out in NSF's strategic plan.

Competitive Sourcing	**R**	**R**

NSF has made no progress in Competitive Sourcing. The agency has decided not to compete any of its commercial positions at this time and has not developed a competitive sourcing plan.

Financial Performance	**G**	**G**

NSF continues to be the agency leader in financial performance. NSF has conducted 15 pilot reviews of its research grant awards as part of its new grant monitoring activity to ensure that NSF funds are used for their intended purposes.

Expanding E-Government	**G** ↑	**G**

NSF achieved green status in E-Gov, joining its green status for financial performance. It did so by making significant progress in fixing identified information security problems.

Budget and Performance Integration	**R**	**Y**

NSF has been slow in addressing the Budget and Performance Integration initiative. The agency has only recently submitted a draft plan on how to implement this initiative. The first significant step will be to revise its strategic plan by March 2003.

Program Assessments

Two NSF programs were reviewed using the Program Assessment Rating Tool (PART): one for activities under NSF's "Tools" strategic goal and one for its Geosciences directorate. These reviews showed that NSF programs have a very clear purpose and good management practices, but that their annual goals may not be that useful in measuring performance. For this year, the PART score reflects acceptance of the performance measures and the results they indicate. The Administration will develop better annual goals for the 2005 Budget.

Program: *Geosciences Directorate*

Agency: *National Science Foundation*

Bureau:

Purpose	100
Planning	70
Management	88
Results / Accountability	73

0   100

☐ Results Achieved   ☐ Measures Adequate
☐ Results Not Demonstrated   ☑ New Measures Needed
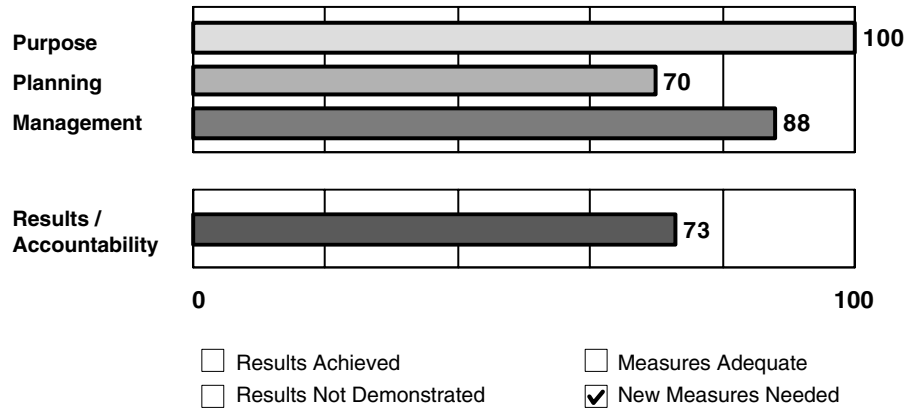
Key Performance Measures	Year	Target	Actual
Long-term Measure: Discovery across the frontier of science and engineering connected to learning, innovation, and service to society. Independent, external committees regularly assess NSF programs and the results of the awards made.	2001	Success	Success
	2002	Success	Success
	2003	Success	
	2004	Success	
Annual Measure: Partnerships connecting discovery to innovation, learning, and societal advancement. Independent, external committees assess whether programs succeed in meeting goals based on a retrospective review of program awards and the results from those awards.	2001	Success	Success
	2002	Success	Success
	2003	Success	
	2004	Success	
Annual Measure: Percentage of program announcements available at least three months prior to proposal deadline	2001	95%	100%
	2002	95%	94%
	2003	95%	
	2004	95%	

Rating: *Moderately Effective*

Program Type: *Research and Development*

Program Summary:

Geosciences is a directorate at NSF that funds basic research, equipment, facilities, and education in the atmospheric, earth, and ocean sciences.

The assessment indicates that the overall purpose of the program is very clear, but that NSF's annual goals, applied to Geosciences for this assessment, are too broad to be useful in tracking how the program will improve scientific understanding and its application. Additional findings include:
1. The program is the principal source of Federal funding for university-based basic research in the geosciences, providing over half of the total support in this area.
2. The program conducts independent evaluations on a regular basis to identify needed program improvements and evaluate effectiveness.
3. The program uses a competitive process using peer-review to make awards--an efficient and effective management process.
4. Although annual external reviews indicate that NSF was successful in meeting its goals, there is limited information about the criteria the external panels use to make those determinations.
5. The program's budget is not aligned with goals in a way that allows one to determine the impact of funding on performance.
6. The definition of the Geosciences directorate as a program was not useful in making budget decisions, because such decisions were not made by directorate.

For this year, the PART score reflects acceptance of the performance measures and the results they indicate. It is particularly difficult to establish meaningful annual performance measures for basic research. NSF uses a non-quantitative process to measure its progress in achieving its long-term and annual goals. Independent, external committees regularly assess NSF programs and the results of the awards made. In response to these findings:
1. The Administration will develop better annual goals for NSF programs as part of the agency's revision of its strategic plan and the development of the 2005 Budget.
2. The Administration will likely not use the "Geosciences" directorate as a program for future assessments.

[2003 funding includes $74 million in transferred programs not re-proposed in 2004.]

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
609	691	688

Program: NSF Research Tools

Agency: National Science Foundation

Bureau:

Purpose 100

Planning 83

Management 93

Results / Accountability 88

0 100

☑ Results Achieved   ☑ Measures Adequate
☐ Results Not Demonstrated   ☐ New Measures Needed

Rating: *Effective*

Program Type: *Research and Development*

Program Summary:

"Tools" is one of NSF's three strategic mission categories. This portfolio provides funding for research equipment and for construction, upgrade, and operation of research facilities. Just under 25 percent of NSF's budget supports the "Tools" portfolio.

The assessment indicates the overall purpose of the program is clear and that the program is meeting the majority of its annual goals. Additional findings include:
1. The program conducts independent and quality evaluations on a regular basis to support program improvements and to evaluate effectiveness.
2. The program uses a competitive process using peer-review to make awards. This is an efficient and effective management process.
3. The program's budget is not aligned with goals in a way that allows one to determine the impact of funding on performance.
4. NSF's priority setting process for large facility construction is not readily transparent, making it difficult to discern the program's priorities.
5. Although "Tools" received a positive assessment, budget decisions are made at lower levels within the "Tools" portfolio, limiting the linkage between the "Tools" assessment and budget decisions.

For this year, the PART score reflects acceptance of the performance measures and the results they indicate. It is particularly difficult to establish meaningful annual performance measures for basic research. NSF uses a qualitative process to assess progress toward its long-term and annual outcome goals. Independent, external committees annually assess the significance and results of NSF awards for "Tools." In response to these findings:
1. NSF will provide with the budget a rank ordering of all large facility construction projects and a discussion of how these projects were selected, approved, and prioritized.
2. For future budgets, the Administration may separate the "Tools" category into at least three subcategories and undertake program assessments at those levels to better link those assessments with budget decisions.

(For more information on this program, please see the National Science Foundation chapter in the Budget volume.)

Key Performance Measures	Year	Target	Actual
Long-term Measure: NSF provision of broadly accessible, state-of-the-art research and education tools. Independent, external committees annually assess the significance and results of NSF awards for "Tools".	2001	Success	Success
	2002	Success	Success
	2003	Success	
	2004	Success	
Annual Measure: Percent of facility projects in which construction and upgrade cost and schedule are kept within 10 percent of project plan (replaces existing cost-based measure)	2001	90%	96%
	2002	90%	93%
	2003	90%	
	2004	90%	
Annual Measure: Percent of facilities in which operating time lost due to unscheduled downtime is less than 10 percent of the total scheduled operating time	2001	90%	86%
	2002	90%	84%
	2003	90%	
	2004	90%	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,112	1,122	1,333

SMALL BUSINESS ADMINISTRATION

SBA recently began to address long-standing financial management problems, but is out in front with its on-line site – BusinessLaw.gov -- to help small businesses comply with federal regulations.

President's Management Agenda

	Status	*Progress*
Human Capital	**R**	**G**

The agency will retrain its staff and pursue policies to more effectively reach out to America's 25 million small businesses.   SBA's goals are to provide field offices with greater flexibility to manage programs based upon the needs of the local community and to centralize loan processing to improve customer service.   SBA has assessed the skills of its staff, committed funds to training them in marketing and outreach, and developed new performance standards to hold staff accountable for their service to SBA customers.

Competitive Sourcing	**R**	**G**

SBA has conducted an inventory and identified staff positions that should be subjected to a public-private should competition in 2003.

Financial Performance	**R**	**R**

SBA deteriorated in this initiative because it has encountered significant challenges in accounting for loan asset sales, meeting accounting performance standards, and measuring risk in its loan portfolio more accurately.

Expanding E-Government	**Y**	**G**

SBA, in partnership with federal agencies and state governments has developed the Business Compliance One-Stop, part of the BusinessLaw.gov on-line system to help entrepreneurs easily find, understand, and comply with the myriad of regulations that affect their businesses.

Budget and Performance Integration	**Y**	**G**

SBA is strong in some areas of budget performance and integration, however, it needs to develop outcome measures for technical assistance programs and make funding decisions according to expectations of program performance.

Program Assessments

The Program Assessment Rating Tool was applied to four of the Small Business Administration's (SBA) programs. The assessment of these programs revealed some duplication in the provision of technical assistance and business loans. Across the board, the agency lacks measures that demonstrate program effectiveness in achieving outcomes. Generally, the assessed programs achieved an "above average" rating in the area of management and "average" ratings for planning and results.

Program: Business Information Centers

Agency: Small Business Administration

Bureau:

Purpose	60
Planning	43
Management	86
Results / Accountability	17

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Customer Satisfaction rate	2001		93%
	2003	91-93%	
Annual Measure: Cost of providing services per client (Targets under development)	2001		$85.35
	2002		$88.51

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

SBA provides grant to 80 existing Business Information Centers (BICs) to assist small businesses, particularly, start-up businesses, by providing information, and access to resources and technology.

The assessment found that the program lacks a clear purpose or outcome goals to measure performance. Additional findings include:
1. There are no data to show that the program has resulted in long-term benefits to small businesses.
2. There are no evaluations to assess the agency's management of the program. Based on SBA's preliminary cost allocation data, the agency spent approximately $12 million in 2002 to manage and support $500,000 in grants. Inclusion of these direct administrative funds would significantly increase cost per recipient, thereby reducing efficiency.
3. Surveys of recipients of BIC services show a high satisfaction rate of 93 percent.
4. Planning is significantly lacking. SBA does not have outcome-based annual or long-term goals.

In response to these findings, the Administration will:
1. Develop outcome-oriented annual and long-term goals and measures.
2. Undertake an evaluation of the program's effectiveness and measure whether it duplicates other federal and non-federal mentoring programs.
3. Revisit the cost allocation methodology to determine if current estimates accurately represent true program related expenditures.

(For more information on this program, please see the Small Business Administration chapter in the Budget volume.)

Note: Program funding levels: $500,000 in 2002, $475,000 in 2003, and $475,000 in 2004.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
0	0	0

Program: Section 504 Certified Development Company Loan Program

Agency: Small Business Administration
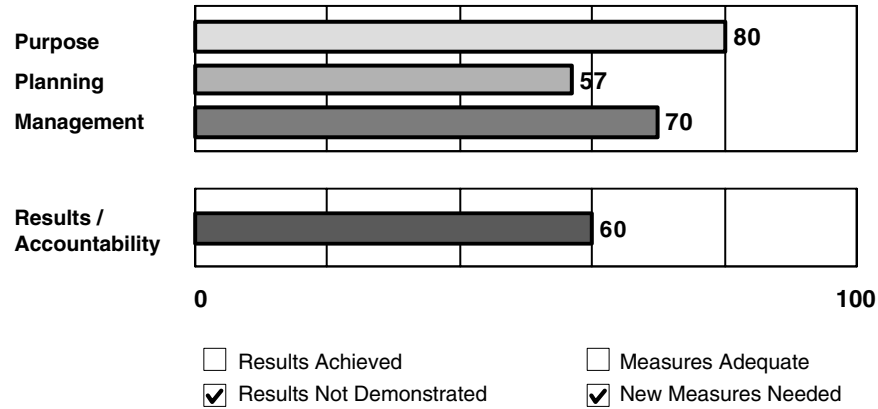
Bureau:

Purpose 80

Planning 57

Management 70

Results / Accountability 60

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Job creation	2002	83,918	116,048
	2003	80,759	
	2004	80,759	
Annual Measure: Number of loans to start-up firms	2002		989
	2003	1,000	
	2004	1,000	

Rating: Results Not Demonstrated

Program Type: Credit

Program Summary:

The Small Business Administration's (SBA) Section 504 Certified Development Company Loan program provides long-term, fixed-rate financing to entrepreneurs for fixed assets such as land, buildings, and large equipment. This program is designed to stimulate private sector investment, create jobs, and contribute to the economic development of communities.

The PART findings indicate that the program purpose is clear. Additionally, the PART revealed the following:
1. While SBA's 504 loans are unique in structure as compared to its 7(a) General Business loans, the programs are duplicative in that both programs provide long-term financing for fixed assets (land, buildings, and large equipment).
2. The agency lacks a strategic plan and has not articulated the long-term public policy objectives of the 504 program.
3. SBA needs to increase the availability of loan intermediaries within the 504 program to improve customer access to loans. Additionally, increasing the availability of 504 loan intermediaries will enable borrowers to determine which of SBA's loan programs (504 or 7(a)) best meet their needs.

The PART findings will be addressed in the following manner:
1. The 2004 Budget proposes to increase program evaluations to determine the factors that affect both demand and performance in the 504 and 7(a) programs.
2. The proposed funding for evaluations would also be used to compare the cost of 504, private sector, and 7(a) loans.
3. Through a proposed regulation, SBA will solicit the public's view on developing long-term goals for its strategic plan and increasing borrower choice for 504 and 7(a) loans.

[Note: The Section 504 program is self-financed through fees, requiring no appropriation. The 2004 Budget supports a loan volume of $4.5 billion.]

(For more information on this program, please see the Small Business Administration chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
0	0	0

Program: Service Corps of Retired Executives

Agency: Small Business Administration
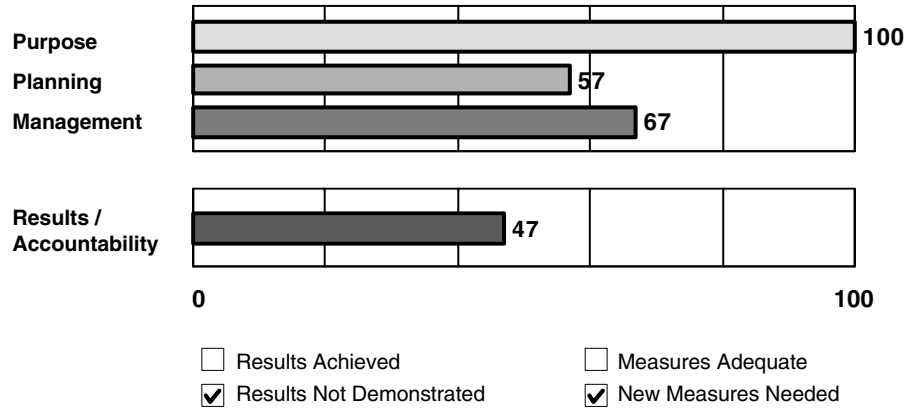
Bureau:

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Number of clients counseled or trained	2001	406,300	387,938
	2002	399,576	440,293
	2003	462,257	
	2004	510,000	
Annual Measure: Cost of providing services per client	2001		$30.57
	2002	$29.19	$30.87

Rating: Results Not Demonstrated

Program Type: Block/Formula Grants

Program Summary:

The Service Corp of Retired Executives (SCORE) matches experienced business executives, who volunteer their time, to counsel and assist entrepreneurs. There are currently 389 SCORE locations. About 10,500 volunteers donated more than 1.1 million hours in 2002.

The assessment found that the program's purpose was very clear and cost per client was relatively low relative to similar programs. Additional findings include:
1. The program has successfully brought together volunteers with entrepreneurs for mentoring.
2. Based on SBA's preliminary cost allocation data, the agency spent nearly $9 million in 2002 to manage and support $5 million in grants.
3. There are no data to show that the program has resulted in long-term benefits to recipients. SBA does not have outcome-based annual or long-term goals.

In response to these findings, the Administration will:
1. Develop outcome-oriented annual and long-term goals and measures.
2. Undertake an evaluation of the program's effectiveness and measure whether it duplicates other federal and non-federal mentoring programs.
3. Revisit the cost allocation methodology to determine if current estimates accurately represent true program related expenditures.

(For more information on this program, please see the Small Business Administration chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
5	5	5

Program: *Small Business Development Centers*

Agency: *Small Business Administration*

Bureau:

Category	Score
Purpose	80
Planning	57
Management	89
Results / Accountability	33

Scale: 0 to 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Cost of providing services to clients (Targets under development)	2001		$164.57
	2002		$154.43
Annual Measure: The number of small businesses counseled or trained (Revised targets under development)	2001	631,349	609,646
	2002	627,935	651,421
	2003	634,214	
	2004	653,240	

Rating: *Results Not Demonstrated*

Program Type: *Block / Formula Grants*

Program Summary:

Small Business Development Centers (SBDCs) provide basic business counseling to current and prospective business owners. These centers are partially funded by the federal government. State and private sources also provide funding. SBDCs counsel over 600,000 clients annually.

While the assessment found that the program's purpose is clear, SBA lacks meaningful annual and long-term goals necessary to measure the program's performance. Additional findings include:
1. An independent evaluation of the program indicated that each $1 spent on counseling resulted in $2.78 in tax revenue.
2. There are no evaluations from which to assess the agency's management of the program. Based on preliminary cost allocation data, the agency spent approximately $13 million to manage and support $88 million in SBDC grants.
3. Funds are allocated to SBDCs based on formulas rather than performance. In addition, the hourly cost of counseling services varied significantly among SBDCs without any evidence that the quality of services or outcomes differed.

In response to these findings, the Administration will:
1. Develop outcome-oriented annual and long-term goals and measures to assess program performance.
2. Undertake an evaluation of the program's effectiveness and measure whether it duplicates other federal and non-federal mentoring programs.
3. Revisit SBA's cost allocation methodology to determine whether current estimates accurately represent true program related expenditures.

(For more information on this program, please see the Small Business Administration chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
88	88	88

271

SOCIAL SECURITY ADMINISTRATION

SSA has made strong progress in the President's Management Agenda, especially in Budget and Performance Integration. In competitive sourcing, however, SSA is progressing more slowly than planned.

President's Management Agenda

	Status	*Progress*
Human Capital	**Y**	**G**

SSA is yellow for status because it has not implemented an agency-wide performance appraisal system that differentiates between high and low performers. However, SSA continues to improve through a new performance appraisal system for its senior executives. SSA also has increased productivity and has been moving workers to front-line positions, which, in turn, should improve service to customers.

Competitive Sourcing	**R**	**Y**

SSA is red for status because it has not competed or directly converted 15 percent of its commercial jobs. While SSA has the competitive sourcing infrastructure in place and has taken initial steps, it only recently announced its studies.

Financial Performance	**Y**	**G**

SSA's status is yellow because its financial and performance management systems are not yet integrated. Still, SSA continues to make progress. It produced audited financial statements 45 days after the end of the fiscal year, beating an accelerated annual deadline by two years. Also, SSA received a clean opinion on its financial statements for the ninth consecutive year and cleared its one remaining financial management material weakness.

Expanding E-Government	**Y**	**G**

SSA's status is yellow because it is developing but has not yet achieved a one-stop, integrated customer service delivery across the Internet, call centers, and field offices. SSA makes business cases for all its major IT investments, and the agency's enterprise architecture and capital planning processes have improved.

Budget and Performance Integration	**Y** ↑	**G**

SSA's status is yellow because the cost of outputs is not directly integrated with performance outcomes. However, SSA has strengthened the linkage in some cases, and is developing a new budget formulation system.

Program Assessments

The assessments suggest that SSA uses strong financial management and accountability practices in administering these programs. The programs have adequate long-term and annual performance measures, many of which have been met.

Program: *Disability Insurance*

Agency: *Social Security Administration*
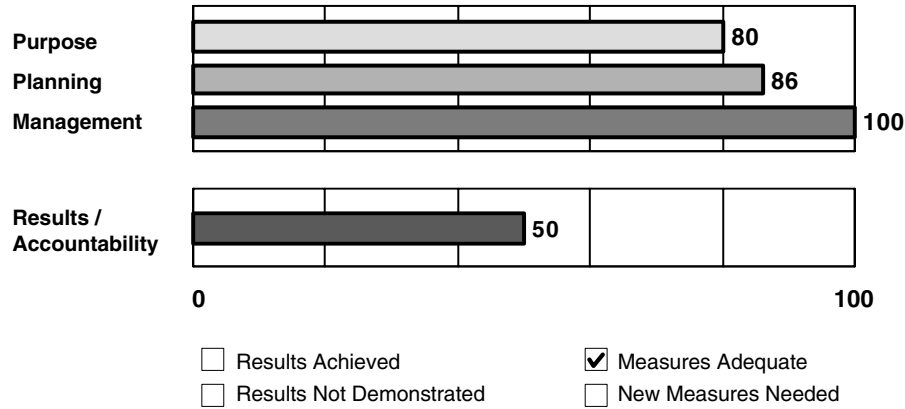
Bureau: *Social Security Administration*

Purpose	80
Planning	86
Management	100
Results / Accountability	50

Scale: 0 to 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Initial disability claims average processing time (days) This is the number of days from the filing of an application to the date processing is complete.	1999	100	105
	2000	115	102
	2001	120	106
	2004	103	
Annual Measure: Percent of initial disability denials correctly processed	1999		93.0%
	2000		92.4%
	2001	93.5%	92.0%
	2002	93.5%	92.4%
Annual Measure: Number of hearings cases processed per workyear (includes all hearings, not just initial disability)	1999		98
	2000		97
	2001	103	87
	2002	91	97

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

The Social Security Disability Insurance (DI) program pays benefits to persons who are unable to earn a living due to a disability. Benefits are based on a person's lifetime average earnings. The program also provides money to dependents.

The assessment indicates that the DI program purpose is clear and addresses a specific need. Of those employees covered by the DI program, 75% are without an employer-provided long-term disability policy. Additional findings include:
1. The DI program is not optimally designed to meet the current needs of people with disabilities. Enacted in 1956, the program has not been revised to reflect changing medical technology, vocational options, and societal attitudes toward the disabled that allow more people with disabilities to work.
2. While funding to run the program directly affects actual performance, the precise relationship between resources and outcomes is not readily known for all outcomes, such as the percent of claims processed correctly and claims processing time.
3. To improve cost effectiveness, SSA periodically reviews DI beneficiaries to ensure that only those who remain disabled continue receiving benefits.
4. SSA's financial management is sound. For example, SSA received its ninth consecutive unqualified opinion on its financial statements.
5. SSA exceeded its targets for average initial processing time. But, SSA has not met its annual goals for the percent of initial disability denials correctly processed.
6. SSA did not make sufficient progress in hearings productivity. While productivity improved in 2002, it remains below the 1999 level of 98 hearings processed per workyear.
7. Reports from the General Accounting Office and the Social Security Advisory Board have repeatedly noted that program improvements are necessary if SSA is to improve productivity and processing times. SSA has worked for several years to make improvements without significant success.

To address these findings, the SSA will:
1. Better connect DI beneficiaries with expanding employment opportunities for individuals with disabilities.
2. More closely line up DI administrative resources with performance benchmarks.
3. Improve the disability claims process, in part, by investing in technology to eliminate the need to store, locate, and mail millions of paper files.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
65,783	75,138	79,801

274

Program: *Supplemental Security Income for the Aged*

Agency: Social Security Administration

Bureau: Social Security Administration

Purpose	100
Planning	84
Management	100
Results / Accountability	67

0 — 100

- ☐ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Key Performance Measures
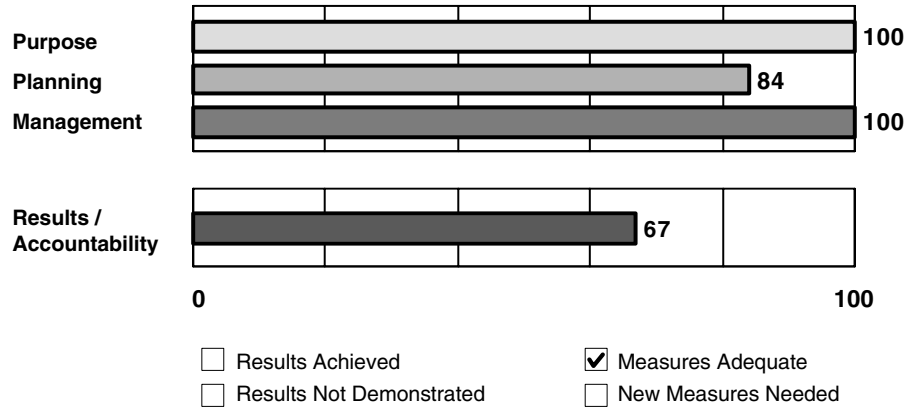
Key Performance Measures	Year	Target	Actual
Long-term Measure: Number of SSI Aged claims processed per workyear by the field offices (Internal Measure prior to 2003)	1999		322
	2002		515
	2003	497	
	2004	502	
Annual Measure: Percent of SSI aged claims processed within 2 weeks of the application being filed	1999	66.0%	63.5%
	2000	66.0%	74.4%
	2001	66.0%	79.9%
	2002	70.0%	82.6%
Annual Measure: Percent of SSI payments made to the correct individuals in the correct amounts without overpayments (for the SSI program overall)	1999		94.3%
	2000	95.0%	93.6%
	2001	94.7%	92.8%
	2002	94.0%	

Rating: *Moderately Effective*

Program Type: Direct Federal

Program Summary:

The Supplemental Security Income (SSI) for the Aged program provides money to needy individuals aged 65 years or older who have limited or no other income. SSI Aged is one component of the broader SSI program, which also serves blind and disabled individuals. The assessment indicates that the SSI Aged program addresses a specific need since it provides payments to individuals whose needs are not met from other sources, such as Social Security retirement benefits and pensions. Over 435,000 individuals receiving SSI on the basis of age have no other income.

Additional findings include:
1. This federal program provides national uniform eligibility requirements for supplemental income in comparison to the patchwork of state programs that it replaced in 1974.
2. While the funding to run the program directly affects actual performance, the precise relationship between resources and outcomes is not readily known for all outcomes, such as the percent of payments correctly paid and claims processing time.
3. SSA has established strong financial management and accountability practices. For example, SSA's accounting system allows it to track full actual costs of the SSI program, including all administrative costs and overhead.
4. Each year, SSA has become more efficient and productive in processing SSI Aged claims. SSA set 2003 and 2004 targets for this productivity measure and exceeded them in 2002.
5. Beginning in 2000, SSA exceeded its annual average processing time targets for SSI Aged claims.
6. The targets for the percent of SSI payments made correctly without overpayments, which are for the overall SSI program rather than just the Aged component, have not been achieved. SSA uses several methods to prevent these errors. These methods also detect payment errors, which negatively affects the measured performance against these targets.

To address these findings, the SSA will:
1. Better match up SSI administrative resources with performance benchmarks.
2. Address payment accuracy issues by aggressively pursuing strategies outlined in its SSI Corrective Action plan, such as simplifying income reporting requirements.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
4,577	4,739	5,002

275

OTHER AGENCIES

President's Management Agenda

	Human Capital	Competitive Sourcing	Financial Performance	E-Government	Budget and Performance Integration
General Services Administration					
Status	R	R	Y	R	R
Progress	R	G	G	Y	Y
Office of Personnel Management					
Status	Y	R	Y ↑	Y	R
Progress	G	G	G	G	G
Smithsonian Institution					
Status	R	R	R	Y	R
Progress	Y	Y	Y	G	Y

General Services Administration

GSA made significant progress in several areas. GSA successfully replaced its core accounting system to improve the management of funds. GSA is now focusing its efforts to move other financial systems into one agency-wide system. GSA also successfully converted 398 jobs (or five percent overall) during 2002, and is expected to convert 15 percent of its commercial inventory by the end of 2003. GSA's major challenges in improving its status on these initiatives include: purchasing IT systems that work for the entire agency, rather than parts of it; improving management and execution of its human capital strategy; and developing long-range performance goals and the budgets needed to achieve those goals.

Office of Personnel Management

OPM is making good progress towards meeting each of the initiative's standards for success. It is reorganizing its workforce to better help federal agencies put effective human resource management practices into effect that, in turn, will improve agency performance. Last year OPM competitively sourced 82 full-time job slots, and has plans to contract or compete another 202 in 2003. OPM received a clean audit on its 2001 consolidated financial statement, and used its new COTS financial management system to close its accounts within the same year. OPM leads five e-Gov initiatives, including consolidation of federal civilian payroll service providers from 22 to four. A new web site, www.GoLearn.gov, is one of the world's most active online training sites, with over 35 million hits to date and 20,000 registered users. OPM is developing a zero-based budget and an annual performance plan that adjusts to the goals of the reorganization. It also has kicked off a project to create an agency-wide program evaluation and performance measurement program.

Smithsonian Institution

While the Smithsonian Institution is making some progress in addressing the President's Management Agenda, it still has a long way to go before its status ratings will improve. The Smithsonian has produced successful business cases for all of its IT projects, but must address the 22 material weaknesses discovered in its IT security system. The Smithsonian also began to implement a new financial management system designed to improve its management information and decision-making abilities. The first components of this system were introduced in October 2002, with overall completion scheduled for spring 2005 The Smithsonian also has committed to competing positions for facilities, custodial, and grounds maintenance at its newest aviation and space artifacts museum, the Udvar Hazy Center at Dulles Airport. Finally, the Smithsonian 2004 Budget submission marks the Institution's first attempt at having budget and performance measures complement one another. The Smithsonian will work to ensure that full budgetary costs are charged to all mission activities in upcoming budgets.

Program Assessments

Eleven program assessments were conducted for programs in smaller agencies, including the General Services Administration, Office of Personnel Management, Consumer Product Safety Commission, Corporation for National and Community Service, and the Tennessee Valley Authority. The budgets for these programs range from $59 million to $53 billion.

As with other programs, much of the effort in completing ratings involved developing informative, useful performance measures. For instance, OPM's Federal Employees' Group Life Insurance (FEGLI) and Retirement programs are well-administered benefit programs and both use annual performance measures to improve service delivery and increase efficiency. However neither program has any long-term measures that relate to identifying and evaluating the role these benefits play in helping the government, as an employer, attract and keep a high-quality workforce. A similar lack of long-term outcome goals was identified in five GSA programs and in others that follow.

278

Program: Consumer Product Safety Commission

Agency: Consumer Product Safety Commission

Bureau: Consumer Product Safety Commission
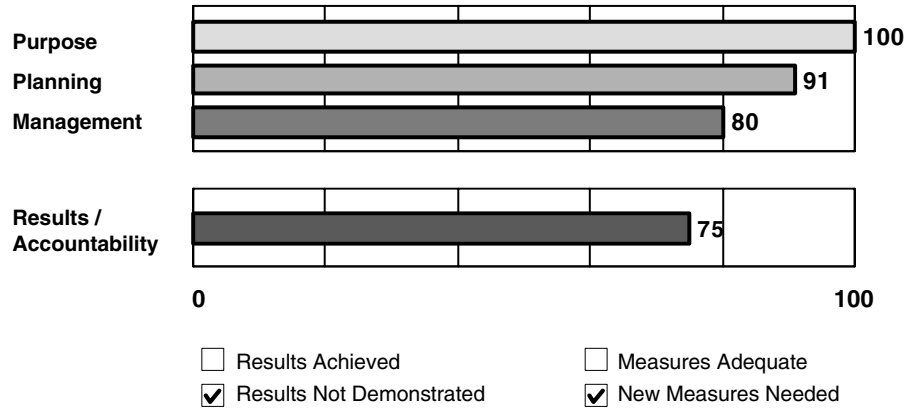
Purpose	100
Planning	91
Management	80
Results / Accountability	75

0   100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: The rate of death in the U.S. from fire related causes (measured per million people) (New targets will be developed by March 2003)	1995	10.3	11.4
	1997	10.3	10.3
	1999	10.3	9.8
Long-term Measure: The rate of death in the U.S. from electrocutions (measured per 10 million people) (New targets will be developed by March 2003)	1994	7.1	8.8
	1996	7.1	7.2
	1998	7.1	7.4
Annual Measure: Recalls initiated within 20 days under the Fast Track Product Recall program (New targets will be developed by March 2003)	1999	80%	95%
	2000	90%	94%
	2001	90%	95%

Rating: Results Not Demonstrated

Program Type: Regulatory

Program Summary:

CPSC works to reduce the unreasonable risk of injuries and deaths associated with consumer products through voluntary and mandatory safety standards, compliance with those standards, consumer information, and cooperative, voluntary efforts with manufacturers.

The assessment found that despite overall strong performance, CPSC does not demonstrate results due to a lack of long-term outcome goals. Additional findings include:
1. CPSC has a clear and unique Federal role.
2. CPSC has addressed its data problems by developing new methodologies and procedures for data collection. This will enable the agency to adjust its strategic goals.
3. CPSC's annual performance goals are discrete, quantifiable, and measurable, and directly support the agency's mission.
4. CPSC currently conducts cost-benefit analyses for all of its regulations substantive regulations except Poison Prevention Packaging Act (PPPA) regulations and those regulations directed by Congress that waive the statutory requirements for cost-benefit analysis.
5. CPSC routinely uses performance data to recommend program improvements.
6. CPSC has shown positive trends in meeting its long term goals in the past, however, current targets are set below already achieved levels and are not ambitious.
7. CPSC does a limited review of its current regulations to ensure consistency among all regulations in accomplishing program goals.

To address these findings, the agency will:
1. Develop more ambitious long-term strategic goals. (CPSC is now revising its strategic plan and setting new targets.)
2. Review the conduct of cost-benefit analyses on PPPA regulations to ensure that these regulations are conducted in a more comprehensive, consistent and thorough manner, and propose legislative change when appropriate.
3. Develop a plan to systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals.

(For more information on this program, please see the Other Agencies chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
55	57	60

Program: *AmeriCorps*

Agency: *Corporation for National and Community Service*
Bureau: *Corporation for National and Community Service*

Purpose	60
Planning	71
Management	27
Results / Accountability	20

Scale: 0 to 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			
Annual Measure: Measures under development			

Rating: *Results Not Demonstrated*

Program Type: *Competitive Grants*

Program Summary:

The AmeriCorps program makes competitive grants to states and national organizations to support people to provide community services. These services include tutoring children, responding to natural disasters, establishing or expanding neighborhood safety patrols, and building and rehabilitating homes for the homeless. Participants are eligible to receive a $4,725 education award for each year of full-time service completed to help pay for college, job training or pay back student loans.

Key PART findings include:
1. The PART identified that while AmeriCorps makes a contribution in addressing community needs for volunteer services, AmeriCorps has not been able to demonstrate results. Its current focus is on the amount of time a person serves, as opposed to the impact on the community or participants.
2. The program has limited data to show progress on performance measures, and current CNCS goals are neither specific nor measurable. For example, "Meeting Community Needs" is one of the program's long-term performance goals, but since CNCS does not provide a numerical target or baseline to explain how it will achieve this goal, it is difficult to determine what progress if any will be made. CNCS acknowledges the need to improve its performance measures and will begin to adopt new goals and indicators in 2003.
3. CNCS has made significant improvements in addressing past financial management problems. In 2001, the agency received an unqualified audit for the second consecutive year, with no material weaknesses identified. However, CNCS has found weaknesses in recording education awards and approved AmeriCorps positions in excess of budgeted levels. CNCS is implementing a corrective action plan to address these issues.
4. AmeriCorps does not have a limited number of annual performance goals that demonstrate progress toward achieving its long-term goals. CNCS will begin to adopt quantifiable goals by which performance outcomes can be measured.

In response to these findings, CNCS will:
1. Continue to work on strengthening performance measures and indicators.
2. Establish new financial management procedures to ensure that the Corporation has timely and accurate information on AmeriCorps enrollments that are within budgeted levels and properly records education award obligations.
3. Develop more outcome-oriented long-term and annual performance measures for the 2005 Budget.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
240	403	313

Program: *Asset Management of Federally-Owned Real Property*

Agency: *General Services Administration*

Bureau: *Federal Property Resources Activities*

Rating: *Results Not Demonstrated*

Program Type: *Capital Assets*

Program Summary:

GSA's real property asset management program manages government-owned space. (This does not include GSA's new construction program.)

The assessment found the program purpose, housing Federal agencies in space that meets their needs, to be relatively clear. However, there is no long-term vision for managing Federally-owned real property and how the program should measure long-term success. Additional findings include:

1. GSA has solid annual performance measures, many based on private sector benchmarks.
2. To a large extent, GSA met its annual performance targets for asset management of Federally-owned property in 2001 and 2002. However, many of its targets do not appear to be stretch goals, such as completing repair and alteration projects on time.
3. GSA has displayed solid management of its Federally-owned real property program by holding senior managers and associates accountable for performance. For example, GSA's "Linking Budget to Performance" program rewards regions for meeting or exceeding performance targets, such as completion of repair and alteration projects on time and within budget.
4. GSA's financial performance is strong in the areas of execution; although, significant concern exist with its Rent billing and projection systems.

In response to these findings, the agency will:

1. Develop adequate long-term measures.
2. Develop annual stretch goals that are linked to the long-term goals.
3. Continue efforts to assess the condition (financial and physical) of its existing inventory and to restructure its real estate portfolio to consist primarily of income-producing properties.

Purpose	60
Planning	67
Management	73
Results / Accountability	50

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percentage of space not producing revenue in the government-owned inventory	1998	Baseline	16%
	2002	12.2%	11.8%
	2003	11.5%	
	2004	10.4%	
Annual Measure: Percentage of repair and alteration projects completed on schedule	1997	Baseline	91%
	2002	82%	87%
	2003	83%	
	2004	84%	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
2,001	2,278	2,321

281

Program: *Multiple Award Schedules*

Agency: *General Services Administration*

Bureau: *Supply and Technology Activities*

Purpose	70
Planning	33
Management	86
Results / Accountability	50

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure. Measures under development			
Annual Measure: Percent of schedule contracts awarded to small and minority-owned businesses	2001	77%	78.1%
	2002	77%	78.4%
	2003	77%	
	2004	77%	
Annual Measure: Operating cost per $100 of sales	2001	$0.73	$0.65
	2002	$0.75	$0.66
	2003	$0.72	
	2004	$0.69	

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

GSA's Multiple Awards Schedules program manages government-wide contracts that provide federal agencies with a simple ways to buy products and services at discount prices.

The assessment found that the agencies achieve time and cost savings by using established procurement contracts verses renegotiating similar contract for the same goods and services. Additional findings include:
1. The program's long-term goals are not measurable and do not allow for future assessment.
2. GSA has several solid annual performance measures, including an efficiency measure, which GSA typically meets or exceeds. However, the goals have been set very low (at or below the baseline level) for several of the measures. Also the annual goals were not linked to the achievement of long-term goals.
3. GSA monitors business performance on an on-going basis and takes corrective actions when necessary, including reassigning staff, strengthening management commitment, and realigning resources.
4. The program's one-percent administrative fee does not allow the fund to break-even. GSA has realized significant surpluses over the past several years.
5. There are redundancies in the areas of IT, sales, marketing, and contract offerings. GSA is working to address this problem.

In response to these findings, the agency will:
1. Adjust administrative fee to .75 percent and develop mechanisms for evaluating the effect of this adjustment on program.
2. Develop adequate long-term, measurable goals.
3. Develop annual goals that are ambitious, meaningful, and linked to the achievement of long-term outcome goals.
4. Improve training to help agencies achieve best value on negotiated procurements.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
142	164	173

282

Program: Supply Depots and Special Order

Agency: General Services Administration

Bureau: Supply and Technology Activities

Purpose	60
Planning	75
Management	82
Results / Accountability	33

0 — 100

☐ Results Achieved ☐ Measures Adequate
☑ Results Not Demonstrated ☑ New Measures Needed

Rating: Results Not Demonstrated

Program Type: Capital Assets

Program Summary:

GSA's Stock and Special Order program provides agencies with a timely and cost efficient method to acquire goods from the blind, severely handicapped, federal prisons, and small businesses.

The assessment found that the program makes the most impact on helping agencies' meet: demands for mission-critical and disaster-related goods, and requirements to purchase from disabled groups, federal prisons, and small businesses. Additional findings include:
1. The program's long-term goals are not measurable and do not have timeframes to allow for future assessment.
2. GSA has several good annual performance measures, including an efficiency measure. However, the threshold for success was set low for several of the measures and the annual goals were not linked to the achievement of long-term goals.
3. GSA holds senior managers and associates accountable for performance.
4. There are redundancies in the number/type of products offered and inefficiencies in the delivery mechanisms employed. For example, some items could be shipped directly to the agency instead of adding an extra step.
5. It is difficult to access the impact of funding, policy, and legislative changes on program performance.

In response to these findings, the agency will:
1. Develop adequate long-term measures.
2. Develop aggressive annual goals that support the achievement of long-term outcome goals.
3. Evaluate the program to identify opportunities to increase efficiency and effectiveness by ensuring that redundancy with commercial sources is minimized and delivery models are standardized and/or consolidated.

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percent of goods and services procured from small and minority-owned businesses	2001	26.6%	26.63%
	2002	26.6%	29.9%
	2003	33.29%	
	2004	33.29%	
Annual Measure: Operating cost per $100 sales	2001	$18.53	$20.67
	2002	$18.53	$16.54
	2003	$24.13	
	2004	$24.03	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,125	1,143	1,165

283

Program: *Vehicle Acquisition*

Agency: *General Services Administration*

Bureau: *Supply and Technology Activities*

Purpose	100
Planning	50
Management	73
Results / Accountability	42

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Average savings over vehicle manufacturers' invoice prices for seven top-selling vehicle types	2001	20%	22%
	2002	20%	27%
	2003	20%	
	2004	20%	
Annual Measure: Program operating costs per $100 of business volume	2001	$0.52	$0.53
	2002	$0.52	$0.52
	2003	$0.55	
	2004	$0.58	

Rating: *Results Not Demonstrated*

Program Type: *Capital Assets*

Program Summary:

GSA's Vehicle Acquisition program buys cars and other specialized motor vehicles for federal agencies.

The assessment found that the program to has a clear, unique purpose. Additional findings include:
1. This program has annual targets but no corresponding long-range goals that are measurable. Its annual efficiency and other financial targets appear to be based more on financial trends than setting aggressive goals, e.g., basing an operating cost to business volume target on financial trends as opposed to seeking to reduce this ratio over time. Also, there is no indication that the budget for this program is projected based on the achievement of specific performance targets.
2. The program is well-managed. The program's management team meets semi-annually to review ways to improve program processes and performance and managers at all levels are held accountable for controlling operating costs and completing all program initiatives within target dates.
3. Although GSA has always exceeded its annual target for obtaining vehicles at or below 20% of manufacturers' list prices, it has not always met or exceeded its operating cost and customer satisfaction goals.

In response to these findings, GSA will:
1. Develop long-term, measurable goals for this program that require continuous improvement (i.e., stretch goals) and are consistent with GSA's strategic goals.
2. Develop annual goals that support the achievement of the long-term goals and are supported by the budget request.
3. Modify its internal budget guidance to require a clearer explanation of the relationship between its budget projections and the achievement of the corresponding annual performance goals.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,215	1,284	1,366

Program: *Vehicle Leasing*

Agency: *General Services Administration*

Bureau: *Supply and Technology Activities*

Purpose	65
Planning	44
Management	64
Results / Accountability	50

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	*Year*	*Target*	*Actual*
Long-term Measure: Measures under development			
Annual Measure: Annual increase in GSA leasing rates compared to the increase in commercial leasing rates caused by inflation	2001	3.45%	1.5%
	2002	5.25%	1.7%
	2003	4.63%	
	2004	2.09%	
Annual Measure: Average vehicle operating cost per mile	2001	$0.36	$0.35
	2002	$0.36	$0.37
	2003	$0.37	
	2004	$0.37	

Rating: *Results Not Demonstrated*

Program Type: *Capital Assets*

Program Summary:

GSA's Vehicle Leasing program leases cars and trucks to federal agencies.

The assessment found the program well-managed on a day-to-day basis but somewhat lacking in long-range vision. Additional findings include:
1. The program has annual targets that address each of GSA's strategic goals, but has no corresponding long-range goals that are measurable. It does not appear to use the main internal efficiency goal used by its parent program, namely operating costs per $100 of business volume. Its annual targets, such as the average vehicle operating cost per mile, appear to be based more on financial trends than on setting aggressive goals, such as reducing the operating cost per mile by some percentage. Finally, there is no indication that the budget projected for this program was developed to achieve specific performance targets.
2. The program has sound internal management practices and holds its managers accountable for results.
3. The program has traditionally taken a "one size fits all" approach to leasing vehicles to Federal agencies, i.e., give the agencies vehicles with maintenance and fuel costs built into the standard mileage rates. However, FSS is pursuing an effort to expand its offerings to meet a wider range of agency fleet management needs. For example, offering dry leases, which are leases without fuel and maintenance included, to agencies with their own maintenance facilities or fuel contracts.

In response to these findings, GSA will:
1. Develop long-term, measurable goals for this program that require continuous improvement (i.e., stretch goals) and are consistent with GSA's strategic goals.
2. Develop annual goals that support the achievement of the long-term goals and, where possible, match similar annual FSS goals.
3. Modify its internal budget guidance to link more clearly its budget projections to the achievement of annual performance goals.
4. Accelerate the development and deployment of fleet management services to address additional agency fleet management needs.

Program Funding Level (in millions of dollars)

2002 Actual	**2003 Estimate**	**2004 Estimate**
1,045	1,030	1,092

Program: High Intensity Drug Trafficking Area (HIDTA)

Agency: Office of National Drug Control Policy

Bureau: Office of National Drug Control Policy, activities

Purpose	80
Planning	29
Management	44
Results / Accountability	0

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: Results Not Demonstrated

Program Type: Competitive Grants

Program Summary:

The High Intensity Drug Trafficking Areas (HIDTA) program awards grants to establish and operate multijurisdictional drug task forces in areas that meet four criteria, including that the "drug-related activities in the area are having a harmful impact in other areas of the country." The program requires shared operational and strategic control of these task forces among participating Federal, State, and local agencies and the Executive Council for the HIDTA.

The assessment found that:
1. The HIDTA program has not established satisfactory long-term performance goals or annual goals. Variants of three goals have been proposed by the Office of National Drug Control Policy (ONDCP). However, one is a composite of several process goals (e.g., "establishing sound fiscal/programmatic management"), a second ("disruption of drug trafficking organizations") has been discarded by ONDCP as not useful, and data reflecting progress toward the third goal ("reduction in drug-related crime") has not been systematically collected and analyzed.
2. The program has not been subjected to an independent comprehensive evaluation of its performance.
3. The HIDTA program appears to have lost its focus. The first five HIDTAs were established in 1990 and still meet the statutory criteria. However, since 1995, 23 additional HIDTAs have been designated, and HIDTAs are now located in 41 of the 50 States. The magnitude of this expansion shows a disregard for the clear intent of the statute, to focus on the Nation's very worst areas.
4. The expansion of the program has taken place despite the absence of: [a] any systematic assessment of its effectiveness; [b] a credible program performance measures; or [c] a strategy to ensure the most efficient use of Federal funds.

In response to these findings, recommended actions include:
1. implementation of a performance measurement system that includes acceptable program outcome goals;
2. development of a process to ensure funding for individual HIDTAs reflects the performance of that HIDTA; and
3. seeking no funding increases for the program until the first recommendations are implemented and the resulting data can be evaluated.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
206	206	206

Program: Youth Anti-Drug Media Campaign

Agency: Office of National Drug Control Policy

Bureau:

Purpose	100
Planning	33
Management	36
Results / Accountability	0

0 — 100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Key Performance Measures	*Year*	*Target*	*Actual*
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

Rating: Results Not Demonstrated

Program Type: Capital Assets

Program Summary:

The National Youth Anti-Drug Media Campaign uses paid media messages (print and broadcast) to reduce drug abuse among the young..

The assessment found:
1. The overall purpose of the Campaign is clear and that it addresses a problem in a significant and unique fashion.
2. Although the most recent semi-annual report on the effects of the Campaign found that most youth and parents surveyed recalled seeing or hearing Campaign ads every week and the ads appear to be having a positive effect on parents, there is no evidence of direct effect on youth behavior.
3. Until recently, the Campaign has suffered from inadequate attention to performance planning and management. Program managers had neither established measurable, long term goals nor clear time frames for achieving the broadly-stated outcomes. Annual goals were typically output or process goals and were frequently changed without being used to assess the program's performance. For example, one measure was to ensure that sufficient advertismens were aired to reach 90 percent of the target audience with four anti-drug ads per week. The Office of National Drug Control Policy is devoting considerable attention to correcting these problems.

Recommended actions include:
1. Continued emphasis on developing acceptable performance measures and goals;
2. Allowing sufficient time for the effects of recent ONDCP actions to be realized before pursuing major changes to the program;
3. Seeking no funding increases for the program; and
4. Making 2005 funding contingent upon improved results.

Program Funding Level (in millions of dollars)

2002 Actual	**2003 Estimate**	**2004 Estimate**
180	180	170

Program: Federal Employees Group Life Insurance (FEGLI)

Agency: Office of Personnel Management

Bureau: Office of Personnel Management, activities

Purpose	50
Planning	20
Management	100
Results / Accountability	37

0 — 100

- ☐ Results Achieved
- ☑ Results Not Demonstrated
- ☐ Measures Adequate
- ☑ New Measures Needed

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Timeliness of Life Insurance claims payments (in days)	2001	10	5.7
	2002	10	6.0
	2003	10	
	2004	10	
Annual Measure: Accuracy of Life Insurance claims payments (as a percentage of claims paid)	2001	99.5%	99.6%
	2002	99.5%	99.7%
	2003	99.5%	
	2004	99.5%	

Rating: Results Not Demonstrated

Program Type: Direct Federal

Program Summary:

The Federal Employees' Group Life Insurance program (FEGLI) provides life insurance policies to federal employees.

The assessment found that the program has no ambitious long-term measures to identify and evaluate the role that this employment benefit plays helping the government to recruit, retain and manage its workforce. The assessment also found that:
1. The program is well managed and administered -- no deficiencies have been cited by internal or independent audits.
2. Annual performance measures, though not very aggressive, are used to improve program operations.
3. FEGLI does not routinely collect information to measure the effectiveness of the program design.

To assure that the government's overall compensation package remains contemporary, the agency will:
1. Develop measures and conduct program evaluations to assess how compensation and benefit offerings enable the government, as an employer, to attract, retain and manage a high-performing workforce.
2. Establish ambitious long-term goals that meaningfully reflect the purpose of the program.
3. Revise unambitious annual performance goals to better emphasize continual improvement.

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
1,961	2,170	2,254

Program: *Federal Employees Retirement Program*

Agency: *Office of Personnel Management*

Bureau: *Office of Personnel Management, activities*

Purpose	100
Planning	35
Management	100
Results / Accountability	52

0   100

☐ Results Achieved   ☐ Measures Adequate
☑ Results Not Demonstrated   ☑ New Measures Needed

Rating: *Results Not Demonstrated*

Program Type: *Direct Federal*

Program Summary:

The purpose of the federal civilian retirement program is to provide income for federal workers and their families after they retire.

The assessment found the program currently has no long-term goals that relate to identifying and evaluating the role the pension benefit plays in recruiting and retaining a desirable workforce. Additional findings include:

1. The purpose of the program is clear. Retirement plans are an integral part of an employee compensation package; employment-based retirement plans cover well over one-half of all wage and salary workers.

2. The defined-benefit component of the program is extremely well managed and administered, and annual performance measures, though deficient, are used to improve delivery of program products and services.

3. Because the program does not routinely collect information to measure the effectiveness of program design, it cannot demonstrate what impact it has on the federal workforce.

To address these findings, the agency will:

1. Develop measures and conduct program evaluations to assess how compensation and benefits offerings enable the government, as an employer, to attract and keep a high-quality workforce.

2. Establish ambitious long-term measures that reflect the purpose of the program.

3. Develop more aggressive annual performance goals to better emphasize continual improvement.

Key Performance Measures

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Retirement claims payment accuracy (as a percentage of claims paid)	2001	93%	93.6%
	2002	93%	92%
	2003	94%	
	2004	96%	
Annual Measure: Unit cost for processing retirement claims *New unified efficiency measure. Prior to 2002, performance metrics for the current program and modernization effort did not use the same inputs. **Actual performance for current program only.	2001	$85.00	$83.71
	2002	$100.00*	$89.53**
	2003	$98.00	
	2004	$89.00	

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
48,970	50,991	52,599

Program: *TVA Power*

Agency: Tennessee Valley Authority

Bureau:

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measures: The Administration is establishing a debt reduction goal with annual targets for achieving these goals.			
Annual Measure: Cost of TVA's delivered power. Metric is presented in cents/KWH. Metric also will be developed to account for financial advantages the federal government provides TVA (such as access to capital at AAA bond rates and no payments to the federal government in lieu of taxes).	2000	3.90	4.00
	2001	4.00	4.05
	2002	4.25	4.11
	2003	4.00	
Other measures are under development. The PART assessment gives TVA solid ratings for its operations but the agency needs to develop improved performance measures and complete its strategic plan together with useful goals for the plan.			

Rating: *Moderately Effective*

Program Type: Capital Assets

Program Summary:

The Tennessee Valley Authority (TVA) is the fifth largest electric utility in the country, generating power at 48 coal-fired, hydropower, nuclear and other power plants the federal agency operates to meet the electricity needs of 8.3 million people (3 percent of the U.S. market).

The assessment gave TVA's power program mixed reviews, and produced the following findings:
1. TVA does an excellent job generating power at its existing power plants. A decade ago TVA's nuclear power plants posed serious technical and safety problems. TVA has overcome these problems and today TVA's nuclear power plants set industry standards.
2. TVA lacks a strategic plan. This makes it hard to assess TVA's plans to spend billions of dollars on additional power plants and transmission lines.
3. TVA lacks a debt reduction plan, and has a high level of debt compared to many of its potential competitors in the electricity industry. "Debt" includes both traditional notes and bonds and equivalent long-term liabilities such as lease/leaseback arrangements.The high level of debt increases TVA's financial risk and compromises its competitive position in a restructured electricity market.

In response to these findings the Administration proposes:
1. TVA develop a strategic plan which should help TVA evaluate major TVA-proposed investments in new power plants and transmission lines.
2. TVA develop and adopt a debt reduction plan and targets by September 30th, 2003, to bring the agency's debt level into a range comparable with that of other utilities. The Budget proposes legislation that makes explicit that lease/leaseback arrangements are treated as equivalent to traditional financing with notes and bonds under TVA's $30 billion "debt cap."

(For more information on this program, please see the Other Agencies chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
6,756	7,069	7,279

Program: *TVA Resource Stewardship (Non-Power)*

Agency: *Tennessee Valley Authority*

Bureau:

Purpose	80
Planning	89
Management	91
Results / Accountability	83

0 — 100

- ☑ Results Achieved
- ☐ Results Not Demonstrated
- ☑ Measures Adequate
- ☐ New Measures Needed

Rating: *Effective*

Program Type: *Capital Assets*

Program Summary:

TVA's natural resource stewardship program covers the agency's non-power programs, including flood control, navigation, water supply, water quality, wildlife protection and recreation activities.

The assessment indicates TVA does an effective job managing these programs. More specifically:
1. TVA's system of dams and reservoirs reduces the risk of flooding and flood damage in the Tennessee Valley by an estimated $150 million or more per year.
2. TVA's commercial navigation system of nine major locks supports navigation on the Tennessee River from Knoxville to the Ohio River, a distance of 652 miles and a drop in altitude of 513 feet. This water transportation system saves the region an estimated $400 million per year.
3. TVA has direct responsibility for managing 293,000 acres of public land, 11,000 miles of shoreline, and 650,000 acres of lakes, rivers and reservoirs. These assets provide recreation activities for millions of visitors annually.
4. TVA provides these and other related services at a reasonable cost. In 2004 TVA expects to spend $83 million to support this program.
5. TVA's non-power "river management" program generates more than $6 of benefits for every doillar TVA spends to implement the program (i.e. $400 million per year in transportation benefits plus $150 million in flood damage reduction benefits plus non-quantified recreation and tourism benefits divided by $83 million in annual TVA expenditures for these programs).

In response to these findings, the Administration:
1. Is encouraging TVA's Board, management and staff to continue to make a good program better and to continue to be responsive to the constituencies TVA serves.

Key Performance Measures	Year	Target	Actual
Annual and Long-term Measure: Number of watershed units (out of a total of 611) in the Tennessee River system that are in good or fair condition, according to state water standards (Targets are under further development.)	2000		491
	2001		492
	2002		526
	2003		
Annual and Long-term Measure: The ratio of TVA's actual water storage compared to storage potentially available 80% is seen as the appropriate target in years of normal rainfall. TVA will do further work to develop this metric since it is dependent in part on rainfall in the region.	2000	80%	92.6%
	2001	80%	88.7%
	2002	80%	
	2003	80%	
Other measures are under development. The PART assessment gives TVA solid ratings for the agency's operation of its resource stewardship (non-power) program but TVA needs to further develop the annual and long-term measures for this program.			

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
43	43	83

INDEX

Need Additional Copies ???

Copies of the Budget and related Office of Management and Budget documents may be purchased at any of the GPO bookstores listed below. (Paper copies only.)

GPO BOOKSTORES

CALIFORNIA
ARCO Plaza, C-Level
505 South Flower Street
Los Angeles, California 90071
(213) 239-9844
FAX (213) 239-9848

COLORADO
Suite 130
1660 Wynkoop Street
Denver, Colorado 80202
(303) 844-3964
FAX (303) 844-4000

Norwest Banks Building
201 West 8th Street
Pueblo, Colorado 81003
(719) 544-3142
FAX (719) 544-6719

DISTRICT OF COLUMBIA
U.S. Government Printing Office
710 North Capitol Street, NW
Washington, DC 20401
(202) 512-0132
FAX (202) 512-1355

FLORIDA
100 W. Bay Street
Suite 100
Jacksonville, Florida 32202
(904) 353-0569
FAX (904) 353-1280

GEORGIA
First Union Plaza
999 Peachtree Street, NE
Suite 120
Atlanta, Georgia 30309
(404) 347-1900
FAX (404) 347-1897

MARYLAND
Retail Sales Outlet
8660 Cherry Lane
Laurel, Maryland 20707
(301) 953-7974
FAX (301) 498-8995

MICHIGAN
Suite 160, Federal Building
477 Michigan Avenue
Detroit, Michigan 48226
(313) 226-7816
FAX (313) 226-4698

MISSOURI
120 Bannister Mall
5600 E. Bannister Road
Kansas City, Missouri 64137
(816) 767-8225
FAX (816) 767-8233

NEW YORK
Federal Building, Room 2-120
26 Federal Plaza
New York, New York 10278
(212) 264-3825/2922
FAX (212) 264-9318

OREGON
1305 SW. First Avenue
Portland, Oregon 97201
(503) 221-6217
FAX (503) 225-0563

Room 118, Federal Building
1000 Liberty Avenue
Pittsburgh, Pennsylvania 15222
(412) 395-5021
FAX (412) 395-4547

TEXAS
Texas Crude Building
801 Travis Street
Houston, Texas 77002
(713) 228-1187
FAX (713) 228-1186

WASHINGTON
Room 194, Federal Building
915 Second Avenue
Seattle, Washington 98174
(206) 553-4270
FAX (206) 553-6717

WISCONSIN
The Reuss Federal Plaza,
STE 150W
310 West Wisconsin Avenue
Milwaukee, Wisconsin 53203
(414) 297-1304
FAX (414) 297-1300

There is a 25% discount on all orders for 100 or more copies of a single title mailed to a single address. No discount is allowed if such orders are mailed to multiple addresses.

Superintendent of Documents Publications Order Form

Order Processing Code: *8163

All prices include regular domestic postage and handling and are good through August 2003. After this date, please call the Order and Information Desk toll free at (866) 512–1800 or phone (202) 512–1800 to verify prices. To fax your orders and inquiries—(202) 512–2250.

Qty.	Stock Number	Title	Price Each	Total Price
	041-001-00585-4	Budget of the United States Government, Fiscal Year 2004	$65.00	
	041-001-00586-2	Appendix, Budget of the United States Government, Fiscal Year 2004	$67.00	
	041-001-00587-1	Analytical Perspectives, Fiscal Year 2004	$59.00	
	041-001-00588-9	Historical Tables, Fiscal Year 2004	$41.00	
	041-001-00590-1	Performance and Management Assessments, Fiscal Year 2004	$44.00	
	041-001-00589-7	The Budget on CD-ROM, Fiscal Year 2004	$20.00	

(International customers—please add an additional 25%.)   Total for Publications

---

Please Print or Type

_____
(Company or personal name)

_____
(Additional address/attention line)

_____
(Street address)

_____
(City, State, ZIP Code)

_____
(Daytime phone—including area code)

Mail To: Superintendent of Documents
    Government Printing Office,
    Washington, DC 20402–9325

Please choose method of payment:

☐ Check payable to the Superintendent of Documents

☐ GPO Deposit Account   ⬚⬚⬚⬚⬚⬚ – ⬚

☐ VISA, MasterCard, or American Express Account

⬚⬚⬚⬚⬚⬚⬚⬚⬚⬚⬚⬚⬚⬚⬚⬚⬚⬚⬚⬚

_____   *Thank you for your order!*
(Credit card expiration date)

_____
(Signature)