

**CSREES Portfolio Review Expert Panel Report****Portfolio 2.1  
CY 2000 – 2004****REPORT**

*External Review Completed: January 26, 2006*

**PORTFOLIO OVERVIEW**

Portfolio 2.1 represents the efforts of CSREES to “expand economic opportunities in rural America by bringing scientific insights into economic and business decision-making.” Activities in this portfolio include investments in new knowledge to inform stakeholders about a community’s capital; the rural economy - poverty, jobs, farms, and firms; rural infrastructure and services; in order to improve the governance, leadership, planning, and civic engagement; and response to accelerating changes in technology, demography, and the global economy.

Challenges in rural areas differ significantly from those in urban areas. Small-scale, low-density settlement patterns make it more costly for rural communities and businesses to provide critical services. Declines in agricultural jobs and income have forced many workers to seek new sources of income, and many small farmers now rely on off-farm work for the lion's share of their support. Five hundred thousand U.S. farmers have household incomes below the poverty line. Low-skill, low-wage rural manufacturing industries must find new ways to meet the challenges of an increasing number of foreign competitors. Additionally, changes in the availability and use of natural resources in rural areas have further affected people who earn a living from these resources, as well as those who derive recreational and other benefits from these natural amenities. Finally, there have been rapid changes in both communication technologies and demographics. Some rural areas have met these challenges head on, achieved prosperity, and are ready to move into the next century. Other rural areas have kept up with change at some level, but have little capacity to adapt further. Still other rural areas are not well positioned for the future.

More specifically, Portfolio 2.1 includes research, education, and extension efforts directed toward economic and business decision-making in rural America. The content of portfolio 2.1 is described in terms of the following knowledge areas (KAs):

- KA 608—Community resource planning and development
- KA 134—Outdoor recreation
- KA 602—Business management, finance and taxation
- KA 609—Economic theory and methods
- KA 901—Program and project design, statistics
- KA 902—Administration of projects and programs
- KA 903—Communication, education, and information delivery

**INTRODUCTORY COMMENTS**

In late January 2006, a panel comprised of independent experts in relevant disciplines was convened to assess and score the current state of the economic opportunities and business decision-making portfolio. The panel’s introductory comments and acknowledgements follow.

We are very aware of the tremendous importance of the issues facing rural America addressed by this portfolio and that the programs in these areas are severely under funded, even in relation to other similar program areas. The panel is also sincerely impressed with the overall relevance, quality, and

performance of the CSREES portfolio. Moreover, the panel recognizes the excellent efforts made by the staff of the Economic and Community Systems Unit, the Planning and Accountability Unit, and the NPLs assigned from other units to work on this task. We further commend these CSREES employees for sorting through a great deal of disparate information, contained in multiple, imperfect databases, and producing the compilation of high quality research, education, and extension work reviewed by this panel, especially in the development of what is an impressive self-examination report. We feel this is evidence of a professional staff with passion and commitment to the mission of the Agency and the land-grant partnership.

## **COMMENTS ON THE CRITERIA & DIMENSIONS OF THE PANEL REVIEW**

A discussion of the panel's specific comments, concerns, and recommendations, related to each of the dimensions of the three Office of Management and Budget (OMB) research and development criteria (relevance, quality, and performance) is provided below.

### **Relevance**

The review panel finds the documentation contained in the self-examination report to represent a highly relevant body of work related to the creation and transfer of knowledge about economic and business decision-making that leads to expanded economic opportunities in rural America. The panel was impressed with the examples presented wherein a problem was traced from initial description through conception, development, and application, thus providing sufficient evidence to indicate real problems were solved.

### *Scope*

While several of the KAs may be somewhat limited in scope, others are appropriately broad and effective, resulting in an overall balance deemed to be exceptional. However, the panel finds that the scope of the portfolio might be artificially limited because of the narrow interpretation of specific KAs. Its scope would be better communicated if examples were included that had only minor assignments in these KAs, as opposed to emphasizing those most central to the KAs. Exceptional scope also seems to depend upon whether or not the NPL's targeted responsibilities cover the programmatic activities in a particular KA. The appearance of a narrow scope may be in part an artifact of data used to create the portfolio report. Much of what is known by the panelists to contribute to the exceptional scope of this portfolio is supported by base funding, particularly in extension, and this important role was not captured by the portfolio report.

One example of where scope appears to be too narrow is in the description of KA 134. Rural communities are increasingly recognizing the extensive variety of non-traditional amenities that can be developed, marketed, conserved or otherwise managed to improve the health of a community. Furthermore, the roles recreation and outdoor amenities play in changing the dynamics of a community as people immigrate to rural areas were not sufficiently represented in this KA as currently conceived.

### *Focus*

The panel found the definition of focus provided to be problematic. When focus is considered to be the portfolio's ability to meet the strategic objectives of portfolio 2.1 (i.e., to enhance economic and business decision-making in rural America), the panel would describe such focus as satisfactory.

In areas where program leadership is strongly aligned with the KAs, (e.g., regional rural development centers, risk management centers, and regional SARE centers), the focus is quite exceptional. However, there are places where KAs seem to fall between the cracks of NPL responsibilities and focus is deficient. In addition, where CSREES/NPL leadership is not aligned with the KAs, focus on specific problems and opportunities to achieve objective 2.1 is sometimes lacking. It was also agreed that a lack of focus across the portfolio is not always disadvantageous, as local discretion over base funding is necessary to address local needs and to respond to emerging issues.

The panel feels that inclusion of the 900-series KAs with the ECS objective-specific KAs in this particular portfolio detracts from the overall perception of focus. For instance, determining the standards for the

criteria of scope, relevance, and multi-disciplinarity are often quite different for the 900-series KAs. It was agreed that the 900-series KAs deserve separate/independent analysis and consideration. The series cuts across other program areas, so measurements of accountability are diminished if reported within the existing issue-oriented portfolios. Additionally we feel that the remaining four KAs have limitations in describing this portfolio, as they do not fully capture the scope of work relevant to objective 2.1. In fact, critical pieces were reported in other KAs and other portfolios.

The panel notes that some of the knowledge areas encompassed in this portfolio are exceptionally broad in scope, and resist efforts to confine their reach. Fitting the diverse body of work into logic models in a retrospective setting is necessarily imperfect. However, future accountability exercises should benefit greatly from the modeling efforts undertaken during this inaugural portfolio review.

The content represented by this portfolio represents a rapidly changing environment, and is a relatively new focus for CSREES and the land-grant partnership. As the life-cycle for research and education around business and economic decision-making matures, the panel would like CSREES to stay current with these emerging issues.

#### *Contemporary and/or Emerging Issues*

The panel recognizes a number of important emerging issues that appear to receive limited attention in this portfolio, although satisfactory documentation was provided for the emerging issues that were covered.

The panel thinks several important emerging issues were not strongly represented. These issues include continuing education needs for rural residents, the implications of cultural and outdoor amenities on retirement, migration, and community development in the recreation KA, and the overall impacts associated with globalization and changing demographics. Moreover, while much was said by policy makers and observers about the importance of entrepreneurship to meet the objectives of this portfolio, and much activity is known to occur in this area, it was not adequately captured in the portfolio report. In addition, although there is good documentation for work in the area of enhanced decision-making for agribusiness, there is not enough good evidence presented that shows the portfolio is addressing other promising economic enterprises important for rural America.

There is a notable lack of reported activity in KA 901 with respect to investigations into experimental design and analysis to improve the application and value of social sciences to meet the objectives of this portfolio. Similarly, the narrowness of the outdoor recreation KA obscures emerging issues in this area.

Much of the work in emerging issues tends to occur in the extension arena, and this is not reported in this portfolio. For example, KA 602 seems exclusively concerned with farm and farm-related businesses.

Information technology and its extraordinary rate of change should be more fully integrated throughout this portfolio, especially as it applies to the distance education needs of rural residents. For instance, advanced information technology needs to be developed for expanding higher education into "place-based" programs, which include those for enhanced communication, the support of decisions in rural business and human services, as well as research programs to determine the role of technology in understanding the seven capitals.

#### *Integration*

Integration of the portfolio is exceptional. This exceptional integration is especially evident in the risk management education work, the SARE program, and the regional rural development centers. In these organizational structures, regional boards or committees regularly confer to coordinate the objectives of stakeholders from many disciplines during the course of implementing their various programs.

#### *Multi-disciplinary Balance*

The portfolio presents evidence that there is sufficient interdisciplinary balance to accomplish the strategic objectives as laid out by the Agency. Across the portfolio, some activity is very discipline-specific and some is quite broad. There seem to be projects that would benefit from more disciplinary involvement,

but this perception may be due to the project examples that were selected for the report and are based on their centrality to the description of KAs. With the exception of economics, there seems to be significant opportunity to incorporate more social science expertise into this portfolio.

### **Quality**

The exceptionally high quality of work performed by CSREES and the land-grant partnership, related to the knowledge areas assembled in this portfolio, is a major factor contributing to the overall success in meeting the Department's goal of supporting increased economic opportunities and improved quality of life in rural America.

### *Significance of Findings*

It is the perception of the review panel that the significance of the work and the accomplishments reported in portfolio 2.1 are very high. The self-examination report provides evidence that the outputs from this work have been used by farmers, small towns, and community governments from across the country. The results and findings of investigations have been shared with appropriate decision makers in venues ranging from Congressional testimony to agency briefings to industry-specific reports. Evidence is provided that results of this work have informed a wide spectrum of public and private policies and practices.

### *Stakeholder/Constituent Inputs*

Overall, stakeholder input into the work of the partnership appears to be very strong. Evidence of this is particularly persuasive when the research, education, and extension activities are clearly tied to needs, and when those activities result in tangible outputs and outcomes for end-users. Stakeholder input is necessarily a primary function of the university partners. However, coordination of that input across the system is not well documented.

The management of the portfolio does not exhibit the same level of responsiveness to stakeholder input as do individual projects and programs described in the portfolio. Consequently, the panel identifies significant opportunity to engage more stakeholders (i.e., partners) to help define and describe KAs and to establish resource priorities to address KAs.

### *Alignment with Current State of Science*

Alignment was, overall, satisfactory in this report. However, opportunities exist to improve this measure in the future. Some important areas of knowledge identified by the panelists seem to be insufficiently represented in the portfolio (see "Comments and Recommendations on Future Directions"). The alignment may also be partially limited because of the organizational structure in partner institutions (academic departments and colleges) that limits access to other disciplines and knowledge bases. Furthermore, the emerging knowledge base surrounding globalization is not as fully incorporated into the portfolio as it could have been, even though the importance of globalization issues is recognized.

In addition, there is not strong documentation that the state of science around community and business decision-making has been incorporated across the portfolio to the extent appropriate. Content that should be explored for inclusion in this portfolio can be found in the literatures of,

- Public Policy,
- Management Science,
- Organizational Development,
- Social and Community Psychology,
- Civic Engagement,
- Leadership Education and Development,
- Intercultural Education, and
- Cultural Studies.

Finally, considerable academic work in Agricultural Economics and Rural Sociology has been generated and applied throughout rural America but it was not captured in the self-review document. For example, advances in regional and community economics could help communities evaluate options for growth.

### *Appropriate and/or Cutting Edge Methodology*

Scientific rigor and appropriateness of methodologies are very high. Peer reviews in competitive grant programs and the disciplinary journals and books have sustained high standards for methodology and appropriate analyses. However, the panel felt quasi-experimental and other designs that are well respected in social science should be featured more in the work of this portfolio.

### **Performance**

While overall portfolio performance with regard to productivity and comprehensiveness was rated highly, the panel noted some difficulties in reporting and documenting efforts that hampered informed judgments about timeliness. Moreover, the panel gave agency guidance (during the period covered) the lowest score of their Review.

### *Portfolio Productivity*

Overall, the review panel considers the productivity of the portfolio to be high. The nature of the land-grant system and the CSREES mission with their natural emphasis on integrating research, extension, and education programs appears to have led to extremely productive blending of programs across disciplines and organizations in this portfolio. There was also excellent performance based on federal investment (leveraging). This was partially due to the flexibility allowed by base funding in land-grant universities. Moreover, the new reporting system will enhance compilation of evidentiary materials.

### *Portfolio Comprehensiveness*

Documentation of outputs and outcomes describes a highly comprehensive portfolio with respect to the goals of the portfolio. The panel did find however, that quantitative documentation of outputs and outcomes is often less than optimal, but overall the comprehensiveness is very good. In addition, outputs and outcomes are well aligned with the scope and objectives of the portfolio.

### *Portfolio Timeliness*

The panel finds it difficult to address timeliness because no evidence related to this was provided. However, we see no evidence to indicate exceptional or inadequate performance either, and thus believes the portfolio's timeliness is adequate.

### *Agency Guidance*

The panel observed examples of exceptional strength in specific areas as related to program guidance. In other areas, leadership absences were not addressed by the agency in a timely manner. For some KAs, the Agency is only beginning to identify an appropriate leadership structure/process. The review team felt that the overall guidance for the period covered by this report was not adequate, but acknowledges progress has been made in the past year.

Excellent guidance has been exhibited throughout the reporting period for some specific programs. One program in particular that merits recognition is the regional rural development centers and SARE. Other programs such as the risk management centers have recently implemented strong guidance mechanisms but these were not in place during the time frame covered by this reporting period.

The lack of leadership identified by the panel in specific areas and episodes during the reviewed period is not intended to reflect on the current leadership, evolving leadership procedures, or the potential for future leadership in this portfolio. In spite of agency/organizational shortfalls in leadership, the panel recognized excellent performance in some areas of this portfolio.

### *Portfolio Accountability*

Accountability in this portfolio was considered to be satisfactory during the reporting period. It was noted that the Agency, through most of the reporting period, maintained insufficient human capacity to accomplish exceptional accountability standards. Further, during this period, metrics and procedures to document performance and impact were not widely endorsed or employed.

The panel strongly endorses the current direction of the Planning & Accountability, and in particular, their efforts to improve the systematic reporting of research, education and extension efforts.

## **GENERAL COMMENTS & RECOMMENDATIONS**

The broad scope of this portfolio provides a vast array of educational and research opportunities. The reviewers feel the KAs reflect only a small part of the programs being considered, with some that are only marginally relevant to the portfolio objectives. Recommendations to ensure a thorough evaluation of this portfolio include a review of the KAs, updating planning and reporting systems, and adequately capturing research, extension, and teaching program accomplishments. The challenge will be in overcoming inherent weaknesses related to self-reporting.

CSREES needs to have accounting systems that consider the value of projects funded directly as well as indirectly (leveraged accomplishments), and for base funds as well as targeted funds. New performance measures such as economic health, social health, and environmental health should be used to determine the efficacy of programs where outcomes and results are indirect.

CSREES should pursue efforts to make people aware of its accomplishments through partners. Panel members are also impressed by the breadth and depth of the content and projects funded, as well as by the relevance, quality and performance of the self-study materials, presentations, and supporting materials.

The panel is concerned about the increasing reliance and importance given to KA taxonomy because of the inherent problems of coherence and reliability of classification that result through the use of the knowledge area system. Given the language of the KAs, another concern involves the rigidity of this system and its ability to recognize and address emerging issues, such as changing demographics and the role of natural amenities.

The panel noted repeatedly that programmatic, managerial and leadership aspects of the portfolio have distinctly different characteristics with respect to relevance, quality, and performance criteria. During the 2000-2004 period covered by the portfolio, we observed inconsistency in the accounting of inputs, outputs, and outcomes relative to several of the KAs. The panel attributes much of that inconsistency to changes in personnel and assignments, and most of the deficiency to vacancies in permanent personnel for key administrative and program leadership positions. The panel noted clear progress toward Department and Agency objectives where there was strong and consistent leadership. When possible, the panel has attempted to distinguish between management and performance factors as they impacted the panel's rankings of the various review criteria.

### **Comments and Recommendations on Future Directions**

The entire panel understands that at its inception in the 19<sup>th</sup> century, the land-grant mission was not subject to the broad cultural variation and global pressures that are present in the 21<sup>st</sup> century. However, the panel is not unanimous in its predictions of the future of the mission, or about how the emerging issues surrounding this mission should be addressed. There was some debate. Some panel members are concerned the predictions of the end of the land-grant system, as we know it, might be right. Others think there have never been so many opportunities to enhance community and economic development and educate massive numbers of people to prepare for a world increasingly marked by rapidly changing technologies, ethnic and cultural diversity, and global economic interdependency. Finally, there were members who feel it is critical to avoid the trap of ethnocentrism while expanding the vision and role of the land-grant institution to represent a global perspective.

### *Funding*

The lack of accountability for the outcomes related to the total investment in this portfolio hampers the agency's ability to communicate successes across the broad scope of issues that are increasingly important to our society. The panel also felt Congressional earmarks clearly contributed to this portfolio's success and demonstrate Congressional commitment to programs and projects in this area. While competitive funds are clearly important to this portfolio, equally important are base and matching funds because of their role in improving the ability of research and extension faculties.

The panel found that there was not enough accounting in the self-study document to evaluate how resources are allocated. The panel had difficulty evaluating the scope and depth of the portfolio without the sufficient detail on funding that was needed. It supports the deputy administrator's strategic planning and welcomes the inclusion of partners in the process.

#### *Information and Dissemination*

Integrated regional models like the regional risk management centers, SARE and regional rural development centers are proven strategies for enhanced information dissemination of portfolio work as well as for engaging the partnership. CSREES leadership needs to take a more aggressive approach in disseminating information to partners through a supported communication and public relations function. For example, there are a growing number of issues regarding access to graduate training for disadvantaged and underrepresented students that need to be addressed.

Finally, the panel noted how impressive and informative it was to see the comprehensiveness of the portfolio documentation. However, it felt more consistency must be built into the characterization and assignment of KAs. In addition, it believed this portfolio and its review would be enhanced through the creation of a more detailed, common template and organization of documentation about KAs, including a standard for the base quantification of outputs and outcomes.

#### *Approach to Issues in Rural America*

The panel recognizes the success of consultative and collaborative approaches to goal setting that engaged the partnership as demonstrated by the SARE and regional development center organizational models. CSREES is encouraged to use such processes and engagement strategies to further define the programs and to provide management and leadership for this portfolio. Moreover, significant attention needs to be paid to the interactions between the impacts of globalization, entrepreneurship and work force development. Additionally, a broader definition of agriculture community success should be applied to include the health of the people and the environment in rural areas, as well as the economy. Finally, the panel believes that for a modest incremental cost, major advances could be made to rural economic development.

Specifically, the panel is concerned that increased diversity in rural America is framed by the agency as a challenge throughout the portfolio rather than as an opportunity. The need and opportunity to include the perspective, experience and assets associated with these demographic changes in programs are evident to the panel. While an example or two can be found (e.g., cultural assimilation or recreation participation), this approach seems absent from the majority of the portfolio. As the partnership begins to work with new demographic groups (e.g., immigrants, exurbanites, retirees) in rural areas there is a need to engage in new thinking that will lead to new paradigms.

Some emerging challenges related to decision-making for rural communities did not appear to be adequately represented in the report. These included decisions about growth, land-management, taxation, provision of services, public policy, community and regional development, revitalization, population, emigration, poverty, education, economics of regional partnerships, health and wellness, communications, local impacts of globalization, and international trade investments in information technology.

The review document should also have addressed the issue of new technologies and their effect on distance and place-bound education. For instance, it should have discussed CSREES efforts to meet these kinds of educational needs through eXtension and the National Ag Library – AgNIC initiatives.

#### *Miscellaneous Comments on Future Directions*

The panel compliments CSREES on the appointment of a permanent deputy administrator in ECS. Leadership and continuity will be the key to the success of this program. Likewise, the panel also compliments CSREES for creating the P&A Unit and the work of its staff in developing accountability processes and plans of work to increase the collection of data in support of the portfolio assessment. Finally, the panel encourages the P&A Unit to collaborate with the partners as this accountability system continues to evolve and develop.

### **Comments & Recommendations on Data & Evaluation Issues**

The panel identified a number of important issues that directly involve program reporting, data and evaluation. These are addressed below.

#### *Data Issues*

While the panel applauds the effort that went into assembling the self-review document, the lack of quantitative and detailed information about projects and programs constrained its ability to have an informed evaluation. The portfolio failed to present a complete picture of all the inputs, outputs and outcomes. Furthermore, data on sub-awards need to be classified within the knowledge area system. Thus, the panel is looking forward to the efforts by P&A to improve data collection, performance measurement and reporting. In 5 years, it expects to see the consistent information across knowledge areas necessary to evaluate the portfolio properly.

#### *Evaluation Issues*

The data collected on the KAs are self-reported. Moreover, the precision of these classifications is not quality controlled. The designation of KAs is somewhat subjective which can make the resulting databases imperfect and evaluations variable. For instance, the KAs associated with community and economic development should be carefully reviewed and potentially revised through an engaged process with the partnership to provide the necessary validity and ensure reliability in their use.

The panel finds it useful to have the document organized in a consistent format following the structure of the logic model. However, the logic model as applied here, retrospectively, was not as effective as it could be because the actual programming logic was not described in sufficient detail. It is hoped that when this method is applied prospectively this logic can be made clearer. Likewise, the honeycomb model, as it was applied here, did not meet its full potential because (a) it did not link the KAs in this portfolio with other KAs across the Agency and (b) it was applied somewhat retrospectively. The panel also finds the crosswalks between the KAs were helpful and encourages their use.

The panel thinks CSREES should exhibit leadership by working with the land-grant system in fostering the development of better evaluation tools and measurable outcomes. In particular, there should be designated resources for program evaluation. Furthermore the panel feels there should be consistency between evaluation systems and outcomes developed for research and extension.

Finally, the panel believes that Higher Education (KA 903) should have its own panel, since it represents a very large investment and deserves to get the best possible feedback from its stakeholders.

### **SUMMARY OF COMMENTS AND RECOMMENDATIONS**

The panel found that the staff of CSREES made a significant difference and added considerable value to the work of the agency and the partnership. The evidence in the portfolio reflected hard work and indicated high levels of productivity. The NPLs are dedicated and mission-oriented and operate with a strong organizational ethic. With additional resources they could achieve broader impacts and outcomes.

The panel observed and commends CSREES for progressive movement on integration, planning and reporting, and leadership. There is evidence CSREES is increasing the emphasis on integration, becoming more creative and determined about planning and reporting as forms of accountability, and is attempting to strike the right balance between activity with staff as leaders of programs and activity as managers of programs and administrative systems.

The portfolio and related KAs could benefit from a more holistic approach, such as represented by the community capitals model (i.e., human, cultural, natural, built, financial, political, and social), which allow for pursuing the goals of a healthy eco-system, a vital economy, and social well-being. Similarly, the portfolio's title ought to reflect this more holistic view of community and economic development.



**Portfolio Score - 84**

The Portfolio Review Expert Panel members were:

Dr. Chester P. Fehlis (Chairperson)

Dr. Larry Arrington

Dr. Jan Bokemeier

Dr. Jim Christenson

Dr. Dana Hoag

Dr. Jacquelyn W. McCray

Dr. David McGranahan

Dr. Jack Payne

Dr. Dick Senese