

Integration of Performance and Financial Information

The Department's emphasis on sound financial practices, performance results, and the accountability of its programs reflect its responsiveness to the effective use of taxpayer dollars. The Department works to align the performance of its programs with its budget requests and to strengthen the link between financial investments and program quality.

The Program Assessment Rating Tool.

Since 2002, the Office of Management and Budget has required federal agencies to assess the quality of government programs using the Program Assessment Rating Tool (PART). The Office of Management and Budget uses this assessment across federal agencies to gauge the effectiveness of funded programs, ensure they meet statutory requirements, and demonstrate accountability for the federal expenditure.

PART assessments provide information that is used to establish funding priorities for budget justifications and submissions. Each program receives numeric scores for program purpose and design, strategic planning, program management, and program results. Once a program has undergone the PART process, the Department implements follow-up actions based on PART recommendations to improve program quality. The PART is particularly useful to ensure that resources are targeted toward those programs and activities most likely to achieve positive results.

The Department will continue to invest in programs receiving a PART rating of Effective, Moderately Effective, or Adequate, while programs rated Ineffective will be proposed for elimination or reform. For programs rated Results Not Demonstrated, the Department may support continued funding if the programs are likely to demonstrate results in the future and are not duplicative of other programs.

In 2007, the Department assessed a total of eight programs, of which four were reassessments, bringing the total number of programs assessed using the PART since 2002 to 93, including two programs that are

no longer funded. Programs accounting for about 98 percent of the Department's budget authority have now been assessed using the PART.

Integrating Performance with Budget

Submissions. To further integrate performance and budget, the Department combines its annual performance plan and annual budget to create an annual performance budget. The Department has identified significant program-based measures that reflect the Department's strategic goals.

The Department Faces Particular Challenges

Linking the Performance of its Programs to Funding Expenditures. The Department's challenge of linking performance results, expenditures, and budget is complicated by the fact that more than 98 percent of the Department's funding is disbursed through grants and loans in which only a portion of a given fiscal year's appropriation is available to state, school, organization, and student recipients during the fiscal year in which the funds are appropriated. The remainder is available at or near the end of the appropriation year or in the subsequent year.

Funds for competitive grant programs are generally available when appropriations are passed by the Congress. However, the processes required for conducting the grant competitions often result in the award of grants near the end of the fiscal year with funding available to grantees for additional fiscal years.

Thus, the results presented in this report cannot be attributed solely to the actions taken related to FY 2007 funds but to a combination of funds from fiscal years 2005 through 2007. Further, the results of some education programs may not be apparent for several years after the funds are expended.

Although program results cannot be directly linked to a particular fiscal year's funding, for the purpose of this report, performance results during specific fiscal years will serve as proxies.

The entire program performance report required under the *Government Performance and Results Act of 1993* is available at <http://www.ed.gov/about/reports/annual/2007report/index.html>.