

# Management's Discussion and Analysis

# Strategic Goals and Performance Reporting

The Department of the Interior continuously seeks to improve performance, provide customers with responsive service, and produce concrete, measurable results. The Department measures success in pursuit of its mission against five strategic goals:

**Strategic Goal 1** - *Protect the Environment and Preserve Our Nation's Natural and Cultural Resources*

**Strategic Goal 2** - *Provide Recreation for America*

**Strategic Goal 3** - *Manage Natural Resources for a Healthy Environment and a Strong Economy*

**Strategic Goal 4** - *Provide Science for a Changing World*

**Strategic Goal 5** - *Meet Our Trust Responsibilities to American Indians and Our Commitments to Island Communities*

These strategic goals are the broad outcomes the Department seeks to produce—they are the way Interior fulfills its mission.

To measure progress in moving toward these strategic goals, the Department has developed a set of performance goals that reflect its most critical challenges. Each year, targets are established for these goals—the highest level of performance achievable given the challenges faced by the Department and the resources at hand. In addition to achieving these annual targets, the Department is also concerned with creating long-term, positive performance trends. Interior's efforts to achieve its 2001 performance targets and improving long-term trends is presented in the Management's Discussion and Analysis (MD&A) section of this report.

Interior's strategic and performance goals are achieved through the many programs and activities carried out by the Department's bureaus and departmental offices. Interior's bureaus have separate but often related legislated missions, programs, customers, and stakeholders. Working with the Department, Interior bureaus and offices establish goals and performance measures for their programs and link them to Government Performance and Results Act (GPRA) program activities and departmental goals. The Department provides leadership, management oversight, and administrative support services for this planning process.

As part of the process for integrating performance, budget, and financial data, the Department has elected to categorize its numerous bureau missions and programs into GPRA program activities, which are directly linked to Interior's five strategic goals. This alignment facilitates the cost accounting process, and most importantly, brings Interior's themes into sharp focus: restoring landscapes, watersheds, and natural systems; guarding and restoring America's natural and cultural landmarks; providing access to the Nation's vast public lands for sustainable economic development and recreation; applying Interior's best scientific information and knowledge; working in partnerships with governments, tribes, industry, nonprofit groups, and ordinary citizens; and meeting the Department's trust responsibilities to tribes and Alaska Natives, and commitments to island communities.

For each GPRA program activity, the Department has selected key performance measures from Interior's Annual Performance Plan (<http://www.doi.gov/gpra/00apr02app.html>) that demonstrate progress towards meeting the long-term goal established for the GPRA program activity goal. In addition to providing commentary on these selected GPRA performance measures, MD&A also reports on selected measures for Departmental Management and reimbursable support activities. Departmental Management includes Departmental Offices that provide the executive leadership, policy, guidance, independent program evaluation, and coordination needed to manage the diverse, complex, and nationally significant programs that are Interior's responsibilities. Reimbursable support activities include reimbursable operations and inter-agency agreements used by bureaus to accomplish their missions and goals. These operational entities include Interior's National Business Center, the Interior Franchise Fund, and individual bureau Working Capital Funds.

A total of 43 program activities and 114 performance measures are discussed in the MD&A section of this report (Note: GPRA program activities under Strategic Goals 1 and 5 reflect a subgoal grouping. Due to the number of GPRA program activities and performance measures reported for these two strategic goals, the Department believes the outcome-oriented subgoal category provides useful information to the reader for understanding Interior's varied and complex programs and desired results).

The Department has accumulated cost information for GPRA program activities and the five strategic goals in accordance with the Statement of Federal Financial Accounting Standard No. 4 (Managerial Cost Accounting Concepts). As shown in *Figure 4*, the Department's 2001 expenses for the five strategic goals were approximately \$13.9 billion, an increase of about \$1 billion, compared to 2000.

**Figure 4**



\* Due to prior period adjustments and the reclassification /addition of GPRA program activities, 2000 expense totals may differ from amounts shown in last year's report.

Note - For accounting purposes, expenses are defined as the outflow of resources or incurrence of liabilities (or both) during a period as a result of rendering services, delivering or producing goods, or carrying out other normal operating activities. Total expenses may exceed budget authority and outlays because of non-cash items such as depreciation, amortization, and accrued annual leave.

By linking the key programs and outcomes of individual Interior bureaus to the Department's priorities and initiatives, Interior's stewardship of critical resources is reinforced, which is especially important in light of increasing developmental pressures, evolving public wants and needs, and accelerating changes in science and technology. Interior is responding to the increasing demands on the vital resources the Department oversees by efficiently using and managing its resources.

During 2002, the Department will revise its GPRA Strategic Plan in order to refine performance goals and measures so that they more commonly focus on meaningful results and outcomes. As part of this process, the Department is actively seeking public comment and participation in the development of the new strategic plan (to submit comments, please email *doistratplan@usgs.gov*). The Department has set an aggressive timetable for revising the strategic plan in order to allow the results to help drive Interior's 2004 budget formulation process.

The goals set by Interior, like the missions behind them, are a critical part of the Department's continuous efforts to provide the best results to its customers—the American public.