

Resource Requirements Summary

(Dollars in Millions. Funding amounts reflect total obligations.)

Information Technology (IT)

Full-Time Equivalent (FTE)

Performance Goal 1: Promote a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic data in an objective and cost-effective manner.

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Estimate	FY 2005 Base	Increase/ Decrease	FY 2005 Request
Grand Total								
Salaries and Expenses	52.5	54.5	64.2	72.4	73.3	76.2	12.2	88.4
Total Funding ²	54.5	57.9	66.7	74.3	80.1	79.8	12.2	92.0
Direct	52.8	56.5	62.5	70.6	76.1	76.2	12.2	88.4
Reimbursable ³	1.7	1.4	4.2	3.7	4.0	3.6	0	3.6
IT Funding ¹	6.1	6.3	10.2	11.9	10.8	11.3	0	11.3
FTE ³	468	474	488	494	532	532	32	564

¹ IT funding included in total funding

² Reimbursables include ESA/BEA and STAT-USA reimbursables

³ Total FTE includes ESA/BEA and STAT-USA reimbursable FTE

Skill Summary:

Economists, accountants, statisticians, and IT specialists

Summary of Targets and Performance Measures for BEA

	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Target	FY 2003 Actual	FY 2004 Target	FY 2005 Target
Reliability of Delivery of Economic Data (Number of Scheduled Releases Issued on Time) ¹	100%	100%	50 of 50	48 of 48	48 of 48	54 of 54	TBD
Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5-point Scale)	4.3	'A survey postponed)	4.3	Greater than 4.0	4.4	Greater than 4.0	Greater than 4.0
Percent of GDP Estimates Correct	New	New	83%	Greater than 84%	88%	Greater than 84%	Greater than 85%
Improving GDP and the Economic Accounts	New	New	Developed new measures to address gaps and updated BEA's accounts; designed prototype of new quarterly survey of international services; developed new pilot estimates that provide better integration with other accounts.	Successful completion of related Strategic Plan milestones, including benchmark and update of industry accounts, incorporate North American Industry Classification System (NAICS) into regional accounts, and update international accounts.	BEA completed all major Strategic Plan milestones related to improving the economic accounts (completed 164 milestones out of 171 overall).	Successful completion of related Strategic Plan milestones relating to improving the quality of the economic accounts.	Successful completion of related Strategic Plan milestones including acquiring real-time data to improve quality of economic accounts.
Accelerating Economic Estimates	New	New	New	Successful completion of related Strategic Plan milestones, including accelerate the release of international trade estimates (with Census Bureau), GDP by Industry, annual input-output tables, gross state product, and metropolitan area personal income.	BEA completed all major Strategic Plan milestones related to accelerating economic estimates (completed 98 milestones out of 103 overall).	Successful completion of related Strategic Plan milestones related to efforts to accelerate economic measures.	Successful completion of related Strategic Plan milestones including accelerate the release of gross domestic product, personal income and outlays, and county personal income.
Meeting U.S. International Obligations	New	New	New	Successful completion of related Strategic Plan milestones, including assist Treasury in designing a survey of derivatives; incorporate estimates of short-term claims and long-term assets in accounts; provide data for Special Data Dissemination Standards (SDDS) compliance; and publish annual supplemental ownership-based accounts.	BEA completed all major Strategic Plan milestones related to meeting U.S. international obligations (completed 99 milestones out of 103 overall).	Successful completion of related Strategic Plan milestones related to meeting international commitments as funded in FY 2003.	Successful completion of related Strategic Plan milestones including clear and conduct new derivatives survey and incorporate estimates of short-term and long-term liabilities into the accounts.
Upgrading Information Technology Systems	New	New	Developed new systems, including implementation of prototype phase of new NIPA core processing system; developed improved interactive features on the BEA Web site; extended electronic reporting for international surveys.	Successful completion of related Strategic Plan milestones, including implement a new system for industry accounts benchmark processing and balance of payments processing; extend BEA's electronic reporting option for six international investment surveys.	BEA completed all major Strategic Plan milestones related to upgrading IT systems (completed 95 out of 98 overall).	Successful completion of related Strategic Plan milestones to improve the quality of BEA's information technology systems.	Discontinue budget-specific measure

¹ Prior to FY 2002, the measure reported the percent of releases that were delivered on time and on schedule.

Department of Commerce
 Economic and Statistical Analysis Budget
 Economic and Statistics Administration / Bureau of Economic Analysis
FY 2005 Budget Request Aligned by Department Strategic Goal
 (Dollars in thousands)

Department Goal	Bureau	FY2004 Request	FY2005 Base	FY2005 Program Change	FY2005 Totals
Economic Information	ESA	\$6,207	\$6,402	\$0	\$6,402
	BEA	67,096	69,835	12,163	81,998
Infrastructure for Technological Innovation	ESA	0	0	0	0
	BEA	0	0	0	0
Observing and Managing the Nation's Oceanic and Atmospheric Environment	ESA	0	0	0	0
	BEA	0	0	0	0
Totals by Bureau	ESA	6,207	6,402	0	6,402
	BEA	67,096	69,835	12,163	81,998
Grand Totals		\$73,303	\$76,237	\$12,163	\$88,400

Strategic Goals and Plans

The Department of Commerce has established a set of goals and objectives for its agencies and programs. These goals and objectives are outlined in *U.S. Department of Commerce Strategic Plan for FY 2004 – FY 2009 “American Jobs, American Values.”* The statements related to BEA are included in the box below.

**U.S. Department of Commerce Strategic Plan
related to the Bureau of Economic Analysis**

Strategic Goal 1:

“Provide the information and tools to maximize U.S. competitiveness and enable economic growth for American industries, workers and consumers.”

Objective 1.3:

“Enhance the supply key of economic and demographic data to support effective decision-making of policymakers, business, and the American public.”

The BEA 5-year Strategic Plan maps into the DOC goals and serves as a detailed guide to help the agency achieve its goals and meet its performance measures. With the rapid and widespread changes in the size and complexity of the U.S. economy, BEA must be able to adapt and change in order to continue to accurately capture the U.S. economy. While the Strategic Plan outlines specific requirements to improve the work of BEA, it is also a fluid document which allows BEA to adjust to changing demands and needs.

The BEA Strategic Plan establishes the agency’s mission and four primary objectives that are consistent with the goals set out for it by the Department of Commerce. This mission and four goals are identified below.

BEA Mission Statement

The Bureau of Economic Analysis (BEA) promotes a better understanding of the U.S. economy by providing the most timely, relevant, and accurate economic data in an objective and cost-effective manner.

Objective 1: Make BEA's economic accounts and services more responsive to the needs of its customers and partners.

Objective 2: Attract, develop, and retain a highly qualified, diverse workforce prepared to innovate and improve BEA's statistics.

Objective 3: Upgrade resource management to support BEA's mission.

Goal 4: Upgrade BEA's economic statistics by improving statistical methodologies and source data and by using new technologies.

The BEA mission and four objectives drive the direction in which BEA moves. Over 150 detailed milestones were developed from the mission statement and objectives with input from BEA staff, BEA Advisory Committee members, Congress and users. These milestones provide an operational plan for BEA managers and staff to implement the changes

needed to insure that BEA estimates are as timely, relevant and accurate as they can possibly be. The plan includes milestones over a five-year time frame to provide senior staff and managers a time horizon to plan for appropriate resource and staff allocation. BEA managers and staff are held accountable in their performance plans for progress toward achieving relevant milestones. The BEA Strategic Plan is reviewed by senior staff every fall and updated. Staff and the public are invited annually to review and comment on the plan and the final version is posted on the BEA Web site.

For FY 2003, BEA completed all of its major milestones set out in the Strategic Plan. With the support of the President and Congress, BEA made significant improvements to its economic accounts, met its acceleration goals, completed the redesign of the national income and product accounts (NIPAs) processing system, and complied with numerous international statistical agreements. A list of major accomplishments follows each of the performance measures below.

Performance Goals for FY 2005

BEA has established six performance goals to monitor its progress toward meeting its budget objectives and operating goals. The first three performance goals measure overall agency performance with respect to the agency mission to provide timely, relevant, and accurate economic data. These measures include reliability of delivery of economic data, customer satisfaction with quality of products and service, and accuracy of the GDP estimate. The final three measures are directly related to BEA budget initiatives and track BEA’s ability to meet its commitments to the President, Congress, and American public when initiative funds are provided. One budget-related measure, Upgrading Information Technology Systems, is being discontinued in FY 2005.

Measure 1a: Reliability of Delivery–Economic Data (Number of Scheduled Releases Issued on Time)

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target ¹	100%	100%	50 of 50	48 of 48	54 of 54	TBD
Actual	100%	100%	50 of 50	48 of 48		

¹Target for out years cannot be determined until BEA releases its final schedule, with OMB approval, in the fall of the preceding year.

This measure is at the heart of BEA’s mission to provide relevant and timely economic data. The importance of BEA data as an ingredient to sound economic decision-making requires BEA to deliver data into the hands of decision-makers and other data users not only quickly but also reliably, that is, on schedule. Since instituting this performance measure, BEA has consistently met its target of releasing economic data on schedule and on time. BEA has met this target in all four

years since it was developed. In fact, BEA has made significant improvements in its information processing systems that have enabled it to continue to post its principal economic indicators on the BEA Web site at release time, as well as upload volumes of supporting documentation and tables that were previously not available until days after the release. Given adequate investment in these systems, BEA will continue its perfect record of issuing its data releases on schedule and on time in FY 2004 and beyond.

Measure 1b: Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5-point Scale)

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	Greater than 4.0	Greater than 4.0	Greater than 4.0	Greater than 4.0	Greater than 4.0	Greater than 4.0
Actual	4.3	N/A (survey postponed)	4.3	4.4		

Customer satisfaction is a critical element of BEA’s mission that cuts across all three of the core elements: timely, relevant, and accurate. BEA must succeed in meeting the requirements of all three of these elements in its data releases to maintain user or customer satisfaction with its products. To measure levels of satisfaction, BEA conducts an annual mail and Internet survey of users. In the FY 2003 survey of customer satisfaction, BEA scored a 4.4 out of maximum 5.0 indicating that users are very satisfied with the overall quality of BEA’s products and services. The survey asks respondents a series of questions about their use and satisfaction of BEA products and services. In general, respondents expressed increased satisfaction with the timeliness of BEA statistics, a top priority of BEA in FY 2003, FY 2004 and FY 2005. The customer satisfaction survey is conducted annually. The “Customer Satisfaction Survey Report, 2003” is available on the BEA Web site.

Measure 1c: Percent of GDP Estimates Correct

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	Greater than 82%	Greater than 84%	Greater than 84%	Greater than 85%
Actual			83%	88%		

This broad measure of BEA performance, introduced in FY 2002, seeks to track the ability of BEA to accurately estimate its most important estimate, the Gross Domestic Product. The measure is a composite index of six indicators of accuracy that are readily available to the public. These six indicators measure the accuracy of the GDP estimate with respect to: (1) whether the economy is expanding or contracting, (2) whether the economy is growing faster or slower, (3) whether

the economy is strong or weak, (4) what is the trend GDP growth rate, (5) what is the average quarterly GDP growth rate, and (6) what is the level of current-dollar GDP. These measures are applied using three-year rolling averages to develop a single measure of the correctness of the GDP estimate. Three-year rolling averages were chosen because: a) at least 12 quarters of estimates are needed for statistical reliability, b) BEA's annual revisions cover three years, c) the impact of statistical improvements occur over time, and d) reasonable balance must be struck between statistical reliability and a measure of current performance. In FY 2003, BEA exceeded its targets due to recent investments by the Congress and administration to improve the quality and accuracy of BEA statistics.

Measure 1d: Improving GDP and the Economic Accounts

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	Develop new measures to address gaps in and update BEA's accounts; design new quarterly survey of international services; develop new pilot estimates that provide better integration with other accounts.	Successful completion of related Strategic Plan milestones, including benchmark and update of industry accounts, incorporate NAICS into regional accounts, and update international accounts.	Successful completion of related Strategic Plan milestones related to improving the quality of the economic accounts.	Successful completion of related Strategic Plan milestones including acquiring real-time data to improve quality of economic accounts.
Actual			Developed new measures to address gaps and updated BEA's accounts; designed prototype of new quarterly survey of international services; developed new pilot estimates that provide better integration with other accounts	BEA completed all major Strategic Plan milestones related to improving the economic accounts (completed 164 milestones out of 171 overall).		

BEA must continually update its economic accounts to keep pace with the increasingly complex and rapidly changing U.S. economy. Gross domestic product, balance of payments, state personal income and other data must be as timely, relevant, and accurate as possible to inform the decisions made by public and private leaders. The BEA 5-year Strategic Plan lays out steps that BEA will take to achieve quality improvements to all of its accounts. Based on the Strategic Plan

milestones, specific budget initiatives have been proposed for each year since FY 2002 to improve the accounts. This performance measure was introduced in FY 2002 to track BEA's progress in achieving the milestones related to these initiatives and provide agency accountability. BEA made important improvements to its estimates during FY 2003 and met all of its major milestones. Of the 171 milestones in the BEA Strategic Plan related to improving GDP and the economic accounts, BEA completed 164 of them (or 96 percent). All the major milestones were met. Some less important milestones were delayed to allow BEA to address other more cost-effective projects to improve the quality and accuracy of its estimates. A list of specific FY 2003 accomplishments related to this performance measure is presented below. In FY 2004, BEA will work to continue to maintain the quality of its measures. In FY 2005, BEA plans to acquire and incorporate real-time data into its accounts to significantly improve the quality and timeliness of GDP and the national accounts. It also plans an effort to better integrate the national accounts with industry, international, and regional measures.

Below is a partial list of specific accomplishments made during FY 2003 to improve GDP and the economic accounts:

- ✓ Developed new price indexes that measure important quality improvements in non-residential structures and photocopy equipment that have been missed in existing measures of GDP and productivity growth.
- ✓ Completed research and development on new measures of insurance services that present a more complete and up-to-date measure of insurance that better captures the economic effects on GDP and the balance of payments of national disasters such as Hurricane Andrew and the terrorist attacks of September 11, 2001.
- ✓ Developed more accurate estimates of financial services which generate more accurate cyclical data for monetary and fiscal policy.
- ✓ Developed independent monthly estimates for prescription drugs.
- ✓ Improved BEA's current-period estimates of corporate profits to better capture the effect of employee stock options so as to avoid the distortions that affected corporate profit reports in the late 1990s.
- ✓ Filled gaps in coverage of U.S. international assets and liabilities which provides a more accurate picture of U.S. exposure to overseas financial disruptions.
- ✓ Developed the first sets of state and local area personal income estimates on a NAICS basis which present more up-to-date picture of the structure of the U.S. economy and regions.
- ✓ Further integrated BEA's economic accounts by using state-level estimates of sales tax by industry to derive national industry distributions of indirect business taxes and reconciling those with sales taxes in BEA's benchmark input-output accounts. For the first time, the same industry distributions will be used in BEA's Input-Output accounts, GDP-by-industry, GSP-by-industry, and Personal Consumption Expenditures (PCE) accounts.
- ✓ Conducted research to measure pension disbursements by state.

Measure 1e: Accelerating Economic Estimates

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	New	Successful completion of related Strategic Plan milestones, including accelerate the release of international trade estimates (with Census Bureau), GDP by industry, annual input-output tables, gross state product, and metropolitan area personal income.	Successful completion of related Strategic Plan milestones related to efforts to accelerate economic measures.	Successful completion of related Strategic Plan milestones including accelerate the release of gross domestic product, personal income and outlays, and county personal income.
Actual				BEA completed all major Strategic Plan milestones related to accelerating economic estimates (completed 98 milestones out of 103 overall).		

In FY 2003, BEA was challenged by the Secretary of Commerce to accelerate the release of its major economic estimates to meet the demands of public and private sector users. To meet this challenge, the agency proposed a multi-year initiative to accelerate the release of eight of its most important indicators. The BEA 5-year Strategic Plan was reviewed and amended to account for this acceleration work. This performance measure seeks to hold BEA accountable for its progress. During FY 2003, BEA achieved the acceleration of two of the five measures slated for acceleration. International trade in goods and services was accelerated by one week with its March 12, 2003 release and GDP by industry was accelerated by seven months with its release in April 2003. The timetable for the acceleration of the remaining estimates has changed due to budget constraints. Despite this change, BEA met all the FY 2003 milestones it set out to achieve in this area. The second phase of the acceleration is included in the FY 2005 request and will include three additional indicators: GDP, personal income and outlays, and county personal income.

Acceleration accomplishments during FY 2003:

- ✓ Accelerated release of monthly international trade in goods and services by one week with the March 12, 2003 release. BEA continues to develop processes to accomplish the entire 20-day acceleration.
- ✓ Released accelerated GDP by industry on April 17, 2003, achieving the seven-month acceleration goal announced.
- ✓ Initiated research to develop methodology and identify data sources to accelerate annual input-output accounts.
- ✓ Accelerated release of gross state product (GSP) by one month in FY 2003 and conducted preliminary research to accelerate GSP by 13 months. Produced experimental accelerated estimates.
- ✓ Began research on the eight-month acceleration of metropolitan area personal income.
- ✓ Worked with the Bureau of Labor Statistics to improve the timeliness of the BLS ES-202 program for use in accelerating the timeliness of the state and county personal income estimates. On schedule to release quarterly state person income one month earlier in June 2004.

Measure 1f: Meeting U.S. International Obligations

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	New	Successful completion of related Strategic Plan milestones, including assist Treasury in designing a survey of derivatives; incorporate estimates of short-term claims and long-term assets in accounts; and provide data for Special Data Dissemination System (SDDS) compliance.	Successful completion of related Strategic Plan milestones related to meeting international commitments as funded in FY 2003.	Successful completion of related Strategic Plan milestones including clear and conduct new derivatives survey and incorporate estimates of short-term and long-term liabilities into the accounts.
Actual				BEA completed all major Strategic Plan milestones related to meeting U.S. international obligations (completed 99 milestones out of 103 overall).		

The United States government has made a number of commitments with international organizations and other countries in which BEA has been tasked with responsibilities. The NAICS was developed jointly by the United States, Canada, and Mexico to provide a uniform basis for identifying, compiling, and presenting industry data. The Department of Treasury serves as the official U.S. liaison with the IMF to ensure U.S. compliance with the Special Data Dissemination Standards (SDDS). Meeting these commitments is important to maintaining the United States leadership role. Equally important, the statistical information required by these international commitments is important to U.S. policymakers. This performance measure was introduced in FY 2003 to monitor BEA's progress in meeting milestones related to international commitments as well as provide accountability for an FY 2003 and FY 2004 multi-year initiative to meet these commitments. For FY 2003, BEA has met all the major milestones related to meeting international obligations and completed over 96 percent of all the related milestones. Some of BEA's specific accomplishments toward meeting this performance measure for FY 2003 include:

- ✓ Published benchmark input-output accounts on a NAICS basis for the first time in December 2002. These accounts serve as the benchmark to the National Income and Product Accounts which include GDP.
- ✓ Prepared first estimates of direct investment for the international transaction accounts and international investment position in accordance with NAICS for release in June 2003.
- ✓ Updated statistical methods in light of international statistical standards. These updates include introduction of a new measure of insurance services that provide a more appropriate treatment of insured catastrophic losses, and the collection of improved measures of activities of foreign-owned U.S. firms in finance and insurance.
- ✓ Worked with the Federal Reserve Board, Federal Reserve Bank of New York, and the U.S. Department of Treasury to design report forms that collect more comprehensive data on short-term financial instruments. This information, which is required to conform with the international SDDS, closes important data gaps in the international economic accounts for these volatile instruments.
- ✓ Met various international commitments by completing the transition to NAICS in all international data products and conducting a study of the measure of derivatives.

Measure 1g: Upgrading Information Technology Systems

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Target	New	New	Develop new systems, including design and prototype phase of new National Income and Product Accounts (NIPA) core processing system; develop improved interactive features on BEA's Web site; extend electronic reporting for international surveys.	Successful completion of related Strategic Plan milestones, including implement a new system for industry accounts benchmark processing and balance of payments processing; extend BEA's electronic reporting option for six international investment surveys.	Successful completion of related Strategic Plan milestones to improve the quality of BEA's information technology systems.	Discontinue budget-specific measure
Actual			Developed new systems, including implementation of prototype phase of new NIPA core processing system; developed improved interactive features on BEA's Web site; extended electronic reporting for international surveys.	BEA completed all major Strategic Plan milestones related to upgrading IT systems (completed 95 out of 98 overall).		

An essential on-going investment in BEA is in the upgrading and integration of BEA information technology systems. BEA's statistical processing systems are essential elements in the production of the economic accounts. Rapid and far reaching changes in the economy and the ongoing need to update concepts and estimation methods made it critical that IT systems be continuously evaluated and upgraded utilizing current technologies. This will improve the speed, reliability, and accuracy of the statistical production process. BEA's latest customer survey showed that user-friendly electronic access is important to customers. Current improvements to the BEA Web site already have dramatically increased the usability of BEA data. Increased customer satisfaction from these changes has been reflected in customer satisfaction

ratings. Information technology improvements also are being incorporated into electronic reporting options for respondents to BEA's international surveys. These surveys of foreign direct investment and international trade in services require the submission of more than 100,000 report forms each year. By providing the ability to report electronically, BEA will reduce respondent burden and reduce its own processing costs. This performance measure was introduced in FY 2002 to provide accountability for an urgent FY 2002 budget initiative to repair failing components of the system. For out years, this measure monitors BEA's efforts to continually maintain and upgrade its statistical processing systems. In FY 2003, BEA met all its major milestones related to this measure and completed 95 of the 98 milestones. It plans to meet all its milestones related to IT systems in FY 2004. The Department of Commerce, with the concurrence of the Office of Management and Budget, has determined that this budget-related performance measure has served its purpose of monitoring progress on the FY 2002 and FY 2003 investments and the measure should be discontinued in FY 2005.

Other accomplishments toward meeting this performance measure for FY 2003 include:

- ✓ Completed requirements, design, and prototype for the new National Economic Accounts centralized processing system, which will provide a foundation for modernization of the accounts and provide for more integration between the accounts.
- ✓ Provided enhancements to GDP by industry systems to support advanced estimates, publication of tables and System of National Accounts translation as well as completed work to enhance the benchmark input-output processing systems.
- ✓ Completed implementation of electronic reporting through the Automated Survey Transmission and Retrieval System (ASTAR) for all 14 international surveys. The implementation presents an opportunity for reducing paperwork burden on multinational companies each year and for improving the accuracy of estimates.
- ✓ Introduced dynamic data tables on www.bea.gov which improve access and usability of BEA data to customers and increases accuracy.

Program Evaluation

Program Effectiveness: BEA ranked among the top one percent of the 234 programs assessed for effectiveness by the Office of Budget and Management using their new assessment tool called the Program Assessment Rating Tool (PART), released with the FY 2004 Budget. The PART was applied to selected federal programs including BEA. Each program was scored in four areas: Program Purpose and Design, Strategic Planning, Program Management, and Program Results/Accountability. OMB increased the number of programs reviewed using PART for the FY 2005 Budget. In the reassessment, BEA again received an effective rating and continues to have strong strategic planning, program management, and meet its performance goals.

BEA Advisory Committee: Twice a year, the 13-member BEA Advisory Committee meets to review and evaluate BEA programs and services. The Committee advises the Director of BEA on matters related to the development and improvement of BEA's national, regional, industry, and international economic accounts, especially in areas of new and rapidly growing economic activities arising from innovative and advancing technologies. The committee also provides recommendations from the perspectives of the economics profession, business, and government. The meetings are open to the public. In 2003, the General Services Administration contracted with the Gallup Organization to conduct a stakeholder engagement survey of all federal advisory committees. The BEA Advisory Committee members reported an 83% overall satisfaction rate with the work of the committee (the government-wide satisfaction rate for advisory committee members was 38%). One hundred percent of the BEA Advisory Committee members indicated they would work with the committee again as compared to 66% for members of all federal advisory committees.

Customer Satisfaction Survey: BEA conducts an annual survey of its users to monitor their satisfaction with BEA products and services. This survey is critical to BEA's success as users are the final arbitrators of the timeliness, relevance, and accuracy of BEA data. The customer satisfaction survey serves as one of the six measures used to hold BEA accountable for its performance. Recent improvements in BEA's economic accounts have been noticed in the survey with increased satisfaction by users. The FY 2003 survey found an increased level of satisfaction by users raising the score from 4.3 (on a 5-point scale) in FY 2002 to 4.4 in FY 2003. BEA strives to continue to increase this level of satisfaction with continual improvements to the accounts and investments in the information technology systems used by most users to access BEA data.

In addition to the customer satisfaction survey, BEA monitors its contacts with users. The chart below lists a number of methods of communicating with users for FY 2002 and FY 2003 with estimated values for FY 2004 and FY 2005.

BEA USER MEASURES: FY 2002 - FY 2005				
Measures	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate
Press Releases (both scheduled and unscheduled)	61	59	60	60
<i>Survey of Current Business:</i>				
▪ Articles	46	43	46	46
▪ Statistical pages	1,358	1,416	1,500	1,500
▪ Number of paid subscriptions	3,708	2,463	2,000	1,500
Publications, other than the <i>Survey</i>	3	5	5	5
BEA's web site - www.bea.gov				
▪ Page views (monthly average)	1,468,000	1,514,529	1,666,000	1,833,000
▪ Unique visitors (monthly average)	102,000	116,677	128,000	141,000
▪ Downloads (annual)	2,135,547	3,381,319	3,700,000	4,090,000

Strategic Program Evaluation: The BEA 5-year Strategic Plan is the most important evaluation of BEA programs and performance. The Strategic Plan is a detailed operating plan that guides BEA's planning with over 150 detailed milestones per year over a 5-year time frame. As mentioned in the introduction to this section, the Plan is developed from the Department of Commerce goals and objectives and the mission and objectives set by BEA. Managers are responsible for ensuring that the milestones are met as they feed directly into the performance measures and budget requests of the agency.

The publicly-available Strategic Plan is annually reviewed and a report of successes is made available to the BEA Advisory Committee, Department of Commerce, Office of Management and Budget, Congress and the public on the BEA Web site. It clearly indicates which milestones were met and which were not met with an explanation as to why specific milestones did not get accomplished. In FY 2003, BEA met all of its major milestones and over 95 percent of the total number of milestones. BEA seeks to continue to meet its major milestones and work to improve its record in achieving the rest of the milestones.

Human Capital Management: In FY 2003, BEA again contracted with the Office of Personnel Management (OPM) to conduct an employee assessment survey to better understand the strengths and weaknesses of the organization. The 2003 assessment was conducted in August and September of 2003 and the results made available soon after the close of the survey. It found that BEA employees continue to place BEA among the highest-rated organizations in government. BEA was ranked above the federal median in all 17 dimensions included on the survey. In fact, BEA set the benchmark high on 12 of the 17 dimensions in 2003 including in the areas of diversity, strategic planning, quality of worklife, and performance measures. In addition, important improvements were reported in all 17 dimensions from the 2002 survey. Some of the largest increases in favorable responses came in the three areas addressed by the 2002 Change Committees for quality of worklife, training/career development, and communications. Finally, BEA fared well and often exceeded the results on a number of aspects when compared with the private sector. Similar to last year, BEA will put in place an employee-based process to examine the areas that received the lowest scores and make recommendations for improvements.

Information Technology: In the information technology area, several evaluations were completed in support of the modernization of critical BEA software systems and their underlying infrastructure components. In preparation for a major reengineering effort, Booz | Allen | Hamilton completed an end-to-end study of the National Accounts core processing systems. This study resulted in the development of streamlined system requirements for a new unified central processing system. An analysis of BEA's financial management data was completed. This analysis formed the basis for the development of a management information system (MIS), which provides timely budget and cost data to Bureau managers. An evaluation of BEA's Central Publishing System was performed to serve as a foundation for moving forward with proposed improvements to BEA's publication processes. Eagle Design Corporation performed a "usability" assessment of the BEA Web site. The results of this study were incorporated into a redesign of the BEA Web site, which has improved customer access to BEA data. Additional independent evaluations performed included: a requirements analysis of expanding the detail of interactive data provided on the BEA Web site, an examination of the alternatives for expansion of BEA's electronic reporting capabilities, and a review of the current capabilities and future requirements of BEA's telecommunication systems.

In addition:

- BEA completed an annual self-assessment of management processes and procedures followed for IT capital planning, IT security, and IT architecture. BEA's programs received above average rankings based on levels provided by DOC.
- Two tests and evaluations were made of BEA's disaster recovery capabilities. Each test focused on specific program areas. Testing successfully verified that BEA was capable of producing its critical data estimates at an off-site location in support of key mission activities.

- BEA completed an external IT security penetration test of its local area network in order to ensure that adequate defensive parameters protect BEA's critical data.
- BEA completed, with contractor assistance, a comprehensive National Information Assurance Certification and Accreditation Process for all IT security plans/systems. This accredited all BEA systems for continued full operation without exception.

Cross-cutting Activities

Intra-Department of Commerce

The Bureau of the Census: BEA works closely with the Census Bureau, which is one of the principal suppliers of source data used to compile BEA's economic accounts. BEA and Census representatives meet regularly to maintain an awareness of their joint and individual statistical problems and needs and to facilitate cooperation in meeting those needs. The availability of current source data from Census is a key factor in the scheduling of BEA release dates.

The International Trade Administration supports the development of the Travel and Tourism Satellite Accounts (TTSA) which provides a detailed picture of the travel and tourism industries and their role in the U.S. economy. These accounts present estimates of the expenditures by tourists, or visitors, for 18 types of commodities and estimates of the output of 17 travel and tourism industries. They also present estimates of the income generated by travel and tourism and estimates of employment in the travel and tourism industries.

Other Government Agencies

The Bureau of Labor Statistics (BLS) and Internal Revenue Service (IRS): These two agencies are principal suppliers of source data used to compile BEA's economic accounts. BEA works closely with both agencies to maintain an awareness of their joint and individual statistical problems and needs and to facilitate cooperation in meeting those needs. The availability of current source data from BLS is a key factor in scheduling the release of BEA estimates.

Interagency Council on Statistical Policy (ICSP): Under the auspices of the Office of Management and Budget, BEA is a major participant in the ICSP, which works to improve collaborative activities of federal statistical agencies. Activities of the ICSP have led to standardization of data and concepts, transfers of technology, methodology exchange, collaborative research, process improvement, improved customer service, reduced respondent burden, and infrastructure sharing.

Federal Economic Statistics Advisory Committee (FESAC): The Committee presents advice and makes recommendations to BEA, the Census Bureau and the Department of Labor's Bureau of Labor Statistics from the perspective of the professional economics and statistics community. The Committee examines the agencies' programs

and provides advice on statistical methodology, research needed, and other technical matters related to the collection, tabulation, and analysis of Federal economic statistics.

Other agencies: To obtain source data for its economic accounts, BEA maintains close working relationships with statistics-producing agencies in most of the executive branch departments of the government, including Agriculture, Defense, Education, Energy, Health and Human Services, Labor, Transportation, and Treasury.

External Factors and Mitigation Strategies

BEA is highly dependent on other government agencies and private organizations for the source data it uses to produce its economic accounts statistics. Thus, BEA’s ability to provide timely, relevant, and accurate economic data and to move forward with improvements in its economic accounts is constrained by the quality and availability of that source data. BEA works closely with its data sources to obtain the best and most complete data possible and continually refines its estimation methods to improve its measures, especially in areas with source data deficiencies.

Unit Cost Measures

At the request of the Department of Commerce and the Office and Management and Budget, BEA has developed an experimental NIPA cost index that measures the cost of producing and improving the National Income and Product Accounts (NIPA) relative to 1997. Improving the accuracy and reliability of BEA estimates is of major importance to users. With a rapidly changing economy, BEA continually seeks to find better ways to measure the entire economy often with partial or scant data to help inform its measurements. This experimental cost index seeks to capture the efficiency of BEA through a measure of the cost per budget dollar of producing GDP and Gross Domestic Income (GDI) plus the cost of changes in methodology to improve their measurement. The first draft of this Cost Index, with calculations back to 1997, shows promise in measuring the cost concept. The index values for 1997 through 2002 are included in the table below.

	1997	1998	1999	2000	2001	2002
NIPA Cost Index	100	89	74	72	74	65

The index is set to 100.0 in 1997 to allow for comparisons back to this reference period. The drop in the cost efficiency index in the last five years reflects the ability of BEA to produce and improve its NIPA estimates in a cost-efficient manner. The large drop in the index in 1999, for example, represents the major statistical improvements introduced as part of BEA's comprehensive revision in that year. The drop in 2002 reflects the improvements made to the NIPAs as a result of

recently funded budget initiatives. These improvements include more accurate estimates of wages and salaries, brokerage services, and insurance services. These improvements were possible because of budget initiatives in recent years.

To ensure the integrity of this index, the source data to calculate this measure is available in the *Survey of Current Business* and in Presidential budget documents. This availability of source data allows any users to replicate and confirm the results.

Program Assessment Rating Tool

BEA took part in the first year of the Program Assessment Rating Tool (PART) administered by the OMB during FY 2002 for inclusion in the FY 2004 budget submission. OMB rated BEA with an “Effective” rating, one of only 14 programs to receive its highest rating. In addition, BEA scored a 92 out of 100 on the PART, placing it among the top one percent of programs rated in this first year of the PART.

BEA made some important changes to its budget documents in response to issues raised in the PART. BEA re-drafted its budget presentation to strengthen the linkages between the BEA 5-year Strategic Plan and its performance milestones. In the past, the role of the Strategic Plan milestones in fulfilling the targets of the annual performance measures was not clearly stated. BEA also included more base funding information in its budget documentation including information on base funding by account.

In the PART reassessment of BEA included in the FY 2005 budget submission, OMB again awarded BEA’s programs their highest rating of “Effective,” scoring them a 92 out of 100. BEA scored 100 percent in the categories of Program and Management and reached scores in the high 80s in Planning and Accountability.

BEA is working to develop an experimental cost efficiency measure that seeks to quantify the quality improvements in GDP with plans to extend the measure to include the other major programs.

BEA Data Validation and Verification

BEA conducts an annual review of the Bureau’s performance data to ensure that it is complete and accurate. Any significant deviations from the projected target, if any, are reviewed by the Director and action is planned to address deficiencies.

The validation process is conducted in a manner similar to audit principles including data collection and verification of data. Data are collected from independent sources and the BEA 5-year Strategic Plan and compared to actual outcomes

to determine the success or failure of the agency to meet its specific goals. All data are maintained and publicly available for additional outside review.

Performance Measure	Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Measure 1a: Reliability of Delivery—Economic Data (Number of Scheduled Releases Issued on Time)	A schedule of release dates for the coming calendar year is published each fall in the <i>Survey of Current Business</i> and is posted on the BEA Web site. BEA maintains a record of subsequent actual release dates.	Annually	BEA maintains the schedule of future release dates and the record of actual release dates. Both sets of information are available on the BEA Web site.	Scheduled and actual release dates are a matter of public record and can be verified via the Internet.	A few releases may not be included in the published annual schedule because their release dates cannot be established that far in advance, and those releases are excluded from the performance measure.	FY 2005 target will be added when made available to OMB and published in the Survey of Current Business in the fall of 2004.
Measure 1b: Customer Satisfaction with Quality of Products and Services (Mean Rating on a five-point Scale)	BEA customer survey	Annually	BEA conducts the survey, compiles the results, and retains records of raw data and computations that lead to final results.	BEA provides a copy of the survey to the Economics and Statistics Administration and the report is made available on the BEA Web site.	Data are not available for years, such as FY 2001, in which survey is not conducted due to budget constraints.	Survey will be conducted in FY 2004.
Measure 1c: Percent of GDP Estimates Correct	Background research studies published in the BEA <i>Survey of Current Business</i> . Annual report will be submitted to OMB and available to the public on the BEA Web site	Annually	The <i>Survey of Current Business</i> is published monthly and available for free on-line and for a fee through subscription. Statistical report will be made available on the BEA Web site	The <i>Survey of Current Business</i> is a matter of public record and can be verified via the Internet or hardcopy. The statistical report also will be available to the public on the BEA Web site	Measure is the best single point estimation of the accuracy of GDP. Economic conditions, rather than statistical practices, could dramatically change the measure.	Research to calculate new measure will be conducted following the completion of the annual revisions in August 2004
Measure 1d: Improving GDP and the Economic Accounts	The BEA strategic plan provides a timetable with annual milestones for achieving significant improvements in the economic accounts. At the end of each fiscal year, beginning with FY 2002, BEA will evaluate and report its progress in achieving the scheduled milestones.	Annually	BEA compiles and maintains data	BEA conducts internal review and analysis.	BEA's annual review and updating of its strategic plan could result in changes to milestones	Milestones will be adjusted as necessary to match the BEA Strategic Plan.
Measure 1e: Accelerating Economic Estimates	The BEA Strategic Plan provides a timetable with annual milestones for accelerating the release of its economic accounts estimates. Beginning with FY 2003, BEA will annually evaluate and report its progress in achieving the scheduled milestones.	Annually	BEA compiles and maintains data.	Internal review and analysis by BEA	BEA's annual review and updating of its strategic plan could result in changes to milestones	Milestones will be adjusted as necessary to match the BEA Strategic Plan.
Measure 1f: Meeting U.S. International Obligations	BEA's strategic plan provides a timetable with annual milestones for incorporating NAICS (North American Industry Classification System) in its economic accounts. At the end of each fiscal year, beginning with FY 2003, BEA will evaluate and report its progress in achieving the scheduled milestones.	Annually	BEA compiles and maintains data.	Internal review and analysis by BEA	BEA's annual review and updating of its strategic plan could result in changes to milestones.	Milestones will be adjusted as necessary to match the BEA Strategic Plan.

Performance Measure	Data Source	Frequency	Data Storage	Internal Control Procedures	Data Limitations	Actions to be Taken
Measure 1g: Upgrading Information Technology Systems	BEA's strategic plan provides a timetable with annual milestones for modernizing the information technology systems used to produce the economic accounts estimates, collect survey data, and disseminate data to users. At the end of each fiscal year, beginning with FY 2002, BEA will evaluate and report its progress in achieving the scheduled results.	Annually	BEA compiles and maintains data.	Internal review and analysis by BEA	BEA's annual review and updating of its strategic plan could result in changes to milestones.	Milestones will be adjusted as necessary to match the BEA Strategic Plan.