

The Federal Government is working to ensure taxpayer dollars buy more and go farther every year. I personally believe that we have done more in the past few years to change the way the Government works than during any comparable period in recent history.

There is still much to do, however. In terms of the PMA scorecard, we've gone from "red" to "yellow," but we want to be "green." In terms of spending the taxpayers' money wisely, we're instilling the disciplines needed to improve performance every year, but we want to be using these disciplines to make programs work better every year.

We lost some momentum this past quarter. More than half of the agencies didn't do what they said they would do, causing 19 progress scores to decline. With new people coming into leadership positions in every department, we feared that some agencies might take their eye off the management ball, and they did. My primary responsibility in the next several months is to make sure leadership remains focused on the significant, historical opportunities they have for their agencies to work better.

Some agencies did improve this past quarter: 13 progress scores and 4 status scores improved. Of scorecard note:

- Labor and State have 4 green status scores and 5 green progress scores: they have instilled desired disciplines in 4 of the 5 areas and did what they said they'd do this past quarter in all 5 areas.
- Energy has 4 green status scores and 4 green progress scores.
- Agriculture, Education, Labor, State, Transportation, OPM and SBA have 5 green progress scores: for each of the five initiatives they accomplished what they said they would do.
- OMB has no red progress scores, for the first time in a long while.
- OPM and Smithsonian have 2 improved progress scores.

Education's Federal Student Aid program reached green status and was taken off GAO's High Risk list. As they had previously committed to address their management issues, clarified their goals and developed a detailed action plan for accomplishing them, and held themselves accountable for doing what they planned to do, they were able to demonstrate they had addressed all the deficiencies of concern. Terri Shaw is to be congratulated for leading this really noteworthy effort.

The Defense Department's Military Housing initiative also reached green status, as they demonstrated they are on pace to privatize/eliminate all inadequate military family housing by FY 2007. To date they have privatized about half of the 185,000 units targeted for improvement, using about \$800 million in appropriated funds to generate about \$11 billion in housing development. Philip Grone and Joseph Sikes are to be congratulated for their leadership of this program.

With the help of the PMA we pay a lot of attention to our costs. I refer everyone to a recent summary of our cost management efforts, at:

[www.results.gov/agenda/2005-cost-mgt-report.pdf](http://www.results.gov/agenda/2005-cost-mgt-report.pdf)

Yours truly,

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