

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

# **Preserving the Past to Protect the Future**

2007 Performance and Accountability Report



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## SECTION 1

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## A Message from the Archivist of the United States



The National Archives and Records Administration (NARA) is our nation's record keeper. Every day we work to preserve and provide access to the records of our Government, whether those records are the Declaration of Independence, service records of military veterans, or documentation on homeland security issues that will make our country safer.

Throughout the history of our democracy, these records have been first-hand witnesses to the events that have shaped our country. They have documented the rights and entitlements of our citizens, and they have held our Government officials accountable to the people.

NARA's mission is vital to continuity of Government, homeland security, public trust, and national morale.

- We provide legal authority to many of the actions of the President and executive agencies through publication in the Federal Register, regardless of weather, terrorist attacks, or other emergencies that may close other Federal operations.
- We are leading the Federal Government in developing the new technology that will enable the Government to share electronic information across space and time, reducing the risk that critical intelligence will be lost in obsolete hardware and software.
- We act as First Preservers in times of emergency, assisting Federal, state, and local governments in saving their critical records, especially those that document the rights and entitlements of citizens.
- We serve a broad base of customers through a series of education, outreach, and partnership initiatives, contributing to civic literacy in America.
- We protect the plans, drawings, maps, and photographs of Federal facilities worldwide.
- We preserve and provide access to the military service records of 56 million veterans of our armed forces, ensuring that they and their families receive the benefits they have earned by defending our country.
- We protect and display the founding documents of our country – the Declaration of Independence, the Constitution, and the Bill of Rights – which more than a million people a year come to see because these Charters of Freedom are the heart of the democracy we cherish.

I am pleased to present the National Archives and Records Administration's Performance and Accountability Report for FY 2007, the first year of reporting against

our new ten-year Strategic Plan. This new plan reaffirms the soundness of many of our efforts still underway, but it also points us in some exciting new directions. Thanks to support from our stakeholders and partners and the efforts of our exceptional staff, we made progress on each of the goals of our Strategic Plan and our two material weaknesses. Our Strategic Plan directs us to attend to six goals—demonstrating leadership in managing the nation’s records, preserving and processing records to ensure access, meeting electronic records challenges, expanding opportunities for access, increasing civic literacy, and equipping NARA to meet the needs of our customers. Our progress in these areas is detailed throughout this report.

I encourage you to read the report to discover the strides we have made in building an Electronic Records Archives that will serve the entire Federal Government, making it easier for our customers to find and order copies of records, our efforts that resulted in bringing the Nixon Library into our system of Presidential libraries, new declassification initiatives, some bold new steps to digitize some of our holdings for online access, and much more.

We have also made strides in ensuring that our resources are well managed with the proper oversight. I am able to provide a qualified statement of assurance that, with the exception of two material weaknesses, NARA’s internal controls are achieving their intended objectives: programs achieve their intended results; resources are used consistent with NARA’s mission; programs and resources are protected from waste, fraud, and mismanagement; laws and regulations are followed; and reliable and timely information is obtained, maintained, reported, and used for decision making. This assessment is based on results of audits and evaluations conducted by the Government Accountability Office (GAO), the Office of Government Ethics (OGE), NARA’s Office of Inspector General (OIG), management control evaluations, and other written evaluations conducted in the 12 NARA offices and staff organizations. It is also based on senior management’s knowledge gained from the daily operations of NARA programs and systems. I have also relied upon the advice of the OIG concerning this statement of assurance.

While the work ahead is challenging, I am confident that our stakeholders and the public can be proud of their National Archives and Records Administration, which every day is protecting, preserving, and making available the essential documentation of our Government.



Allen Weinstein  
Archivist of the United States

November 15, 2007

## Introduction

This Performance and Accountability Report represents the culmination of the National Archives and Records Administration's (NARA) program and financial management processes, which began with strategic and program planning, continued through the formulation and justification of NARA's budget to the President and Congress and through budget execution, and ended with this report on our program performance and use of the resources entrusted to us. This report was prepared pursuant to the requirements of the Chief Financial Officers Act, as amended by the Reports Consolidation Act of 2000 and mandated by the Accountability of Tax Dollars Act of 2002, and covers activities from October 1, 2006, through September 30, 2007.

### ***How to Use This Summary Report***

Each year we publish a full report and a summary report. Both reports describe NARA's performance measures, results, and accountability processes for FY 2007. In assessing our progress, we are comparing actual results against targets and goals set in our annual performance plan, which we developed to help us carry out our Strategic Plan. Our complete set of strategic planning and performance reports is available on our web site at <http://www.archives.gov/about/plans-reports/>.

The full report has four major sections:

- **Management's Discussion and Analysis** (*in full and summary reports*)  
Look here for our agency-wide performance and use of resources in FY 2007. You also will find information on the strategies we use to achieve our goals and the management challenges and external factors that affected our performance.
- **Performance Section** (*in full report*)  
Look here for details on our performance by strategic goal and long-range performance target in FY 2007. This section covers our targets, how and why we met or did not meet them, and explanations of how we assess our performance and ensure the reliability of our data.
- **Financial Section** (*in full report*)  
Look here for details on our finances in FY 2007, our consolidated financial statements and notes, required supplementary information, and the reports from our external auditor and our Inspector General. Also included is information on our internal controls and an explanation of what kind of information each of our financial statements conveys.
- **Other Accompanying Information** (*in full report*)  
Look here for our Inspector General's assessment of our agency's management challenges, our FMFIA report, and an update on last year's audit recommendations made by Clifton Gunderson, LLP.

## **About NARA**

The National Archives and Records Administration is our national record keeper. An independent agency created by statute in 1934, NARA safeguards the records of all three branches of the Federal Government. Our job is to ensure continuing access to essential documentation and, in doing so, we serve a broad spectrum of American society. Genealogists and family historians; veterans and their authorized representatives; academics, scholars, historians, business and occupational researchers; publication and broadcast journalists; Congress, the Courts, the White House, and other public officials; Federal Government agencies and the individuals they serve; state and local government personnel; professional organizations and their members; students and teachers; and the general public – all seek answers from the records we preserve.

### ***Our Vision***

As the nation's record keeper, it is our vision that all Americans will understand the vital role records play in a democracy, and their own personal stake in the National Archives. Our holdings and diverse programs will be available to more people than ever before through modern technology and dynamic partnerships. The stories of our nation and our people are told in the records and artifacts cared for in NARA facilities around the country. We want all Americans to be inspired to explore the records of their country.

### ***Our Mission***

The National Archives and Records Administration serves American democracy by safeguarding and preserving the records of our Government, ensuring that the people can discover, use, and learn from this documentary heritage. We ensure continuing access to the essential documentation of the rights of American citizens and the actions of their government. We support democracy, promote civic education, and facilitate historical understanding of our national experience.

### ***Our Strategic Goals***

NARA's strategic goals are set forth in our new 10-year Strategic Plan, published in September 2006, which covers the period FY 2007 through FY 2016. This new plan acknowledges recent achievements, assesses new challenges facing us, and commits us to measure our value to the taxpayer by setting aggressive outcome-oriented performance targets.

Our six strategic goals are:

- 1: As the nation's record keeper, we will ensure the continuity and effective operation of Federal programs by expanding our leadership and services in managing the Government's records.
- 2: We will preserve and process records to ensure access by the public as soon as legally possible.
- 3: We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era.



- 4: We will provide prompt, easy, and secure access to our holdings anywhere, anytime.
- 5: We will increase access to our records in ways that further civic literacy in America through our museum, public outreach, and education programs.
- 6: We will equip NARA to meet the changing needs of our customers.

### ***Our Organizational Structure***

We carry out our mission through a national network of archives and records services facilities stretching from Washington, DC, to the West Coast, including Presidential libraries documenting administrations back to Herbert Hoover. Additionally, we publish the *Federal Register*, administer the Information Security Oversight Office (ISOO), and make grants for historical documentation through the National Historical Publications and Records Commission (NHPRC). We preserve and make available, in response to hundreds of thousands of requests, the records on which the entitlements of citizens, the credibility of Government, and the accuracy of history depend. More and more people are using our services and gaining access to our records through the Internet, whether by requesting copies of records through our Inquire form at *Archives.gov*, commenting on regulations at the Government-wide site *Regulations.gov*, searching online databases of records and information, or engaging in a host of other activities through *Archives.gov*. We continue to encourage this trend, by adding online services and fully participating in several of the President's e-Government initiatives, so that citizens everywhere have access to our vast holdings. The organizational chart in figure 1 provides an overview of NARA's structure.

Antonio Lupetin of Long Island needed his Army separation papers, so he wrote to the National Personnel Records Center in St. Louis, as many veterans do. The request was turned over to staffer Ricky Moe, who turned up not only the desired document, but also a letter to Lupetin in 1965 that was marked "Return to Sender." Moe forwarded the unopened letter as well as the separation papers to Lupetin. The letter contained Lupetin's honorable discharge certificate as well as a letter of appreciation for his military service, which he plans to frame for his grandchildren. In a letter to NPRC, he expressed his "overwhelming appreciation and happiness."



*Antonio Lupetin and a long-lost letter containing valuable information.  
(Photo courtesy Antonio Lupetin)*

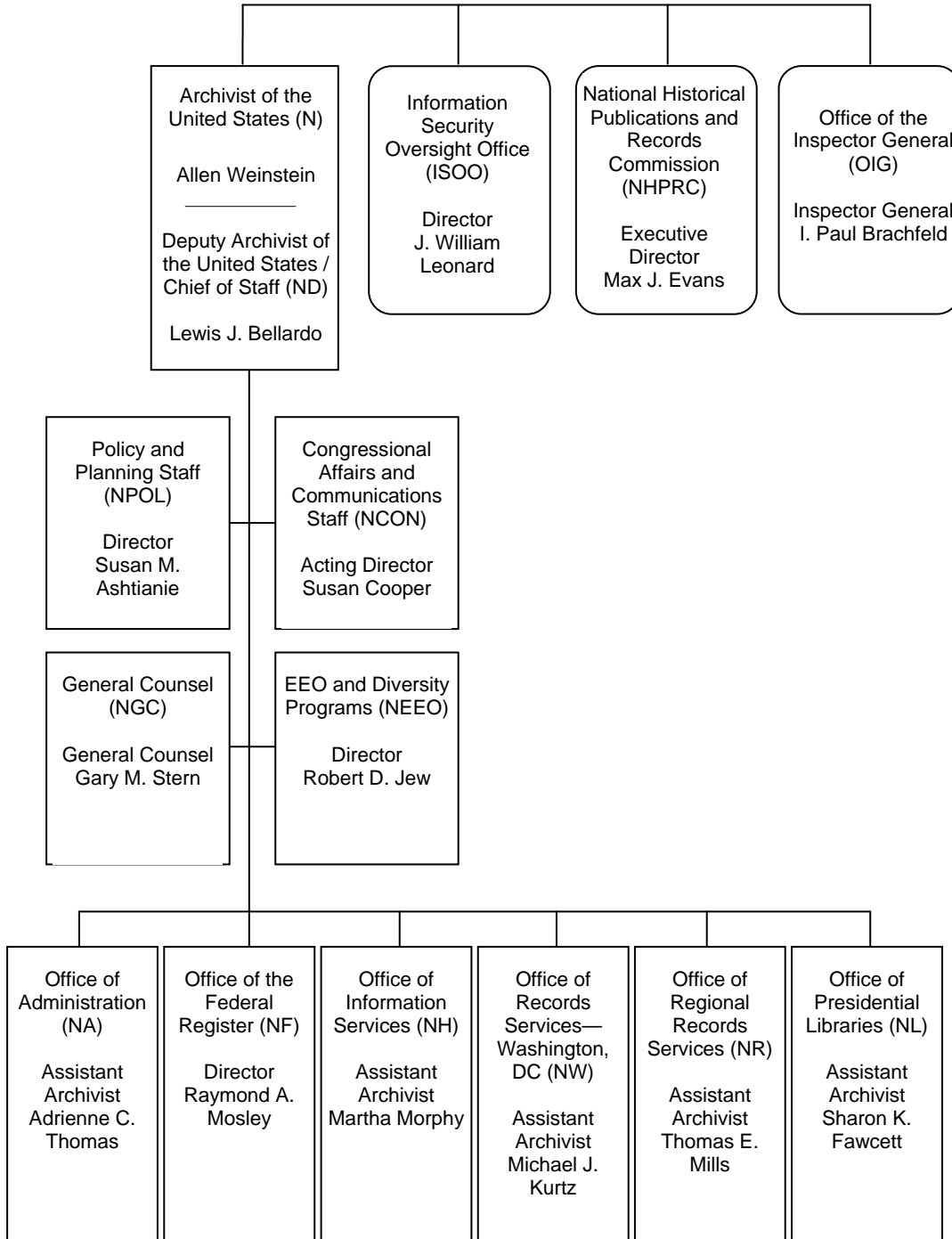


Figure 1. NARA's Organizational Structure

## NARA's Challenges and Management's Actions to Address These Challenges

We at the National Archives and Records Administration (NARA) take our job of serving the public seriously. Never before have we played such an indispensable role in our Government. We are doing this work in the face of multiple challenges that affect the entire Government and our citizens.

- As a Federal agency, NARA must deal with new and evolving concerns about security, continuity of operations, and emergency preparedness. Additionally, continuity of Federal operations depends on the records of government. Protecting, recovering, and making these records available will require new, more flexible solutions.
- The dramatic emergence of an electronic Government has brought to the fore new records management issues that have implications far beyond our Government. Inspired by the challenges of electronic records, NARA is transforming itself from an agency that manages predominantly paper to a leader in electronic records management.
- Deterioration of both the holdings that NARA must keep for posterity and the facilities in which they are housed is a fact of life. We must address with a steady hand the never-ending challenge of maintaining, securing, and preserving our holdings—paper, electronic, special media and artifacts—and our infrastructure—both physical facilities and information technology.

Our mission includes ensuring that Government officials and the American public have continuing access to the essential documentation of the rights of American citizens and the actions of their Government, and this mission puts us at the very heart of intergovernmental electronic communication challenges.

Whether publishing the *Federal Register*, protecting the vital records assets of Federal agencies nationwide, serving America's veterans, meeting the challenges of electronic records, or displaying our nation's Charters of Freedom—the Declaration of Independence, the Constitution, and the Bill of Rights—NARA plays a critical role in keeping America safe, secure, and focused on our democratic ideals.

The following are just a few examples of the ways in which the Government and the public are relying on NARA to meet vital needs.

- The *Federal Register* must be published each business day, regardless of weather, terrorist attacks, or other emergencies that may close other Federal operations. Publication, even during emergencies, is critical because many of the actions that Executive departments and the President need to take require the legal authority that comes from publication in the *Federal Register*.
- NARA responds to more than one million requests a year about Official Military Personnel Files (OMPF). Many of these requests come from veterans, their families, or organizations working on behalf of veterans to verify their military service, apply for benefits, or research medical conditions. A veteran's ability to obtain a job, housing, or medical care often depends on our ability to meet their information needs quickly.

- NARA protects the essential records of hundreds of Federal agencies and courts as well as the records of the Congress, the Supreme Court, and 12 Presidential administrations in 37 facilities nationwide. These records include everything from highly classified National Security Council policy memorandums to congressional committee records to architectural drawings of Federal facilities to satellite photographs of major cities to the tax returns of individual Americans. All of this information and more is saved for as long as needed because it is essential for the effective operations of our government, protecting the rights and entitlements of our citizens, understanding past decisions and informing future policy choices, holding appropriate officials accountable for their actions, and ensuring the safety and security of our country.
- Our greatest challenge is to ensure that valuable electronic records—from electronic OMPFs to geographic information systems to State Department cable files to transportation security databases—are managed and preserved over time so that key information is not lost in obsolescent hardware and software. To meet this challenge, NARA is developing the Electronic Records Archives (ERA), a revolutionary system that will capture electronic information, regardless of its format, save it permanently, and make it accessible on whatever hardware or software is currently in use.

Let us turn to the specific challenges NARA faces:

***Records Management, and specifically, Electronic Records Management.*** In this world of exponentially increasing volumes and formats of electronic records, having the ability to find, manage, use, share, and dispose of records—which is the essence of records management—is vital for the efficient and effective functioning of the Federal Government. Records management is an essential component of knowledge management, and yet records and information are rarely managed as agency business assets. Records management remains an area for improvement in many agencies. This undermines the authenticity, reliability, integrity, and usability of Federal records and information essential for Government business, particularly electronic Government and public use.

This Government-wide challenge requires collaborative, creative solutions with benefits that are obvious to Federal agencies. That is why we are undertaking a multi-faceted approach to improving Federal records management through a suite of strategies, policies, standards, and tools that facilitate the effective and efficient management of Federal records. Ultimately, records management

Yukio Morita, a history professor from Toyama City, Japan, came to the NARA-Rocky Mountain Region in Denver last spring, waving a printer's proof of a chapter of his new book about World War II Japanese-American internment camps. The chapter was the direct result of a tip from NARA archivist Eric Bittner five years earlier that federal court files at Rocky Mountain contained records about criminal charges brought against 63 internees at the Heart Mountain Relocation Center. Morita was so interested that he made the story of the trial of the internees a full chapter in his book.



The cover of Yukio Morita's book. (Photo courtesy Yukio Morita)

should become so seamlessly integrated into agencies' business processes that it becomes second nature; and information is easy to find in a usable form. Getting to this outcome requires that we both transform our own records management program and records management across the Government. We have three major areas of focus in our records management activities:

- Strategic Directions for Federal Records Management—a series of coordinated strategies to transform NARA's approach to Federal records management.
- E-Government Initiatives—these include the ongoing Electronic Records Management E-Government Initiative and initiatives to support agencies in implementing the requirements of section 207(e) of the E-Government Act of 2002.
- Electronic Records Archives (ERA)—the key tool that will allow NARA and Federal agencies to manage, preserve, and have access to electronic records.

**Information Technology.** The pace of technological change and innovation challenges the entire Federal Government. At the same time these changes offer wide-ranging opportunities for improved information management. Information technology—particularly the World Wide Web—has become integral to providing government services and moving the Federal Government's immense stores of information and services out of the "back office," onto the Internet, and into the home and business sectors. As a result, customer expectations have mounted for more new and expanded online services. Our Strategic Plan acknowledges that we must be equipped to meet these changing needs and expectations. As NARA moves to fully embrace e-Government and seize new technological opportunities, we must be able to quickly adapt to new technologies and leverage technical expertise to meet expectations for quality service.

We have three primary areas of focus in meeting this larger challenge:

- IT security: This challenge, shared by all Federal agencies, is constantly evolving, particularly as the demand for electronic services increases, portable media devices proliferate, and more business is transacted over the Internet. We continue to work to strengthen and protect our infrastructure against viruses and unauthorized intrusions. In our FMFIA report this year, we have declared a material weakness in our IT security program, driven in large part by immaturity of the program.
- Strengthening our IT infrastructure: We will continue to make strategic investment decisions to ensure that our IT infrastructure evolves to support the changing IT environment. This environment must support NARA's business and ever-increasing customer needs.
- ERA deployment: A major challenge for NARA is the design, development, and implementation of a system that will aid in the Federal Government's ability to manage, preserve, and access its electronic records well into the future. Proper oversight and use of industry and government best practices are key to our ability to deploy a usable ERA in a timely and cost effective manner.

**Records Access.** Central to NARA's mission is our ability to provide the records of the Federal Government to the citizens, to whom the records belong. A major challenge to

efficiently accomplishing this goal is the sheer volume of unprocessed materials—both classified and unclassified—that awaits our attention. This problem is not unique to NARA, but exists at archival institutions around the world. We have made some adjustments to our resources to address this problem in the Washington, DC, area, and continue to study the scope of this situation in our regions and Presidential libraries. We are looking for ways to streamline and speed our processing methods, while at the same time examining more effective and efficient ways to apply the resources needed to meet this challenge.

Declassification review is an integral part of the processing NARA must do for the classified records it holds. Federal agencies have a deadline of December 31, 2009, to review and resolve (by declassifying or exempting) their equities in security-classified documents more than 25 years old that have been referred to them by other agencies. There are more than 400 million pages of classified Federal records at NARA that were reviewed by agencies between 1995 and 2006. Of these, about 80 million pages contain referrals to other agencies that must be acted on before the 2009 deadline. Many of these documents must be reviewed by two or more agencies. Our challenge is to make these documents available to the agencies in a systematic fashion to enable them to accomplish their missions, permanently protect valuable Federal records, and prevent unauthorized releases of information that still meets the standards for continued classification. Our National Declassification Initiative, a multi-agency effort to carry out declassification requirements of Executive Order 12958, as amended, for Federal records, is a significant step toward addressing this challenge. *(For more information, see page 21).*

Finally, classified records in our Presidential libraries pose a huge challenge for us because they are often extremely sensitive, filled with multiple equities, and highly sought after by Government officials and the public. The Reagan Library holds the next Presidential collection subject to a declassification deadline under the Order and has textual classified holdings of approximately eight million pages. This represents more classified pages than all of the previous libraries combined. Previously, we implemented the Remote Archives Capture (RAC) Project, a collaborative program with the CIA and other classifying agencies through which classified Presidential materials at field locations are electronically scanned and sent to Washington for review by equity-holding agencies. So far, this project has scanned more than three million pages from the Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, and Carter Libraries, but the dramatic increase in volume of classified records from the Reagan administration presents significant challenges to our ability to facilitate the declassification of these important materials and comply with the deadlines set forth in the Order.

**NARA Holdings Summary**  
**FY 2007**

	Artifacts (items)	Traditional Holdings (cu. ft.)	Electronic Holdings (LDR*)
Washington, DC, Area Archives	1,488	2,394,344	4,701,604,189
Regional Archives	0	707,612	0
Records Centers	0	25,670,659	0
Presidential Libraries	542,056	234,607	35,308,040
Affiliated Archives	0	12,425	0
<b>TOTAL</b>	<b>543,544</b>	<b>29,019,647</b>	<b>4,736,912,229</b>

\*LDR=Logical Data Records

**Facilities.** Our 37 facilities are our first line of defense for records preservation. Providing appropriate physical and environmental storage conditions is the most cost-effective

means to ensure records preservation. Yet operating costs – rent, security forces, and utilities – have risen in recent years and show little sign of abatement. We face an ongoing challenge to ensure that all of our facilities meet necessary standards for the storage of records, particularly archival records. We also must ensure that other entities that store Federal records comply with existing facility standards. Our Strategic Plan includes several strategies for meeting our goal to preserve all records in an appropriate environment for use as long as needed. Our ability to meet our storage and preservation challenges will be a key factor in the future course of our agency.

*Security.* We store more than 29 million cubic feet of Federal records and Presidential materials in our nationwide facilities. We have the vital responsibility to protect these records, the staff who care for them, and the public who visit our facilities to use them. To do this, we must be able to face multiple types of threats and we must plan for emergencies that could leave our facilities vulnerable or require us to provide shelter for staff and the public.

Currently, NARA has a material weakness in collections security. We are responsible for the security of billions of records, and we do not have item-level control over our holdings – nor can we ever expect to. Because these records belong to the American people, however, they cannot simply be locked away in inaccessible vaults. We have three primary challenges in this area:

- We must provide quality services to our customers while instituting reasonable internal controls to prevent theft. We must also maintain documentation to support the recovery of missing holdings and subsequent prosecution of those who would steal records that belong to all Americans.
- We must take every reasonable measure possible to limit access to sensitive records and act quickly to coordinate recovery efforts with appropriate law enforcement as needed.
- We must protect and safeguard our facilities, the staff who work in our facilities, and the people who visit our facilities to mitigate the potential for damage and destruction through both natural and deliberate acts.

Barry Wong, a San Francisco firefighter, knew his family had come from China and entered the United States through Angel Island in San Francisco Bay. But he wanted to know more, so he came to NARA-Pacific Region in San Bruno for help. There, archivist Bill Greene took “a few clues” that Wong offered and came up with a treasure trove of previously undiscovered files and information about Wong’s family – including the fact that his grandfather had two siblings he didn’t know about, who showed up in a photograph of his great-grandfather’s family that Greene discovered in the files.



*Barry Wong's family (Photo from the National Archives, Pacific Region)*



*At the Reagan Library, First Lady Laura Bush tours The Heart Truth's First Ladies Red Dress Collection. The Heart Truth, sponsored by the National Heart, Lung, and Blood Institute, is a national campaign to raise awareness about women and heart disease. The red dress is the campaign's symbol, and Mrs. Bush is its ambassador. (Photo courtesy Freeze Frame and the Reagan Foundation.)*

Having an effective security posture requires that we take a big picture, holistic view of all our facilities and holdings. We are making strong gains in the comprehensive plan to address our collection security weakness. For more information, refer to our Federal Manager's Financial Integrity Act report in Section 4, Other Accompanying Information.

**Civic Literacy.** Throughout America's history, each generation develops the basic ideas and values of their Government, society, culture, and the way they interpret history. This generational development of civic literacy is an important characteristic of how society evolves for the future. NARA plays a unique and important role in this evolution. We safeguard the facts of history. Access to these holdings is the right of all Americans. Yet the volume and value of this information is not always apparent to the public. We see it as an essential mission of

this agency to make the public aware of the materials we hold for them and to educate them about how to use these primary sources, a proven tool for advancing civic literacy. Through the power of the Internet, learning experiences through exhibits, programs, and events, as well as an initiative to bring learning materials to the classroom, NARA is working to promote civic literacy. We are assisted by partners and volunteers who are key to this advocacy.

**Preservation.** As noted earlier, our storage facilities are our first line of defense for preservation of our holdings and are the most cost-effective way to preserve records. However, we face challenges in preservation that storage alone will not solve. Over the last decade, NARA's electronic holdings have grown 100 times faster than traditional paper records. These records are created in a wide variety of formats—email, databases, audio files, web pages, digital images, satellite imagery—and many more. And they are increasingly complex; for example, e-mails have attachments and web pages are made up of many files and documents embedded in them. Our goal with the Electronic Records Archives is to preserve these records, ensure their authenticity, and make them available far into the future.

Agency-wide assessments of our textual and non-textual holdings indicate a significant backlog of preservation work is required. At this time, 70 percent of the holdings—more than two million cubic feet of records—need one or more kinds of preservation. The backlog will require many decades to be addressed. We are prioritizing preservation work to address the most urgent needs first and have improved our internal controls so we have better visibility into the problem, but the backlog will take time to address.

Another preservation challenge we face is that the marketplace is forcing the use of digital technology through the discontinuation of analog materials, supplies, and equipment. More than 16 million items in NARA's holdings are in analog formats,



which we reformat periodically to preserve the original records and make copies for access. The transition from analog to digital has already taken place for audio recordings and other tapes that use a magnetic signal. Major photographic manufacturers are reducing or eliminating traditional analog product lines. Soon, few, if any, of the photographic and other analog products will be available for reformatting original records. NARA needs to make the transition from analog to digital processes over the next several years. Rather than seeing this as another hurdle, we are viewing this as an opportunity to partner with the private sector to help us digitize the records, and take the next step of making many of these holdings available via the Internet.

**Staff.** The Federal Government is looking to NARA, as the nation's record keeper, to deliver creative, entrepreneurial solutions for these challenges. We must respond to this call for leadership if we want to actively deliver value and innovation rather than simply react to the changes taking place around us. To do this, we must ensure that our staff has the skills and competencies needed to provide leadership in records services in the 21st century, and we must ensure that the systems and processes we use to acquire and manage our staff are efficient, streamlined, flexible, and appropriate for today's modern workforce.

Our Strategic Plan commits us to hiring, developing, sustaining, and retaining staff according to the competencies needed to achieve our strategic goals. In addition, the President's Management Agenda and Human Capital Assessment and Accountability Framework instruct agencies likewise.

Our future success as the Government's leader for records services will depend in large part on the staff that we hire today. We must ensure that we have the right people in the right positions at the right time to move the agency forward.

Finally, we are committed to working with our Inspector General (IG) to identify and address significant challenges. The Inspector General's Top 10 Management Challenges, which are highlighted in the IG's semiannual reports to Congress and include the audits, investigations, and reviews they have undertaken to identify and address them, are included in the full version of this report at [www.archives.gov/about/plans-reports/performance-accountability/](http://www.archives.gov/about/plans-reports/performance-accountability/).

Irina Ostroborodina left her native Kharhov, USSR, for safer grounds at the beginning of World War II. She returned in 1943 to a destroyed home, where she lived in a damp basement for 27 years and developing severe rheumatoid arthritis. As a Nazi victim, she was eligible for a one-time payment from the German government but did not seek it because she "did not want to look back. It was too painful."

Wheel-chair bound and a U.S. citizen since 1986, she asked NARA-Southeast Region in Atlanta to document her name change to Irene Ost to receive the German payment. Archivist Rob Richards found the document, and she received her payment.



Irene Ost (Photo courtesy Irene Ost)

## Performance Highlights

### *Spotlight on Digitization*

#### *Technology and Partnerships Make Records More Accessible*

Just a few years ago, NARA researchers would not have expected to be able to view our holdings online. Almost all of our documents have only been available in the archival facility in which they are stored and researchers would have to visit the facility or request copies of documents by mail for a fee.

Today the public routinely expects and increasingly demands to find the information they want on their computer screen. Users expect the records they need to be available online; however, digitizing billions of pages of records is a daunting task that far exceeds our resources. Fortunately recent technological advances (including our Electronic Records Archives), rising customer expectations, and the availability of potential partners are enabling NARA to pursue selected digitization of our holdings, dramatically increasing the dissemination and use of the Government records we hold.



*Digitization projects will allow easier public access to the vast holdings of the National Archives and Records Administration. (Photo by Maureen McDonald)*

To improve public access, NARA has created a central inventory of all our archival holdings—the Archival Research Catalog (ARC). ARC is available on our web site [archives.gov/arc](http://archives.gov/arc) and currently includes descriptions of 56 percent of our textual holdings, 57 percent of our artifact holdings, 99 percent of our electronic holdings, and more than 125,000 digitized copies of holdings.

NARA's approach to digitizing will use a combination of four strategies to make as many holdings as possible available online.

First, NARA is gathering and making available on the web archival materials that have already been digitized in the course of performing agency functions, but have not yet been made available online.

Second, NARA is partnering with organizations from both the public and private sectors to digitize and make holdings available. These partnerships are non-exclusive, meaning there may be multiple digitizing partners for different sets of materials, and NARA will retain the originals and all copyrights on the digital images. Because our holdings are a

public resource, NARA will publicize and solicit comments on proposed partnerships before they are signed.

In FY 2007, NARA partnered with iArchives/Footnote to digitize selected records from our holdings, with an initial focus on records that are available on microfilm. This non-exclusive agreement enables researchers and the general public to access millions of newly-digitized images of NARA records on a subscription basis from the Footnote web site. The digitized materials are also available at no charge in NARA public research rooms at the Presidential Libraries, in Washington, DC, and at regional archives across the country. More than 15 million digital images of NARA's holdings are available on Footnote.com. Work is currently underway so that descriptions in ARC will point users to the digital images available on the Footnote website. NARA will get a copy of the digitized files and, under the agreement, has the rights to make these images available through the National Archives web site in five years.

Also this year, NARA has a nonexclusive agreement with CustomFlix Labs (recently renamed CreateSpace), part of the Amazon.com, Inc., group of companies, to make historic films from the National Archives available for purchase on Amazon.com. Initially, NARA will use the CustomFlix service to make available its collection of Universal Newsreels, dating from 1929 to 1967, as well as other World War II era newsreels. CustomFlix will create approximately 200 titles each month; descriptions in ARC will point users to the digital images available on the CreateSpace website.

Third, we are undertaking new digitizing projects on our own, focusing on materials that are not requested by partners or not appropriate for partnerships. Segments of NARA's holdings are too fragile and deteriorated, too valuable, or too complex to be candidates for digitization by partners. For example, we might digitize "at-risk" material that needs special treatment or high-interest material for which no partner can be found. These projects can take a variety of forms, with a variety of funding sources. The level of expertise and standards for the digitization of these most fragile, important, and complex records places the responsibility on NARA for digitization.

Finally, we are pursuing digitization of archival materials as part of our preservation program. NARA holds special records that were made on media formats that are now obsolete and must be digitized without delay to ensure that we can retain their information and provide access. These records require special handling, specialized and technical digital reformatting, and expert preservation treatment to ensure preservation and good digital capture.

The idea that an individual could almost instantly view a record from NARA's holdings was once unimaginable. Today, with the help of technology and partners who understand the importance of records, digitization of selected holdings is one way NARA can improve access to the records of our Government anywhere and at any time.

*To find out more . . .*

- About NARA's Plan for Digitizing Archival Materials for Public Access, visit [www.archives.gov/comment/digitizing-plan.html](http://www.archives.gov/comment/digitizing-plan.html).
- About NARA's Archival Research Catalog, visit [www.archives.gov/research/arc/](http://www.archives.gov/research/arc/).
- About NARA's Electronic Records Archives (ERA), visit [www.archives.gov/era/](http://www.archives.gov/era/).
- About CreateSpace products, visit [wwwcreatespace.com](http://wwwcreatespace.com).
- About NARA holdings available through Footnote.com, visit [www.footnote.com](http://www.footnote.com).

## ***Spotlight on Civic Literacy***

### ***NARA Programs Foster Understanding of American History***

The busload of high school students chatted noisily as they swarmed into the waiting area of the Rotunda for the Charters of Freedom at the National Archives Building in Washington, DC. Their wait punctuated with impatient jokes, peals of laughter and audible attempts by teachers and chaperones to quiet down, the group appeared focused on anything but the Declaration of Independence, Constitution, and Bill of Rights that lay encased nearby.

But as the teenagers climbed the marble stairs of the Rotunda to see the Charters, they became suddenly solemn, as they discovered what thousands of visitors to the National Archives do each year – that the freedom declared in writing more than 230 years ago, the government foundations laid out by the first Americans, and the rights ensured to all citizens are still relevant today.

At the National Archives, simply giving access to our holdings isn't enough. We are committed to providing opportunities for the public to see, use, and learn from the records of our government and in doing so develop a greater understanding of the history, culture, values, and ideas that have shaped our nation. It is vital that the raw documentary facts we process, preserve, and store – 10 billion pieces of paper and, in the future, many terabytes of electronic records – have meaning for the American people to whom they belong.

Without a basic level of civic literacy among the American people, all of the records we preserve and make easily available to everyone would matter little to a citizenry that has lost touch with its own history. If the American people do not maintain a solid and respectable measure of civic literacy, however, they will not be able to understand or use these records effectively. For that reason alone, NARA considers civic education essential and an important element of our overall mission and goal.

With these thoughts in mind, the mission of "civic education" is embedded in NARA's new Strategic Plan. One of our six strategic goals reads: "We will increase civic literacy in America through our museum, public outreach, and education programs." In FY 2007, we made great progress toward furthering this goal through numerous innovative programs and partnerships with organizations who share our goal.

In Washington, D.C., our Learning Center is now fully open, focusing on NARA's efforts to help teachers make the study of history, civics, and social studies more engaging, interesting, and important for students through the use of primary documents. The



*Donning white gloves and studying documents with a magnifying glass encourages Learning Center visitors to notice details and explore further. (Photo by Scott Suchman)*

Learning Center has two components – a ReSource Room and a Learning Lab. In the ReSource Room, opened in April 2006, teachers and parents can obtain facsimiles of historic documents, preview materials for sale in the Archives Shop, and exchange ideas about teaching history. In the Learning Lab, opened in early 2007, middle and junior high school students can participate in new interactive workshops, and teachers can be trained in how to use documents in the classroom. We are also developing a special web site linked to the Learning Center.

For nearly 30 years, NARA has conducted the “Primarily Teaching” summer institutes at the National Archives Building in Washington, DC. The goal of the program is to teach teachers how to conduct research in our holdings so they can creatively integrate historical documents into classroom instruction. This past summer, NARA’s education specialists offered "Primarily Teaching" workshops at eight locations around the country: at the main building in Washington; at regional archives in Laguna Niguel (California), Fort Worth (Texas), and Waltham (Massachusetts); and at the Eisenhower, Johnson, Ford, and Bush Presidential Libraries.

Other longstanding education activities and partnerships include our involvement in National History Day – at the local, state, and national levels – and in "Teaching American History" grant projects funded by the Department of Education, in which staff in Washington, at many of the Presidential Libraries, and at regional archives around the country all participate.



*In Teaching with Documents workshops, NARA staff models ways to teach historical thinking skills such as document analysis. The SmartBoard in the ReSource Room allows for very engaging document analysis – kids in particular love it. (Photo by Scott Suchman)*

In Washington, D.C., NARA has made a special commitment to the District of Columbia's National History Day program. It is important that school children and educators in the nation's capital can tap into NARA’s invaluable resources as part of their participation in National History Day. Recognizing the growing National History Day programs in all 50 states, Presidential Libraries and regional archives have become leaders in their communities, coordinating and hosting state and local competitions and providing student/parent workshops that offer tips for students as they develop their projects. For example, in Philadelphia, NARA’s Mid Atlantic Region leads a coalition of 30

history organizations in revitalizing the city’s National History Day Program, which was dormant for years.

Taking our civic literacy efforts directly into homes, we have partnered with the "Mini Page," which is syndicated in more than 400 newspapers around the world and reaches millions of children and their families. Last year, our education team in Washington and "Mini Page" editors produced a well-received, nine-part series on the U.S. Constitution, and this year they are working together on a seven-part series about the Bill of Rights.

The highly successful exhibit at the National Archives Building, "Eyewitness: American Originals from the National Archives," has taken to the road for two years, starting at the Carter Library in Atlanta. Future stops include the Ford and Nixon Presidential Libraries, as well as institutions in Pennsylvania, Texas, and Nebraska.

A new exhibit, "School House to White House," featuring artifacts, documents, and video from all 12 Presidential Libraries is open in the Lawrence F. O'Brien Gallery through the end of this year. Examining the early education of Presidents from Herbert Hoover to William J. Clinton, the exhibit appeals to both kids and those who are "kids at heart." In 2008 it begins a tour at the Eisenhower and Carter Presidential Libraries.



*A young Bill Clinton stands far left in Miss Mary's Kindergarten in Hope, AR. This photo is part of the exhibit, "School House to White House." (Photo courtesy the Clinton Library)*

At Federal Hall National Memorial in New York City, NARA and its partner, the National Park Service, are developing a permanent exhibit that will feature historic documents related to New York City as the nation's first capital under the U.S. Constitution. In Atlanta, the Southeast Regional Archives opened a new temporary exhibit gallery, presenting "The Way We Worked," a NARA photographic exhibit.

Also in 2007, the Presidential Libraries partnered with C-SPAN to present a 12-part series titled "Presidential Libraries: History Uncovered," that offers a first-person view of the modern Presidency from the men who held office and those who served around them. Viewers have the opportunity to see the evolution of the modern presidency with extensive use of never- or rarely-seen film, video, private home movies, sound recordings, photographs, documents and artifacts collected from inside the Libraries' vaults. The Libraries have developed related educational programming including a teacher workshop co-taught in partnership with C-SPAN.

On the Internet, you'll find a new interactive "Presidential Timeline," which gives users one portal to discover an impressive array of digitized assets including audio, video, and original records from all 12 Presidential Libraries of the National Archives. Launched in February 2007, the timeline allows users to learn what an American president was doing on any particular day from 1929 to the present. Educators from across the country use the Presidential Timeline and accompanying learning activities to give their students far greater insight into national and world events than merely reading about them in a textbook.

The "civic literacy" role is a cornerstone of the National Archives, and at our locations in Washington, DC, and in regional archives and Presidential Libraries across the United States, we reinforce this long and distinguished record of museum, public outreach, and

education programs. At any given time, hundreds of NARA staff members are serving as teachers and consultants, writers and editors, archival scholars, and museum curators in public programs aimed at engaging Americans in the study of their own history through written records that document that history.

*To find out more . . .*

- About *The Digital Classroom*, the National Archives gateway for resources about primary sources as well as activities and training for educators and students, can be accessed at [www.archives.gov/education/](http://www.archives.gov/education/).
- About *Our Documents*, 100 milestone documents of American history, go to [www.ourdocuments.gov/](http://www.ourdocuments.gov/).
- About education-related pages hosted by the Presidential libraries, visit [www.archives.gov/education/presidential-libraries.html](http://www.archives.gov/education/presidential-libraries.html).
- About education resources available in the regional archives, go to [www.archives.gov/education/regional-resources.html](http://www.archives.gov/education/regional-resources.html).
- About National History Day, visit [www.nationalhistoryday.org](http://www.nationalhistoryday.org).
- About the Presidential Timeline, visit [www.presidentialtimeline.org](http://www.presidentialtimeline.org).



## Spotlight on Declassification

### *National Initiative Opens More Records to the Public*

President Harry S. Truman once said, "Secrecy and a free, democratic government don't mix."

Government records often hold the unfiltered, unedited, first-hand accounts of the making of history. But they are of little use or benefit to citizens unless they have access to them.

Declassifying Government records so that they can be made available to the public is an important part of NARA's mission, and we are dedicated to processing classified holdings efficiently to ensure access as soon as legally possible.

Created by NARA in October 2006, the National Declassification Initiative (NDI) is a multi-agency effort to carry out the declassification requirements of Executive Order 12958, as amended, for Federal records. The purpose of the NDI is to create a declassification process that is efficient and effective in achieving the maximum amount of declassified records while identifying and maintaining appropriate protection for those records that require continued classification.

The NDI involves teams of experts from NARA and from agencies that originate or have an official equity in classified documents. The major agencies involved are the Central Intelligence Agency, the Department of State, the Department of Energy, and the Department of Defense. These

#### **Remote Archives Capture Project Streamlines Declassification of Presidential Records**

A significant challenge facing NARA is the need to implement the automatic declassification provisions of EO 12958, as amended, as it applies to 25-year-old holdings in the Presidential Libraries. NARA has almost no declassification authority for most classified Presidential papers because of the high-policy level, recent age, and multiple equities in these records. Therefore, the records in the Presidential Libraries need to be referred to the agencies that hold equity in the documents. In order to streamline the referral process, NARA, in partnership with CIA and other classifying agencies in the government, is using the Remote Archives Capture (RAC) Project.

The RAC uses scanning technology to capture images of classified documents at field locations and then allows for their review in Washington by equity-holding agencies. Using the RAC, to date we have scanned more than 3.4 million pages for referral.



*Former President Jimmy Carter conducts research at his Presidential Library. (Photo by Tony Clark.)*

teams are making significant progress toward the NDI's goals.

First, we are working toward accelerating the review of some 160,000 cubic feet, or about 400 million pages, of classified records held at the National Archives in College Park, MD. These records have received an initial review by the agency that originally created them, but many of them now need to be reviewed by other agencies with "equities," or classified information from agencies other than the originating agency that may be contained in the document. The President ordered that the deadline for making "equity" referrals on these records was December 31, 2006. Agencies then have three years – until December 31, 2009 – to review the records before they are subject to automatic declassification.

In the past, resolving referrals required a large investment of both time and resources. Records had to be sent, either physically or electronically, to the agency, then the agency had to review the records, resolve any questions that arose, and report back their decisions. However, the NDI has streamlined this process for all involved.

Now, agency representatives come to the Archives and examine documents with NARA staff. If another agency needs to review a document for equities, the representative of that agency is also involved so that questions and concerns can be settled quickly. This face-to-face process has been one of the keys to the NDI's success so far, as it serves to preclude redundancies in review by having every agency with an equity review the same group of records at the same time rather than having time consuming "serial referrals."

Second, the NDI established a quality assurance team to perform quality assurance review on the initial review of documents conducted by agencies. By doing this, we ensure that material that should be made public is released, and material that needs to remain classified, for national security reasons, is not released. Also, this review helps to avoid situations where agencies "over-refer" material to other agencies, slowing down the declassification process, or withhold information that does not require continued classification.

Looking at the larger declassification picture, the 160,000 cubic feet of classified records that must be processed by the end of 2009 represents only the materials NARA currently holds – not those records that will arrive in the near future and will require additional declassification processing. Moreover, these records are just part of a backlog of about 1 million cubic feet of unprocessed records of all kind, not just classified ones. NARA staff is dedicated to eliminating this backlog and making these records more easily available to the public.

The NDI helps NARA carry out one of our major missions – providing access to as many records of the Federal Government as possible. By the end of FY 2007, more than 7 million pages had been sent to the NDI's Interagency Referral Center (IRC). As a result of the work of the IRC and the originating agencies, nearly 6 million pages were released to the open shelves during this time.

In the final analysis, the success of the NDI will be measured in terms of how it works to fulfill our strategic goal to ensure access as soon as legally possible. This will require unprecedented output in order to move many thousands of records through the declassification process in a relatively short period of time without sacrificing the quality of review that is necessary with classified information.

The ready availability of these vital records is essential in a democracy such as ours. Citizens must be able to hold their government officials accountable, obtain copies of records that guarantee their rights and entitlements, and see and read the story of the nation. To put it simply, NARA is in the access business, and the National Declassification Initiative is helping our business perform more effectively and more efficiently.

*To find out more . . .*

- About the declassification of Government records, visit [www.archives.gov/research/declassification/](http://www.archives.gov/research/declassification/).

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	Researchers Microfilm	Researchers Other Records	Written Requests	Public Program Attendees	Museum Visitors	Online Visits
Washington, DC, Area	16,805	53,985	31,654	2,549	1,075,081	—
<b>Office of Regional Records Services</b>						
Northeast Region (Boston)	8,121	1,114	2,802	580	—	—
Northeast Region (Pittsfield)	2,421	5	959	228	—	—
Northeast Region (New York)	7,966	2,161	5,103	911	—	—
Mid Atlantic Region (Philadelphia)	6,331	496	1,480	782	—	—
Southeast Region (Atlanta)	3,989	840	2,134	390	—	—
Great Lakes Region (Chicago)	1,930	407	0	312	—	—
Great Lakes Region (Dayton)	—	—	3,961	215	—	—
Central Plains Region (Kansas City)	1,307	515	2,243	578	—	—
Southwest Region (Fort Worth)	2,629	806	2,696	650	—	—
Rocky Mountain Region (Denver)	2,847	829	434	858	—	—
Pacific Region (Laguna Niguel)	3,185	456	2,215	677	—	—
Pacific Region (San Bruno)	2,688	1,371	2,592	583	—	—
Pacific Region (Anchorage)	985	498	369	6	—	—
Pacific Alaska Region (Seattle)	2,218	1,030	1,344	819	—	—
National Personnel Records Center	41	247	1,138,837	—	—	—
<b>Regional Records Services Total</b>	<b>46,658</b>	<b>10,775</b>	<b>1,167,169</b>	<b>7,589</b>	<b>—</b>	<b>—</b>
<b>Presidential Libraries</b>						
Hoover	—	770	902	27,530	51,938	532,794
Roosevelt	—	1,474	2,767	8,006	110,216	1,229,297
Truman	—	952	2,815	19,569	105,310	3,352,704
Eisenhower	—	1,199	3,445	9,748	64,395	1,524,238
Kennedy	—	1,247	2,029	51,833	209,342	3,185,609
Johnson	—	1,606	2,960	11,412	330,225	1,952,298
Nixon	—	56	2,058	100	14,751	293,193
Ford	—	857	2,065	13,360	245,180	2,557,090
Carter	—	634	798	3,200	51,479	1,418,864
Reagan	—	557	630	20,705	305,331	2,938,674
Bush	—	158	777	31,397	111,974	831,934
Clinton	—	201	1,789	42,328	248,068	498,574
<b>Presidential Libraries Total</b>	<b>—</b>	<b>9,711</b>	<b>23,035</b>	<b>209,188</b>	<b>1,848,209</b>	<b>20,315,269</b>
<i>Archives.gov</i>	—	—	—	—	—	13,926,357
<i>Our Documents.gov</i>	—	—	—	—	—	629,753
<b>TOTAL</b>	<b>63,463</b>	<b>74,441</b>	<b>1,221,858</b>	<b>219,326</b>	<b>2,923,290</b>	<b>34,871,379</b>

**Personnel on Board\***

All funds as of September 30, 2007	Washington, DC, Area			Field Locations			Nationwide Total		
	Full – Time Perm	Other	Total	Full – Time Perm	Other	Total	Full – Time Perm	Other	Total
Records Services	843	124	967	0	0	0	843	124	967
Regional Records Services	76	7	83	1,008	301	1,309	1,084	308	1,392
Presidential Libraries	130	5	135	284	80	364	414	85	499
Information Security Oversight Office	26	0	26	0	0	0	26	0	26
Federal Register	74	1	75	0	0	0	74	1	75
National Historical Publications and Records Commission	13	0	13	0	0	0	13	0	13
Electronic Records Archives	35	7	42	0	0	0	35	7	42
<b>Total</b>	<b>1,197</b>	<b>144</b>	<b>1,341</b>	<b>1,292</b>	<b>381</b>	<b>1,673</b>	<b>2,489</b>	<b>525</b>	<b>3,014</b>

\* Admin Staff distributed across Program Offices

## Performance Overview

We break down our strategic goals into long-range performance objectives and set annual targets and goals in our Annual Performance Plan each year. The following chart provides a synopsis of our FY 2007 performance. Highlights of some of this year's major accomplishments under each strategic goal follow the chart.

### Snapshot of 2007 Performance

<b>Strategic Goal 1: As the nation's record keeper, we will ensure the continuity and effective operations of Federal programs by expanding our leadership and services in managing the Government's records.</b>						
1.1: By 2012, 85 percent of senior Federal agency managers view their records management program as a positive tool for risk mitigation. 1.2: By 2012, 90 percent of customers are highly satisfied with NARA records management services. 1.3: By 2012, the Federal Records Center Program annually retains 98 percent of its customers. 1.4: Within 30 days of the end of an administration, 100 percent of Presidential and Vice Presidential materials have been moved to NARA locations or NARA-approved facilities. 1.5: By 2009, 100 percent of our Continuity of Operations Plans (COOP) meet the requirements for viability. 1.6: By 2009, NARA has established a supportive partnership with FEMA in the national response to emergencies in 100 percent of FEMA regions.						
Performance Indicator	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 Actual
Percent of senior Federal agency managers who view their records management programs as a positive tool for risk mitigation.	–	–	–	81*	–	–
Percent of Federal agency customers that are satisfied with NARA records management services.	–	–	57	78	79	80
Percent of customers retained by Federal Records Centers annually.	–	–	–	–	98	100
Percent of NARA Continuity of Operations Plans that achieve viability.	–	–	0	0	100	0
Percent of FEMA regions in which we have established a supportive partnership in the national response to emergencies.	–	–	–	–	50	60
<b>Strategic Goal 2: We will preserve and process records to ensure access by the public as soon as legally possible.</b>						
2.1: By 2016, 85 percent of scheduled transfers of archival records are received at the scheduled time. 2.2: By 2016, 95 percent of archival holdings have been processed to the point where researchers can have efficient access to them. 2.3: By 2012, 75 percent of agency declassification reviews receive high scores as assessed by ISOO. 2.4: By 2016, NARA archival holdings of 25-year-old or older records are declassified, exempted, or referred under the provisions of Executive Order 12958, as amended. 2.5: By 2016, 100 percent of archival holdings are stored in appropriate space. 2.6: By 2009, 100 percent of NARA records center holdings are stored in appropriate space. 2.7: By 2016, less than 50 percent of archival holdings require preservation action.						
Performance Indicator	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 Actual
Percent increase in number of Federal agency electronic records scheduled than prior year.	–	–	–	–	10	33
Percent of traditional archival holdings that have been processed to the point where researchers can have efficient access to them.	–	–	–	–	Baseline	21
Annual number of pages indexed through the Interagency Referral Center (in thousands)	–	–	–	–	1,000	3,993

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Annual number Presidential pages scanned (in thousands)	470	500	563	506	500	512
Percent of NARA traditional archival holdings in appropriate space	—	52	54	58	—	80
<b>Strategic Goal 3: We will address the challenges of electronic records in Government to ensure success in fulfilling NARA's mission in the digital era.</b>						
<p>3.1: By 2016, 95 percent of archival electronic holdings have been processed to the point where researchers can have efficient access to them.</p> <p>3.2: By 2012, 80 percent of archival electronic records are preserved at the planned level of service.</p> <p>3.3: By 2016, the per-megabyte cost of managing electronic records decreases each year.</p>						
<b>Performance Indicator</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Target</b>	<b>2007 Actual</b>
Percent of archival electronic accessions processed.	—	76	80	80	95	81
Percent of NARA's electronic accessions preserved in preparation for transfer to ERA.	—	89	89	89	80	89
<b>Strategic Goal 4: We will provide prompt, easy, and secure access to our holdings anywhere, anytime.</b>						
<p>4.1: By 2016, NARA customer service standards for researchers are met or exceeded.</p> <p>4.2: By 2012, 1 percent of archival holdings are available online.</p> <p>4.3: By 2016, 95 percent of archival holdings are described at the series level in an online catalog.</p> <p>4.4: By 2012, our web sites score at or above the benchmark for excellence as defined for Federal Government web sites.</p>						
<b>Performance Indicator</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Target</b>	<b>2007 Actual</b>
Percent of written requests answered within 10 working days.	94	95	96	97	90	93
Percent of items requested in our research rooms furnished within 1 hour of request or scheduled pull time.	96	98	98	96	95	86
Percent of Freedom of Information Act requests for Federal records completed within 20 working days.	64	68	82	87	85	88
Percent of online archival fixed-fee reproduction orders completed in 20 working days or less (35 working days pre-2007)	99	99.9	98.9	96.7	85	72.4
Percent of traditional holdings in an online catalog.	20	33	43	51	55	56
Percent of artifact holdings in an online catalog.	17	40	43	57	55	57
Percent of electronic holdings in an online catalog.	0	17	63	98	55	99
<b>Strategic Goal 5: We will increase access to our records in ways that further civic literacy in America through our museum, public outreach, and education programs.</b>						
<p>5.1: By 2016, our museums score in the top 10 percent of all history museums nationally according to industry measures.</p> <p>5.2: By 2016, 95 percent of exhibit, public outreach, and education visitors are highly satisfied with their visit experience.</p>						
<b>Performance Indicator</b>	<b>2003 Actual</b>	<b>2004 Actual</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Target</b>	<b>2007 Actual</b>
Percent of education programs, workshops, and training courses meeting attendees' expectations.	95	99	99	99	95	98
<b>Strategic Goal 6: We will equip NARA to meet the changing needs of our customers.</b>						
<p>6.1: By 2016, 95 percent of employees possess the core competencies that were identified for their jobs.</p> <p>6.2: By 2016, the percentages of NARA employees in underrepresented groups match their respective availability levels in the Civilian Labor Force (CLF).</p>						

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6.3: By 2016, public network applications are available 99 percent of the time.						
Performance Indicator	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Target	2007 Actual
Percent of staff having performance plans linked to strategic outcomes.	95	93	94	95	95	97
Percent of permanent staff having staff development plans linked to strategic outcomes.	91	52	78	76	95	96
Percent of applicant pools for positions at grades GS-13 and above that contain people in underrepresented groups.	91	92	95	87	87	76
Percent of public network applications availability	—	98.7	98.9	98.9	98.8	99.3

\*FY 2006 survey studied Chief Information Officer responses.

*Goal 1: Managing the Government's Records*

We are committed to demonstrating leadership in ensuring the effectiveness and efficiency of Government records management. In fact, promoting and ensuring effective records management across the Federal Government is a fundamental step in accomplishing the other goals in our Strategic Plan.

We continued moving forward in implementing *Strategic Directions for Federal Records Management*, our roadmap to redesign Federal records management practices in the age of electronic records. Many of the initiatives of this plan are now standard practice within NARA and Federal agencies. We surveyed Federal agency records management customers, asking them about their satisfaction with NARA records management services, including our scheduling and appraisal services, electronic records guidance products, and records management training and certification services. Preliminary results indicate that we met our goal of 79 percent satisfaction with NARA's records management services. We also analyzed the results of last year's pilot survey of Federal Chief Information Officers to better understand their use of records management tools in risk mitigation in preparation for a wider survey in 2008.

After an initial "soft" launch in FY 2006, we announced the availability of the Electronic Records Management Toolkit to Federal records managers in FY 2007. This online one-stop resource for Federal agencies allows them to share quickly and economically information on electronic records. The Toolkit for Managing Electronic Records (<http://toolkit.archives.gov>) is a web portal that provides descriptions and links to guidance for managing electronic records and resources developed by NARA and other organizations. The collection is searchable by topic, occupation, the organization that created the tool, or within the descriptive text. This year, we added 37 new tools to the kit.

Our reimbursable Federal Records Center Program (FRCP) implemented scanning services and offered additional electronic media storage services this year. FRCP's scanning services allow Federal agencies to receive copies of their records electronically after scanning at FRCP storage facilities in Texas and Washington, DC. These facilities also have new state-of-the-art storage and disposal centers for electronic media. Special vaults securely store and protect a variety of electronic media. A specially equipped shredder at these facilities allows for the proper disposal of electronic tapes, CD's, and other electronic media.

Our National Records Management Program worked with Federal staff in nine Federal agencies to identify and consolidate lessons learned in the development and implementation of Records Management Applications (RMA). Included in this study were email applications. This study will expand our understanding of information sharing capabilities throughout the Government.

Alice (Thibodaux) Rose, a young at heart 90-year-old, asked her niece, Julie Hernandez, to help her obtain a birth certificate to “prove I was born before I die.” The Louisiana Bureau of Vital Statistics rejected her marriage and baptism certificates because of variations in the spelling of her and her mother’s names, in both English and French. Alice’s schools had no records, and Social Security records were not enough. Hernandez contacted NARA in Washington, DC, and Connie Potter sent her a copy of an entry from the 1930 Census, listing Alice and her family. Finally, state officials issued a “delayed birth certificate,” and Alice says she now feels “complete.”



Alice Rose (Photo by Julie Hernandez)

We exceeded our goal of increasing by 10 percent the number of first time attendees to NARA records management training, with more than 2,100 first time attendees trained so far this year. Our records management certification program has certified 267 new records managers this year, bringing the total of professionally certified records managers to nearly 600 throughout the Federal Government.

NARA also worked closely with agencies to schedule records in core function electronic systems and approved schedules for more than 1,000 systems. Notable accomplishments include a comprehensive project with the Department of State covering the subject terms used to categorize records in the agency’s Central Foreign Policy File. This project represents one of NARA’s most significant electronic records scheduling and appraisal accomplishments to date in terms of the project’s importance to the archival preservation of a major body of electronic records that provide significant documentation of U.S. history.

In addition to records scheduling activities, agencies partnered with NARA on a number of other important electronic records projects. NARA joined with the EPA, the Department of Treasury, and the Department of Interior in pilot projects to assist them in implementing the Records Management Profile. These projects were initiated to ensure that new IT systems include appropriate electronic records management requirements, and that the electronic records can be appropriately

managed throughout the entire life cycle of the records. NARA staff worked closely with the agencies to develop checklists identifying key questions that will help IT staff, program unit staff, and records management officers implement records management more effectively. NARA will continue to assist agencies in implementing the RM Profile and the relevant checklists.

OMB and NARA continue to work with agencies on fulfilling their responsibilities under Section 207(e) using NARA’s December 2005 guidance and other applicable records management policies. In the spring, NARA hosted a web briefing on Section 207(e) of the E-Government Act of 2002 and the requirements for Federal agencies to improve the



management of electronic records. More than 160 agency CIOs and Records Managers participated. In addition NARA promoted implementation of the Act in its records management training curriculum and conferences.

Lastly, we began preparations for the most challenging volume of records in NARA's history – the George W. Bush Administration records. NARA hired and trained four new archivists in preparation for the central role NARA will play in the transition of this administration's records to NARA on January 21, 2009. This early work enables us to know more about the records that will represent exponentially more electronic Presidential and Vice Presidential holdings than any previous administration. To ensure the preservation of these records for historical, informational, and administrative purposes, this staff began planning work with White House and Vice Presidential staffs this year.

*Goal 2: Preserve and Process the Nation's Records*

Our new Strategic Plan points us toward an aggressive new goal to deal with our backlog of unprocessed records. Archival processing involves a series of steps that establish physical and intellectual control of records and culminates in describing records in our online catalog, making them easier and faster to locate for research. This backlog has been growing for decades as we accession records faster than we can process them. We took steps this year to scope the problem, examine and adjust our work processes, and figure out how to measure our progress.

Dealing with multiple classified equities between Executive Branch agencies makes our declassification efforts to meet Executive Order 12958, as amended, very complicated. With the help of our stakeholders in all the Executive Branch agencies that create classified records, we developed a collaborative National Declassification Initiative (NDI). The objective of this initiative is to provide an efficient and effective means of handling the referral of classified equities between the various equity holders.

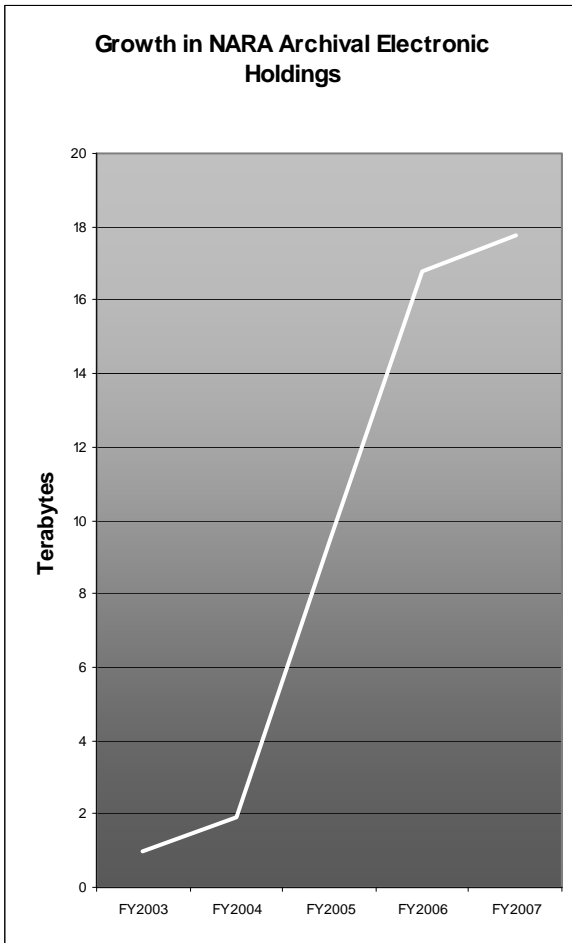
A key component of the NDI is the Interagency Referral Center (IRC), our system designed to support the process of agency review of referred Federal classified records that are part of the National Archives. The IRC indexed nearly 4 million pages this year for referral. By handling referrals through the IRC, NARA retains physical and intellectual control of the records. The IRC provides access by agency reviewers and allows us to prioritize the order in which referrals are processed so we can deal with records of high research interest in a timely manner. The IRC supports a standard method for recording agency decisions, ensuring that when NARA staff process the records for release or exemption, the agency determination will be clearly understood and NARA will avoid inadvertent releases of still appropriately classified information.

We also scanned more than 500,000 pages of Presidential records as part of our Remote Archives Capture project, exceeding our goal.

We exceeded our preservation goals this year treating or housing nearly 54,000 cubic feet, almost tripling our goal. Nearly 90 percent of the records preserved were textual (paper) records. Our continued success in meeting our annual preservation goals ensures that these historical records will be preserved for future generations.

One of the most economical ways to preserve records is to ensure that they are housed in space that meets proper storage standards. We completed construction of a new records

center facility in Fort Worth this year and expect to complete the move of the records from the old facility by the end of the year.

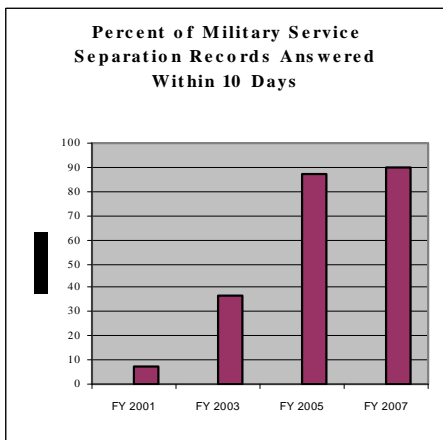


On July 11, the Richard Nixon Presidential Library and Museum in Yorba Linda, CA, was announced as the newest member of NARA’s Presidential Library System. A long-awaited milestone, the new library will eventually bring together all of the Nixon Presidential materials under one roof. The Archivist of the United States, Allen Weinstein, notes that “The result will be a national resource – indeed, an international resource – for the study of the best documented Presidential administration in American history.”

*Goal 3: Managing Electronic Records*

The Electronic Records Archives (ERA) is our cutting-edge system that will capture electronic records and information, regardless of format, save them permanently, and make them accessible on whatever hardware or software is currently in use. NARA’s strong oversight of the contractor’s work gave indication earlier this year that there were various problems in the development of the first incremental build of the system.

These problems have led to a delay in delivery of this system for use in NARA operations from September 2007 to June 2008. However, NARA and the system contractor are working collaboratively on a comprehensive effort to correct or eliminate the conditions



that created the problems. We continue to map legacy electronic records systems to ERA in preparation for a transition from outdated tracking and storage systems to ERA. In addition, reviews of legacy data are being conducted to ensure that data are ready for migration to ERA. While the ERA is in development we continue to meet our goals of processing and storing electronic records in a stable environment.

*Goal 4: Providing Access to Records*

We continued to add descriptions of our holdings to the Archival Research Catalog (ARC), our

online catalog of NARA's nationwide holdings. We exceeded our target for having 55 percent of our holdings described in ARC this year. We described 56 percent of our traditional holdings, 57 percent of our artifact holdings, and 99 percent of our electronic holdings.

One indication of the quality and interest in the information we provide is the number of visitors to our web sites – more than 34 million this year. To help us continue to improve our web services, we use information gathered in an online survey on our main public web site, *archives.gov*. This survey, which uses the American Customer Satisfaction Index, gives us valuable information from our customers and we use the results to make improvements to our site.

We took some exciting new steps toward making more of our archival holdings available online. NARA entered into a partnership with *iArchives/Footnote.com* to digitize our microfilm holdings, making them available to the NARA research rooms nation-wide. As part of the partnership, NARA receives a set of digitized images of these holdings and their metadata, which we will be able to make available to the public in 5 years. These holdings will be described in our online catalog. We developed some guiding principles for our partnerships, and have collected public comment on another proposed partnership.



*World War II veteran Norman Hatch shares a laugh with "time traveler" Benjamin Franklin during NARA's July 4<sup>th</sup> ceremony at the National Archives Building in Washington, DC. (Photo by Robert Maciolek)*

We continued to provide outstanding customer service exceeding our FY 2007 targets in nearly every area. Ninety-three percent of the written requests we received from customers were answered within 10 working days, exceeding our goal of 90 percent. Eighty-eight percent of Freedom of Information Act (FOIA) requests for Federal records were completed within 20 working days, exceeding our target of 85 percent.

#### *Goal 5: Increasing Civic Literacy*

We worked on a number of activities aimed at improving the level of civic literacy throughout the country. We launched a new exhibit "School House to White House: The Education of the Presidents" to engage the public in a more personal understanding of our Presidents in their youth. Our Presidential libraries have developed a number of system-wide and bilateral projects, including forthcoming conferences on the Supreme Court and the Presidency at the Roosevelt Library. Together, the libraries have also launched on the Internet a Presidential Timeline – a source of documents, photographs, audio and video clips, and education-based activities geared toward better understanding the Presidency. This fall, C-SPAN began a series of two-hour, live programs from the 12 Presidential libraries in sequence from Hoover to Clinton. We

continued our successful American Conversations—a series of information public conversations between the Archivist and public figures. Past conversations have included Academy Award nominated filmmaker, Ken Burns; Senator Hillary Rodham Clinton; Lynne Cheney; and Historian John Hope Franklin, among others.

To better serve the public, this year we evaluated tools that will help us measure public satisfaction with our museums. We identified several tools, some of which are already in use in other Federal museums. Next year with one of these tools in place we can begin to gather valuable feedback from those who visit NARA museums.

We also delivered a wide variety of other experiences for visitors throughout NARA. This year 98 percent of those surveyed were "highly satisfied" with NARA programs, helping us exceed our performance target of 95 percent. NARA programs continue to provide both educational content and a unique learning experience, thanks to our instructors, the contributions of our partners, and the wealth of material in the National Archives.

*Goal 6: Developing our Infrastructure*

We continued our efforts to strengthen our information technology (IT) program, particularly in the area of IT security. We provided annual computer security training to our staff and held annual training to users of classified systems. We also examined our policies and use of personally identifiable information (PII) across the agency to minimize the risk of its unauthorized release.

For the first time since we began linking staff performance plans and individual development plans to specific goals and strategies in our Strategic Plan, we met our goals for 95 percent of our staff having linked plans. This was particularly important to accomplish this year because we began working to a new Strategic Plan in FY 2007. Our workforce also participated in diversity training this year.

*Linking Our Budget to Our Objectives*

Our long-term objectives are tied directly to our budget. The chart below illustrates, by strategic goal and long-term objective, the resources allocated to each of these goals. (The resources obligated to each of these goals are shown in figure 3 on p. 37.) The chart also links the major budget functions to each of our long-term objectives.

NARA Goals and Long-Term Objectives (\$ and FTE allocated to each Goal)	Records Services	Archives – Related Services	Electronic Records Archives	Revolving Fund	Trust Fund	NHPRC	Repairs & Restoration
<b>Goal 1: \$29,867,000 and 1,386 FTE</b>							
1.1: By 2012, 85 percent of senior Federal agency managers view their records management program as a positive tool for risk mitigation.	✓						
1.2: By 2012, 90 percent of customers are highly satisfied with NARA records management services.	✓						
1.3: By 2012, the Federal Records Center Program				✓			

**National Archives and Records Administration**  
**Performance and Accountability Report, FY 2007**

<b>NARA Goals and Long-Term Objectives</b> (\$ and FTE allocated to each Goal)	Records Services	Archives – Related Services	Electronic Records Archives	Revolving Fund	Trust Fund	NHPRC	Repairs & Restoration
annually retains 98 percent of its customers.							
1.4: Within 30 days of the end of an administration, 100 percent of Presidential and Vice Presidential materials have been moved to NARA locations or NARA-approved facilities.	✓						
1.5: By 2009, 100 percent of our Continuity of Operations Plans (COOP) meet the requirements for viability.	✓						
1.6: By 2009, NARA has established a supportive partnership with FEMA in the national response to emergencies in 100 percent of FEMA regions.	✓					✓	
<b>Goal 2: \$126,935,000 and 544 FTE</b>							
2.1: By 2016, 85 percent of scheduled transfers of archival records are received at the scheduled time.	✓		✓				
2.2: By 2016, 95 percent of archival holdings have been processed to the point where researchers can have efficient access to them.	✓		✓				
2.3: By 2012, 75 percent of agency declassification reviews receive high scores as assessed by ISOO.	✓						
2.4: By 2016, NARA archival holdings of 25-year-old or older records are declassified, exempted, or referred under the provisions of Executive Order 12958, as amended.	✓						
2.5: By 2016, 100 percent of archival holdings are stored in appropriate space.	✓						✓
2.6: By 2009, 100 percent of NARA records center holdings are stored in appropriate space.				✓			
2.7: By 2016, less than 50 percent of archival holdings require preservation action.	✓						
<b>Goal 3: \$62,095,000 and 95 FTE</b>							
3.1: By 2016, 95 percent of archival electronic holdings have been processed to the point where researchers can have efficient access to them.	✓		✓				
3.2: By 2012, 80 percent of archival electronic records are preserved at the planned level of service.	✓		✓				
3.3: By 2016, the per-megabyte cost of managing electronic records decreases each year.			✓				
<b>Goal 4: \$48,704,000 and 291 FTE</b>							
4.1: By 2016, NARA customer service standards for researchers are met or exceeded.	✓						
4.2: By 2012, 1 percent of archival holdings are available online.	✓		✓				
4.3: By 2016, 95 percent of archival holdings are described at the series level in an online catalog.	✓		✓				
4.4: By 2012, our web sites score at or above the benchmark for excellence as defined for Federal government web sites.	✓				✓		
<b>Goal 5: \$41,855,000 and 295 FTE</b>							
5.1: By 2016, our museums score in the top 10 percent of	✓				✓		

**National Archives and Records Administration**  
**Performance and Accountability Report, FY 2007**

NARA Goals and Long-Term Objectives (\$ and FTE allocated to each Goal)	Records Services	Archives – Related Services	Electronic Records Archives	Revolving Fund	Trust Fund	NHPRC	Repairs & Restoration
all history museums nationally according to industry measures.							
5.2 By 2016, 95 percent of exhibit, public outreach, and education visitors are highly satisfied with their visit experience.	✓			✓	✓		
<b>Goal 6: \$32,254,000 and 165 FTE</b>							
6.1. By 2016, 95 percent of employees possess the core competencies that were identified for their jobs.	✓	✓	✓	✓			
6.2. By 2016, the percentages of NARA employees in underrepresented groups match their respective availability levels in the Civilian Labor Force (CLF).	✓	✓	✓	✓			
6.3. By 2016, public network applications are available 99 percent of the time.	✓	✓	✓	✓			

## Financial Highlights

Fiscal Year 2007 was the fourth year that NARA prepared and submitted to the Office of Management and Budget (OMB) and U.S. Congress consolidated financial statements in accordance with the Chief Financial Officers (CFO) Act. The financial statements presented in this report have been prepared from NARA's accounting records in accordance with the generally accepted accounting standards prescribed for Federal entities by the Federal Accounting Standards Board (FASAB), and presentation standards prescribed by OMB Circular A-136, *Financial Reporting Requirements*.

### Sources of Funds

NARA is funded through appropriated budget authority which includes annual, multi-year and no-year appropriations available for use within certain specified statutory limits. Other financing sources include the National Archives Trust Fund, Gift Fund, and Revolving Fund revenues.

NARA's FY 2007 budget authority from appropriation was \$341 million. We carried over \$18 million in multi-year and no-year funds, and \$0.4 million from FY 2006 was made available for obligation in FY 2007. Total appropriated budget authority for FY 2007 was \$359 million (see Figure 2).

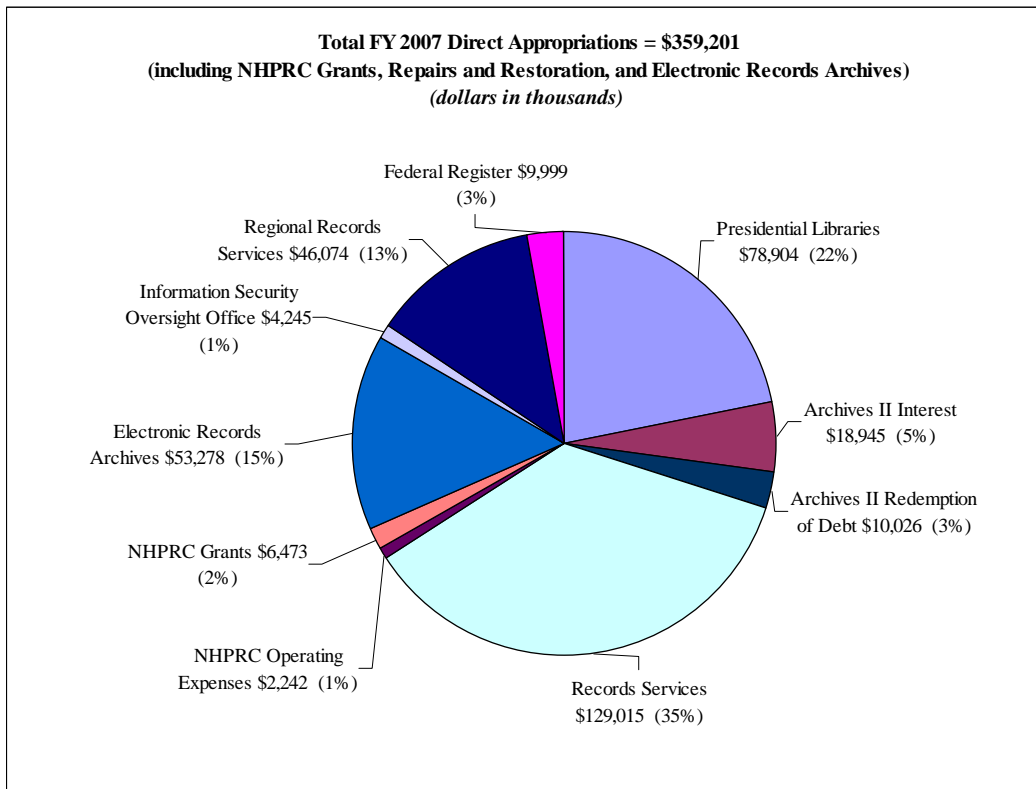


Figure 2 Appropriated Budget Authority, FY 2007

The major operating appropriation funds basic operations comprising records services, archives-related services, and the National Archives at College Park. Records services provides for selecting, preserving, describing, and making available to the general public, scholars, and Federal agencies the permanently valuable historical records of the Federal Government and the historical materials and Presidential records in Presidential Libraries; for preparing related publications and exhibit programs; and for conducting the appraisal of all Federal records. Archives-related services provides for the publications of the *Federal Register*, the *Code of Federal Regulations*, the *U.S. Statutes at Large*, and Presidential documents, and for a program to improve the quality of regulations and the public's access to them. The \$302 million cost of construction of the National Archives at College Park, which serves as a major archival facility as well as the center for NARA's administrative offices, was financed by Federally-guaranteed debt issued in 1989. Annually, the Archivist seeks appropriations for the payment of interest and redemption of that debt.

In addition to the general operating expenses appropriation, NARA receives others that are more specific. The Electronic Records Archives appropriation funds NARA's effort to ensure the preservation of and access to Government electronic records. The repairs and restoration appropriation funds the repair, alteration, and improvement of archives facilities to provide adequate storage for holdings. The National Historical Publications and Records Commission grants program provides for grants to state, local, and private institutions to preserve and publish records that document American history. Figure 2 demonstrates the allotment of total available appropriated funds.

The National Archives Trust Fund and Presidential Library Trust Funds budget authority includes revenues generated from the sale of publications, museum shop sales, paper reproductions, audio visual reproductions, library admissions, educational conferences, and interest income. Expenditures are made for the cost of museum shop inventory, personnel, operational and financial systems, equipment, and reproduction supplies. The National Archives Trust Fund and Presidential Library Trust Funds earned revenue of \$18 million in FY 2007.

The Gift Fund's budget authority includes donations and interest earned on those gifts and endowments. It was established to administer incoming gifts and bequests for the benefit of, or in connection with, the archival and records activities of the National Archives and Records Administration. Expenditures are made for various programs, including historical research, conferences, archival and cultural events, and publications. In FY 2007, the gift fund received donations of \$1.7 million.

The Revolving Fund's budget authority includes temporary Federal agency records stored in NARA service facilities. It provides storage, transfer, reference, re-file, and disposal services, for a standard fee. The Revolving Fund earned revenue of \$136 million, after intra-entity eliminations, in FY 2007.



### Uses of Funds by Function

NARA incurred new general fund obligations of \$336 million in FY 2007. Of this, \$1.5 million is for reimbursable work. The chart below represents obligations by strategic goals.

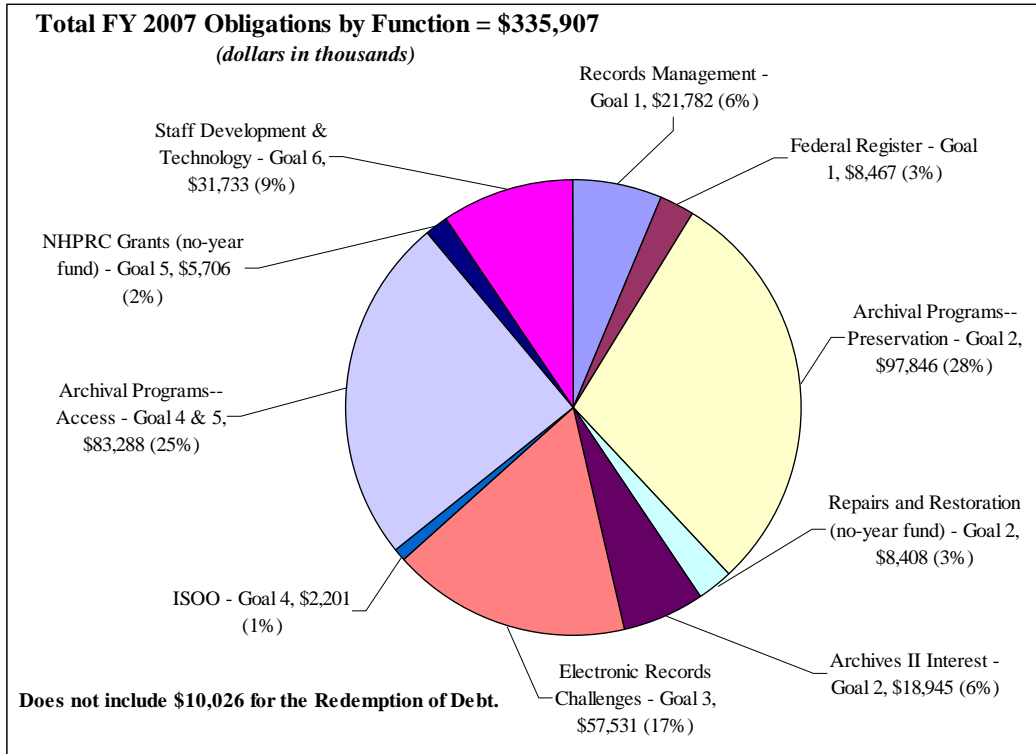


Figure 3. Obligations by Function, FY 2007

### Audit Results

NARA received an unqualified opinion on its FY 2007 and FY 2006 financial statements. The auditors identified one significant deficiency in internal control over financial reporting in the area of Information Technology. The auditors disclosed no material weaknesses and no instances of noncompliance with certain provisions of laws and regulations.

### Financial Statement Highlights

NARA's financial statements summarize the financial activity and financial position of the agency. The financial statements, footnotes, supplementary information, and supplementary stewardship information appear in Section 3 - Financial Section (*in full report*). An analysis of the principal statements follows.

***Analysis of the Balance Sheet***

**ASSETS:** NARA's assets were \$596.5 million as of September 30, 2007, an increase of \$38.3 million from the end of FY 2006. The majority of this increase resulted from capitalization of software in development costs for ERA project. The assets reported in NARA's balance sheet are summarized in the accompanying table.

<b>Asset Summary (in millions)</b>	<b>FY 2007</b>	<b>FY 2006</b>
Fund balance with Treasury and cash	\$176.0	\$174.7
General property, plant, and equipment, net	377.9	339.8
Investments	30.3	28.5
Accounts receivable, net	10.3	13.1
Inventory	1.0	1.1
Other	1.0	1.0
<b>Total assets</b>	<b>\$596.5</b>	<b>\$558.2</b>

The fund balance with Treasury and cash represents approximately 29.5 percent of total assets. Property, plant, and equipment constitute 63.3 percent of total assets, with the National Archives Facility at College Park representing the greater part of the balance.

**LIABILITIES:** NARA's liabilities as of September 30, 2007, amounted to \$287.6 million. A decrease of \$11.2 million from the end of FY 2006 is due mainly to scheduled repayments of Debt held by the public during the year. The liabilities reported in NARA's balance sheet are summarized in the accompanying table.

<b>Liabilities Summary (in millions)</b>	<b>FY 2007</b>	<b>FY 2006</b>
Debt held by the public	\$216.8	\$226.9
Accounts payable	35.9	35.6
Other	34.9	36.3
<b>Total liabilities</b>	<b>\$287.6</b>	<b>\$298.8</b>

Debt held by the public accounts for approximately 75 percent of total liabilities and represents certificates of participation issued to the public through a trustee to cover the construction costs of the National Archives at College Park. Liabilities totaling \$236.5 million, or 82 percent of total liabilities, were unfunded, i.e., budgetary resources were not yet available. For most unfunded liabilities, budgetary resources will be made available in the years balances are due, in accordance with OMB funding guidelines. The major elements of unfunded liabilities are \$216.8 million for debt held by the public, \$11.1 million for workers' compensation, and \$8.6 million for unfunded annual leave.

**NET POSITION:** The difference between total assets and total liabilities is net position of \$308.9 million as of September 30, 2007. The increase of \$49.5 million from FY 2006 year-end balance is due mainly to the capitalization of FY 2007 expenditures for software development for the ERA project.

The net position reported in NARA's balance sheet is summarized in the accompanying table.

<b>Net Position Summary (in millions)</b>	<b>FY 2007</b>	<b>FY 2006</b>
Unexpended appropriations	\$108.6	\$108.9
Cumulative results of operations	200.3	150.5
<b>Total net position</b>	<b>\$308.9</b>	<b>\$259.4</b>

*Unexpended appropriations* is the amount of authority granted by Congress that has not been expended. *Cumulative results of operations* reflects net results of the revolving fund operations and funding of capital needs of the agency since NARA's inception.

### *Analysis of the Statement of Net Cost*

The statement of net cost presents the net cost of NARA's six major programs. NARA's net cost of operations for the year ended September 30, 2007, was \$306.6 million. The decrease of \$8.3 million in the net cost of operation is due largely to the completion of restoration projects at the libraries and Archives I in FY 2006 as well as higher proportion of expenditures on capitalized projects.

Net costs by program are shown in the accompanying table.

<b>Net Cost of Operations (in millions)</b>	<b>FY 2007</b>	<b>FY 2006</b>
Records and archives-related services	\$282.3	\$284.0
Trust and gift funds	(1.9)	(2.8)
Electronic records archives	7.1	6.4
National historical publications and records commission grants	5.7	7.0
Archives facilities and presidential libraries repairs and restoration	4.6	12.5
Records center storage and services	8.8	7.8
<b>Net cost of operations</b>	<b>\$306.6</b>	<b>\$314.9</b>

### *Analysis of the Statement of Changes in Net Position*

The statement of changes in net position reports the change in net position during the reporting period. Net position is affected by changes in its two components – Cumulative Results of Operations and Unexpended Appropriations. The increase in net position of \$49.5 million from FY 2007 to FY 2006 is comprised of the increase in cumulative results of operations of \$49.8 million and a decrease in unexpended appropriations of \$0.3 million. The overall increase is indicative of the higher expenditures for capital needs of the organization, such as ERA development activity described above.

### *Analysis of the Statement of Budgetary Resources*

The statement of budgetary resources presents the sources of budgetary resources and their status at the end of the period, as well as demonstrates the relationship of obligations to outlays. For FY 2007, NARA had budgetary resources available of \$587 million, an increase of 1 percent over \$583.8 million in FY 2006. The majority of the increase resulted from new budget authority.

### ***Debt Management***

The Bureau of Public Debt (BPD) and the General Services Administration (GSA) assist NARA with the management of employee debts. NARA contracts with GSA for payroll services. Under this cross-servicing agreement, GSA tracks employee debts and pursues delinquent debts from NARA employees through salary offset and administrative wage garnishment. NARA has a cross-servicing agreement with BPD for accounting services. In compliance with the Debt Collection Improvement Act of 1996, BPD actively pursues delinquent non-Federal claims and, upon request by NARA, transmits delinquent claims to the U.S. Department of the Treasury Financial Management Service (FMS) for collection cross-servicing.

### ***Erroneous Payments Management***

NARA does not have any high risk programs, as defined by OMB and the Improper Payments Information Act, or programs and activities that meet the \$10 million and 2.5-percent threshold established by the Office of Management and Budget as a definition of significant erroneous payments.

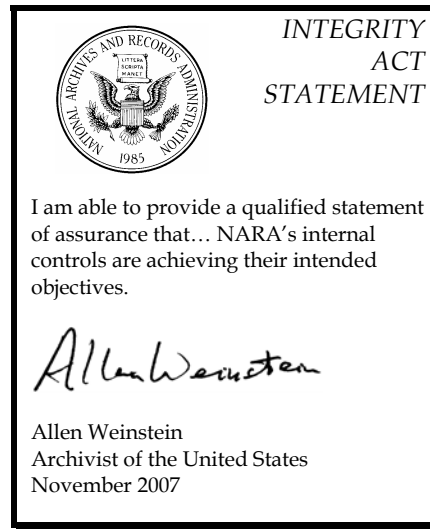
## Systems, Controls, and Legal Compliance

This section provides information about NARA's compliance with the

- Federal Manager's Financial Integrity Act
- Federal Information Security Management Act
- Federal Financial Management Improvement Act
- Prompt Payment Act
- Inspector General Act

### ***Federal Managers' Financial Integrity Act***

The Federal Managers' Financial Integrity Act mandates that agencies establish controls that reasonably ensure that (i) obligations and costs comply with applicable law; (ii) assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and (iii) revenues and expenditures are properly recorded and accounted for. This act encompasses operational, program, and administrative areas, as well as accounting and financial management. It requires the Archivist to provide an assurance statement to the President on the adequacy of internal controls and conformance of financial systems with Government-wide standards. (See Section 4 of the full report for NARA's FY 2007 FMFIA Report.)



### ***Internal Controls Program***

NARA's internal controls worked to ensure the attainment of our mission and FY 2007 goals, maintain efficient operations, and reduce fraud and the misuse of taxpayer-provided resources. NARA managers submitted an annual assurance statement, along with a management control plan, to the Archivist of the United States at the end of the fiscal year. These statements were based on various sources and included

- Management knowledge gained from daily operation of programs
- Management reviews
- Program evaluations
- Audits of financial statements
- Reviews of financial systems
- Annual performance plans and periodic performance reporting to the Archivist

- Senior Staff reviews and briefings
- Internal oversight groups for agency programs
- Monthly reporting in NARA's Performance Measurement Reporting System and monthly Strategic Schedule reporting
- Reports and other information provided by the congressional committees of jurisdiction

In addition, audits and reviews performed by the Office of Inspector General (OIG) and the Government Accountability Office reviewed the agency's internal controls and led to improvements in them.

### ***FY 2007 Internal Controls***

NARA evaluated its internal control systems for the fiscal year ending September 30, 2007. This evaluation provided reasonable assurance that, except for two material weaknesses, the agency's internal controls achieved their intended objectives. Pursuant to Section 2 of the Integrity Act, we identified a material weakness in our collections security program in FY 2001. We have made progress in our actions to remedy the collections security weakness, but still have substantive work to accomplish. In FY 2008 we will conduct a comprehensive review of all corrective actions to date and reassess the status of this material weakness, with the goal to close it by the end of the year. New this year, we have declared a material weakness related to NARA's Information Technology (IT) Security Program. NARA will continue to address reportable conditions in our Preservation Program and in IT documentation.

### ***Federal Information Security Management Act***

The Federal Information Security Management Act (FISMA) requires Federal agencies to conduct an annual self-assessment review of their information technology security program, to develop and implement remediation efforts for identified security weaknesses and vulnerabilities, and to report to OMB on the agency's compliance.

Following established FISMA requirements, our review indicated no new significant deficiencies in NARA's FY 2007 FISMA report, submitted October 1, 2007, to OMB.

### ***Federal Financial Management Improvement Act***

As an Accountability for Tax Dollars Act (ATDA) agency, NARA is not subject to the requirements of FFMIA, per OMB bulletin #07-04, *Audit Requirements for Federal Financial Statements*.

### ***Prompt Payment Act***

As our financial service provider, the Bureau of the Public Debt processes payments for NARA in accordance with the Prompt Payment Act and submits quarterly prompt pay statistics on our behalf.

***Inspector General Act***

In FY 2007 NARA satisfied 72 percent of audit recommendations opened prior to the start of the fiscal year, and 60 percent of audit recommendations opened during this fiscal year. This shows our commitment to resolving and implementing open audit recommendations presented in OIG reports. Section 5(b) of the Inspector General Act requires agencies to report on final actions taken on OIG audit recommendations. This information is included in the Archivist's transmittal of the OIG semi-annual report to Congress.

## Auditor's Reports (FY 2007)

### *Inspector General's Summary*

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
ANNUAL FINANCIAL STATEMENT  
FISCAL YEAR 2007

OFFICE OF THE INSPECTOR GENERAL  
COMMENTARY AND SUMMARY

This audit report contains the Annual Financial Statements of the National Archives and Records Administration (NARA) for the fiscal years ended September 30, 2007 and 2006. We contracted with the independent certified public accounting firm of Clifton Gunderson, LLP (CG) to perform the audit. The audit was done in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; applicable provisions of the OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, and the GAO/PCIE *Financial Audit Manual*.

In its audit of NARA's financial statements, CG's opinion states that the financial statements present fairly, in all material respects, the financial position of NARA as of September 30, 2007 and 2006, and its net cost, changes in net position, budgetary resources for the years then ended in conformity with accounting principles generally accepted in the United States of America.

CG reported one significant deficiency<sup>1</sup> in internal control over financial reporting in the area of Information Technology. CG reported no material weaknesses<sup>2</sup> and disclosed no instances of noncompliance with certain provisions of laws and regulations.

In connection with the contract, we reviewed CG's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, as we do not express, opinions on NARA's financial statements or conclusions about the effectiveness of internal control; or conclusions on compliance with laws and regulations. CG is responsible for the attached auditor's report dated November 13, 2007 and the conclusions expressed in the report. However, our review disclosed no instances where CG did not comply, in all material respects, with generally accepted government auditing standards.

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<sup>1</sup> Significant deficiency is defined as a deficiency in internal control, or combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected.

<sup>2</sup> Material weakness is defined as a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected.



## Management Response to Auditor's Report (FY 2007)



### National Archives and Records Administration

700 Pennsylvania Avenue, NW  
Washington, DC 20408-0001

Date: November 9, 2007  
To: Paul Brachfeld, NARA Inspector General  
From: Allen Weinstein, Archivist of the United States  
Subject: Response to Draft Independent Auditor's Reports on NARA's Internal Controls and Compliance with Laws and Regulations for FY 2007

Thank you for the opportunity to review and comment on the draft reports entitled Independent Auditor's Report on Internal Control and Independent Auditor's Report on Compliance and Other Matters. We appreciate the efforts of your staff and all parties associated with this audit process.

We generally agree with the auditors' assessment of a significant deficiency in information technology. However, we want to reassure our stakeholders that the risks described are adequately mitigated with compensating controls to prevent a material misstatement of NARA financial statements. At the same time, management will continue to prioritize its efforts, within existing budget constraints, to correct the identified problems in the processes and systems in the most cost-effective manner.

While we continue to face challenges, we strongly believe that NARA has again demonstrated our commitment to improved financial management and our ability to produce accurate and reliable financial information. We would like to again thank the Office of Inspector General and Clifton Gunderson LLP for working in a professional and dedicated manner with NARA staff.

A handwritten signature in cursive script that reads "Allen Weinstein".

ALLEN WEINSTEIN  
Archivist of the United States

NARA's web site is <http://www.archives.gov>

## Facilities

**National Archives Building**  
 700 Pennsylvania Avenue, NW  
 Washington, DC 20408  
 202-357-5400

**National Archives at College Park**  
 8601 Adelphi Road  
 College Park, MD 20740  
 301-837-2000

**Washington National Records Center**  
 4205 Suitland Road  
 Suitland, MD 20746  
 301-778-1600

**Office of the Federal Register**  
 Suite 700  
 800 North Capitol Street, NW  
 Washington, DC 20408  
 202-741-6000

**NARA-Northeast Region**  
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**National Archives and Records Administration**  
Performance and Accountability Report, FY 2007

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(Anchorage)  
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Anchorage, AK 99501  
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**NARA-National Personnel  
Records Center**  
Ronald Hindman, *Director*

NARA-National Personnel  
Records Center  
(Civilian Personnel Records)  
111 Winnebago Street  
St. Louis, MO 63132  
314-801-9250

NARA-National Personnel  
Records Center  
(Military Personnel Records)  
9700 Page Avenue  
St. Louis, MO 63132  
314-801-0800

**Herbert Hoover Library**  
Timothy G. Walch, *Director*  
210 Parkside Drive  
P.O. Box 488  
West Branch, IA 52358  
319-643-5301

**Franklin D. Roosevelt Library**  
Cynthia Koch, *Director*  
4079 Albany Post Road  
Hyde Park, NY 12538  
845-486-7770

**Harry S. Truman Library**  
Michael Devine, *Director*  
500 West U.S. Highway 24  
Independence, MO 64050  
816-268-8200

**Dwight D. Eisenhower Library**  
Daniel D. Holt, *Director*  
200 Southeast Fourth Street  
Abilene, KS 67410  
785-263-6700

**John Fitzgerald Kennedy  
Library**  
Thomas Putnam, *Director*  
Columbia Point  
Boston, MA 02125  
617-514-1600

**Lyndon Baines Johnson  
Library**  
Betty Sue Flowers, *Director*  
2313 Red River Street  
Austin, TX 78705  
512-721-0200

**Richard Nixon Presidential  
Library and Museum**  
Timothy Naftali, *Director*

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National Archives at College  
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College Park, MD 20740  
301-837-3290

California Office  
18001 Yorba Linda Blvd.  
Yorba Linda, CA 92886  
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**Gerald R. Ford Library and  
Museum**  
Elaine K. Didier, *Director*

Gerald R. Ford Library  
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Ann Arbor, MI 48109  
734-205-0555

Gerald R. Ford Museum  
303 Pearl Street, NW  
Grand Rapids, MI 49504  
616-254-0400

**Jimmy Carter Library**  
Jay E. Hakes, *Director*  
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Atlanta, GA 30307  
404-865-7100

**Ronald Reagan Library**  
Duke Blackwood, *Director*  
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Simi Valley, CA 93065  
805-577-4000

**George Bush Library**  
Warren Finch, *Director*  
1000 George Bush Drive West  
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College Station, TX 77845  
979-691-4000

**William J. Clinton Library**  
Terri Garner, *Director*  
1200 President Clinton Avenue  
Little Rock, AR 72201  
501-374-4242



*The Richard Nixon Presidential Library and Museum in Yorba Linda, CA, joined the National Archives presidential library system on July 11, 2007. (Photo courtesy Richard Nixon Library and Birthplace Foundation)*

## Copies of This Report

This report is available on our web site at –

*[www.archives.gov/about/plans-reports/performance-accountability/](http://www.archives.gov/about/plans-reports/performance-accountability/)*

Links are provided to both the full report (Management’s Discussion and Analysis [MD&A], Performance and Financial sections, and Other Accompanying Information) as well as the summary report (MD&A and auditor’s report). Also located on that page are links to our Strategic Plan, annual performance plans, and past performance reports.

Copies of this report also may be obtained by electronic request via the form at –

*[www.archives.gov/contact/inquire-form.html](http://www.archives.gov/contact/inquire-form.html)*

or by writing to National Archives and Records Administration, Policy and Planning Staff, 8601 Adelphi Road, Room 4100, College Park, MD 20740-6001. Please specify whether you are interested in the summary report or the full report. Also, we welcome your comments on how we can improve this report for FY 2008. Please e-mail any comments to [Vision@nara.gov](mailto:Vision@nara.gov).

## Other Web Pages of Interest

<b>Reports, Strategic Documents, Messages from the Archivist:</b> Find the latest information regarding our mission, vision, and strategic initiatives.	<i><a href="http://www.archives.gov/about/">www.archives.gov/about/</a></i>
<b>The National Archives Experience:</b> Participate in an interactive, educational experience about the power of records in a democracy.	<i><a href="http://www.archives.gov/national-archives-experience/">www.archives.gov/national-archives-experience/</a></i>
<b>Archival Holdings:</b> Find records of interest in Washington, DC, the regional archives, and Presidential libraries.	<i><a href="http://www.archives.gov/research/arc/">www.archives.gov/research/arc/</a></i>
<b>Public Documents:</b> By law, the U.S. Government Printing Office and the Office of the Federal Register at NARA partner to publish and disseminate the official text of Federal laws, Presidential documents, administrative regulations and notices, and descriptions of Federal organizations, programs and activities.	<i><a href="http://www.gpoaccess.gov/nara/">www.gpoaccess.gov/nara/</a> <i><a href="http://www.archives.gov/federal-register/">www.archives.gov/federal-register/</a></i> <i><a href="http://www.gpoaccess.gov/ecfr/">www.gpoaccess.gov/ecfr/</a></i></i>
<b>Careers at NARA:</b> Review current job openings and learn how to apply.	<i><a href="http://www.archives.gov/careers/">www.archives.gov/careers/</a></i>
<b>Visit NARA:</b> Learn how to prepare for a research visit, about facility hours and locations, and more.	<i><a href="http://www.archives.gov/research/">www.archives.gov/research/</a></i>
<b>Prologue Magazine:</b> Keep up to date on NARA activities through its quarterly journal. View selected articles and subscribe online.	<i><a href="http://www.archives.gov/publications/prologue/">www.archives.gov/publications/prologue/</a></i>