

## PRESIDENT’S MANAGEMENT AGENDA

The President’s Management Agenda (PMA), announced in the summer of 2001, serves as an aggressive strategy for improving the management of the Federal Government. The PMA represents Federal Government reform in becoming more customer- and employee-oriented; results-driven; relevant and valuable to citizens; technology-enabled; cost-effective; and market-oriented. The PMA is also about increasing outreach and relying on partnerships and efficiencies gained from competition.

The progress and status ratings use OMB’s color-coded system. In FY 2005, the SBA achieved six Green scores for Progress and three Green scores for Status. The SBA maintained a Green for Status on the Enhancing E-Government initiative and the Budget Performance Integration initiative while moving to a Green for Competitive Sourcing. Refer to the table below for the Agency’s progress towards meeting overall PMA challenges.

	Status	Progress
<b>Human Capital</b>		
In FY 2006 the SBA will implement a plan that addresses business needs associated with reorganization at the SBA HQ. The SBA intends to use the SBA Human Capital Accountability System to evaluate performance and measure results, which will facilitate a continued integration of human capital results into the decision-making process. The SBA will conduct a 360 leadership assessment and document Agency performance improvements based on narrowing the skill gap, creating clear succession plans, and improving diversity at the senior levels.	Yellow Y	Green G
<b>Competitive Sourcing</b>		
This year, the SBA moved the Competitive Sourcing PMA item to a Green Status. This was accomplished by executing a number of competitive sourcing initiatives from different program areas: <ul style="list-style-type: none"> <li>• The Office of Disaster Assistance’s Loss Verification’s Most Efficient Organization (MEO) won the competition and are in the process of transitioning to the MEO.</li> <li>• The Office of Government Contracting &amp; Business Development’s and the Office of Equal Employment Opportunity &amp; Civil Rights Compliance’s competitions were completed.</li> <li>• Requests for Proposals were issued for the Office of Capital Access’ Disaster Loan Servicing and Liquidations and General Counsels’ legal support of Disaster Loan Servicing and Liquidations. The process of implementing the Source Selection Evaluation Boards is underway</li> </ul>	Green G	Green G
<b>Financial Performance</b>		
The SBA is proud to have earned an unqualified audit opinion from its independent public accountant on its FY 2005 financial statements. Unfortunately, the SBA will not qualify for this PMA item to go to Green because of one remaining material weakness. Nevertheless, the SBA has made significant progress in using financial data to manage its programs on a daily basis, the primary requirement for a Green Status rating. For example, the SBA’s Loan/Lender Monitoring System is a state-of-the-art tool that the Agency uses for risk-based management of lenders and the Agency’s loan portfolio. The SBA anticipates earning Green for Status in the first quarter of FY 2007, if the SBA is able to eliminate the remaining FY 2005 material weakness during FY 2006.	Red R	Green G

	Status	Progress
<b>Enhancing E-Government</b>		
Using a comprehensive IT project status review, the SBA Enterprise Architecture and the E-government Program Plan, the SBA will continue to realign resources and policies to reflect the new operating structure of the SBA and implement measures to ensure that cost and schedule overruns and performance shortfalls fall within acceptable variances. The SBA will continue to collaborate with partners to identify and minimize duplicative IT investments and opportunities to utilize cross-Agency solutions and services.	<b>Green</b>	<b>Green</b>
<b>Budget Performance Integration</b>		
The Agency provided evidence that performance information is used in managing all programs on a monthly basis through its internal execution scorecard. It also has developed a marginal cost methodology, implemented activity-based costing, and integrated OMB PART and performance information in its FY 2005 budget request. As an indication of the Agency's success, The 2004 Mercatus Center report on Federal Agency Performance and Accountability rated the SBA as the top Federal Agency in linking goals and results to costs and cited the SBA for best practices.	<b>Green</b>	<b>Green</b>
<b>Improper Payments</b>		
The SBA's program to monitor and reduce Improper Payments is focused on its credit programs, including the 7(a), 504 and SBIC guaranty programs and the Disaster Loan program, as these programs generate largest volume of the Agency's payments. This fiscal year, the SBA implemented a new quality assurance process for the centralized 7(a) guaranty purchase operation that was inaugurated in late FY 2004. The SBA expects to meet its reduction target for 7(a) Improper Payments in early FY 2006, which will improve its Status on this PMA initiative to Green. The Agency's other credit programs have minimal levels of Improper Payments and the SBA has petitioned the OMB for exemption from the additional reporting requirements under the Improper Payment Information Act of 2002.	<b>Yellow</b>	<b>Green</b>
<b>Faith Based Initiatives</b>		
The SBA's Center for Faith-Based and Community Initiatives seeks to empower faith-based and other community organizations to apply for Federal social service grants. It supplies information and training, but does not make the actual funding decisions. Those decisions are made through procedures established by each grant program, generally involving a competitive process. There are no grant funding set-asides for faith-based organizations.	<b>New</b>	<b>New</b>