

U.S. Small Business Administration

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# Office of Inspector General

Inspection and Evaluation

## SBA's Federal and State Technology Partnership (FAST) Program

January 6, 2003

3-02






U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, DC 20416

OFFICE OF  
INSPECTOR GENERAL

January 6, 2003

TO: Fred C. Armendariz  
Associate Deputy Administrator  
for Government Contracting & Business Development

FROM:   
Emilie M. Baebel  
Assistant Inspector General  
for Inspection and Evaluation

SUBJECT: Inspection Report on SBA's Federal and State Technology Partnership  
(FAST) program.

We are pleased to submit our report on SBA's *Federal and State Technology Partnership (FAST)* program. The Office of Inspector General examined the extent to which recipients under the FAST program are measuring performance of their program activities.

The Consolidated Appropriations Act of 2001 requires the Inspector General of the SBA to conduct a review of the extent to which FAST recipients are measuring the performance of their activities and the overall management and effectiveness of the FAST program. In addition, the law requires the Inspector General to submit to Congress a report based on this review during the first quarter of fiscal year 2004. This inspection is intended to provide baseline information for the report to Congress and information that SBA can use in the early implementation stages of the program.

We appreciate the excellent cooperation we received from the staff in the Office of Technology in preparation of this inspection report.

Attachment

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## EXECUTIVE SUMMARY

### PURPOSE AND BACKGROUND

This inspection provides preliminary information on the extent to which recipients under the Federal and State Technology (FAST) program are measuring performance of their program activities.

The Consolidated Appropriations Act of 2001 (P.L. 106-554) established the FAST program. Administered by SBA's Office of Technology (OT), FAST is a competitive grants program that allows a state to receive funding in the form of a grant to provide an array of services in support of the Small Business Innovation and Research (SBIR) program. Organizations and individuals in every state (including state economic development agencies, small business development centers, or any other entity involved in the development of small technology firms) are eligible to participate in the FAST program. The program originated in recognition by the Congress that because programs to foster economic development among small high-technology firms vary widely among States, a need exists to improve the participation of small technology firms in the innovation and commercialization of new technology. In FY 2001, 30 state organizations were awarded FAST grants.

The Consolidated Appropriations Act of 2001 requires the Inspector General of the SBA to conduct a review of the extent to which FAST recipients are measuring the performance of their activities and the overall management and effectiveness of the FAST program. The Act stipulates that in making FAST awards, the SBA Administrator and SBIR Program Manager shall consider the manner in which applicants plan to measure the results of their activities. The law also requires the Inspector General to submit to Congress a report based on this review during the first quarter of fiscal year 2004. This inspection is intended to provide baseline information for the report to Congress and information that SBA can use in the early implementation stages of the program.

### RECOMMENDATIONS

**Improve Guidance.** So that SBA does not overwhelm recipients with reporting requirements and with a view to increase the quality of indicators on which recipients report, we recommend that the FAST program office refine its guidance to better assist prospective FAST applicants with narrowing their focus on fewer indicators by limiting the number of indicators on which they can report.

**Withhold Funding from Non-reporting Recipients.** The OIG recommends that OT contact each FAST recipient that did not submit a semi-annual report to encourage them to prepare and submit a report. If reports are not forthcoming during the second cycle, appropriate steps should be taken to withhold funding.

**Better Linkage between Performance Reporting and Proposed Indicators.** To facilitate an assessment by the FAST program office of whether recipients are on track to achieve the goals and objectives of the program, OT should develop clear guidance for recipients on how performance measurement reporting should be linked to indicators presented in the technical proposals.

## **PURPOSE**

This inspection provides preliminary information on the extent to which recipients under the Federal and State Technology Partnership (FAST) program are measuring performance of their program activities.

## **ISSUES TO BE ADDRESSED**

Specific issues addressed in this inspection include: 1) the adequacy of guidance issued by SBA to FAST program participants on the use and reporting of performance indicators; 2) the extent to which FAST participants adhered to the technical proposal requirement to include a detailed description of how they plan to measure the results of the activities conducted under the program; and 3) whether the characteristics of the performance indicators provided in the participants' technical proposals are sufficient to measure performance, including whether the indicators include baseline data and targets.

## **BACKGROUND**

The Consolidated Appropriations Act of 2001 (P.L 106-554) established the FAST program. The purpose of the FAST program is to strengthen the technological competitiveness of small business concerns in the states by ensuring their participation in federal research and development. Administered by SBA's Office of Technology, FAST is a competitive grants program that allows a state to receive funding in the form of a grant to provide an array of services in support of the Small Business Innovation and Research (SBIR) program. SBIR is a program that protects small hi-tech businesses and enables them to compete on the same level as larger businesses by reserving a specific percentage of federal R&D funds for them. In FY 2002 this amounted to 2.5 percent of 10 agency's extramural R&D budgets, totaling \$1.5 billion. Organizations and individuals in every state (including state economic development agencies, small business development centers, or any other entity involved in the development of small technology firms) are eligible to participate in the FAST program. The program originated in recognition by the Congress that, because programs to foster economic development among small high-technology firms vary widely among states, a need exists to improve the participation of small technology firms in the innovation and commercialization of new technology. In FY 2001, 30 state organizations were awarded FAST grants.

The Consolidated Appropriations Act of 2001 requires the Inspector General of the SBA to conduct a review of the extent to which FAST recipients are measuring the performance of their activities and the overall management and effectiveness of the FAST program. The Act stipulates that in making FAST awards, the SBA Administrator and SBIR Program Manager shall consider the manner in which applicants plan to measure the results of their activities. In addition, the law requires the Inspector General to submit to Congress a report based on this review during the first quarter of fiscal year

2004. This inspection is intended to provide baseline information for the report to Congress and information that SBA can use in the early implementation stages of the program.

## **METHODOLOGY**

The technical proposals submitted in June 2001 by the thirty FY 2001 FAST program participants were the primary sources of information for this inspection. The FAST program announcement and subsequent Notice of Award were also important sources of information as they provide guidance and a description of the reporting requirements regarding participants' program performance. The FAST program announcement requires a detailed description of how each applicant will measure the results of the activities conducted. This section of each participant's proposal received particular focus. The semi-annual report submissions by the FAST program participants were also reviewed to assess the extent to which stated performance indicators were reported on, taking into consideration the short time that has elapsed since program awards were announced. The inspection covers materials developed by SBA and submitted by FAST grantees for and during the first 6 months of program operation.

## **FINDINGS**

### Fast Program Announcement

**Finding 1: The FAST program announcement could provide better guidance on developing performance indicators and better explain how these will be monitored and assessed by the program office post-award to evaluate recipient activities.**

The FAST program announcement adequately communicates to prospective applicants the legislative intent and long-term goals of the program and requires applicants to state the objectives of their proposed effort. In addition, the announcement includes the requirement that applicants incorporate performance indicators into their proposals and explains how such indicators will be used to evaluate proposal submissions. The proposal preparation guidelines in the program announcement instruct applicants to describe in detail how they will measure the results of the activities they will conduct and states that data from these indicators will be reporting requirements throughout the funding period. Under the section that describes how proposals will be evaluated and selected, applicants learn that they will receive a score of up to 15 points (of 100) based on their performance indicators.

The program announcement, however, could provide better guidance on developing performance indicators and better explain how these will be used and assessed by the program office post-award to evaluate their activities rather than simply requiring indicators for reporting purposes. Indeed, the announcement states that their "indicators and results will become important data in the evaluation of future FAST proposals and

contributions for SBIR program assessments,” but provides no further explanation, guidance or the type of information needed for these evaluations.

Later in the program announcement, prospective applicants receive a general explanation of the FAST award reporting requirements. Program participants are required to submit semi-annual reports no later than thirty days after the completion of the six months from the date of award. First time FAST awards were granted October 1, 2001, which translates into a due date of May 1, 2002, for the first semi-annual reports. The second (and final) report is due no later than thirty days after the completion date of the agreement, which translates into a due date of November 1, 2002. Applicants are then informed that “SBA will withhold payments if reports are not received timely or are deemed inadequate”.

Following this general explanation of reporting requirements, more specific guidelines are provided regarding what to include in the performance reports. The program announcement explains that recipients must submit a semi-annual performance report “summarizing all FAST-related activities undertaken during this time frame, using the objectives and performance indicators proposed by the applicants...The recipient should present comprehensive information on the initiatives and activities undertaken...and describe how these efforts correlate to the objectives and performance indicators incorporated into the agreement.”

The program announcement goes further still, providing examples of the types of activities FAST participants may want to consider when reporting the results of their activities in the semi-annual reports:

- Training activities (conferences, courses, seminars)
  - Title of activity, date, location, duration, number of participants
  - A paragraph describing the objectives of the training and evaluating its effectiveness in meeting these objectives
- Counseling/Technical Assistance Activities (generally one-on-one)
  - Business/firm name, client, address, e-mail address, phone number; dates of assistance (from-to)
  - A paragraph describing the type of assistance provided
- Other activities, including significant accomplishments (outreach, support, mentoring, presentations, program development, etc.)
  - Activity, purpose, date, location
  - A paragraph describing the objectives of the activity and evaluating its effectiveness in meeting these objectives

These examples of the types of efforts SBA suggests that recipients consider reporting come with the caveat that they are not intended “to be prescribed or exhaustive” and continue to be the most specific guidance and instruction provided to prospective FAST applicants on what to report in the semi-annual reports and what will be used to evaluate future FAST proposals and contributions for the SBIR program. If used by FAST recipients to report results of their activities as suggested by SBA, it would provide little



more than a summary of program activities and make it difficult to distinguish desired outcomes and results of program activities.

#### FAST Notice of Award

**Finding 2: The FAST notice of award adds to the activity related information participants are to present in their semi-annual performance reports, but does not provide guidance to assist participants in identifying desired outcomes and results.**

The FAST Notice of Award issued to the thirty state organizations receiving grants repeats the reporting requirements detailed in the program announcement and offers no additional guidance regarding the development of performance indicators. Because technical proposals have been submitted and evaluated by the time the Notice of Award is issued and indicators have already been developed and presented by FAST applicants, the Notice document is not the appropriate or intended vehicle by which SBA provides guidance on performance indicators. Despite this, we included the Notice document in our review since it can serve as a tool to reinforce reporting requirements and provide guidance on what and how to report using the participants' performance indicators. The program announcement therefore, is the document where detailed and specific guidance on developing performance indicators ought to be focused and communicated.

Though offering no additional guidance on developing or providing performance indicators, the Notice of Award adds to the activity related information that should be presented in the participants' performance reports. Like the examples contained in the program announcement, the additional information requested in the Notice will do little but provide a summary of participants' activities without distinguishing desired outcomes and results of participants' activities. In fact, the Notice of Award states that "the narrative for semi-annual performance reports must capture and summarize" FAST-related activities. A sampling of the additional activity related information requested in the Notice follows<sup>1</sup>:

- News clippings, brochures, etc;
- Names of staff and positions;
- Number of loans, grants, including Phase 0 awards;
- Number of clients grants, loans including Phase 0 awards if applicable;
- Training activities: date, location, duration, number of participants, etc.;
- Counseling: name of business/client, email address, mailing address, etc.;
- Outreach activities: participant list, date(s), location(s), summary of activity and overall impact/effectiveness.

#### Performance Measurement in the FAST Program

**Finding 3: SBA's focus on outputs in its guidance on performance indicators and reporting requirements in the program announcement and Notice of Award**

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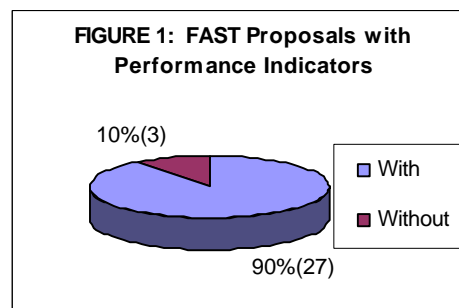
<sup>1</sup> See FAST Notice of Award for complete outline of additional reporting requirements.

**documents contributed to an almost exclusive selection of output indicators by FAST recipients to measure performance.**

In our assessment of the status of performance measurement in the FAST program we considered the performance measurement process to consist of three general stages: 1) identifying goals, including specifying long-term and annual goals that include outcomes of program activities; 2) developing performance indicators by selecting measures that assess progress of program activities in achieving goals or intended outcomes; and 3) reporting data and analyzing results.

Our assessment of the 30 recipients' proposals shows that recipients demonstrate understanding of the legislative intent and long-term goal of FAST, which is to strengthen the technological competitiveness of small business concerns in the states. In part, this is likely due to the clear discussion of the program's intent and goals as it appears in the program announcement and the guidance to applicants to include objectives as part of their technical proposals. Our observations noted however, that while recipients may understand the long-term goal of the program and are able to conceptualize the ultimate goal of increasing SBIR awards in their states, most appear to have difficulty formulating performance goals that are achievable on an annual basis. While long-term goals are fairly well identified by both SBA and FAST recipients, annual expectations appear to be much less certain.

By any measure, FY 2001 FAST award recipients made a significant effort to comply with the technical proposal requirement that they include a description of their plan to measure the results of their activities. As Figure 1 shows, 27 or 90% of the 30 FAST award recipients provided performance indicators in their proposals.



Indicators constitute a critical component in the ability to measure program performance as they signal changes in certain conditions or results of program activities. Appropriately developed and selected, indicators provide evidence of progress that program activities have toward the attainment of program goals. Our review of the indicators provided by FAST recipients revealed that in nearly all cases the indicators measured program outputs, such as number of workshops conducted, number of clients receiving SBIR technical assistance or number of commercialization plans developed. While these outputs measure the amount or frequency of a product or service, they do not guarantee that the product or service has its intended result. Relying on such output indicators alone presents an impossible challenge to assess performance and distinguish results. Outcomes, on the other hand, signify results. The concept of "outcome" appears difficult for all FAST recipients to incorporate in their proposals.

Commonalities became evident among the indicators participants provided in their proposals. These commonalities were likely influenced by the guidance received from SBA, which resulted in the heavy application of output indicators in the performance

reporting plans. Three such output indicators commonly provided are those mentioned in the preceding paragraph. A more detailed list of the indicators most commonly provided by participants and the number of participants using the indicator is found in Table 1 below.

**Table 1: Commonly Provided Indicators of FAST Grant Recipients**

<b>INDICATOR</b>	<b>NUMBER GRANTEES</b>
<b>Outputs</b>	
Number of clients counseled	26
Number of outreach events	23
Number of training and educational programs/workshops	17
Number served with proposal writing assistance	11
Number of mentors and companies recruited to participate in the mentoring program	11
Commercialization assistance and plans developed	9
Number of information pieces mailed	8
Develop, populate and maintain a database of companies identified as having potential to participate in federal SBIR/STTR programs and/or to identify and track the progress of innovative technology projects	8
Recruit and hire FAST staff	7
Number of SBIR/STTR proposals reviewed	7
Number of website hits	4
Number of counseling hours spent with clients	4
<b>Intermediate Outcomes</b>	
Total number of SBIR/STTR Phase I proposals submitted	14
Total number of SBIR/STTR Phase II proposals submitted	10
Number of Phase 0 grants awarded	5
<b>Long-term Outcomes</b>	
Number of clients that received SBIR/STTR awards	2
Number of SBIR/STTR proposals submitted and resulting awards	9
Rank in the number of SBIR awards (Phase I and II)	2
<b>Indirect Outcomes</b>	
Amount of additional add-on non SBIR R&D funding generated	1
Ratio of employment in the 9 key industry clusters to total employment	1
Strive of a 5% per year increase in the SBIR/STTR award success rate for SBIR companies	1
Jobs created	2
Increase high-tech company creation	1
State per capita income	1

The table shows that the majority of FAST participants are attempting to measure the results of their activities with output indicators. While not a list of all the indicators provided by participants in their proposals, Table 1 offers a representation of the types of

indicators developed by the program’s participants, including the most frequently applied indicators. A majority of the remaining indicators provided by the participants, but not listed in Table 1, can likewise be classified as output indicators.

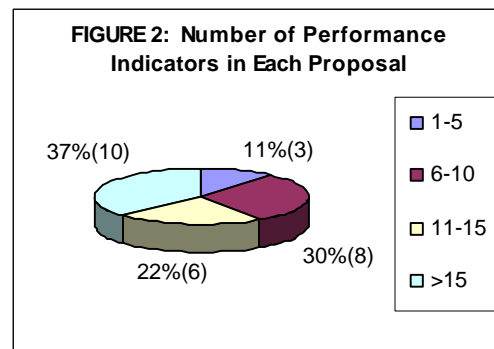
The first group of indicators in Table 1 under the heading “Outputs” are the output indicators most frequently provided by recipients in their proposals, some of which are directly provided as examples by SBA of the types of information to report. While outputs are usually the most easily available measures, FAST participants ought to be required to provide data on outcomes.

The next group of commonly provided indicators shown in Table 1 is labeled “Intermediate Outcomes.” These are indicators FAST participants can realistically affect with their outputs and which contribute to the achievement of higher-level outcomes and the goals of the program. The longer term and aggregate effect of outputs are measured by intermediate outcomes. Program participants can more effectively tell their story of progress with outcome (as opposed to output) measures. However, outcome data are more difficult to generate than output data, particularly when periods of performance are short as with the FAST program.

The next group of indicators in Table 1 is titled “Long-term Outcomes.” Long-term outcomes are those that are directly pertinent to the program’s mission and goals and which FAST participants are striving toward. FAST participants produce outputs in order to achieve intermediate outcomes so that these ultimately achieve the program’s mission and goals. While our review found just a small number of FAST participants with long-term outcomes as part of their performance measurement plans, we caution them and the program office to ensure that the reported results against these indicators apply directly to participants’ program activities and represent the achievements of their clients only. For example, if a long-term outcome is the number of SBIR/STTR proposals submitted and resulting in awards, FAST participants should report only the number of proposal submissions that are directly attributable to its program activities, as opposed to proposals that would have been submitted in their state regardless of their FAST grant.

The last group of indicators we titled “Indirect Outcomes.” This group is a sampling of indicators provided by FAST participants that in our view is beyond the manageable interest of program participants. Though we do not believe a FAST participant would hold itself accountable to an increase in its state per capita income (see Table 1), this group of indicators should signal to the FAST program office the degree to which it will need to provide

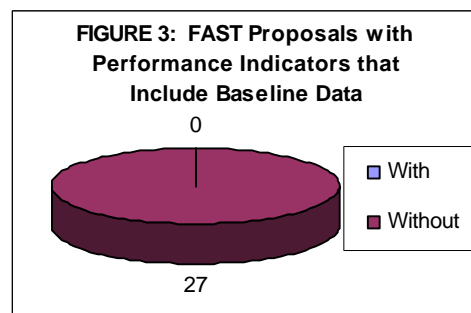
assistance to future FAST participants in the formulation and selection of appropriate indicators that will be useful in managing the program.



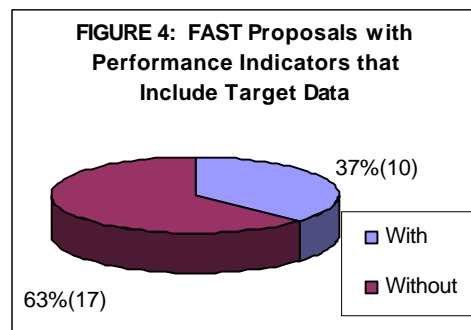
In addition to the commonalities discussed above in the usage of indicators by program participants, our review also noted substantial variations. What varied considerably among recipients was the quantity of performance indicators recipients provided in their proposals. Figure 2 shows the distribution of the number of indicators tracked by recipients across four groupings. Almost 40% of recipients with performance indicators in their proposal listed 15 or more measures on which to report, a considerable task considering that recipients must collect, analyze and report data semi-annually. Just 3 recipients listed between one and five indicators on which to report their performance. The large number of recipients planning to report on 15 or more indicators may stem from SBA guidance on performance indicators and reporting requirements in the program announcement and notice of award.

**Recommendation 1: So that SBA does not overwhelm recipients with reporting requirements and with a view to increase the quality of indicators on which recipients report, we recommend that the FAST program office refine its guidance to better assist prospective FAST applicants with narrowing their focus on fewer indicators by limiting the number of indicators on which they can report.**

As Figure 3 shows, not one FAST recipient was able to provide baseline data for their proposed performance indicators, another signal that recipients may require assistance to adequately implement performance measurement and reporting of their results. The absence of baseline data for recipients’ indicators presents a significant problem for FAST program managers to objectively assess whether recipients’ respective program activities are performing well and whether the program in general is achieving its goals and objectives.



We also observed that barely more than a third of recipients paired target data with their indicators (Figure 4). Without targets, indicators are of little use for understanding program performance. Targets should be ambitious, yet realistic.

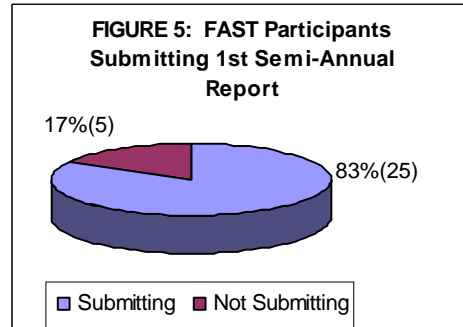


#### Extent to Which FAST Participants Followed Reporting Requirements

**Finding 4: Too many FAST participants did not abide by SBA requirements to submit semi-annual performance reports.**

The third general stage of the performance measurement process pertains to reporting indicator data and analyzing results. We’ve noted that FAST participants generally followed SBA guidance regarding the types of indicators and program activities on which

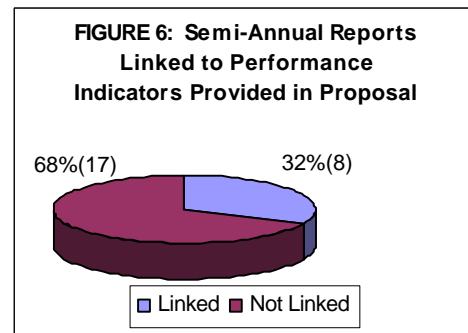
to report. We also noted that the program announcement states (and repeated in the Notice of Award) that program participants are required to submit semi-annual reports no later than thirty days after the completion of the six months from the date of award. In fact, the announcement stipulates that “SBA will withhold payments if reports are not received timely or are deemed inadequate. As Figure 5 shows, 5 FAST participants, nearly 20 percent, did not submit to



SBA the required semi-annual performance report. While we are not aware of SBA withholding payments as stated in the announcement for non submission of the required semi-annual report, we are also not aware of a review conducted by the FAST program office which would have assessed the adequacy or inadequacy of submitted reports.

**Recommendation 2: We recommend that the program office contact each FAST recipient that did not submit a semi-annual report to encourage them to prepare and submit a report. If reports are not forthcoming during the second cycle, appropriate steps should be taken to withhold funding.**

Reporting on performance is only useful to program managers to assess progress if it is clearly linked to the performance measures and targets in place before initiation of program activities. Our review of the 25 semi-annual performance reports submitted by FAST participants found that only 8 participants, just over a quarter of the total, successfully linked their performance reports to the indicators in their program proposals (Figure 6). Although the semi-annual reports submitted consist of ample discussion of the progress of program activities to date, it is difficult and confusing to assess whether individual FAST participants are on track to achieve the goals and objectives of the program.



**Recommendation 3: To facilitate an assessment by the FAST program office of whether recipients are on track to achieve the goals and objectives of the program, we recommend that the program office develop clear guidance for recipients on how performance measurement reporting should be linked to indicators presented in the technical proposals.**

## OIG RESPONSE TO AGENCY COMMENTS

In its response to our draft report, the Agency provided some technical corrections and other comments. Where appropriate, we incorporated these changes into this final report.

Additionally, GC/BD explains that OT has been working with the states through tri-annual meetings to establish baseline reporting elements and outcome metrics in order to make recipients more accountable for results of their planned FAST activities. GC/BD also states that FAST award recipients have begun to share success stories to help identify metrics and that this information will assist it in developing guidance to assist recipients to develop and establish metrics for their individual programs.

This type of collaboration and technical assistance provided to recipients is consistent with the intent of our recommendations—that OT develop and provide guidance on the types of indicators that more accurately reflect results, not outputs, and how such performance indicators ought to be formulated. Any guidelines developed and any other products that result from these tri-annual meetings and other collaboration among award recipients will need to be documented and distributed to all recipients to ensure the equitable dissemination of information.




U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416

**MEMORANDUM**

DATE: November 19, 2002

TO: Emilie M. Baebel  
Assistant Inspector General  
for Inspection and Evaluation

FROM: Fred C. Armendariz   
Associate Deputy Administrator  
for Government Contracting and  
Business Development

SUBJECT: Final Draft Inspection Report

In response to your request, please find attached the Office of Government Contracting and Business Development's (GC/BD) comments on the Office of Inspector General's (OIG) draft final report on the SBA's **Federal and State Technology Partnership (FAST)** program.

Thank you for the opportunity to review and comment on the draft final report. We look forward to a favorable final report of the FAST program.

Attachments

cc: Linda G. Williams, AA/Government Contracting  
Maurice Swinton, AA/Technology  
Cherina Hunter, Program Analyst/Technology

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## Background

- 1) The OIG has stated that 30 FAST awards were issued in FY 2001. The SBA issued 30 FAST awards in FY 2001 and 27 FAST awards in FY 2002.
- 2) The OIG has stated that the SBIR program includes the Small Business Technology Transfer program (STTR). These two programs are separate and distinct.
- 3) The OIG states that the "inspection is intended to provide baseline information for the report to Congress and information that SBIR and FAST Program Managers can use in the early implementation stages of the program". GC/BD recommends using the term "SBIR and State FAST Program Managers" in lieu of "SBIR and FAST program managers" to make it clear that the FAST Program Managers are the state officials.

### FAST PROGRAM ANNOUNCEMENT

**Finding 1: The OIG states the FAST program announcement could provide better guidance on developing performance indicators and better explain how these will be monitored and assessed by the program office post-award to evaluate recipient activities.**

- a) The Office of Technology (OT), in the original FAST program announcement, prescribed general information as it relates to performance indicators. In the first year (FY 2001) FAST program announcement, we were suggestive but not prescriptive in providing guidance to FAST applicants regarding the development of performance indicators. This approach was adopted because we were keenly aware that the proposed projects would vary tremendously in size, design and implementation. Therefore, it did not seem prudent at the time to develop indicators that would not adequately address the divergent projects. If we had been overly prescriptive, reporting would have yielded inaccurate and incomplete data that would have been of little use to program officials. Because this was the first year of the program, every effort was taken to give the states, as well as the SBA an opportunity to assess the wide variety of projects and performance indicators so that we could strategize and identify which 3-5 indicators would appropriately fit the gambit of FAST projects. Subsequently, we have provided better guidance on this process to the FAST applicants in the subsequent release of the FAST program announcement.
- b) The OIG also states that the examples of the types of efforts the SBA suggests FAST award recipients consider reporting come with a caveat that they are not intended "to be prescribed or exhaustive". The OIG further states that if award recipients were to use these examples to report their activities it would provide little more than a summary of program activities and make it difficult to

distinguish desired outcomes and results of program activities. In an effort to make award recipients more accountable for accomplishing planned activities and outcomes, we have been working with the states to establish baseline reporting elements and outcome metrics. This is being done through tri-annual meetings with the FAST award recipients at the National SBIR Conferences. We chair these working sessions, and have established a group of Federal Partners which consist of various SBIR Program Managers to work in conjunction with the SBA to explore and share options and ideas with the FAST award recipients and applicants to strengthen their abilities to compete, report and succeed in the FAST program. Through these meetings, each state has an opportunity to suggest and recommend improvements in the FAST reporting, evaluation, selection and administration process. States have been encouraged to establish working groups amongst themselves that can suggest and recommend changes and improvements to the Federal partners and the SBA for the FAST program.

- c) The OIG lists the first FAST award as October 1, 2001 and the semi-annual report due-date as May 1, 2001. The due-date should be changed to May 1, 2002.

**Finding 2: The FAST notice of awards adds to the activity related information participants are to present in their semi-annual performance reports, but does not provide guidance to assist participants in identifying desired outcomes and results.**

- a) Through the state/federal partners' tri-annual meetings, the OT hopes to establish a core-set of best practices that will provide guidance to the FAST applicants and participants. The states have begun to share success stories to help identify metrics for measuring desired outcomes and outputs. This information will assist us in developing guidance to assist Fast program participants to develop and establish outcome and output metrics for their individual FAST programs.

**Finding 3: SBA's focus on outputs in its guidance on performance indicators and reporting requirements in the program announcement and notice of award documents contributed to an almost exclusive selection of output indicators by FAST recipients to measure performance.**

GC/BD concurs with the recommendation by the OIG for this finding.

**Finding 4: Too many FAST participants did not abide by SBA requirements to submit semi-annual performance reports.**

GC/BD concurs with the recommendations by the OIG for this finding.