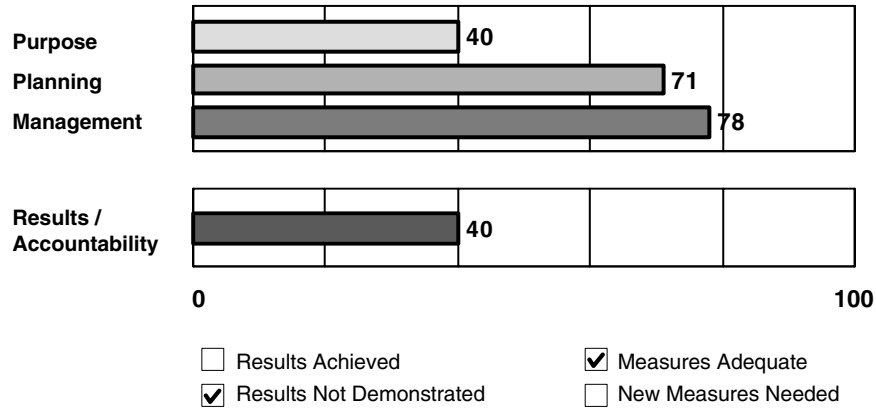


**Program: Bank Enterprise Award**

**Agency:** Department of the Treasury

**Bureau:** Departmental Offices



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Jobs in underserved communities created or maintained by businesses financed by BEA Program applicants (New measure adopted in 2003)	2003	4,930	
	2004	4,930	
Long-term Measure: Commercial real-estate properties financed by BEA Program applicants that provide access to essential community products and services in underserved communities (New measure adopted in 2003)	2003	612	
	2004	612	
Annual Measure: Number of affordable housing units in underserved communities whose development or rehabilitation is financed by BEA Program applicants (New measure adopted in 2003)	2003	391	
	2004	391	

**Rating: Results Not Demonstrated**

**Program Type:** Competitive Grants

**Program Summary:**

The Bank Enterprise Awards (BEA) Program offers financial awards to banks that participate in community development activities. Such activities include supporting community development financial institutions, financing affordable housing and economic development projects, and the provision of financial services.

The assessment indicates that while there is some evidence that BEA awardees use awards to reinvest in community development initiatives, program results are hard to measure because it cannot be determined how awardees would behave in the absence of the program. Additional findings include:

1. The program purpose is clear, but design limitations hamper the program's effectiveness. Under the current structure, it cannot be determined if banks participate in community development activities because of regulatory requirements (under the Community Reinvestment Act) or because of the money provided by the awards program. Thus, the results of the program cannot be determined until the Fund collects additional data.
2. In the last year, the program has developed new outcome-oriented goals and has taken steps to collect additional data on program results. However, as the award is for past performance, there are no prospective performance requirements on how awardees spend award funds. This prevents the Fund from ensuring that program awardees commit to the long-term goals of the program.
3. The program is efficiently managed.

In response to these findings, the Budget proposes to:

1. Reduce the funding for the BEA until statutory changes to the authorizing legislation are made that would clearly distinguish this program from the mandates of the Community Reinvestment Act and would insure that award funds are spent on community development activities.

**Program Funding Level (in millions of dollars)**

<u>2002 Actual</u>	<u>2003 Estimate</u>	<u>2004 Estimate</u>
23	17	8