

# PROGRAM ASSESSMENT RATING TOOL

## Program Summaries

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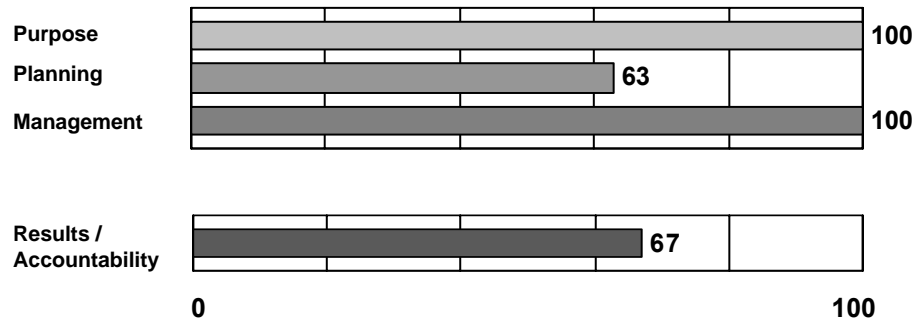
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## **DEPARTMENT OF AGRICULTURE**

**Program:** *Agricultural Credit Insurance Fund - Guaranteed Loans*

**Agency:** *Department of Agriculture*

**Bureau:** *Farm Service Agency*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Maintain a low loss rate on guaranteed loans	2002	2%	1%
	2003	1%	1%
	2004	<1%	
	2005	<1%	
Long-term Measure: Increase the percent of loans to beginning and socially disadvantaged farmers/ranchers	2002		32%
	2003	34%	33%
	2004	35%	
	2005	35%	
Annual Measure: Decrease in loan average processing times (days)	2002		16
	2003	15.5	14
	2004	14	
	2005	14	

**Rating:** *Moderately Effective*

**Program Type:** *Credit*

**Program Summary:**

The Agricultural Credit Insurance Fund (ACIF) Guaranteed Loan Program helps farmers who would not otherwise be able to obtain agricultural credit at reasonable rates to receive needed credit from private sector lenders.

The assessment found that the program serves a clear need. Due to a number of factors (e.g., market uncertainty, young/beginning farmers who lack sufficient credit history, limited resource farmers, geographic isolation), farmers may have difficulty demonstrating creditworthiness to lenders. The program is comparatively cost-effective with low subsidy rates and the delivery mechanism is consistent with program objectives. However, improvements to performance measures are still needed to demonstrate how the program is improving the economic viability of farmers and ranchers. Specific findings include:

1. The agency has improved administrative efficiencies.
2. While a low loss rate on guaranteed loans is a proxy indicator for the financial viability of borrowers, there is no measure that indicates the program is providing adequate coverage of the intended market or whether or not there are any unmet needs.
3. Although the program targets beginning and socially disadvantaged farmers, there is no method to assess whether outreach/targeting efforts are the most effective.
4. Program lacks independent evaluations.

In response to these findings, the Administration will:

1. Conduct a performance-focused review that will include, but is not limited to: analysis of program participants; length of time borrowers remain in program; number of borrowers who “graduate” and return to the program; effectiveness of targeted assistance; and the potential to reduce subsidy rates.
2. Revise long-term performance measure to better assess progress toward meeting the goal of improving economic viability of farmers/ranchers.
3. Assess performance targets to ensure they are ambitious.
4. Develop an efficiency measure such as “cost per loan processed” to track administrative expenses and allow comparison among loan programs.
5. Tie program performance to budget requests in the 2005 President’s Budget.

(Funding below represents the discretionary loan level for this program.)

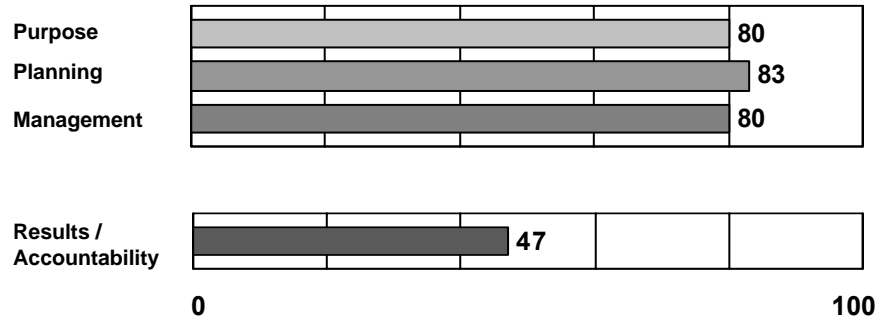
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
3,080	2,416	2,866

**Program:** *Animal Welfare*

**Agency:** *Department of Agriculture*

**Bureau:** *Animal and Plant Inspection Service*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Number of animals affected by noncompliances documented on inspection reports.	2001		588,961
	2002		371,856
	2003	350,000	
	2004	325,000	
Annual Measure: Percentage of facilities in complete compliance at the most recent inspection.	2001	61%	58%
	2002	60%	68%
	2003	68%	
	2004	68%	

**Rating:** *Adequate*

**Program Type:** *Regulatory Based*

**Program Summary:**

(This PART was originally conducted for the FY 2004 budget.)

The Animal Welfare program, which is operated by USDA's Animal and Plant Health Inspection Service (APHIS), is responsible for ensuring the humane care and treatment of many warm blooded animals that are used for research or exhibition, sold as pets, or transported in commerce. These include dogs and cats sold by certain types of dealers, as well as circuses, aquariums and research facilities. Facilities are periodically inspected, and if found to be out of compliance, are referred for follow-up action. Remedial actions, which include fines and the loss of licenses, can also be instituted. The bureau also issues guidance and regulations on the humane care of animals.

Specific PART findings include:

1. The program has a clearly defined purpose.
2. There is a need for more independent evaluations. Although APHIS conducts as needed evaluations of its program components and USDA's Office of the Inspector General has conducted evaluations of the program (1992 through 1996), the PART found no evidence of recent reviews outside of the Department.
3. The program has made improvements in performance measures, and the PART was reassessed for the 2005 Budget to account for these changes.

In response to PART findings, APHIS will:

1. Seek additional input from sources outside of the government, including peer evaluations, when appropriate.
2. Include at least one additional annual measure, to more closely link annual performance and long-term performance.

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

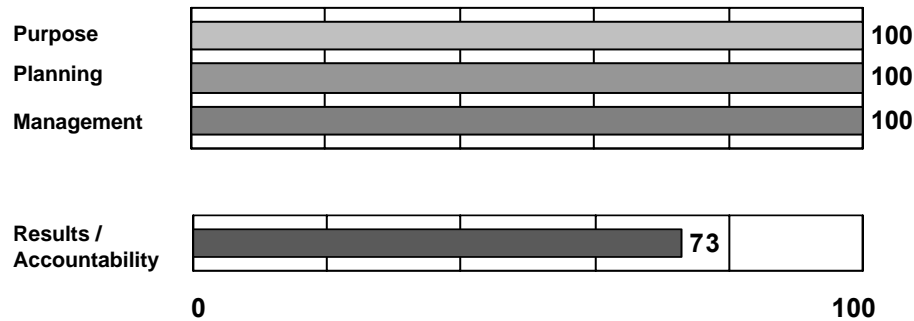
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
16	16	17



**Program:** *APHIS Plant and Animal Health Monitoring Programs*

**Agency:** *Department of Agriculture*

**Bureau:** *Animal and Plant Health Inspection Service*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Percentage of known significant pest introductions, i.e. those that cause severe economic and environmental damage, detected before they spread from the original area of colonization	2002	85%	85%
	2003	95%	
	2004	96%	
	2005	97%	
Long-term Measure: Number of States and Territories that meet animal health emergency preparedness standards	2002	5	5
	2003	30	
	2004	40	
	2005	42	
Annual Efficiency Measure: Measure Under Development			

**Rating:** *Effective*

**Program Type:** *Regulatory*

**Program Summary:**

The Animal and Plant Health Inspection Service (APHIS) has the overall responsibility to protect plant and animal resources from foreign and domestic pests and diseases. Its major programs are exclusion from the U.S., monitoring and surveillance, management (eradication and control) and scientific and technical services. APHIS' monitoring and surveillance programs respond to the need for rapid detection, analysis and reporting of diseases, including those with public health and food safety implications. Examples include the recent outbreaks of two diseases affecting poultry: Exotic Newcastle Disease and Low Pathogenic Avian Influenza. The program incorporates state level participation.

The assessment found the following:

- The program purpose and design were clear. It addresses a clearly defined problem. The program was also well managed.
- Resources are allocated to prepare and respond to plant and animal pest outbreaks, and support and coordinate State, tribal and local efforts.
- Annual and long term measures reflected program activities. They are chosen program analysts and managers as the best overall indicators of program effectiveness.
- The programs are striving for excellent scores, such as a 97% detection rate within the next three years.
- However, only two of the six measures in the overall program met their long term target.

In response to these findings, the Administration will:

1. Update the measures and accomplishments of this program.
2. Funding for FY 2005 is \$254 million, an increase of about \$80 million from the FY 2004 enacted. Increases are related to Agricultural Defense, and to respond to the discovery of a cow that was infected with BSE (bovine spongiform encephalopathy).
3. Add an additional efficiency measure, such as the average cost of an investigation.

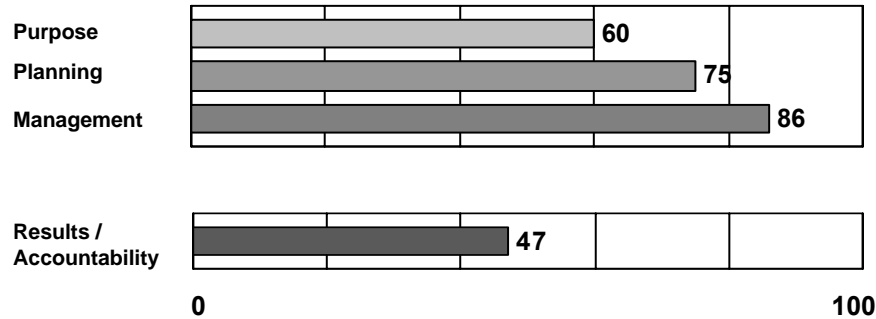
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
165	173	261

**Program: Bioenergy**

**Agency:** Department of Agriculture

**Bureau:** FSA-CCC



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Ethanol's share of total transportation fuel use and biodiesel's share of total diesel fuel use.	2006	0.875 % of total	ethanol
	2006	.375% of total	biodiesel
Annual Measure: Increase in production of biodiesel (million gallons)	2001	4	6.3
	2002	4	8.9
	2003	4	11.5
	2004	4	
Annual Measure: Increase in production of ethanol (million gallons)	2001	200	141
	2002	200	219
	2003	200	414
	2004	200	

**Rating: Adequate**

**Program Type:** Direct Federal

**Program Summary:**

The Commodity Credit Corporation (CCC) Bioenergy Program helps expand industrial consumption of agricultural commodities by promoting their use in the production of bioenergy (fuel grade ethanol and biodiesel). The program provides financial assistance by subsidizing part of the cost of bioenergy production.

The assessment found that the program serves a clear need in helping to reduce U.S. dependence on traditional energy sources and providing alternative markets for agricultural producers. However, the PART also found that the program is not optimally structured to address differences in bioenergy markets, and is in some ways redundant of other programs that share a similar purpose. Specific findings include:

1. Current market conditions for ethanol vary substantially from biodiesel. As a result, the program plays a large role in spurring biodiesel production increases whereas the program is not key in increasing ethanol production because the ethanol market is more mature with an established demand.
2. Other efforts have a greater impact on stimulating increased ethanol production--primarily tax credits, the proposed renewable fuels standard, and California's ban on MTBE. Moreover, this program is only one of a number that provides financial support to construct ethanol facilities (e.g., Business & Industry loans and other USDA grant programs as well as state incentives).
3. Better coordination with other U.S. Department of Agriculture (USDA) bioenergy-related programs is needed. Coordination efforts related to commercialization are substantially weaker than that for R&D activities.
4. The program made significant improvements in performance measurement. However, targets should be reassessed to make sure they are ambitious in light of available resources.

In response to these findings, the Administration will:

1. Ensure a sufficient level of support to growing biodiesel industry.
2. Increase collaboration and coordination between related programs.
3. Assess performance targets to ensure they are ambitious and reasonable.
4. Tie program performance to budget requests in the 2005 President's Budget.

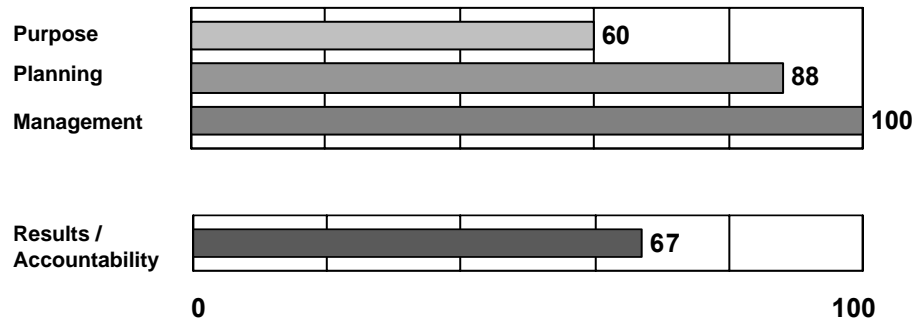
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
116	150	100

**Program:** CCC Marketing Loan Payments

**Agency:** Department of Agriculture

**Bureau:** Farm Services Agency



**Key Performance Measures**

**Year Target Actual**

Long-Term/Annual Measure: Percentage of gross farm income from government payments.	2000	New	9.47%
	2001	New	8.39%
	2002	New	5.15%
	2003	8.44%	
Annual Measure: Reduction in late penalty payments (%). FY 2002 Baseline: 2%; Targets FY03-FY05: 1.5%, 1.0%, 0.5%	2000	New	3.6%
	2001	New	4.09%
	2002	New	2%
	2003	2%	
Long-term Measure: Percentage of eligible commodity production placed under marketing assistance loan or loan deficiency payment	2000	85%	91%
	2001	75%	76%
	2002	82%	82%
	2003	82%	

**Rating:** Moderately Effective

**Program Type:** Direct Federal

**Program Summary:**

The commodity marketing assistance loan and loan deficiency payment (LDP) program purpose is two-fold. The purposes are: 1) facilitate the orderly marketing of major agricultural commodities by providing short-term financing; and 2) provide per-unit revenue support when market prices are relatively low. The commodities for which this program is statutorily mandated are: wheat, feed grains, cotton, rice, oilseeds, peanuts, honey, wool, mohair, and pulses.

As statutorily mandated, the marketing assistance loan and LDP program is targeted at providing support on production of relevant marketing assistance loan commodities. For producers with eligible production of one or more of these commodities, the program has, for the most part, effectively provided per-unit revenue support on realized production. Specific findings include:

1. The program provides the same level of support (on a per unit basis) to all producers, regardless of financial need.
2. Marketing loans provide support to producers of major field crops, but do not provide a safety net to producers of other crops that may need assistance.
3. Commodity certificate redemption and nonrecourse forfeiture provision allow producers to exceed their payment limits.

Because this is a mandatory program, it is difficult to address program weaknesses through the budget process. The PART affirmed limitations of the marketing loan program, many of which will have to be dealt with legislatively. In response to the PART findings, the Administration suggests:

1. That the House and Senate Agriculture Committees examine the issue of payment limits for marketing loan and LDP gains and how they could be tightened.
2. More frequent external audits of program effectiveness ought to be conducted.
3. Discrepancies between county offices in the delivery of services to producers should be addressed.

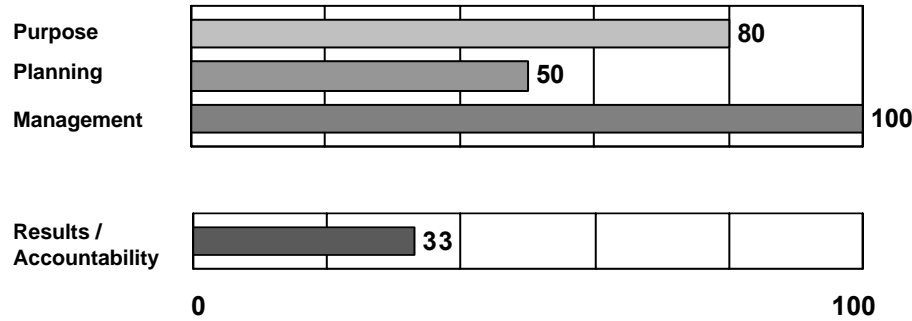
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
4,999	2,701	2,954

**Program:** *Community Facilities Program*

**Agency:** *Department of Agriculture*

**Bureau:** *Rural Housing Service*



**Key Performance Measures**

**Year Target Actual**

Annual Measure: millions of rural residents served by community facilities financed by the Rural Housing Service	2002		6.8
	2003	6.8	
	2004	7.5	
	2005	10	
Annual Measure: # of public safety, educational, and health care facilities financed	2002		570
	2003	570	
	2004	600	
	2005	800	
Annual Measure: Percentage of loans in delinquency	2002	2%	2%
	2003	2%	
	2004	2%	
	2005	2%	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Credit*

**Program Summary:**

The Community Facilities Direct Loan program provides assistance for essential facilities to rural communities that are unable to provide basic services to their residents and have difficulty financing infrastructure projects. The program is targeted to low-income rural communities with populations less than 20,000. Loans are available to public entities such as municipalities, counties, non-profit corporations, and tribal governments for facilities that include schools, health facilities, fire department buildings and trucks, and day care centers.

The assessment found that program objectives serve a clear purpose of improving the quality of life in rural America. However, the program lacks performance measures and program evaluations that assess whether the Agency is achieving desired long-term outcomes. Specific findings include:

1. Long-term performance measures that identify the need or gap being addressed should be developed. Furthermore, while annual measures support the long-term goal of the program to enhance the quality of life in rural America, they do not assess the extent to which those with the greatest need are benefiting from the program.
2. The program could benefit from evaluations that focus on the achievement of desired outcomes.
3. The program has achieved increased efficiency through greater outreach efforts and leveraging other funding sources.
4. Budget requests do not yet tie to the accomplishment of goals.

In response to these findings, the Administration will:

1. Develop a long-term measure during FY 2004 that measures outcomes.
2. Consider revising annual measures to more directly link to decisions on how the agency manages the funds it receives.
3. Conduct program evaluation to assess the needs being addressed, populations served, and the effectiveness of outreach efforts.
4. Develop an efficiency measure such as "cost per loan processed" to track administrative expenses and allow comparison among loan programs.
5. Tie program performance to budget requests in the 2005 President's Budget.

[Funding below represents the discretionary program level (grant BA and loan level combined) for this program].

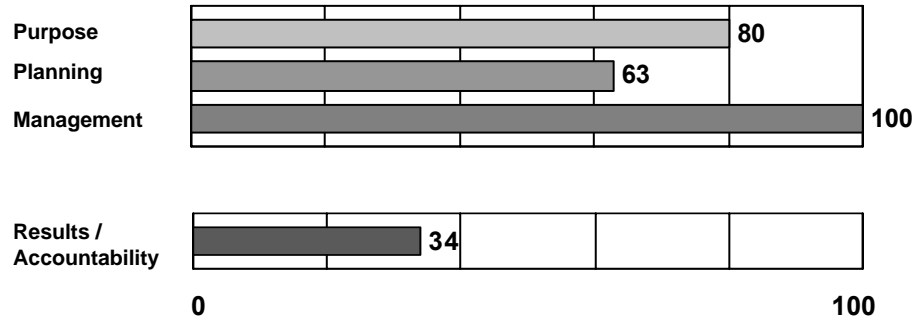
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
489	508	527

**Program:** Conservation Technical Assistance

**Agency:** Department of Agriculture

**Bureau:** Natural Resources Conservation Service



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Erosion Reduction Applied On Cropland (in thousands of acres)	2002	3,177	3,390
	2003	3,390	
	2004	3,221	
	2005	3,100	
Annual Measure: Nutrient Management Applied (in thousands of acres)	2002	2,195	2,674
	2003	2,674	
	2004	2,540	
	2005	2,054	

**Rating:** Results Not Demonstrated

**Program Type:** Direct Federal

**Program Summary:**

The Natural Resources Conservation Services (NRCS) uses Conservation Technical Assistance (CTA) to pay for technical assistance to assist agricultural producers with conserving natural resources. Technical assistance includes planning assistance to farmers and ranchers to install conservation measures on their operations. The CTA also supports NRCS's management activities, resource assessments at the local and regional levels, conservation technology development, and conservation standards development.

The assessment found that CTA pays for NRCS field staff to work in conjunction with state and local units of government to address resource concerns that are identified at the local level. However, improvements are needed in how CTA reports its activities and tracks its accomplishments. Specific findings include:

1. The budget does not have adequate transparency. It funds a number of activities beyond field-level technical assistance and it is difficult to track and connect the budget requests with agency performance and results.
2. The lack of budgetary transparency makes it difficult to determine whether the account's resources are effectively prioritized and targeted.
3. The CTA has difficulty developing a concise list of long-term measures for the PART exercise because it funds many activities beyond providing field-level technical assistance. The performance of many of these activities is not reported.

In response to these findings, NRCS will:

1. Develop long-term performance measures for CTA that include outcome-based measures and goals.
2. Develop efficiency measures for CTA.
3. Improve the annual measures to better reflect the variety of activities funded by CTA beyond the field-level technical assistance provided to producers.

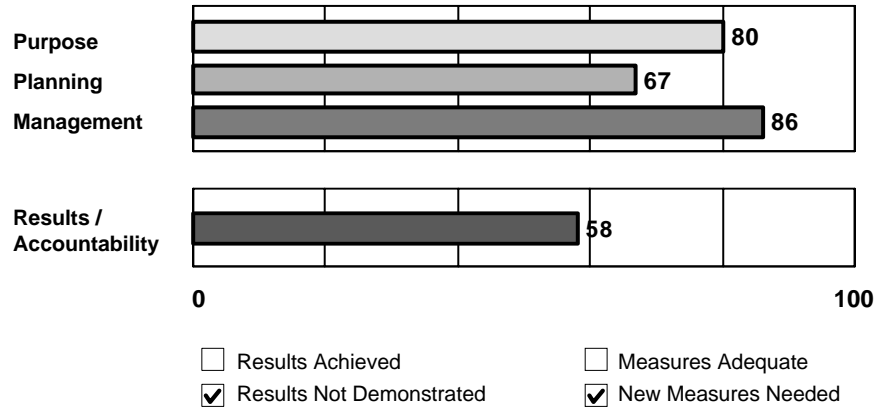
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
663	694	560

## Program: Crop Insurance

Agency: Department of Agriculture

Bureau: Risk Management Agency



### Key Performance Measures

### Year Target Actual

Measure	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Percent Participation (percent of planted acres of principal crops as reported by NASS that are insured)	2000	71.5%	76.5%
	2001	69.9%	77%
	2002	77.7%	80%
Efficiency Measure: Measure under development			

**\*Rating: Results Not Demonstrated**

Program Type Direct Federal

### Program Summary:

This program provides crop insurance for farmers for approximately 88 crops and other farm commodities. Farmers can purchase insurance at below-market rates and be reimbursed for losses due to bad weather and other natural causes. Price declines are also covered for some crops. The amount of coverage that may be purchased ranges from 50% to 75% of crop value and, in some cases as much as 85%. Farmers pay premiums for loss coverage to private insurance companies and the companies, in turn, pay the claims filed by farmers. The companies send the farmers' premiums to USDA, and USDA uses those payments to offset the portion of the claims that they are responsible for, which they pay to the private insurance companies.

The PART found that:

1. The program's purpose is clear.
2. Additional planning and performance measurement is needed. The program cannot yet demonstrate the extent of its impact on farm income or in reducing dependence on other government support programs.
3. The management of this program is relatively good. It includes a close partnership with the crop insurance companies. Participation information, such as policies sold, liability, acres, and premiums are provided on a daily basis at a producer level by the companies. The data is crucial to the formulation of the strategic plan.
4. There are still commodities that do not have policies in place to allow for any risk management.

The Administration will:

1. Establish adequate long-term and short-term measures and goals, and
2. Identify improvements in the program that will get it closer to becoming a complete risk management tool for the agriculture sector, such as developing a successful livestock crop insurance plan.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

[Funding changes from year to year are a result of differences in claims on crop insurance policies due to crop losses and below market revenue from crop sales. The Government does not set a limit on this funding.]

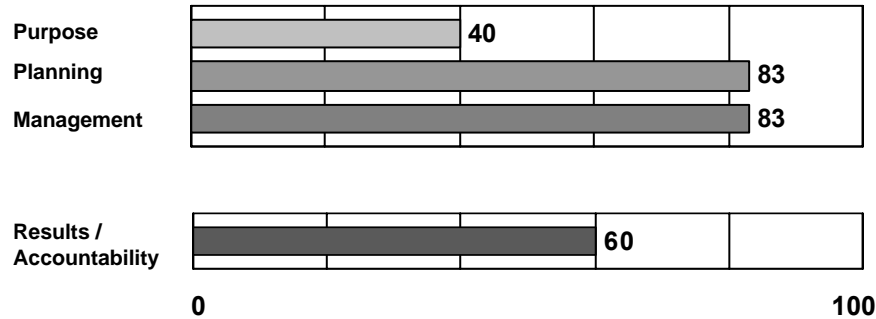
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Direct Crop Payments

**Agency:** Department of Agriculture

**Bureau:** Farm Service Agency



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Percentage of gross farm income from government payments (%)	2003		8.44%
	2004	7.26%	
	2005	6.08%	
Annual Measure: Reduction in erroneous payments (%)	2003	0.05%	<.05%
	2004	0.05%	
	2005	0.05%	

**Rating:** Adequate

**Program Type:** Direct Federal

**Program Summary:**

(This PART was originally conducted for the 2004 Budget.)

This program provides direct payments (cash) to eligible crop farmers. Roughly 41 percent of farms receive direct payments. Of farms receiving payments, the average farm receives about \$17,319 per year. Farmers receive these payments regardless of the type of program crop or the amount of crop they grow. Payments are based on historical production of program crops. This program does not include crop specific price supports, which also support farmer income.

The following conclusions and suggestions are based on findings of the PART review:

1. The purpose of the program is clear; however the design could be improved. Direct payments are designed as part of a safety-net for farmers; however they are going to about 41 percent of all farmers, 85 percent of which have annual sales of at least \$50,000.
2. The program management has devised performance goals that are designed to improve the delivery of the program.
3. The program is generally well managed.
4. Outside sources have reviewed the program and determined that it has provided support in maintaining farm income, but has not been effective in reducing the need for government subsidies.

Because this is a mandatory program, it is difficult to address program weaknesses through the budget process. The limitations of the direct payment program will have to be dealt with legislatively. In response to PART findings, the Administration will reduce trade barriers through trade negotiations, to create new markets for U.S. agricultural exports, so that farmers will be less reliant on government income support.

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

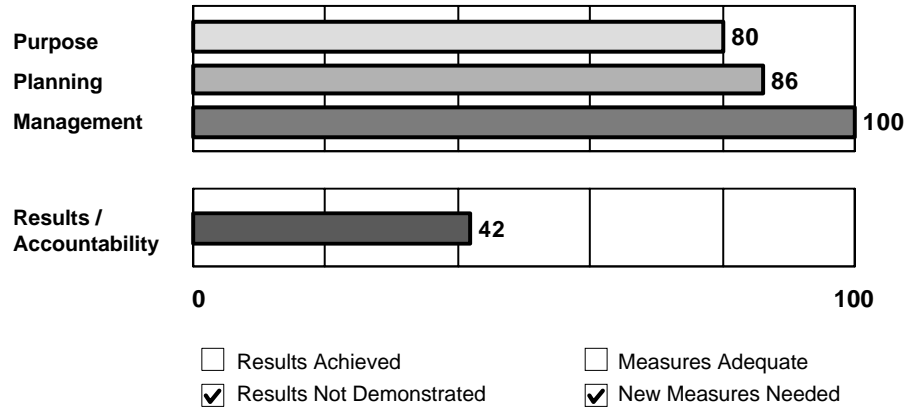
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
4,151	5,375	5,284



**Program: Farmland Protection Program**

**Agency:** Department of Agriculture

**Bureau:** Natural Resources Conservation Service



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: 1.2 million acres of conservation easements on agricultural land by 2007	2001	34,000	34,900
	2002	100,503	
	2003	201,005	
	2004	251,256	
Efficiency Measure: Measure under development			

**\*Rating: Results Not Demonstrated**

**Program Type** Competitive Grants

**Program Summary:**

The Farmland Protection Program (FPP) protects farm and ranch land from development by providing matching funds to states, local governments, and non-governmental organizations to purchase conservation easements. Grants can also be used to purchase easements to protect historical or archaeological resources. The 2002 farm bill provided FPP annual mandatory funding, increasing from \$50 million in 2002 to \$112 million in 2004.

Overall, the program is administered in an effective manner. The program prioritizes applications at the state level and selects the best projects for protecting important agricultural lands from development. The program does not, however, have outcome-based annual or long-term performance measures. Thus, the program cannot demonstrate it is delivering results. In addition, independent and quality reviews of FPP had not yet been conducted.

The review supports a number of recommendations. Natural Resources Conservation Service (NRCS) promulgated revised regulations for FPP in the late summer and, based upon the findings of the PART, the Administration added language to the rule to strengthen the program's design. Specifically, the program will now require an analysis of a particular project's strategic contribution towards conservation of agricultural land and influence on urban development in a geographic area. In the past, USDA did not specifically consider how a given project worked with other land protection efforts or how a single project integrates within a conservation strategic plan.

Other recommendations based on the assessment include:

1. The Department has contracted with outside research groups, such as American Farmland Trust and several universities, to develop improved performance measures that are outcome based. The results of these studies are due in early 2003.
2. The Administration recommends increasing NRCS's discretionary appropriation in 2004 to design and implement an evaluation system that will provide outcome performance indicators for farm conservation programs, such as FPP.

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

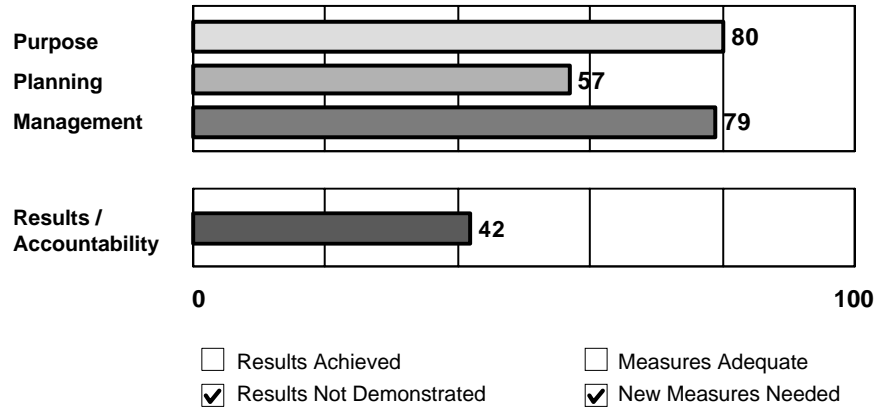
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program: Food Aid Programs**

**Agency:** Department of Agriculture

**Bureau:** Foreign Agricultural Service



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

**\*Rating:** Results Not Demonstrated

**Program Type** Mixed

**Program Summary:**

The United States continues to be the largest donor nation to food relief organizations worldwide. USDA food assistance programs help to feed over 10 million people in 50-80 countries each year in an effort to avert famine and offset food deficiencies. These programs include: P.L. 480 Title I, 416(b), Food for Progress (FFP), and the Bill Emerson Humanitarian Trust. Global Food for Education was not covered in this PART.

The assessment found that USDA needs to develop performance measures that link to the long-term outcome goals of food security. While this assessment was based largely on existing measures, these measures do not adequately demonstrate results. New measures will be developed. Other findings include:

1. USDA is unique in administering food aid on credit terms and focusing on government to government donations.
2. USDA has made investments and implemented improvements in their business practices and food aid delivery systems. USDA has planned additional management process improvements that will improve database integration, training, monitoring and prescreening processes.
3. Performance measures need to be developed that are tied to strategic goals and linked to the budget. Current performance measures, such as the number of food aid agreements signed annually, and the level of funding, are inadequate to measure progress towards achieving strategic goals.
4. Coordination is lacking with the U.S. Agency for International Development (USAID) for common performance measures since the programs have similar goals.

To address these findings, USDA will administer the food aid programs in a manner that will:

1. Limit duplication and inconsistent program implementation between USDA and USAID and make more efficient use of US food aid resources through implementation of the President's Management Agenda. The PART affirmed the need for USDA and USAID to coordinate on program performance measures, program evaluation and monitoring, and eligibility criteria.
2. Fund the programs at a level that is consistent with the 2003 Budget, reflecting the Administration's management reform goals. The PART helped identify the need to develop a strategy to replenish the Bill Emerson Humanitarian Trust to ensure the long-term availability of commodities for emergency food assistance.

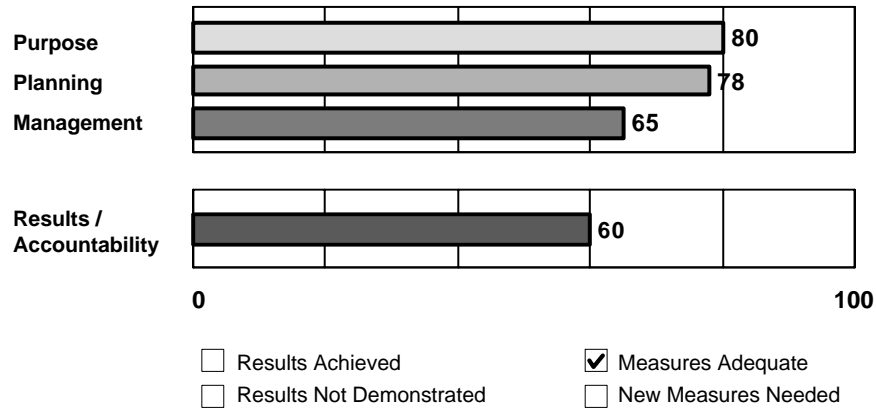
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Food Safety and Inspection Service**

**Agency:** Department of Agriculture

**Bureau:** Food Safety and Inspection Service



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Reduction in the prevalence of foodborne illness from meat, poultry and egg products In 1997 there were 76 million illnesses related to foodborne hazards.	2000		21%
	2001		23%
	2005	25%	
Annual Measure: The prevalence of Salmonella on raw meat and poultry products as illustrated by: Prevalence of Salmonella on ground beef (%)	2001	3.5	2.6
	2002	3.5	
	2003	3.5	
Annual Measure: Percentage of ready-to-eat meat and poultry products testing positive for Listeria monocytogenes (Listeria is a common bacteria that when ingested can cause flu-like symptoms. The bacteria can result in miscarriages and stillbirths.)	2001	1.43	1.26
	2002	1.4	
	2003	1.34	

**\*Rating:** Adequate

**Program Type** Regulatory

**Program Summary:**

The mission of the Food Safety and Inspection Service (FSIS) is to ensure that the Nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and accurately labeled and packaged.

The assessment found that FSIS' purpose and planning rated high because it has a clear and significant role in protecting the Nation's food supply. In addition, this program's outcome goals meaningfully reflect the purpose of this program. However, FSIS received lower scores in management and accountability. Even though, over the last few years, FSIS has undertaken several initiatives to improve resource management efficiencies and cost effectiveness, FSIS still does not have tangible incentives or procedures in place to measure cost effectiveness. FSIS has experienced financial management problems for which efforts are underway to resolve. In addition, the assessment found:

1. The program has been effective in reducing incidences of food borne illness. However, the program is not optimally designed to address food safety, resulting in lower program result scores.

2. Implementation of a new risk-based inspection system should be further evaluated to determine whether it would help FSIS meet their strategic and performance goals and should improve efficiencies and cost effectiveness.

To address these findings, FSIS will evaluate the impact of implementing a risk-based inspection system beyond the current pilot program.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

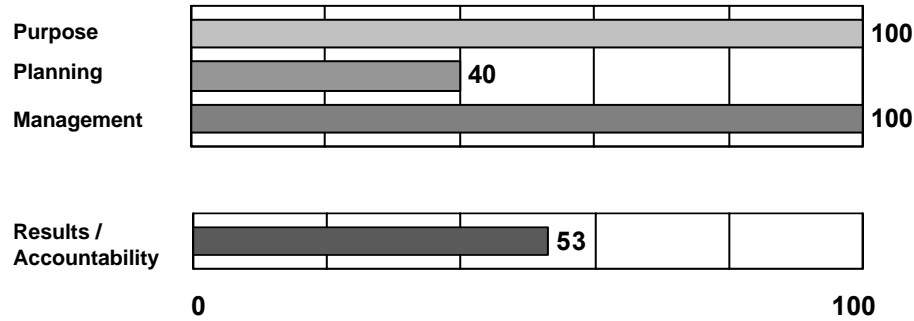
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Food Safety Research

**Agency:** Department of Agriculture

**Bureau:** Agricultural Research Service



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure Under Development			
Annual Measure: Measure Under Development			

**Rating:** Results Not Demonstrated

**Program Type:** Research and Development

**Program Summary:**

The Agricultural Research Service (ARS) of the Department of Agriculture is responsible for carrying out research using USDA scientists. One of ARS' major program areas is food safety, both pre-harvest and post-harvest. The overall mission of the ARS national food safety program is to provide the tools to ensure that the food supply is safe for consumers, and that food and feed meet foreign and domestic regulatory standards. This can be accomplished by decreasing the hazards of introduced and naturally occurring toxic agents, such as pathogenic bacteria, viruses and parasites and chemical contaminants. USDA estimates that there are 76 million cases of food borne illnesses, with 5,000 deaths annually, and an annual cost due to lost productivity and medical expenses ranging from \$6.5 billion to \$34.9 billion.

The PART analysis shows that:

- The program purposes and design are clear. The program is well managed.
- Long term and annual measures, with ambitious targets have to be formulated that tie closely with overall Department long term goals.
- The Department also needs to develop a few quantifiable annual measures. While this is difficult in the R&D area, where annual results cannot be guaranteed, one possibility is the use of the research and development criteria, which measure the relevance and quality of research.

In response to these findings, the Administration has the following recommendations:

1. USDA will develop a minimum of three long term measures, at least one of which directly relates to the Department's long term food safety strategy and performance plan.
2. USDA will develop a minimum of two quantifiable annual measures, at least one of which is related to the research and development criteria.
3. The Budget includes \$106 million in funding for this program. Increases are provided for programs related to homeland security.

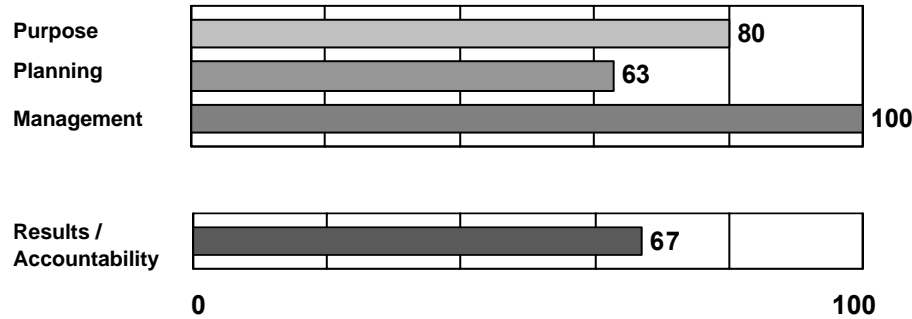
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
95	97	106

**Program:** Food Stamp Program

**Agency:** Department of Agriculture

**Bureau:** Food and Nutrition Service



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term/annual Measure: Percent of eligible individuals who participate in food stamps	2001		61.6%
	2004	64.0%	
	2005	65.3%	
	2006	66.7%	
Long-term/annual Efficiency Measure: Combined food stamp payment error rate (overissuance plus underissuance)	2002	8.7%	8.3%
	2003	8.5%	
	2004	7.8%	
	2005	7.4%	

**Rating:** Moderately Effective

**Program Type:** Block / Formula Grant

**Program Summary:**

The Food Stamp Program alleviates hunger and malnutrition among low-income individuals by providing eligible households coupons or electronic benefits redeemable for food at retail stores. In addition to food stamp benefits, the program supports State-administered nutrition education and employment and training assistance for food stamp recipients.

The assessment found:

- Food stamp benefits are well targeted to intended beneficiaries and virtually always spent for their intended purpose.
- The program achieves its annual performance goals to increase program participation and reduce payment error.
- The program is better designed to reduce hunger and malnutrition related to inadequate income, than to achieve further incremental improvements in the dietary status of low income people.
- The program has been shown to increase food expenditures among program participants and the availability of nutrients in the home food supply. However, evidence that participation reduces hunger and increases nutrient intake is not conclusive, partly the result of limitations in measurement techniques.

In response to these findings:

1. By March 2004, the Department will develop a plan for the use of Federal and state program funds to improve nutrition among program participants. The plan will include clear goals, quantifiable outcomes, and specific actions to be undertaken that directly tie to the achievement of the specified outcomes. The plan will also provide for review, assessment and recommendations to improve the effectiveness of current Federal and state activities.
2. Beginning in 2004, the Department will develop studies to demonstrate the impact of program participation on hunger and dietary status.

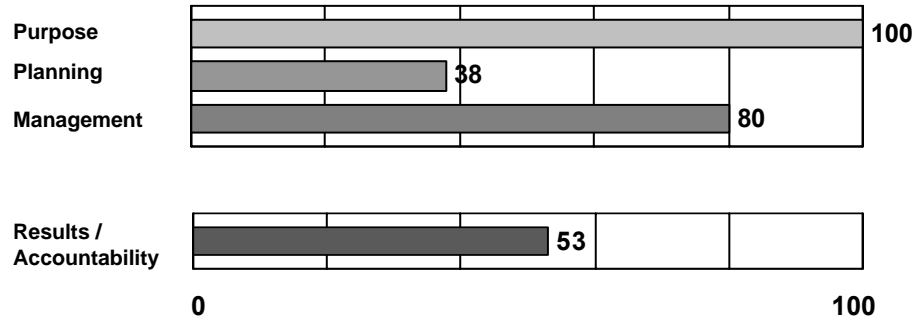
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
23,653	27,293	28,917

**Program:** Forest Legacy Program (FLP)

**Agency:** Department of Agriculture

**Bureau:** Forest Service



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Annual Measure: Forest Legacy Priority Acres Protected	2001	200000	84709
	2002	200000	57009
	2003	250000	
	2004	300000	
Long-term Measure: Extent of Forest Parcelization Prevented (under development)			
Annual Efficiency Measure: Cost Per Acre (under development)			

**Rating:** Results Not Demonstrated

**Program Type:** Competitive Grant

**Program Summary:**

The Forest Legacy program identifies and protects environmentally important private forestlands that are threatened by conversion to nonforest uses. Land acquisition is conducted using conservation easements and full fee purchase to protect important scenic, cultural, fish, wildlife and recreation resources, riparian areas and other ecological values.

The assessment found that the program is valuable and generally has strong management. Its effectiveness could improve with the adoption of adequate performance measures that could track the percentage of priority forest lands at risk of conversion to non-forest uses that are maintained in contiguous forest. Additional findings include:

1. Recent evaluations and program redesign have led to improvements; however work is needed to develop suitable performance goals and demonstrate results.
2. The program has instituted a project selection process criterion that focuses on the readiness of projects.

In response to these findings, the Administration will:

1. Complete a strategic plan that will articulate national goals, objectives, outcome-based performance measures and identifies issues and trends affecting forests in regions across the country.
2. Improve the link between the budget and strategic plans, and reassess funding distribution to ensure proper alignment.
3. Develop efficiency measures and program direction that targets the maintenance of working forests and the use of appraisals, signed options, and monitoring protocols in making project selections.
4. Implement safeguards that protect taxpayer interests, including minimizing potential conflicts of interests with non-governmental grant recipients and precluding the use of other federal funds or loans by recipients in matching program investments.

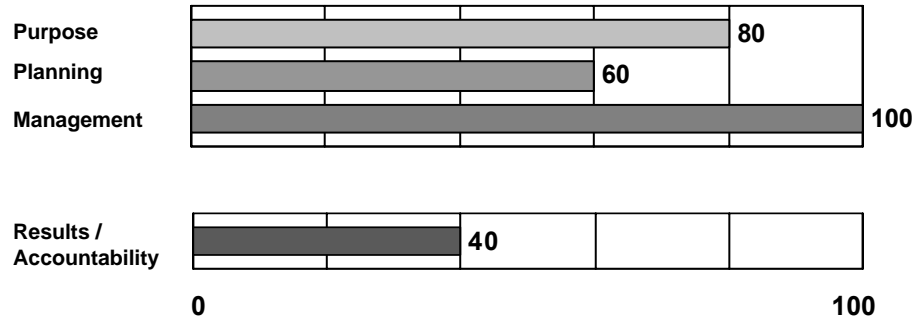
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
68	64	100

**Program:** *Forestry Research Grants*

**Agency:** *Department of Agriculture*

**Bureau:** *CSREES*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Measure Under Development	2003	Develop process	
	2004	Develop baseline	
	2009	Meets expect.	
Long-term Measure: Percentage increase in forest management plans by non-industrial private forest owners. Data are collected on a periodic basis only. Annual targets are determined based on actual data and projections, but can only be measured periodically.	2002	5	5
	2003	6	
	2004	7	
	2005	8	
Long-term Measure: Percent increase in private forest land marketable fiber production and harvest. Data are collected on a periodic basis only. Annual targets are determined based on actual data and projections, but can only be measured periodically.	2002	47%	
	2003	49%	
	2004	49%	
	2005	50%	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The McIntire-Stennis program, which is operated by the Department of Agriculture's Cooperative State Research, Education and Extension Service (CSREES), provides research formula grants to schools of forestry. The program addresses a number of issues, such as reforestation and management of land for crop production, management of forests and related waterways to protect against floods and erosion, management for outdoor recreation, protection against fire and pests, and the utilization of wood and other forest products. The States design their projects based on the existing specific needs of their local or regional areas.

The assessment found the following:

- The mandate that the program be funded through formula grants may not be the most effective way of allocating resources. Other ways, such as competitive grants may be more effective in targeting resources to get the greatest overall effect. This would require a change in authorizing legislation.
- CSREES needs to develop more effective annual measures for this program, including targets that are ambitious. Even though research may often take several years to achieve results, and results are not guaranteed, targets against which to measure progress need to be developed.
- The program collects information on a timely basis for use by management, and maintains close contact with partners on a routine basis.

In response to these finding, the Administration will:

1. Consider an alternative way of delivering benefits for this program.
2. Develop at least two annual measures, one of which is based on the research and development criteria. An example could be: "The percentage of funded projects that outside peer review determines to meet the research and development criteria."

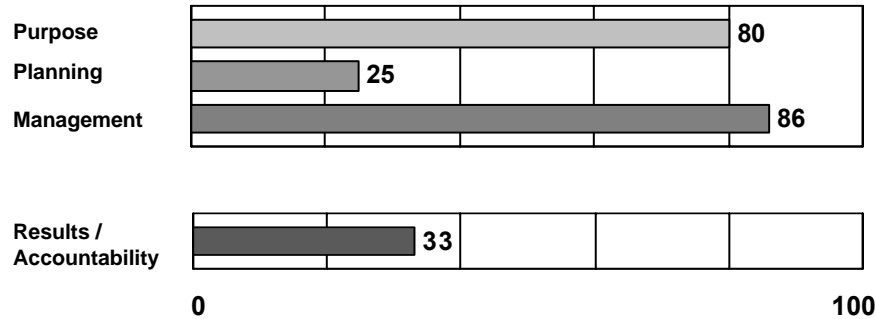
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
22	22	22

**Program:** Land Acquisition

**Agency:** Department of Agriculture

**Bureau:** Forest Service



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Priority Acres Acquired	2002	67,820	42,817
	2003	63,115	
	2004	15,500	
Long-term Measure: Measure Under Development			
Annual Efficiency Measure: Measure Under Development			

**Rating:** Results Not Demonstrated

**Program Type:** Direct Federal

**Program Summary:**

The purpose of the Land Acquisition program is to assist in: preserving, developing, and assuring accessibility to National Forests; providing outdoor recreation resources; and protecting wildlife and watersheds through the purchase of lands and interests in lands.

The assessment found that the Forest Service Land Acquisition program generally has good accountability, program consistency, staffing, and appraisal valuations. Although the program has taken steps to address some non-strategic planning deficiencies through amended Forest Plans and the Land Acquisition Priority System (LAPS), additional outcome measures are needed that focus on assessing the extent to which the land acquisition program is protecting public benefits provided by acquisitions of private lands for national forests to address program purposes. Additional findings include:

1. Although lands are acquired at market value meeting certain criteria, the program lacks meaningful national programmatic priorities that would provide optimal reduction of the government's current and future costs. Rather, emphasis is placed on supporting individual forest plans.
2. The agency has not implemented program unit cost comparisons, such as total cost/acre acquired, as an efficiency measure, nor has it explored other potentially beneficial measures, such as timing targets or personnel cost/acre acquired.

In response to these findings, the Administration will:

1. Establish annual performance measures that indicate how land acquisitions advance in a measurable way agency strategic plan milestones.
2. Establish relevant and meaningful efficiency measures.
3. Establish processes that provide analyses of integrated spatial data sets on land management units, ecoregions, conservation lands, land cover, and species to identify gaps or needs that in turn highlight priority areas in need of habitat, ecosystems, and biodiversity protection. These analyses will provide information on public benefits provided by acquisitions of private lands for Federal ownership and identify what lands the Federal agency could optimally target for land acquisition.
4. Measure Federal administrative efficiencies associated with third parties purchasing non-Federal lands and placing them in trust prior to Federal purchase.

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

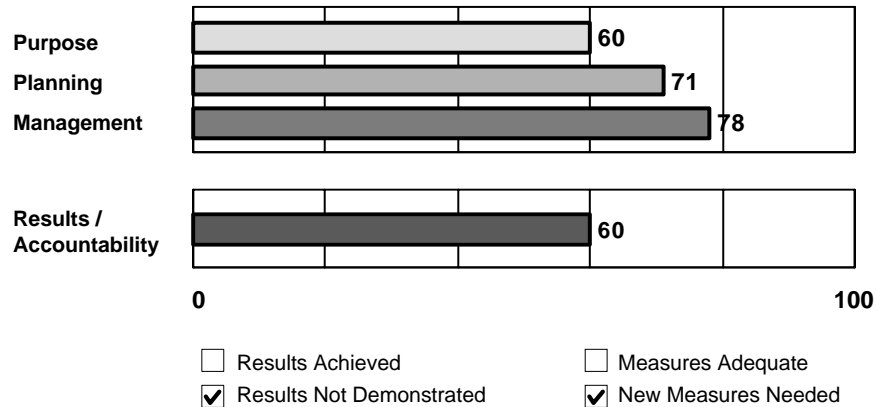
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
133	67	67



**Program:** Multifamily Housing Direct Loans and Rental Assistance

**Agency:** Department of Agriculture

**Bureau:** Rural Housing Service



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of new and rehabilitated units provided	2000	5,181	6,616
	2001	4,830	7,089
	2002	7,200	7,284
	2003	5,800	
Annual Measure: Number of households able to continue receiving rental assistance because of a renewed contract agreement	2000	41,800	38,489
	2001	42,800	39,159
	2002	42,330	39,454
	2003	42,330	

**\*Rating:** Results Not Demonstrated

**Program Type** Mixed

**Program Summary:**

USDA's multifamily housing programs provide: (1) loans for construction of facilities, and (2) rental assistance. USDA generally lends to private developers, financing both the construction and rehabilitation of rural rental housing for very low-income, elderly, and handicapped rural residents. The loans are subsidized down to 1% to ensure that the overall operating costs remain low, so that the property will be affordable to low-income rural residents. Additionally, rental assistance grants are provided in 5-year contracts to owners of USDA-financed rural multifamily housing projects. The funding allows the owners to 'buy down' the rent of very low-income tenants, so that the tenants pay no more than 30% of their income for housing.

The assessment found that the multifamily housing programs are generally well-run. Other PART findings include:

1. Although the program achieves what it was designed to do, it is inefficient in that funds needed to show an effect on the problem to the economy as a whole would be prohibitively expensive.
2. USDA collects data and uses this data in its management of the program effectively.
3. The annual performance measures adequately guide the agency.
4. The long-term goal needs to be more strategic and focused.

The Administration will:

1. Improve and develop better annual goals. Even though the multifamily housing program is currently achieving its annual goals, it can create additional measurements that directly tie to its decisions on how to manage the funds they receive.
2. Develop adequate long-term goals that measure outcomes.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** *National Forest Improvement and Maintenance*

**Agency:** *Department of Agriculture*

**Bureau:** *Forest Service*

**Rating:** *Adequate*

**Program Type:** *Capital Assets and Service Acquisition*

**Program Summary:**

(This PART was originally conducted for the 2004 Budget.)

This program improves, maintains, and operates facilities, roads, and trails in the National Forest.

The program serves a clear and important purpose. The roads and trails accommodate millions of visitors annually. However, the PART evaluation highlighted a number of obstacles the program faces in meeting its long-term goals. Specific findings include:

1. The program is relatively well managed. The Forest Service has made significant strides in collecting performance information and establishing reporting protocols that distinguish between critical and non-critical health and safety deficiencies. However, financial management still needs improvement as the Forest Service has had difficulty collecting timely, reliable, and complete financial data on its physical assets.
2. The program scored low on the results section. The program has a significant deferred maintenance backlog (estimated at \$13 billion) and the Forest Service has been unable to demonstrate that it can maintain its current infrastructure needs.
3. The program has improved performance measures and is now using a Facilities Condition Index (FCI) to assess physical infrastructure and prioritize funding needs.

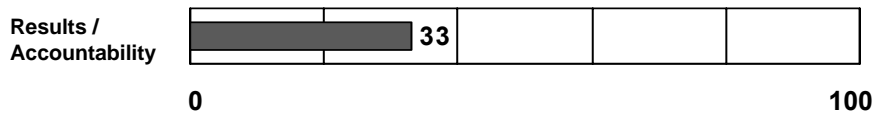
In response to PART findings, the Administration will:

1. Continue to improve the maintenance prioritization process and increase incentives aimed at decommissioning obsolete and underutilized infrastructure.
2. Target \$10 million for deferred maintenance, focusing on the projects that have the highest priority as measured by the improvement in the FCI.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
548	559	505

Purpose				80
Planning				80
Management				80



**Key Performance Measures**

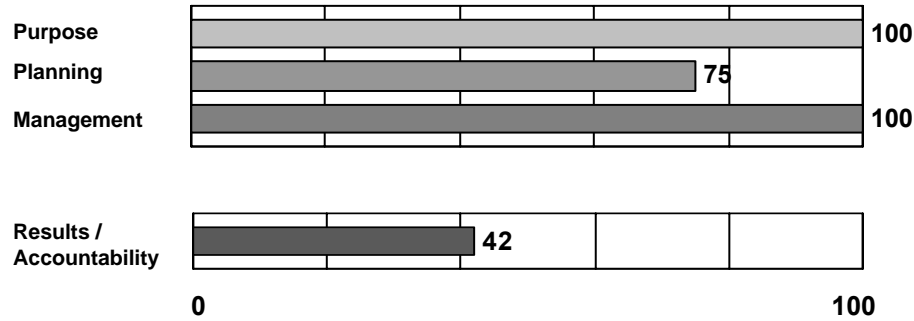
**Year Target Actual**

Long-term Measure: Facilities Condition Index (a ratio of the cost of remedying maintenance deficiencies to the current replacement value, commonly used by private firms to monitor condition of facilities)	2003	0.87	0.87
	2004	0.87	
	2005	0.87	
Annual Measure: Miles of road reconstruction and capital improvement	2003	24,579	24,579
	2004	28,965	
	2005	35,080	
Annual Measure: Miles of trail maintained to standard	2003	26,301	26,301
	2004	25,592	

**Program:** *National Resources Inventory*

**Agency:** *Department of Agriculture*

**Bureau:** *Natural Resources Conservation Service*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Percent of 73,576 Primary Sampling Units collected by deadline.	2001	100	82
	2002	100	98
	2003	100	
	2004	100	
Annual Measure: Percent of samples that have passed data quality standards by collection deadline.	2001	95	
	2002	95	85
	2003	95	
	2004	95	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The Natural Resources Conservation Service (NRCS) operates the National Resources Inventory (NRI), which is a statistically-based survey that assesses land use and natural resource conditions on non-federal lands in the United States.

The assessment found that the NRI:

1. Is one of the Federal Government's primary sources of information on the status, condition, and trends of soil, water, and related resources in the United States.
2. Provides the basis for specific measures and objectives in the overall NRCS strategic plan.
3. NRCS designed the program well and effectively manages the NRI's data gathering, assessment, and information sharing.
4. Uses independent evaluations to assure the quality of the NRI's data collection and made improvements to the program's operations based on these reviews. The NRI incorporates the findings from these reviews into its 1-, 2-, and 5-year management plans.

Improvements are needed, however, in the NRI's long-term performance measures. The current annual measures report on the timeliness and quality of NRI's data collection, but NRI does not use outcome-based long-term measures to assess the program's performance and efficiency.

Based on these findings, NRCS will:

1. Develop long-term performance measures and set ambitious targets for the measures.
2. Develop NRI efficiency measures.

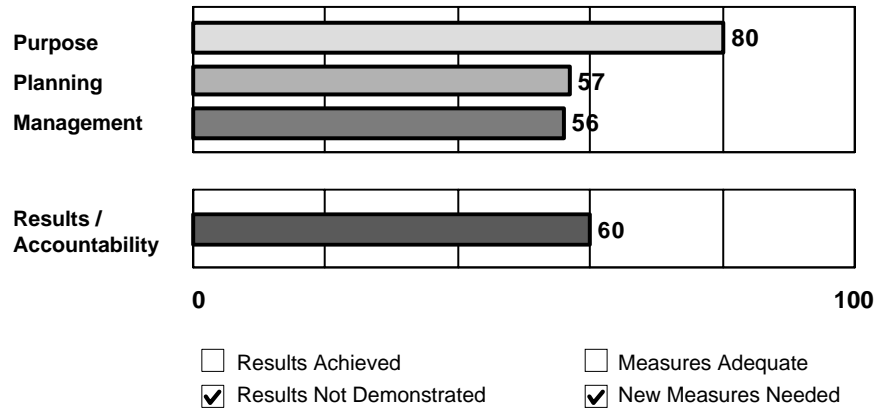
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
29	29	22

**Program:** National School Lunch

**Agency:** Department of Agriculture

**Bureau:** Food and Nutrition Service



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percentage of calories from fat and saturated fat	1993		38% 15%
	1999		32% 12%
	2003		
	2005	<=30% <=10%	
Annual Measure: Percentage of schools in compliance with meal claiming rules	2000		86.8
	2001	87	
	2002	87	
	2003	87	
Annual Measure: Other annual measures under development	2000		
	2001		
	2002		
	2003		

**\*Rating:** Results Not Demonstrated

**Program Type** Block / Formula Grants

**Program Summary:**

The National School Lunch Program provides funds to states for lunches served to children in schools. Meals are reimbursed at rates that vary by household income. Children below 130% of poverty receive free meals. While the assessment was based largely on existing measures, these measures do not adequately demonstrate results. New measures will be developed as a result.

The assessment found:

1. The program is generally well designed and has a clear purpose, however, a large proportion of children certified for free and reduced price meal benefits are from households with incomes above the programs's eligibility thresholds.
2. While the principal long term goal of the program, serving meals that meet the dietary guidelines, is ambitious, the annual performance measures are not well linked to the long term goal; participating schools do not report on progress towards goals and program funding does not reward schools that meet program goals.
3. There is a high rate of erroneous payments-- perhaps as high as 25%.
4. The program achieves long-term goals to a large extent and compares favorably with other programs with similar purposes and goals. However, annual goals do not directly support long-term goals.

Based on these findings, the Department will:

1. Create a system to improve the accuracy of income information submitted by households at the time of application to address the high rate of erroneous payments in the program.
2. Create a performance-based reimbursement system that provides for financial incentives for meals meeting the dietary guidelines.
3. Develop performance measures that meet the long-term goals.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

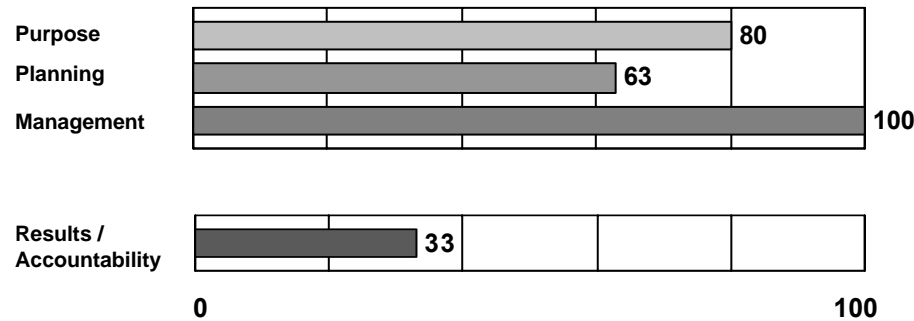
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Pesticide Data / Microbiological Data Programs*

**Agency:** *Department of Agriculture*

**Bureau:** *Agricultural Marketing Service*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Number of samples analyzed (average of the PDP/MDP programs).	2002	21,245	23,157
	2003	22,500	
	2004	22,500	
	2005	22,500	
Long-term Measure: Percentage of pesticide residue data on targeted food commodities provided to EPA in accordance with established timetables and timeframes for pesticide tolerance reassessment.	2002	10	0
	2003	30	
	2004	50	
	2005	70	
Annual Efficiency Measure: Cost per test (in dollars)	2002	9.36	

**Rating:** *Adequate*

**Program Type:** *Direct Federal*

**Program Summary:**

The Agriculture Marketing Service (AMS) operates both the Pesticide Data and Microbiological Data Programs.

The Pesticide Data Program (PDP) supplies pesticide residue data taken from commodity samples to the Environmental Protection Agency (EPA). The EPA uses the data throughout the reassessment process to determine if pesticide tolerance levels need to be adjusted. As a result, the PDP program's data gathering and analysis plans (including the mix of commodities to be tested) are tied to EPA time tables. AMS maintains cooperative agreements with State Departments of Agriculture to gather and analyze the necessary data.

The Microbiological Data Program (MDP) collects data that will develop a baseline for food-borne pathogens in fresh fruits and vegetables. MDP baseline data will enable government agencies to develop risk assessment models, and evaluate antimicrobial resistance. FY 2002 was the first full year of testing under the program, and a report detailing initial findings will be released in late 2003.

The PART assessment found that:

1. The PDP program currently has only one output related long-term performance measure. The program would be strengthened by adopting at least one additional outcome based long-term measure of the program's performance.
2. The most recent review of PDP program operations was conducted by the USDA Inspector General's Office in 1994. While not independent from the program, federal staff also conducts periodic reviews of program operations.
3. It is difficult to determine the extent to which mechanisms are in place to ensure accountability among program partners.

In response to these findings, the Administration recommends:

1. Development of additional, outcome-based performance measures.
2. An independent audit of program operations in 2004.
3. Next year's PART assessment revisit the program's recently developed efficiency measure of a unit cost per test and gauge its effectiveness in helping to control costs and prioritize resources.
4. A study of the feasibility of charging a fee to industry beneficiaries to cover partial/full cost of the pesticide data program.

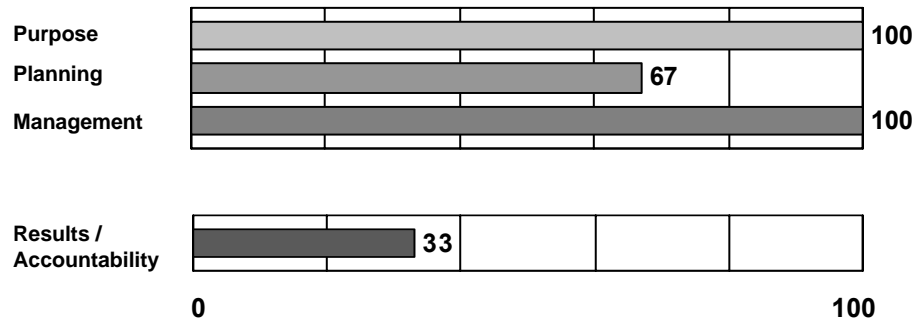
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
22	21	21

**Program:** *Plant Materials Program*

**Agency:** *Department of Agriculture*

**Bureau:** *Natural Resources Conservation Service*



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Number of technical documents describing plant use and management information for meeting specific resource concerns.	2004	200	
	2005	200	
	2006	200	
Annual Measure: Number of new plant materials released to commercial growers.	2002	25	29
	2003	27	
	2004	20	
	2005	20	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Research and Development*

**Program Summary:**

The Plant Materials Program, operated by the Natural Resources Conservation Service (NRCS), provides plant solutions to conservation problems. The program develops and promotes plant technology to support a wide variety of natural resource conservation efforts, such as erosion control, wildlife habitat, wetland restoration, water quality improvement, pest management, and natural disaster mitigation. For instance, the program has released a more fire-resistant variety of perennial bunchgrass (bottlebrush squirreltail) in New Mexico to help prevent wildfires and revegetate burned sites.

The program also seeks to ensure an adequate production of plants and seeds around the country for use in conservation purposes on agricultural operations. Scientists in the program seek out plants that show promise for meeting an identified conservation need and test their performance. After species are proven, they are released to the private sector for commercial production.

The assessment found that the Plant Materials Program is closely integrated into NRCS' technical assistance delivery system, and the research and training the program provides is fundamental to NRCS' mission. The review also found the program to be effectively managed. In addition, the program uses a ground-up approach to identify priority and emerging conservation issues that the program can address. Improvements are needed, however, and specific findings include:

1. The program lacks adequate long-term measures and targets to track its performance.
2. The program's budget requests are not explicitly tied to achieving the long-term goals. It is not clear how performance would increase for the measures if program funding was increased. It is also not clear how additional program funding would be prioritized if it were provided.

In response to these findings, the NRCS will:

1. Develop long-term performance measures and set ambitious targets for the measures.
2. Develop Plant Materials Program efficiency measures.

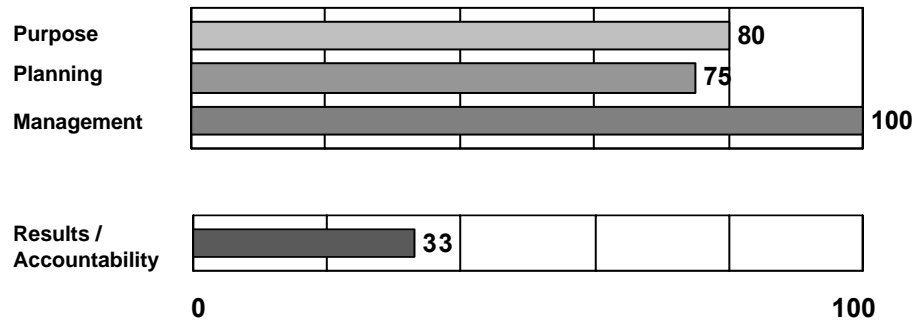
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
11	11	10

**Program:** *RBS Business and Industry Guaranteed Loan Program*

**Agency:** *Department of Agriculture*

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Rural Jobs Created/Saved	2001	36,800	44,130
	2002	31,049	26,809
	2003	33,844	
	2004	33,844	
Annual Measure: Guaranteed Loan Delinquency Rate	2001	3%	4%
	2002	3%	10.29%
	2003	9.5%	
	2004	9.3%	
Long-term Measure: Measure Under Development			

**Rating:** *Adequate*

**Program Type:** *Credit*

**Program Summary:**

The Business and Industry (B&I) Guaranteed Loan Program helps finance business, industry, and the employment of rural residents to improve the economic and environmental climate in rural communities with populations less than 50,000. The program bolsters the existing private credit structure through the guarantee of loans to help fund projects that create or preserve quality jobs and/or promote a clean rural environment.

The assessment found that program objectives serve a clear purpose of meeting business and credit needs to increase employment in underserved areas. However, improvements are needed in long-term performance measures and program management. Specific findings include:

1. Long-term performance measurement could be strengthened by evaluating actual program performance with established benchmarks to better understand the community benefits provided by the program.
2. Reforms are needed to improve the cost-effectiveness of the program. The subsidy rate has increased over the last couple of years and the Inspector General has made numerous recommendations to improve lender servicing, training and oversight.
3. Budget requests do not yet tie to the accomplishment of performance goals.

In response to these findings, the Administration will:

1. Improve long-term performance measurement by comparing actual program data on the types of jobs supported each year with established benchmarks based upon Department of Labor statistics. This will allow RBS to more accurately determine the extent of community benefits. Such information will also help guide agency decisions on how to manage the funds they receive.
2. Complete a rewrite of program regulations to address identified concerns and deficiencies, such as lender performance and eligibility, borrower eligibility, priority goals, and underwriting requirements. These efforts coupled with improvements in program management will help the agency make targeted efforts to decrease delinquency and default rates.
3. Develop an efficiency measure such as “cost per loan processed” to track administrative expenses and allow comparison among loan programs.
4. Tie program performance to budget requests.

(Funding below represents the discretionary loan level for this program.)

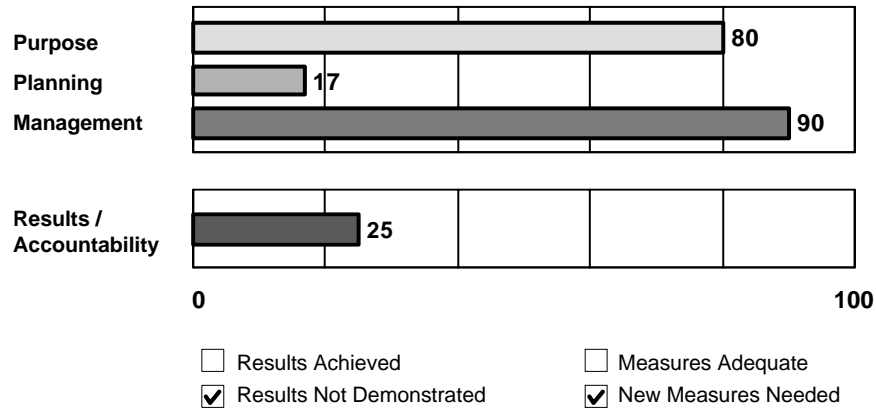
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
894	556	600

**Program: Rural Electric Utility Loans and Guarantees**

**Agency:** Department of Agriculture

**Bureau:** Rural Utilities Service



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			
Efficiency Measure: Measures under development			

**\*Rating: Results Not Demonstrated**

**Program Type Credit**

**Program Summary:**

The US Department of Agriculture's (USDA) Rural Utilities Service (RUS) provides direct and guaranteed loans to rural electric cooperatives and other utilities in rural areas for generating, transmitting, and distributing electricity. Originally the intent of the program was to provide electric service. Since most citizens have service, the goal has shifted to providing affordable and reliable service. In addition, since many communities have grown since RUS started giving electric loans and RUS does not recertify the rural status of borrowers' service areas, some RUS electric loan funds support some urban areas.

RUS's electric program is well designed with a clear purpose which resulted in a high purpose rating. In addition, RUS received a high management rating because the program is effectively managed. However, the analysis reveals a disconnect between USDA's strategic goals and RUS's performance goals and measures. The Department's plan and RUS's goals do not match up with each other. The PART analysis also highlighted the need for better performance measures. Specifically, we found:

1. One of USDA's goals is to provide support to rural areas of greatest need. Except for the hardship program, RUS electric loans are not provided in such a way that would focus the support to areas of greatest need and do not always go to rural areas. RUS goals and measures supposedly support USDA's rural development goals, but the link between the goals and measures is not readily apparent.
2. RUS strategic goals are very broad, and it is difficult to demonstrate the impact of program funding on rural economies. Due to this, RUS received low scores in the Strategic Planning and Program Results sections.

To address these findings, RUS will:

1. Target RUS electric loans to areas with high poverty rates.
2. Increase funding for hardship loans that can only be used in areas that are severely depressed (applicants must meet rate disparity thresholds and their consumers must fall below average per capita and household income thresholds).

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

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

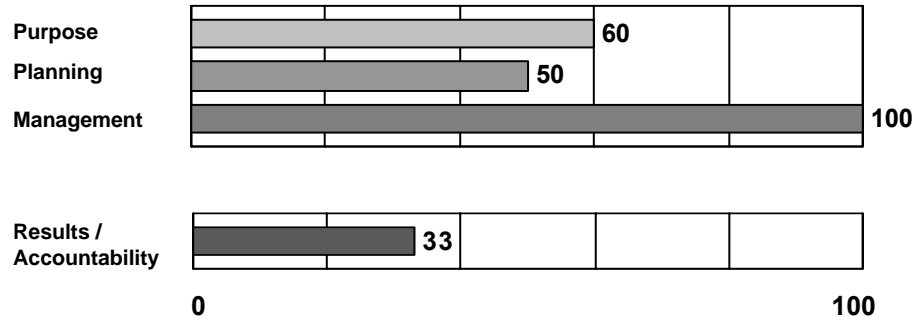
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** *Rural Utilities Service  
Telecommunications Loan Programs*

**Agency:** *Department of Agriculture*

**Bureau:** *Rural Utilities Service Telecommunications Loan Programs*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-Term Measure: Percentage decrease in subscriber rates attributable to RUS funding. (Targets under development.)			
Annual Measure: Percentage of subscribers receiving new or improved service. (Targets under development.)			
Annual Measure: Percentage of lines upgraded to high-speed capability. (Targets under development.)			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Credit*

**Program Summary:**

The US Department of Agriculture’s (USDA) Rural Utilities Service (RUS) provides direct loans to rural telecommunications providers for the improvement and expansion of telecommunications services in rural areas. Originally the intent of the program was to provide telecommunications service. Though there are still some pockets where telecommunications service is not available, the majority of these loans support projects to reduce the cost and increase the reliability of service in rural areas. However, the program is not designed to prevent funding from supporting non-rural telecommunications investments since there is no requirement to recertify the rural status of a telecommunications provider.

The telecommunications program has a clear purpose and good program management which resulted in high scores in the program purpose and design and program management sections. However, the PART analysis showed that RUS did not have adequate long term and annual measures. RUS has developed new measures and is still developing the baselines and ambitious targets for the new measures. Since the baselines and targets are still being developed, progress towards meeting the targets could not be demonstrated in the program results section.

To address these findings, RUS will:

1. Develop ambitious targets for the new long term and annual performance measures.
2. Require program participants recertify rural status in the application for a new loan.
3. Determine if the current method of issuing loans, “first in; first out,” provides adequate support to the areas with the highest priority needs.
4. Develop a measure that determines how rural the subscribers are.

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

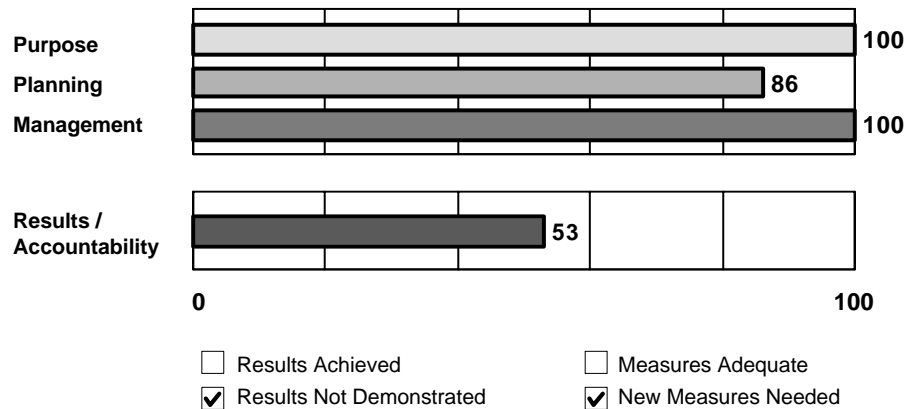
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
495	514	495



**Program:** Rural Water and Wastewater Grants and Loans

**Agency:** Department of Agriculture

**Bureau:** Rural Utilities Service



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Measures under development			
Efficiency Measure: Measures under development			

**\*Rating:** Results Not Demonstrated

**Program Type** Mixed

**Program Summary:**

The water and wastewater program provides loans and grants to low-income rural communities of 10,000 or less people. The program finances drinking water, sewer, and solid waste disposal facilities. Priority is given to loans serving smaller communities that have greater financial need, based on their median household income, poverty levels, and size of service population. The community typically receives a combination of loans and grants depending on how much they can afford. The grant is usually for 35%-45% of the project cost (it can be up to 75%). Loans are for 40 years with interest rates based on a three-tiered structure depending on community income.

Results from the PARTs showed the program to be extremely well designed and managed. In addition it found:

1. The program is successful in targeting assistance for water and wastewater infrastructure to poor rural areas.
2. USDA does an effective job of collecting program data and using it to manage effectively. Accordingly, over the life of the program fewer people in rural areas are experiencing access problems to safe, affordable drinking water and wastewater disposal.
3. While this assessment was based largely on existing measures, these measures do not adequately demonstrate results. Improvements to the performance measures need to be made. USDA cannot show that the long term results are directly related to their program. The long-term goal needs to be more strategic and focused in order to allow for better analysis. Currently, the long term measure is the same as the annual measure.

The Administration will:

1. Develop better annual goals; and
2. Create reasonable long-term goals that measure outcomes.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

[Funding below represents the discretionary program level (grant BA and loan level combined) for this program.]

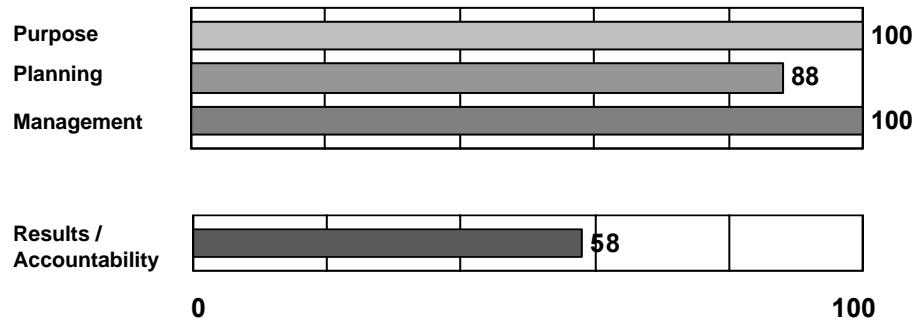
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Snow Survey and Water Supply Forecasting*

**Agency:** *Department of Agriculture*

**Bureau:** *Natural Resources Conservation Service*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent increase in accuracy of streamflow predictions.	2008	10	
Annual Measure: Number of manual snow surveys automated.	2001	0	10
	2002	0	12
	2003	12	
	2004	15	
Annual Efficiency Measure: Number of water supply forecasts issued per \$1 million.	2001	0	1,507
	2002	1,080	1,339
	2003	1,318	
	2004	1,336	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The purpose of the Natural Resources Conservation Service's (NRCS') snow survey and water supply forecast program is to provide agricultural water users and other water management groups in western states with water supply forecasts to enable them to plan for efficient water management. The program also provides the public and the scientific community with a database that can be used to accurately determine the extent of the seasonal snow resource.

The assessment found that the snow survey and water supply forecast program is the only high elevation data collection network in the United States, and the water supply forecasts it produces are coordinated with other entities such as the National Weather Service. Importantly, the program has developed long-term performance measures that support the programs purpose—baseline data for these new measures are not yet available, however. The measures evaluate the program's progress in eliminating information gaps for water supply forecasting purposes, improving water supply data utility, and increasing accuracy of streamflow data.

Improvements are needed, however, in long-term performance measures and budget management. Specific findings include:

1. NRCS needs to develop baselines for the new long-term measures.
2. The program also needs to develop adequate efficiency measures.
3. The program's budget requests are not explicitly tied to achieving the long-term goals. It is not clear how performance would increase for the measures if program funding was increased.

In response to these findings, NRCS will:

1. Improve long-term performance measures by refining the measures and developing the baseline data.
2. Refine the program efficiency measures.

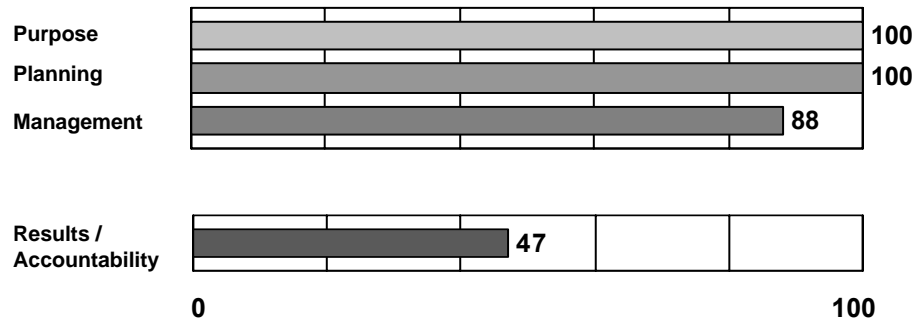
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
9	9	9

**Program:** Soil Survey Program

**Agency:** Department of Agriculture

**Bureau:** Natural Resources Conservation Service



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Cumulative reduction in the gap of acres with no soil resource surveys (FY 2000 baseline of an 87 million-acre gap). (In millions of acres.)	2002	8.6	10.9
	2003	12.9	
	2004	17.2	
	2005	21.5	
Long-term Measure: Cumulative reduction in backlog of unpublished soil surveys by FY 2009 (FY 2000 baseline of 500 unpublished surveys).	2002	160	111
	2003	240	
	2004	320	
	2005	400	
Long-term Measure: Percent of the NRCS electronic Field Office Technical Guides that includes soil map information.	2003	80	80
	2004	85	
	2005	90	

**Rating:** Moderately Effective

**Program Type:** Direct Federal, Research and Development

**Program Summary:**

The purpose of the Soil Survey Program operated by the Natural Resources Conservation Service (NRCS) is to gather scientific data on the soil resources of the United States and distribute the information in a useable form to the public. The program publishes soil survey data in a variety of formats so that it may be used by agencies, organizations, and individuals.

The assessment found that program encourages independent performance reviews from users of soil information, and the Soil Survey incorporates the findings from the reviews into its planning and management activities. However, improvements are needed in long-term performance measures. Specific findings include:

1. Long-term performance measurement could be strengthened evaluating the program's outcomes—new long-term measures are currently under development.
2. The program does not have adequate efficiency measures.

In response to these findings, NRCS will:

1. Improve long-term performance reporting by developing outcome-based measures and targets.
2. Develop program efficiency measures.

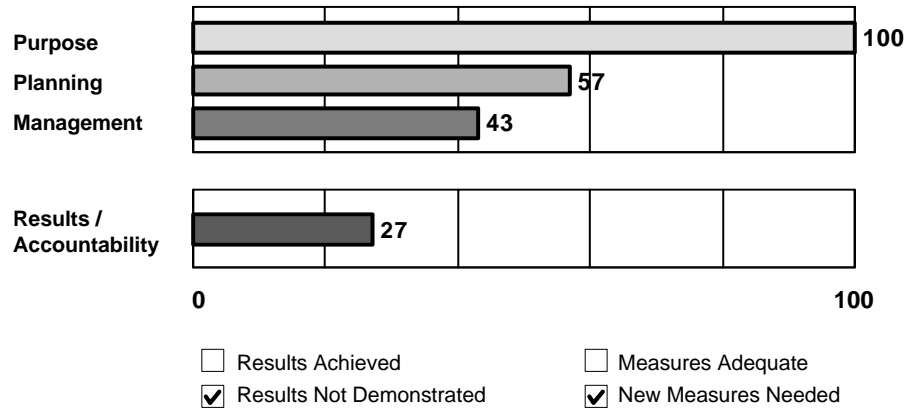
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
85	86	87

**Program:** *USDA Wildland Fire Management*

**Agency:** *Department of Agriculture*

**Bureau:** *Forest Service*



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Number of high priority acres moved to a better condition class Measures the extent to which excessive fuel loads (small trees and brush that exacerbate risks of catastrophic fire) are reduced and forest health is improved (New measure, targets under development)			
Annual Measure: Number of high priority acres treated in (1) the wildland urban interface (WUI) or (2) in condition classes 2 or 3 outside the WUI Measures acres treated to reduce fire risk in areas adjacent to communities and in other high-priority areas. (New measure, targets under development)			
Efficiency Measure: Number of high priority acres treated in (1) the wildland urban interface (WUI) or (2) in condition classes 2 or 3 outside the WUI per million dollars of gross investment (New measure, targets under development)			

**\*Rating:** *Results Not Demonstrated*

**Program Type** *Direct Federal*

**Program Summary:**

The Forest Service is responsible for managing and, if necessary, extinguishing fires on the lands it owns and on other lands through agreements. The program consists of five major activities: (1) fire preparedness, (2) fire suppression, (3) hazardous fuels reduction, (4) burned area rehabilitation, and (5) state and community fire assistance.

The assessment found that the program faces significant obstacles in meeting its long-term goals, most of which appear to be management challenges. A number of management changes are currently underway at the Forest Service to address these issues. Specific findings include:

1. The purpose and design of the program is clear and well-focused.
2. The cost of responding to fires is rapidly rising and no systematic cost containment strategy is in place to track and control firefighting efficiency.
3. Although the Forest Service has taken substantive steps to improve the hazardous fuels program (the removal of excess wood to reduce the risk of catastrophic fire), more effort is needed to demonstrate that fuels reduction activities are adequately targeted and efficiently managed.
4. The long-term goals developed as part of the 10-Year Fire Strategy still require baseline data, annual and long-term targets, and clear prioritization among the four goals and 18 measures.

Based on the identified problems in the program, the Administration will implement management improvements in the fire program, including:

1. Developing a real-time obligations system to improve the accountability of firefighting costs and accuracy of wildland fire obligations.
2. Improving accountability for firefighting costs and ensuring that states are paying their fair share of such costs.
3. Developing a new fire preparedness model that focuses on efficient allocation of available resources.
4. Establishing project criteria that is consistent with the 10-Year Implementation Strategy to ensure that hazardous fuels reduction funds are targeted as effectively as possible to reduce risks to communities in the wildland-urban interface.

(For more information on this program, please see the Department of Agriculture chapter in the Budget volume.)

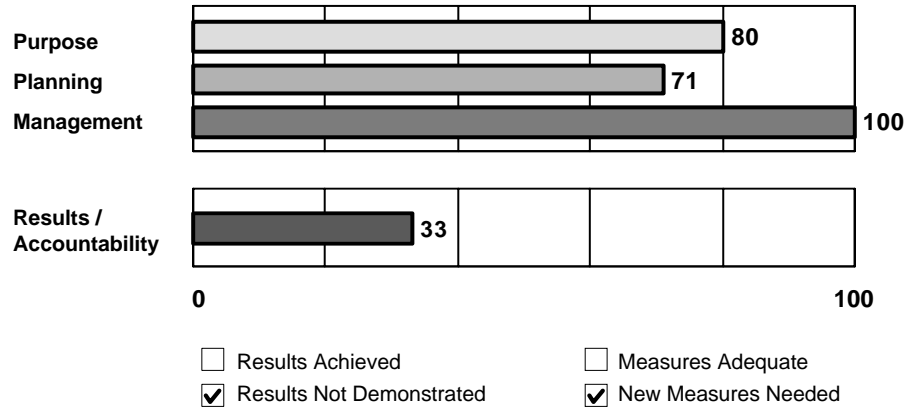
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Wildlife Habitat Incentives Program*

**Agency:** *Department of Agriculture*

**Bureau:** *Natural Resources Conservation Service*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of acres where wildlife habitat management measures were applied	2002	384,432	325,685
Annual Measure: Number of acres of wetland habitat created, restored, or enhanced	2002	6,880	6,767

**\*Rating:** *Results Not Demonstrated*

**Program Type** *Direct Federal*

**Program Summary:**

The Wildlife Habitat Incentives Program (WHIP) provides cost-share payments of up to 75 percent to landowners to enhance wildlife habitat. Improvements are made to both upland and wetland habitats, and are often used to benefit threatened and endangered species. The 2002 farm bill provided WHIP annual mandatory funding, and the program's funding increases from \$26 million in 2003 to \$48 million in 2004.

Overall, the results of the PART indicated that the program is managed in an effective manner. WHIP prioritizes funding for rare, threatened, and endangered fish and wildlife. In addition, WHIP leverages significant resources from conservation partners and often acts as a seed source for additional habitat projects. Other findings include:

1. WHIP could be more effective if its program purpose was more specific and narrowly focused.
2. Possible overlap exists between WHIP and other conservation programs administered by the Department of Agriculture, such as the Environmental Quality Incentives Program and the Wetlands Reserve Program.
3. The program does not have a limited number of ambitious, long-term performance goals that focus on outcomes.
4. The PART identified no independent and quality evaluations of WHIP.
5. The low results section score is primarily due to a lack of outcome-based performance indicators and independent, quality evaluations.

Based upon the PART review, the agency will:

1. Work to develop outcome-based performance measures and targets.
2. Conduct an internal, in-depth review of WHIP during 2003 by a departmental Oversight & Evaluation team.
3. The Administration requests an increase in the agency's discretionary appropriation in 2004 to design and implement an evaluation system that will provide outcome performance indicators for farm bill conservation programs, such as WHIP.

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

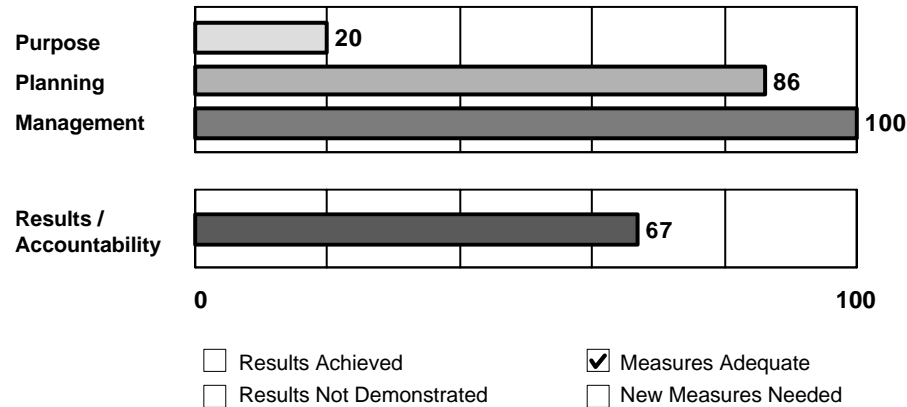
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

## **DEPARTMENT OF COMMERCE**

**Program:** *Advanced Technology Program*

**Agency:** *Department of Commerce*

**Bureau:** *National Institute of Standards and Technology*



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Cumulative number of publications generated by ATP-funded research	1999	480	468
	2000	680	565
	2001	720	747
	2002	770	
Annual Measure: Cumulative number of patents generated by ATP-funded research	1999	640	607
	2000	770	693
	2001	790	800
	2002	930	
Annual Measure: Cumulative number of technologies under commercialization	1999	120	120
	2000	170	166
	2001	180	195
	2002	190	

**\*Rating:** *Adequate*

**Program Type** *Competitive Grants*

**Program Summary:**

The Advanced Technology Program (ATP) is intended to fund the development and dissemination of high-risk technologies through cost-shared grants to companies.

1. The program scored well in management and planning, but a clear need for the program is not evident.
2. The program is well-managed. The grant application process is open and competitive. Once grants are awarded, projects are subject to close oversight from project managers.
3. The program has adequate strategic planning goals and regular reviews are conducted to assess performance.
4. Annual performance measures suggest some progress over time. However, it is difficult to identify the extent to which ATP funding was required for projects. Past studies have demonstrated that similar research was being funded by the private sector without federal assistance.
5. Given the magnitude of funding available from corporate research labs, venture capital firms, and universities, it is not evident that ATP has a unique or significant impact on the advancement of high-risk technologies.

In response to these findings and lack of Congressional action on the Administration's proposed reforms for the program, the Budget proposes termination. Funding available in 2003-04 will be focused on prior year award commitments and administrative support to ensure proper oversight of continuing projects.

(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)

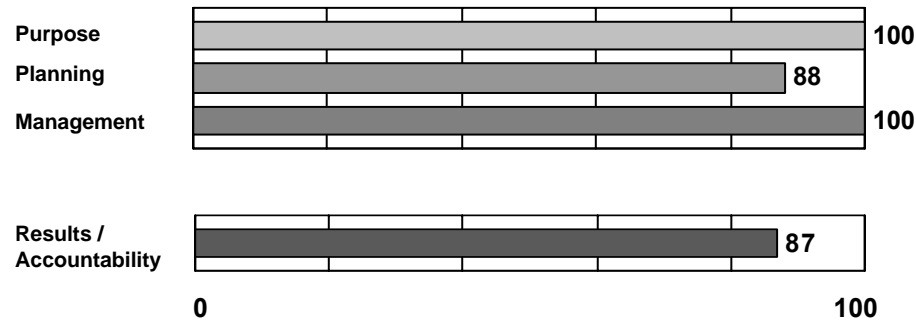
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Bureau of Economic Analysis

**Agency:** Department of Commerce

**Bureau:** Bureau of Economic Analysis



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Reliability of Delivery of Economic Data (Number of Scheduled Releases Issued on Time)	2002	50 of 50	50 of 50
	2003	48 of 48	48 of 48
	2004	54 of 54	
	2005		
Annual Measure: Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5-point Scale)	2002	>4.0	4.3
	2003	>4.0	4.4
	2004	>4.0	
	2005	>4.0	
Annual Measure: Percent of GDP Estimate Correct This measure tracks BEA's performance in estimating GDP levels and growth rates. It is a rolling average of six measures of accuracy over three years.	2002	>82%	83%
	2003	>84%	88%
	2004	>84%	
	2005	>85%	

**Rating:** Effective

**Program Type:** Direct Federal

**Program Summary:**

The Bureau of Economic Analysis (BEA) produces economic statistics, including the Gross Domestic Product (GDP), that enable public and private decision-makers to follow and understand the performance of the Nation's economy.

This was the second assessment of BEA and the agency continues to perform well.

- BEA has consistently met its annual performance goals, including timeliness and reliability of GDP.
- BEA has an ambitious strategic plan to further improve its economic statistics to provide an accurate, up-to-date picture of the Nation's economy. BEA has made strong progress implementing its annual strategic plan milestones.
- BEA is well managed, regularly collaborates with other Federal statistical agencies to obtain quality source data, and has an independent advisory board that evaluates BEA's statistical programs.
- BEA has better aligned its budget requests with its statistical products and performance goals and has developed a pilot cost-efficiency measure

In response to these findings,

1. BEA will continue to refine its proposed efficiency measure for its statistical products, and
2. The 2005 Budget recommends funding increases to further improve the quality and timeliness of BEA's economic statistics.

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

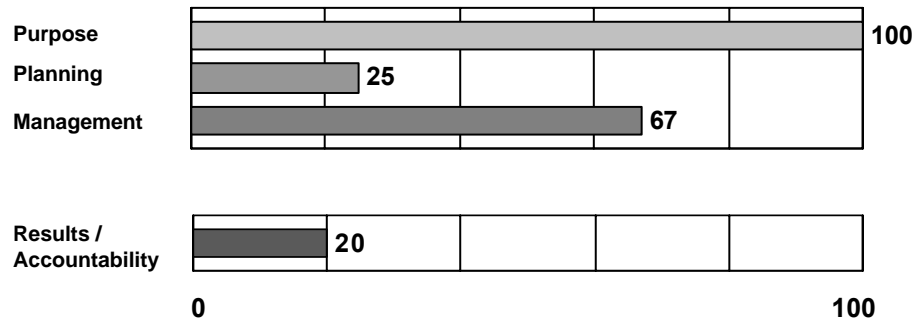
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
65	67	82



**Program:** Coastal Zone Management Act Programs

**Agency:** Department of Commerce

**Bureau:** National Oceanic and Atmospheric Administration



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Percent of Coastal Zone Management Program system completed (% of 35 coastal States and territories)	2000	94	94
	2001	94	94
	2002	97	97
	2003	97	97
Long-term Measure: Percent of State coastal nonpoint pollution control programs approved with conditions (% of 35 coastal States and territories)	2000	86	83
	2001	89	89
	2002	89	89
	2003	94	94
Long-term Measure: Percent of National Estuarine Research Reserve System (NERRS) completed (out of 36 reserves)	2000	69	69
	2001	69	69
	2002	72	69
	2003	72	72

**Rating:** Results Not Demonstrated

**Program Type:** Block / Formula Grant

**Program Summary:**

The Coastal Zone Management Program (CZMP) and National Estuarine Research Reserve System (NERRS) establish Federal-State partnerships to manage the natural, cultural, and economic resources in coastal areas. The CZMP provides funding to States with Federally approved coastal zone management plans. The NERRS supports research and education to inform decisions regarding coastal resources.

The assessment found:

- Federal approval of State coastal management plans helps to ensure that local and State level decisions are consistent with national concerns.
- All but one of the eligible States participate in the CZMP.
- The CZMP and NERRS lack both long-term and annual performance measures. As a result, program effectiveness cannot be demonstrated.
- Due to the lack of performance measures, budget requests and management decisions cannot explicitly be tied to outcomes.
- Quarterly reports to Congress indicate that work is being done to develop performance measures; however, progress has been slow.

In response to these findings:

1. The CZMP and NERRS will work to complete the development of outcome oriented performance measures.
2. The Budget continues the CZMP and NERRS, but redirects some funding towards programs that can demonstrate progress in accomplishing core NOAA missions.
3. NOAA will ensure that the research opportunities available in the NERRS are well integrated with NOAA coastal and ocean research programs.

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

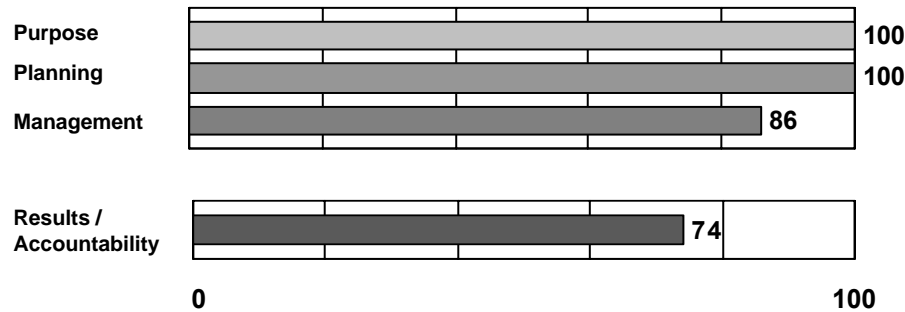
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
129	113	111



**Program:** *Current Demographic Statistics*

**Agency:** *Department of Commerce*

**Bureau:** *Census*



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: CPS interviews per month	2002	54,000	54,000
	2003	54,000	56,464
	2004	54,000	
	2005	54,000	
Annual Measure: Release CPS data (12 products monthly, 6 supplements)	2002	12/mo.; 6 supps	12/mo.; 6 supps
	2003	12/mo.; 6 supps	12/mo.; 7 supps
	2004	12/mo.; 6 supps	
	2005	12/mo.; 6 supps	
Annual Efficiency Measure: Maintain CPS's high level of response while maintaining current field survey costs per sample housing unit (adjusted for inflation)	2002	N/A	\$47/case
	2003	\$49/case	\$45/case
	2004	\$52/case	
	2005	\$55/case	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Current Demographic Statistics program administers household surveys that provide information on the number, geographic distribution, and social and economic characteristics of the population. The two primary surveys are the Current Population Survey (CPS) and the Survey of Income and Program Participation (SIPP).

The assessment found that the Current Demographic Statistics program is moderately effective.

- The program is unique in that it provides official measures of employment, unemployment, income, poverty, and health insurance coverage. The Census Bureau also provides strict confidentiality protections on respondent information.
- In general, the long-term and annual performance targets are ambitious and the program collects timely performance information on field data collection activities to measure and improve efficiency. The program has also developed efficiency measures for both surveys. However, the program does not have a performance goal for the SIPP data release schedule and does not have many comprehensive, external evaluations of the SIPP.
- The program uses several external advisory groups to guide planning and implementation.
- The program achieves most of its annual and long-term performance goals, and has shown improvements in efficiency by reducing the survey-cost per case.

In response to these findings, the Census Bureau will:

1. Continue to improve its long-term goals for the SIPP by including an ambitious data release schedule,
2. Develop ways to improve managerial accountability for SIPP release schedules, and
3. Pursue additional independent evaluations of the SIPP to demonstrate that results are being achieved.

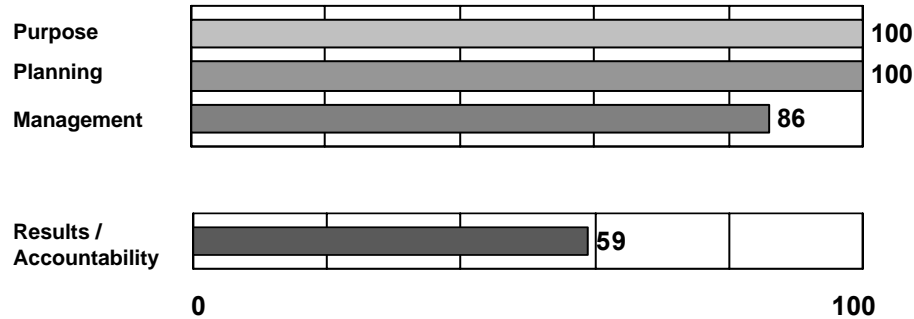
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
54	58	61

**Program:** Decennial Census

**Agency:** Department of Commerce

**Bureau:** Census



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Percent of counties with improved global positioning system (GPS) location	2003	7.7%	7.7%
	2004	26.3%	
	2005	48%	
Annual Measure: Percent of Census Test Objectives achieved (2003 objectives included the selection of 2004 Census test sites and development of design requirements and operational schedule for 2004 Census test)	2002	100%	100%
	2003	100%	100%
	2004	100%	
	2005	100%	
Annual Efficiency Measure: ACS cost per household (mail, telephone, personal visit) (1) Mail:\$12/HH Telephone: \$16/HH Visit: \$137/HH	2005	(1)	

**Rating:** Moderately Effective

**Program Type:** Direct Federal

**Program Summary:**

The Decennial Census provides the official count of all people living in the United States that is used to apportion the seats in the Congress and define the districts that each member will represent. It also provides comprehensive demographic information used by businesses, State and local governments, and in the administration of Federal programs.

The 2000 census was considered a success due to improved accuracy and timeliness. However, the 2000 census was costly and operationally risky. The Census Bureau developed a reengineered design for the 2010 census to reduce risks, control costs, produce more timely data, and improve coverage.

- In general, the annual and long term performance goals of the decennial reengineering plan are sound. While the inflation adjusted costs of the 2010 census are estimated to increase by 50% as compared to the 2000 census, in prior decennial censuses costs have nearly doubled.
- The decennial program has adequate strategic planning. The program uses several advisory groups and external evaluations to guide planning efforts. Evaluations generally support the reengineering plan, but recommend that the program develop a detailed plan that integrates the three components of the reengineered approach (early planning and testing, improvements to the geographic database, and the American Community Survey).
- The decennial program has accomplished its annual performance goals in 2002 and 2003.

In response to these findings, the Census Bureau will:

1. Continue to examine all key cost factors to identify potential areas for savings,
2. Develop ways to improve managerial accountability for cost, schedule, and performance, and
3. Improve its cost model to be able to more clearly show how annual activities support the long-term performance goals of the 2010 census.

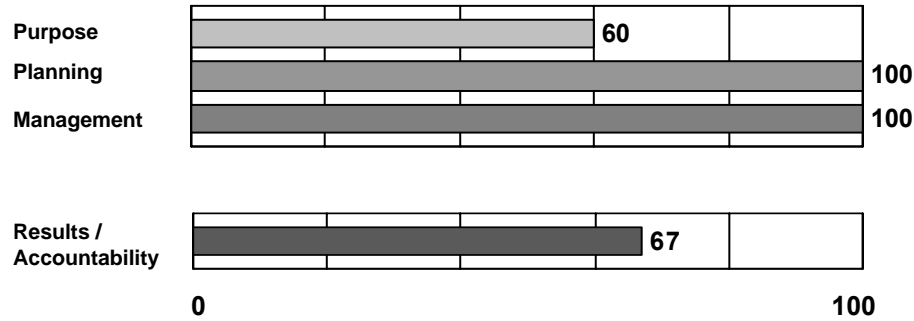
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
145	253	433

**Program:** *Economic Development Administration*

**Agency:** *Department of Commerce*

**Bureau:** *Economic Development Administration*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Private sector dollars in distressed communities as a result of EDA investments (3-6-9 year increments, e.g. 1999 targets are measured in 2002)	1998	\$130M	\$971M
	1999	\$420M	\$640M
	2000	\$400M	\$1,251M
	2001	\$480M	
Long-term Measure: Jobs created or retained in distressed communities as a result of EDA investments (3-6-9 year increments, e.g. 1999 targets are measured in 2002)	1998	5,400	12,898
	1999	11,300	29,912
	2000	11,300	39,841
	2001	14,400	
Annual Measure: Percentage of investments to areas of highest distress.	2001	40%	43%
	2002	40%	40%
	2003	37-43%	37.6%
	2004	37-43%	

**Rating:** *Moderately Effective*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Economic Development Administration (EDA) provides grants to economically distressed communities to generate new employment, help retain existing jobs and stimulate industrial and commercial growth.

The assessment found that the program scored in the moderately effective range primarily because the agency has a longitudinal methodology in place for gauging economic development and has met or exceeded its targets.

- EDA's primary long-term outcome goals are promotion of private enterprise and job creation in economically distressed communities. It is difficult to judge the effect of specific economic development projects; however, private investment and new or retained jobs are indicators of economic improvement. EDA has demonstrated adequate progress in achieving these long-term goals.
- Targeting has improved in recent years, but two-thirds of the nation qualifies for EDA assistance and less than half of EDA funds currently go to areas of highest distress.
- EDA is pursuing a workforce restructuring that would redeploy resources to field offices and consolidate headquarters functions.

In response to these findings, EDA will continue to work to:

1. Target its resources to areas of greatest need through administrative action.
2. Pursue more rigorous performance standards as outlined in the Administration's reauthorization bill.
3. Complete implementation of its workforce restructuring.

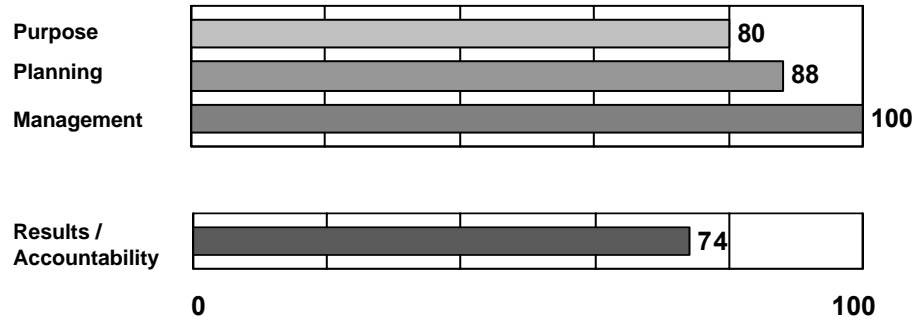
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
319	315	320

**Program:** *Intercensal Demographic Estimates*

**Agency:** *Department of Commerce*

**Bureau:** *Bureau of the Census*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Improve the accuracy, timeliness, and relevance of the intercensal population estimates. (1) Target includes reducing the error of closure from 2.4 percent to 1.3 percent and tightening the release schedule from the current average of 15 months to 12 months.	2010	(1)	
Annual Measure: Number of releases of population estimates	2002	10	7
	2003	10	10
	2004	10	
	2005	10	
Annual Measure: Improve the estimates of international migration through yearly programmatic milestones: (1) Field ethnographic interviews of foreign-born population; (2) Update the estimates of one category of foreign-born population; (3) Develop new or modify existing migration questions	2003	(1)	Met
	2004	(2)	
	2005	(3)	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Intercensal Demographic Estimates program develops annual estimates of the population and its demographic characteristics for the nation, States, metropolitan areas, counties, and other governmental units.

The assessment found that the Intercensal Demographic Estimates program is moderately effective.

- The program is unique in that it provides annually updated population estimates for use in allocating over \$200 billion in Federal funds. However, the program did not capture net international migration data well during the 1990s, affecting the allocation of Federal funds among the States.
- The program has developed ambitious long-term performance goals to improve its estimates of international migration, accelerate release schedules, and reduce the error of closure (the difference between the intercensal estimates and the decennial count).
- The program has adequate strategic planning; however, planning documents have not clearly demonstrated connections to the 2010 census reengineering plan, including the American Community Survey.
- The program is reviewed by members of the Federal-State Cooperative Program for Population Estimates (FSCPE) and internal reviews are completed on estimates used for fund allocation.
- The program achieves most of its annual performance goals.

In response to these findings, the Census Bureau will:

1. Work to further increase the involvement of State partners and other stakeholders in the production and quality review of the estimates and consider more external reviews,
2. More clearly incorporate programmatic changes into strategic planning documents, including improving the estimates of international migration and use of the American Community Survey, and
3. Continue to set ambitious annual performance goals and incorporate them within formal documents.

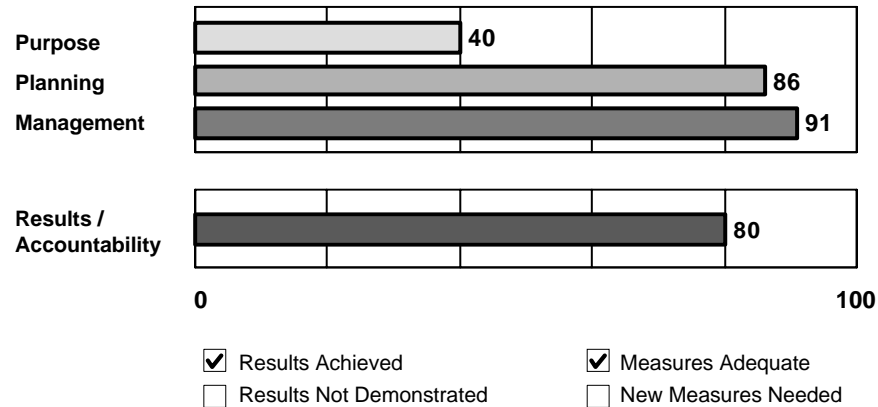
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
9	9	11

## Program: Manufacturing Extension Partnership

Agency: Department of Commerce

Bureau: National Institute of Standards and Technology



### Key Performance Measures

Year Target Actual

Annual Measure:	Year	Target	Actual
Increased sales attributed to MEP assistance (\$ in millions)	1999	443	425
	2000	670	698
	2001	708	
	2002	726	
Capital investment attributed to MEP assistance (\$ in millions)	1999	359	576
	2000	864	873
	2001	913	
	2002	910	
Cost savings attributed to MEP assistance (\$ in millions)	1999	New	364
	2000	545	482
	2001	576	
	2002	497	

**\*Rating:** Moderately Effective

Program Type Competitive Grants

### Program Summary:

The purpose of the Manufacturing Extension Partnership (MEP) program is to improve the competitiveness of small and medium-sized manufacturers through a nationwide network of approximately 400 centers providing technical assistance and business support services.

1. The program scored well in planning. However, regarding its purpose and design, it is not evident that similar services could not be provided by private entities.
2. The program is well-managed. New MEP centers are established through open competitions, and center activities are closely monitored by the MEP staff for performance.
3. The program has adequate strategic planning goals, and regular reviews are conducted to assess performance.
4. MEP's annual performance measures represent indicators of competitiveness and demonstrate benefits to MEP firms, but it is difficult to identify the impact of MEP on the small manufacturing community as a whole. Ultimately, firms should be willing to pay for the full cost of services that contribute to profitability if they determine the services are worth it. Taxpayer support for MEP services that benefit firms (e.g., increased sales, capital investment, and inventory savings) is unnecessary.

In response to these findings the Budget maintains the 2003 proposal to eliminate federal funding for mature MEP centers. The proposal would restore the program's original authorized funding plan, which called for a phase-out of Federal monies to each center after six years of funding, with the goal of making each center self-sufficient. In assessing the purpose of this program, it is not evident that there is a need for a Federal response in this area.

(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)

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

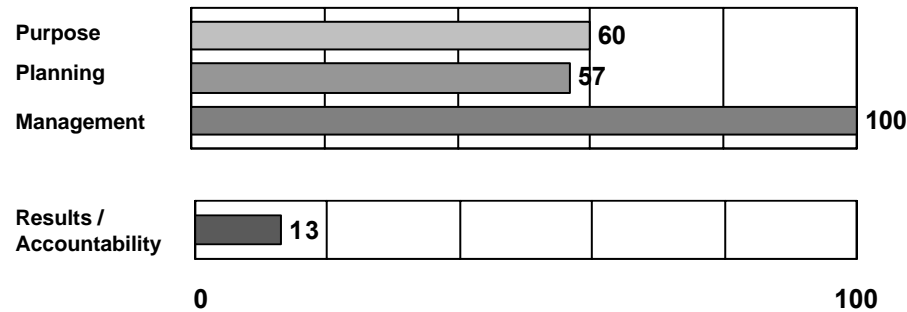
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** *Minority Business Development Agency*

**Agency:** *Department of Commerce*

**Bureau:** *Minority Business Development Agency*



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Dollar value of contracts (public and private) awarded to assisted minority-owned businesses.	2000	\$0.6B	\$1.2B
	2001	\$0.7B	\$1.6B
	2002	\$1B	\$1.3B
	2003	\$1B	\$0.6B
Annual Measure: Dollar value of financial packages (e.g., loans) awarded to assisted minority-owned businesses.	2000	\$0.9B	\$0.2B
	2001	\$1B	\$0.6B
	2002	\$0.4B	\$0.4B
	2003	\$0.4B	\$0.4B
Annual Measure: Number of financial packages (e.g., loans) awarded to assisted minority-owned businesses.	2000	858	556
	2001	925	1,155
	2002	1,000	1,512
	2003	380	533

**Rating:** *Results Not Demonstrated*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Minority Business Development Agency (MBDA) provides consulting assistance to minority owned businesses.

The assessment found that the program rated did not demonstrate results because actual performance (e.g., 2000 – 2001) on targets has been inconsistent. However, in 2002 results improved in that MBDA met or exceeded all of its targets. Program management efforts continue to be strong. In 2002-2003, MBDA has put in place planning, design, and management systems to ensure consistently meeting all their targets. In addition, the agency has undertaken a revision of its performance measurements and strategic planning.

In response to these findings, MBDA:

1. Redefined its performance to more directly impact its long term goal of entrepreneurial parity for minority business enterprises as it relates to the increase in employment, gross receipts and customer satisfaction measures in the 2005 Annual Performance Plan and finalize its revised strategic plan, which more clearly identifies the agency’s approach to various types of minority business enterprises.
2. Will continue to engage in strategic partnerships with public and private sector entities to leverage resources and enhance business development activities.
3. Will monitor these revisions in the coming year to confirm changes adequately reflect actual performance.

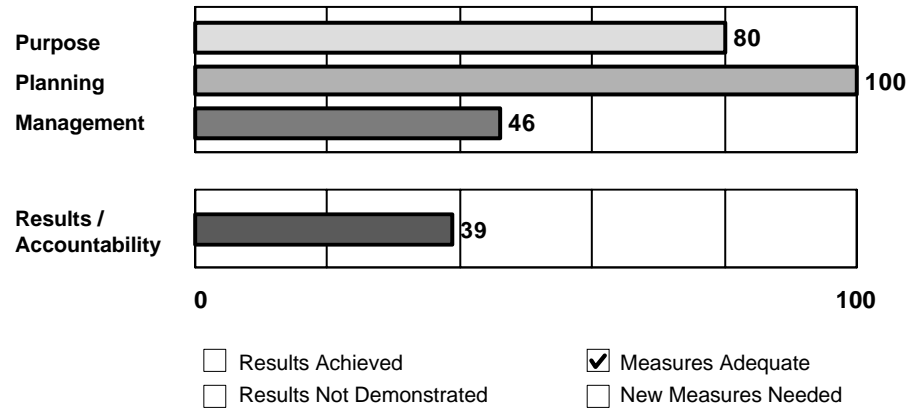
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
29	29	34

**Program:** National Marine Fisheries Service

**Agency:** Department of Commerce

**Bureau:** National Oceanic and Atmospheric Administration



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Reduce the number of overfished stocks out of 287 major stocks	2001	46	46
	2002	45	
	2003	45	
	2004	43	
Long-term Measure: Reduce the number of major stocks with an unknown stock status	2001	120	120
	2002	120	
	2003	118	
	2004	115	
Long-term Measure: Increase the number of major stocks with known sustainable stock levels	2001	121	121
	2002	122	
	2003	124	
	2004	129	

**\*Rating:** Adequate

**Program Type** Regulatory

**Program Summary:**

The National Marine Fisheries Service (NMFS) is responsible for the management and conservation of marine animals (fish, marine mammals, and sea turtles) and their habitats off the coast of the United States and its territories.

1. Less than half of major fish stocks are known to be at sustainable levels. Stock levels are unknown for 40 percent, and 17 percent are known to be overfished. NMFS has rebuilding plans in place for most overfished fisheries. Due to biological limits, some plans will take a number of years to achieve goals.
2. NMFS's long-term goals are to significantly reduce the number of overfished stocks, reduce the likelihood of extinction of endangered species, and ensure that important habitats are protected. There is some belief that existing goals could be more ambitious if Congress fully supported the President's Budget request. NMFS is implementing a number of management changes and proposing budget and legislative changes based on prior program assessments. The PART reaffirmed the need for such changes.
3. Several independent and outside reviews of NMFS indicate NMFS has been somewhat effective -- within its existing authorities. NMFS is burdened with significant congressional earmarking that is often not tied to its primary performance goals. In addition, the Administration has requested substantial funding increases for fish stock inventories and surveys, not all of which have been provided by Congress.

In response, the 2004 Budget sustains the President's 2003 Budget policy of reallocating funds away from earmarks and toward core NMFS missions. NMFS will continue work implementing its proposed management and organizational changes.

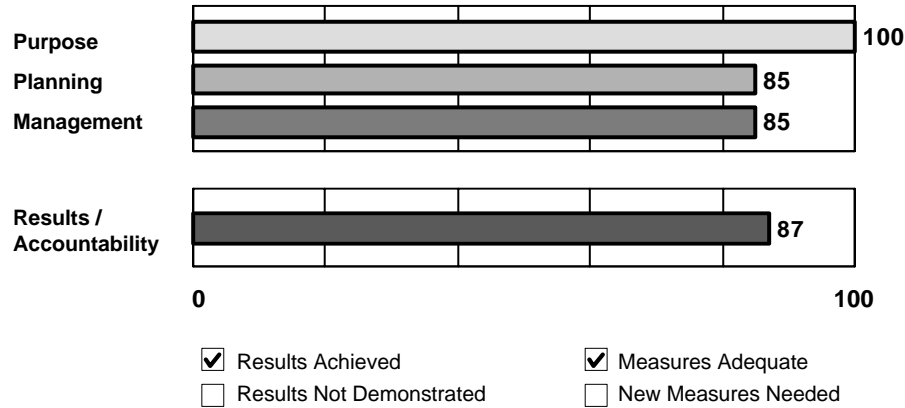
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** National Weather Service

**Agency:** Department of Commerce

**Bureau:** National Oceanic and Atmospheric Administration



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Improve tornado warning lead time (minutes) Lead time is the difference between the time the warning was issued and the time the tornado affected the warned area. This measure reflects the average lead time for all tornado occurrences throughout the year.	1999	11	12
	2000	12	10
	2001	13	10
	2002	11	12
Annual Measure: Improve flash flood warning accuracy (percent) Accuracy is measured by the percentage of times a flash flood actually occurred in an area that was covered by a warning.	1999	85	85
	2000	86	86
	2001	86	86
	2002	86	89
Annual Measure: Reduce hurricane track forecast error (nautical miles) This measure is the difference between the actual location of hurricane landfall and the location projected 48 hours in advance.	1999	new	new
	2000	new	new
	2001	new	new
	2002	142	121

**\*Rating:** Effective

**Program Type:** Direct Federal

**Program Summary:**

The purpose of the National Weather Service (NWS) is to provide warnings and forecasts in order to protect lives and property.

1. NWS is well-managed and results-oriented. Past investments have yielded significant performance improvements in many areas. Cost-benefit analyses have helped to inform decisions on system improvements.
2. The strategic plan sets forth clear long-term goals that are tied to the program's performance measures. NWS develops annual operating plans to set performance targets and milestone objectives and conducts strategic planning reviews each year to track progress and make appropriate adjustments.
3. NWS has been recognized for its strong management practices by the "Government Executive Magazine" Federal Performance Project.
4. NWS has made progress in achieving long-term goals, particularly in improving accuracy and timeliness of forecasts and warnings. In 2002, NWS met nine out of thirteen annual performance goals. However, performance improvement has been slower in some areas, such as precipitation and aviation forecasting.
5. NWS works with emergency management groups to establish long-term targets for lead time and accuracy.

In response to these findings the Budget provides increases to support continued improvement in key performance areas, such as tornado-warning lead times and hurricane track accuracy.

(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)

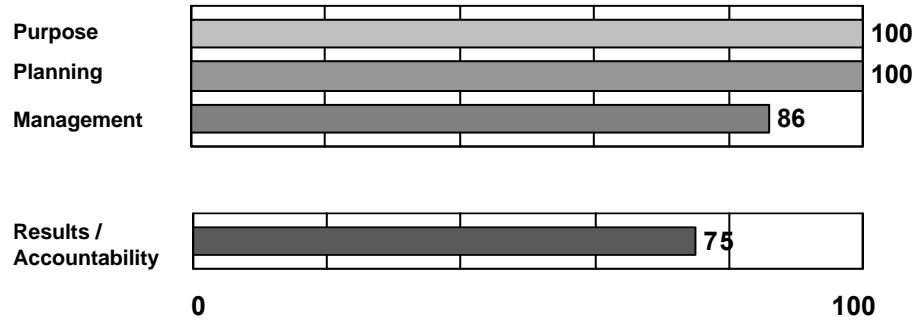
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** NIST Laboratories

**Agency:** Department of Commerce

**Bureau:** Technology Administration



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Peer reviewed technical publications	2003		1,267
	2004	1,300	
Annual Measure: Web access to / downloads of NIST-maintained databases (in thousands)	2003		55,654
	2004	56,000	
Annual Measure: Number of items calibrated	2001	3,100	3,192
	2002	2,900	2,924
	2003	2,900	3,194
	2004	2,800	

**Rating:** Effective

**Program Type:** Research and Development

**Program Summary:**

The National Institute of Standards and Technology (NIST) Laboratories research and develop measurements and standards needed by science, industry, and government to enhance productivity, facilitate trade, and improve quality of life.

The assessment found that the program is strong overall and has taken steps to integrate performance information into management and budget decisions.

Additional findings include:

- The program supports objective development of technical standards through scientific research and is effectively designed.
- While it is inherently difficult to measure performance for research and development, the program has established appropriate long-term goals and has developed a mix of quantitative and qualitative measures to demonstrate progress in meeting these goals.
- The program is well-managed and has taken steps to integrate performance into management decisions. Additional steps need to be taken to incorporate efficiency and cost-effectiveness measures into program execution.
- Existing measures and external reviews provide some evidence of progress in meeting performance goals. NIST has proposed more outcome-oriented measures that will provide better information on results.

In response to these findings:

1. The Budget proposes funding for infrastructure improvements necessary to support NIST's core research and development activities.
2. NIST will continue to develop new, more outcome-oriented measures.

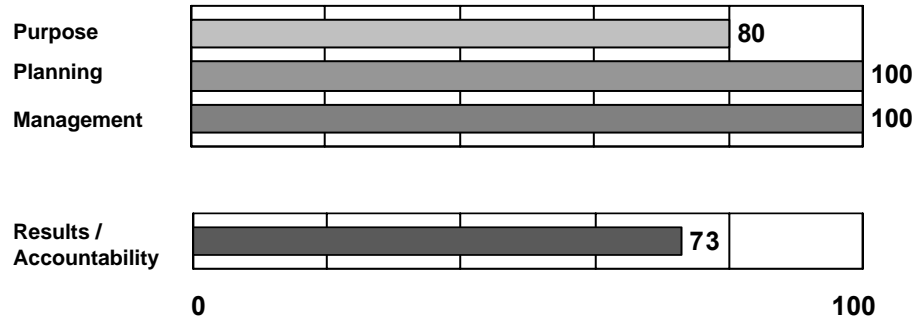
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
423	401	482

**Program:** NOAA Navigation Services

**Agency:** Department of Commerce

**Bureau:** National Oceanic and Atmospheric Administration



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Number of lithographic editions printed	2002	250	250
	2003	250	250
	2004	250	
	2005	250	
Annual Measure: Number of Electronic Navigation Charts (ENCs) in continual maintenance	2002	200	215
	2003	335	335
	2004	535	
	2005	735	
Annual Measure: Reduce the hydrographic survey backlog within navigational significant areas (in square nautical miles surveyed per year)	2001	1505	2963
	2002	1602	1514
	2003	2100	1762
	2004	2700	

**Rating:** Moderately Effective

**Program Type:** Direct Federal

**Program Summary:**

NOAA's navigation services program surveys navigational significant areas and produces nautical charts and other navigation products.

The assessment found:

- The purpose of the navigation services program is tied to promoting navigational safety; resources are targeted according to the needs of the commercial sector.
- The program is using state of the art technology to increase the accessibility and usefulness of navigation products, particularly through the development of Electronic Navigation Charts (ENCs).
- NOAA is congressionally directed to use at least 50 percent contract work to meet surveying requirements. In some cases contracts may be more expensive than in-house work and other out-sourcing alternatives such as vessel charters. Additional in-house survey work may not be feasible due to capital investment needs. NOAA has taken steps to pursue vessel charters as a cost-effective alternative.

In response to these findings:

1. The Budget provides funding to expand the program's capacity to build and maintain ENCs.
2. The program will continue to develop long-term performance measures that clearly link to annual goals.
3. The program will work to use efficiency measures more actively to guide program management.

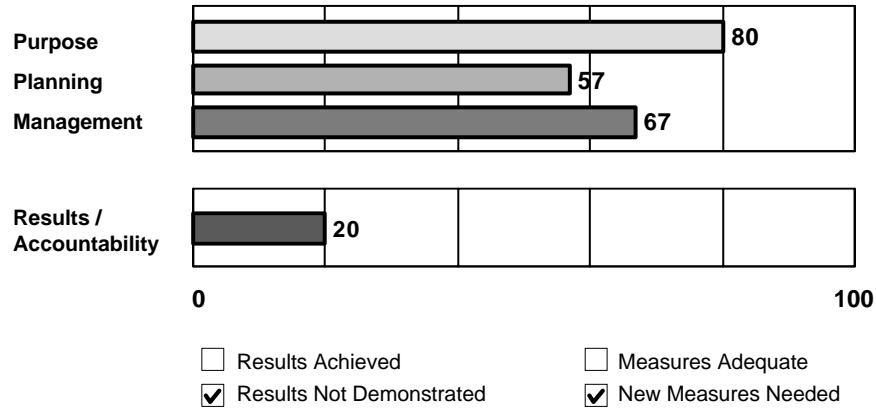
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
70	74	73

**Program:** Pacific Coastal Salmon Recovery Fund

**Agency:** Department of Commerce

**Bureau:** National Oceanic and Atmospheric Administration



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

**\*Rating:** Results Not Demonstrated

**Program Type** Block / Formula Grants

**Program Summary:**

The purpose of the Pacific Coastal Salmon Recovery Fund (PCSRF) is to help restore stocks of Pacific salmon through improvement and expansion of available habitat. The program provides grants to the states of California, Oregon, Washington, and Alaska for this purpose.

1. Program-wide performance metrics have not yet been developed, although each state is developing performance measures related to their individual needs. While some 600 projects have been approved, their effects on Pacific salmon stocks are not yet known.
2. The program has not been able to allocate funds based on recovery needs of specific salmon populations. Alaska, which has no threatened or endangered salmon species, uses some of the funds for marketing of native salmon. Within states, there are competitive processes to select projects based on the state established priorities. Because NOAA has had to negotiate individual agreements with each state, fund distributions have taken longer than expected.
3. The long-term performance goal of the program is to contribute to recovery and conservation of Pacific salmon. The program, which started in 2000, has not finalized annual measures yet. The Administration has proposed that funds be allocated based on protecting those salmon populations that are most at risk as a first priority. Congress has not supported this change.

In response to these findings:

1. The Budget continues the program and again proposes allocation of funds based on listed salmon recovery goals.
2. The program is directed to complete the development of program-wide long-term performance measures by June, 2003.

(For more information on this program, please see the Department of Commerce chapter in the Budget volume.)

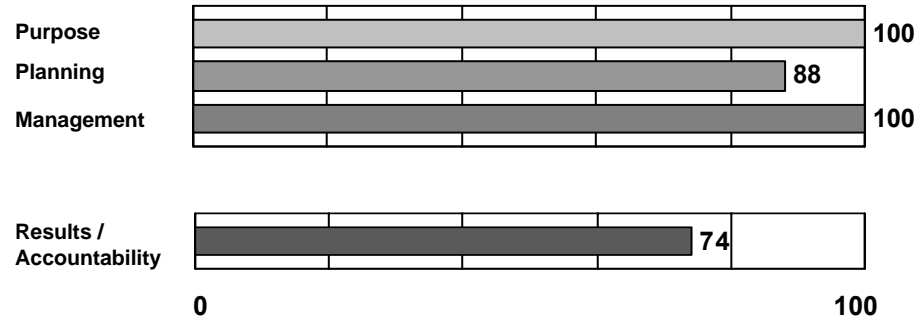
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Survey Sample Redesign

**Agency:** Department of Commerce

**Bureau:** Census



**Key Performance Measures**

**Year Target Actual**

<b>Long-term Measure:</b> To produce accurate, timely, and relevant statistics by developing new samples that reflect the current characteristics and geographic location of the population. Performance measures include producing new survey samples for seven major household surveys that meet accuracy and timeliness milestones contained in MOUs with sponsoring agencies	2004	2 new samples	
	2005	4 new samples	
<b>Annual Measure:</b> Program milestones for 2000 census redesign activities including finalizing MOUs with sponsor agencies on design requirements and completing sampling unit stratification and selection for 7 major household surveys.	2002	MOU milestone	Met
	2003	MOU milestone	Met
	2004	MOU milestone	
	2005	MOU milestone	
<b>Annual Measure:</b> Program milestones for continuous redesign activities (1) Develop a strategy for coordinating and unduplicating samples between household surveys in preparation for shifting Sample Redesign towards using a continuously updated Master Address File and American Community Survey data	2005	(1)	

**Rating:** Effective

**Program Type:** Direct Federal

**Program Summary:**

The Demographic Survey Sample Redesign program selects updated statistical samples of the population for each decade to maintain the accuracy, relevancy and quality of the major Federal surveys of families and households.

The assessment found that the Demographic Survey Sample Redesign program is effective.

- The program is the only one that develops samples for the major federally sponsored demographic surveys.
- The program has developed ambitious annual and long-term performance goals that meet the needs of survey sponsors. The sample release schedules following the 2000 census are accelerated as compared to the sample release schedules from the 1990 census.
- The program has adequate strategic planning; however, planning documents have not clearly demonstrated connections to the 2010 census reengineering plan. Specifically, planning documents should describe how the program will redesign on a regular basis using the American Community Survey (ACS).
- External evaluations were conducted for the 1980 cycle of sample redesign due to extensive design changes. However, with fewer changes in the 1990 and 2000 redesigns, there have been fewer external evaluations beyond input and comments provided by survey sponsors. Sponsors regularly monitor and assess redesign activities.
- The Sample Redesign program achieves most of its annual performance goals as contained in Memoranda of Understanding (MOUs) with sponsor agencies.

In response to these findings, the Census Bureau will:

1. More clearly incorporate programmatic changes into strategic planning documents, including redesigning samples on a regular basis using the ACS, and
2. Consider more external evaluations as the program shifts from redesigning based on decennial data to redesigning on a more frequent basis using the ACS and a continuously updated Master Address File.

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

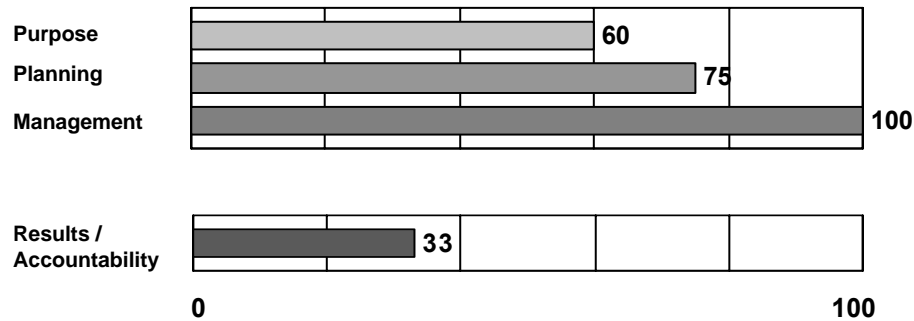
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
13	13	12



**Program:** *US and Foreign Commercial Service (USFCS)*

**Agency:** *Department of Commerce*

**Bureau:** *International Trade Administration*



**Rating:** *Adequate*

**Program Type:** *Direct Federal*

**Program Summary:**

The International Trade Administration's (ITA's) United States and Foreign Commercial Service (USFCS) helps U.S. companies, particularly small and medium-sized enterprises (SMEs), make sales in international markets.

The assessment found that, although USFCS clients appear to value its trade promotion services and USFCS is relatively well-managed, USFCS:

- Recovers only a very small share of its costs through fees;
- Is only one of a number of private and public sector providers of trade promotion services;
- Lacks a standard approach to understanding costs and pricing products accordingly; and
- Is performing inconsistently on the targets it sets.

In response to these findings, ITA will:

1. Work to implement an activity-based accounting system to better track how much USFCS services cost.
2. Implement long-term measures in the 2005 Annual Performance Plan that include a market test of performance.
3. Improve the quality of targets set to reflect performance.

**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Number of U.S. firms exporting for the first time	2001	679	742
	2002	800	699
	2003	800	896
	2004	810	
Annual Measure: Number of U.S. exporters entering a new market	2001	4,540	5,386
	2002	5,900	5,740
	2003	6,500	6,278
	2004	6,532	
Long-term Measure: Percentage of USFCS that is fee-funded. ITA has determined that by 2007, 3% of the US&FCS program will be fee funded. (Under development.)			

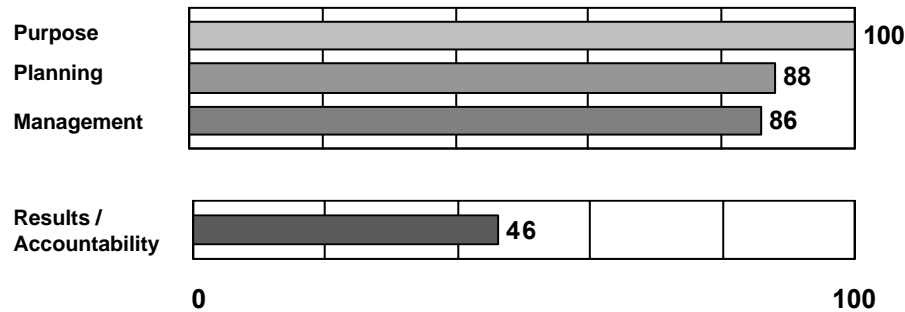
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
206	202	212

**Program:** U.S. Patent and Trademark Office - Patents

**Agency:** Department of Commerce

**Bureau:** U.S. Patent & Trademark Office (USPTO)



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Improve quality by reducing the error rate (Based on a quality review, this is the percent of allowed patent applications containing at least one claim that would be held invalid in a court of law.)	2002	5%	4.2%
	2003	4%	4.4%
	2004	4%	
	2005	3.7%	
Long-term Measure: Reduce total average pendency (Pendency is the estimated time in months for a complete review of a patent applications, from the filing date to issue or abandonment of the application.)	2002	26.1	24
	2003	27.7	26.7
	2004	29.8	
	2005	31.1	
Long-term Measure: Efficiency - cost per patent disposed	2002	N/A	\$3,376
	2003	\$3,444	\$3,329
	2004	\$3,502	
	2005	\$4,052	

**Rating:** Adequate

**Program Type:** Direct Federal

**Program Summary:**

The Patent and Trademark Office (PTO) issues patents (and registers trademarks). Patents provide protection to inventors and businesses for their inventions.

This is the second assessment of PTO's patent operation. The assessment found that the program is adequate, however it has improved relative to the first assessment.

- In 2003, the patent program met its performance goals for average total pendency, but was not able to achieve the targeted error rate. The patent program also developed a measure of unit cost per patent disposed.
- However, performance problems continue. First-office action pendency, the average time from the filing date of the application to the mailing of the first office action, is increasing and approximately 500,000 patent applications await examination. The program's spending level has also slightly increased in recent years, while performance has not kept pace.
- PTO's strategic plan contains several reforms to address problems identified in these assessments. The patent operation began implementation of several strategic plan initiatives in 2003, including the electronic processing of patent applications to improve the efficiency of the operation as well as other initiatives to improve the quality of patents.
- Although performance plans at PTO are linked to the organization's goals, performance plans of managers do not include cost-efficiency goals.

In response to these findings, the PTO will:

1. Continue implementing its strategic plan initiatives to improve patent pendency, quality, and implementation of e-government, and
2. Incorporate cost-efficiency targets into performance plans.

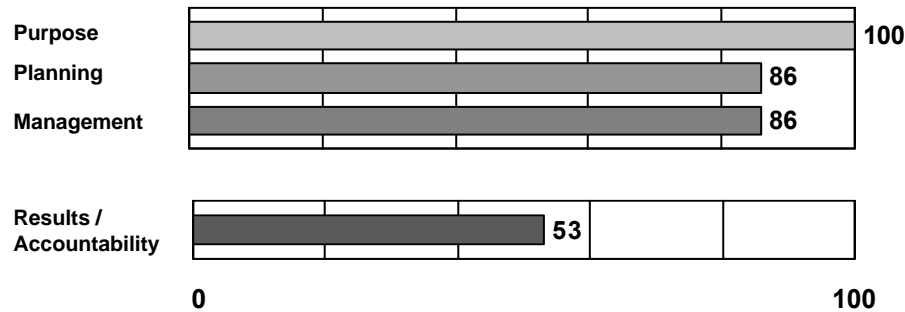
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,053	1,090	1,371

**Program:** *U.S. Patent and Trademark Office - Trademarks*

**Agency:** *Department of Commerce*

**Bureau:** *U.S. Patent and Trademark Office (USPTO)*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Improve quality by reducing the error rate (Based on a quality review, the percent of pending, registered, or abandoned applications containing an error that could affect the validity of trademark registration.)	2002	5%	4.3%
	2003	4%	5.3%
	2004	5%	
	2005	4.5%	
Long-term Measure: Reduce average total pendency (Pendency is defined as the estimated time in months for a complete review of a trademark application, from the filing date to issue or abandonment of an application.)	2002	16	19.9
	2003	15.5	19.8
	2004	21.6	
	2005	23.5	
Long-term Measure: Efficiency - cost per trademark registered	2002	N/A	\$487
	2003	\$683	\$433
	2004	\$583	
	2005	\$701	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Patent and Trademark Office (PTO) registers trademarks (and issues patents). Trademarks protect corporate and product identifications.

This is the second assessment of PTO's trademark operation. The assessment found that the program is moderately effective, however performance has declined slightly, relative to the first assessment.

- Prior to 2002, the trademark program showed strong performance with declining pendency and cost per trademark registered.
- The trademark operation did not meet its pendency targets in 2002 and 2003, and the backlog of unexamined trademark applications has increased by 30%. This can partially be attributed to under-projections of the trademark workload and staffing. The program has reviewed its production model and management plans and has revised its annual performance goals.
- Although performance plans at PTO are linked to the organization's goals, performance plans of managers do not include cost-efficiency goals.

In response to these findings, the PTO will:

1. Implement the revised trademark workload model and projections of staffing requirements; and
2. Incorporate cost-efficiency targets into performance plans.

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

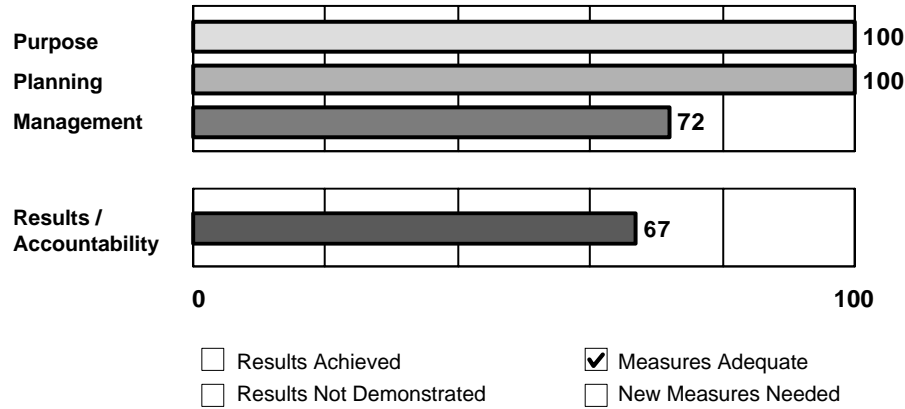
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
129	132	162

## **DEPARTMENT OF DEFENSE**

**Program: Air Combat Program**

**Agency:** Department of Defense--Military

**Bureau:** Procurement



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Number of performance objectives for individual weapons systems unmet	1999	0	0
	2000	0	0
	2002	0	0
	2003	0	
Annual Measure: Percent change in acquisition costs for individual aircraft programs from estimated cost of program. For example, actuals show deviation for the F/A-18E/F fighter program. Data from DoD's annual Selected Acquisition Reports. The Dec 2001 report represents a 2-year reporting period (1999-2001) due to the absence of a Dec 2000 report.	1999	<10%	4.7%
	2000	<10%	5.3%
	2002	<10%	4.1%
	2003	<10%	

**\*Rating:** Moderately Effective

**Program Type** Capital Assets

**Program Summary:**

The air combat program consists of a number of individual aircraft and helicopter research, development and procurement programs that, taken together, comprise DoD's investment in air combat capabilities. Individual programs reviewed include fighter aircraft such as the Air Force F/A-22 fighter, the Navy F/A-18E/F attack fighter and the multiservice Joint Strike Fighter, as well as Army helicopters such as the Apache Longbow and Comanche. Findings reflect the performance of individual programs since DoD does not manage air combat as a single program.

Findings include:

1. The PART analysis showed that the program purpose is clear, owing to the unique military requirement of these systems.
2. The Air Combat program scored well in planning because of DoD's extensive planning, programming and budgeting system, which matches program plans with budgets and ensures that analyses of capabilities are done before individual programs begin.
3. DoD's management of the overall air combat program is currently based on the extensive system of regulations governing how individual acquisition programs are managed. Through these regulations DoD tracks the progress of individual programs and can hold managers accountable for their programs -- as has recently been shown by changes in management personnel in the F/A-22 program.
4. DoD's individual programs within the overall air combat program are delivering aircraft at targeted rates, but in several cases, such as the F/A-22, with cost increases.
5. DoD is moving towards a "capabilities based" assessment of its programs, rather than the traditional assessment of individual acquisition programs. Until the air combat program is managed as a single program (consisting of several systems) with clear long-term goals, it will be difficult to assess in this way. For example, DoD has not yet defined several annual goals or other performance measures for the air combat program as a whole.

In response to these findings, the Administration:

1. Proposes that DoD refine methods for assessing the efficiency and effectiveness (or otherwise) of the overall air combat program in light of the needs of the 2001 QDR defense strategy and the global war on terrorism.

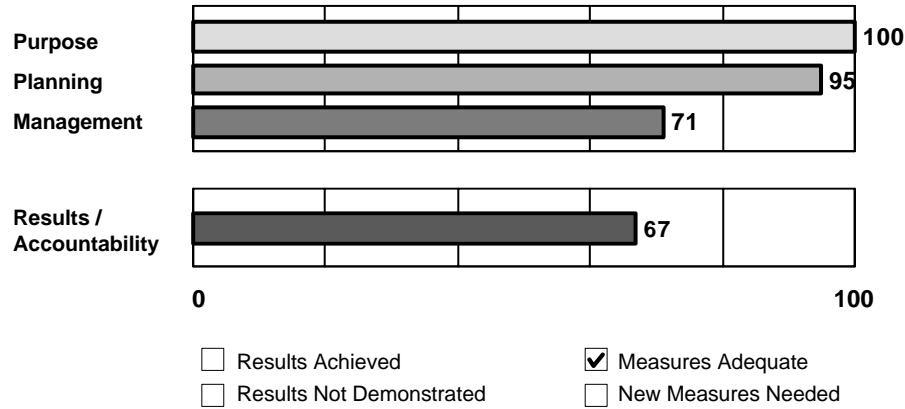
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Airlift Program**

**Agency: Department of Defense--Military**

**Bureau: Procurement**



**Key Performance Measures**

**Year Target Actual**

<b>Annual Measure:</b> Percent change in acquisition costs for individual programs from the total cost estimate. For example, actuals show changes for the C-17 program. Data taken from DoD's annual Selected Acquisition Reports. The December 2001 report represents a two-year reporting period (1999-2001) due to the absence of a December 2000 report.	1999	<10%	-1.7%
	2000	<10%	-1.5%
	2002	<10%	1.1%
	2003	<10%	
<b>Long-term Measure:</b> Provide 100 percent of strategic airlift capacity (54.5 million ton miles/day), a requirement established by DoD in its Mobility Requirements Study 2005	2003	90%	90%
	2005	100%	

**\*Rating: Moderately Effective**

**Program Type Capital Assets**

**Program Summary:**

The airlift program consists of a number of individual Air Force tactical and strategic airlift aircraft research, development and procurement programs that, taken together, comprise DoD's investment in airlift capabilities. These capabilities allow DoD to move large amounts of personnel and material to, and within, remote locations in short periods of time. The individual programs include the Air Force's C-130J tactical airlift aircraft program, the C-17 strategic airlift aircraft program and the C-5 strategic airlift aircraft program.

Findings include:

1. The PART analysis showed that this is a coherent program with a clear and basic long-term goal, namely, to be able to move military forces and their equipment from the US to anywhere in the world whenever required.
2. Because the individual components of the overall program have clear goals, and because of DoD's extensive planning, programming and budgeting system, which matches program plans with budgets, the program also scored well in the strategic planning and management analysis.
3. The major airlift acquisition program, the C-17 program, is delivering aircraft on, or ahead of, schedule, albeit with some cost increase.
4. DoD must aggressively examine possible trade-offs within the airlift program that could lower the cost of meeting the airlift requirement without sacrificing military readiness or combat capabilities. To address this issue DoD is attempting to move towards a "capabilities based" assessment of its programs, rather than the traditional assessment of individual acquisition programs. The PART analysis showed that DoD still has more to do in this area. For example, DoD should develop annual goals and other performance measures for the airlift program as a whole.

In response to these findings, the Administration:

1. Proposes that DoD continue to develop methods for assessing the efficiency and effectiveness (or otherwise) of the overall airlift program in light of the needs of the 2001 QDR defense strategy and the global war on terrorism.

(For more information on this program, please see the Department of Defense chapter in the Budget volume.)

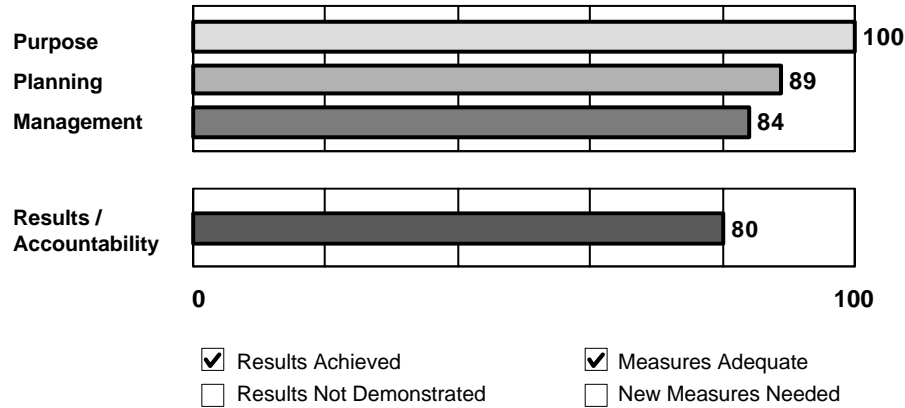
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Basic Research**

**Agency:** Department of Defense--Military

**Bureau:** Research, Development, Test, and Evaluation



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Certification in biennial reviews by technically competent independent reviewers that the supported work, as a portfolio, is of high quality, serves to advance the national security and is efficiently managed and carried out.	2003 and later	100%	
Long-term Measure: Portion of funded research that is chosen on the basis of merit review Reduce non-merit-reviewed and -determined projects by one half in two years (from 6.0% to 3.0%)	2005	-50%	

**\*Rating: Effective**

**Program Type** Research and Development

**Program Summary:**

The Basic Research program includes scientific study and experimentation to increase fundamental knowledge in the physical, engineering, environmental and life sciences and consists of a wide portfolio of projects. The program is carried out primarily through grants to universities and non-profits. The results of this research are expected to improve the country's defense capabilities, although the actual results of any specific project are unpredictable. Notable successes in the past have led to advances in satellite communications and imagery, precision navigation, stealth, night vision and technologies allowing greatly expanded battlefield awareness. Due to the long-term nature of research results, the R&D PART emphasizes assessment of the process of choosing funded projects and independent assessments of how well the research portfolio is managed.

The assessment indicates that the basic research program has clear purposes of providing options for new weapons systems, helping prevent technological surprise by adversaries, and developing new scientists who will contribute to the DoD mission in the future. DoD can document--through its contracts and grants management regulations, public announcements of award competitions and results from independent review panels--the methodical management of its program. Additional findings include:

1. The grants/contract solicitation, review and award processes are competitive.
2. The program is reviewed regularly by technically capable outside reviewers, which recommend improvements they would like to be implemented. They indicate that the work is of overall high quality.
3. The program has competent planning and management.
4. Earmarking of projects in the program has increased in the past decade and contribute less than the typical research project to meeting the agency's mission.

In response to these findings, the Administration will:

1. Continue to emphasize the use of independent review panels in assessing the performance of the program.
2. Work with the research community and Congress to explain the need to limit claims on research grant funds to proposals that independently can meet the standards of a strict merit-review process.

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

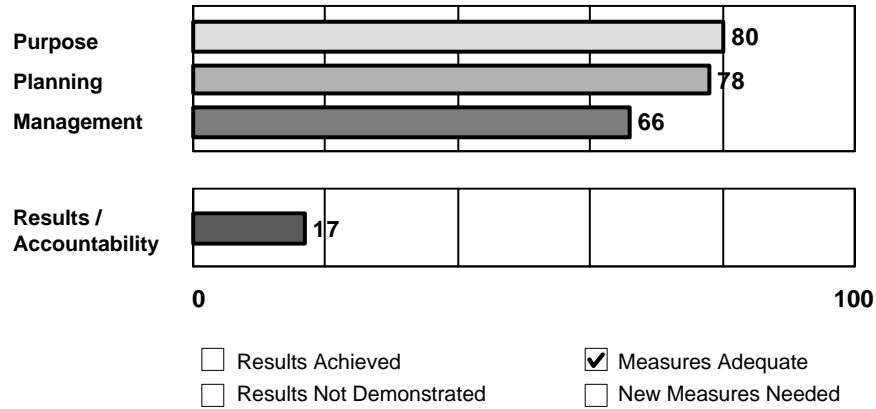
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program: Chemical Demilitarization**

**Agency:** Department of Defense--Military

**Bureau:** Procurement



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Destruction and disposal of 100 percent of the chemical weapons stockpile	2012	100%	
Annual Measure: Disposal of 45% of the stockpile by 2004	2002	25%	25%
	2004	45%	

**\*Rating: Ineffective**

**Program Type** Capital Assets

**Program Summary:**

The Chemical Demilitarization Program destroys the U.S. stockpile of chemical weapons. The United States has an obligation to destroy such weapons under a treaty (the Chemical Weapons Convention) ratified by the US in 1997.

1. The assessment revealed that the purpose of the program is very clear.
2. The program has faced a number of challenges that are reflected in the score. It has had difficulty gaining support from some local communities surrounding disposal sites, which has caused delays. Further, environmental permitting has delayed the start of some destruction. The delays and cost increases will make it difficult for the program to meet required deadlines under the Chemical Weapons Convention. The program underwent a major restructuring in 2003 that added approximately \$9 billion to the cost of the program.
3. The delays and cost increases are reflected in a low accountability/results section score. The score is low because the program has only begun destruction activities at two out of nine sites, (Johnston Atoll and Tooele, Utah). Further, DoD has not yet determined the process it will use to dispose of the stockpile stored at Bluegrass, Kentucky, and therefore lacks a schedule or a budget for this site. In Anniston, Alabama, community safety concerns resulted in significant delays to the start of disposal. In addition, a delay in disposal occurred at Tooele, Utah when heavy metals were found in some weapons which required remediation. Thus, while DoD has destroyed a portion of the chemical weapons stockpile it still faces great challenges in destroying the entire stockpile in a timely and efficient way.

In response to these findings, the Administration will:

1. Manage the program according to milestones DoD recently developed for each site;
2. Focus on maintaining the schedule and efficiency goals; and
3. Approve a destruction process and proceed with planning efforts for the Blue Grass, KY site and work with the community groups at all sites to ensure that safety concerns are met.

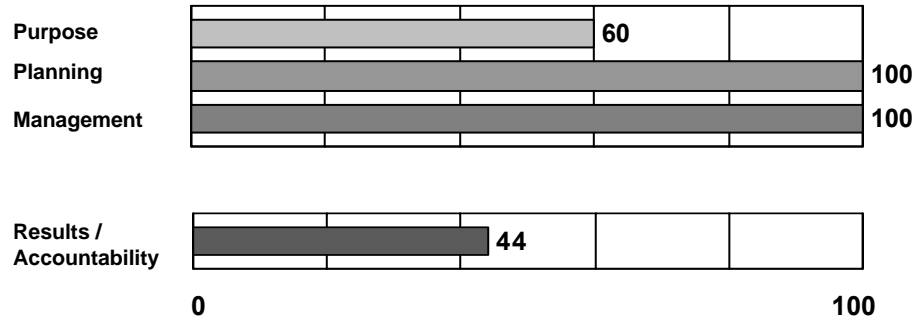
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Comanche Helicopter Program

**Agency:** Department of Defense--Military

**Bureau:** Army



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Vertical Rate of Climb (in feet per minute)	2009	500	
Long-term Measure: Date of Production Contract	2009	1Q 2009	
Long-term Measure: Total # of Aircraft Delivered	2019	646	

**Rating:** Results Not Demonstrated

**Program Type:** Capital Assets and Service Acquisition

**Program Summary:**

The Comanche program is designed to be the Army's future armed air reconnaissance helicopter. The aircraft is intended to fly deep into theater to perform intelligence missions and also to be capable of engaging in combat.

The assessment found that the program has experienced significant cost and schedule delays. Additional findings include:

- DoD has restructured the program six different times.
- Since 1985, the estimated unit cost of a Comanche grew from \$12.2 million to \$33.6 million in 2004.
- Research and development costs have nearly quadrupled.
- The Army was originally planning to field the helicopter in 1994; delivery of the first aircraft is now scheduled for FY 2009.
- In October 2002, OSD approved a new procurement program of 650 aircraft reduced from 1,213 aircraft and limited the mission to armed reconnaissance.
- The development of Unmanned Aerial Vehicles shows significant potential to serve a similar purpose as Comanche for the Army.
- Since its recent restructure, the program has not yet demonstrated significant progress in achieving its performance goals.
- Once fielded, Comanche will be an improvement over existing Army helicopters.

The Department of Defense plans a major review in 2006 of major acquisition programs, including the Comanche helicopter.

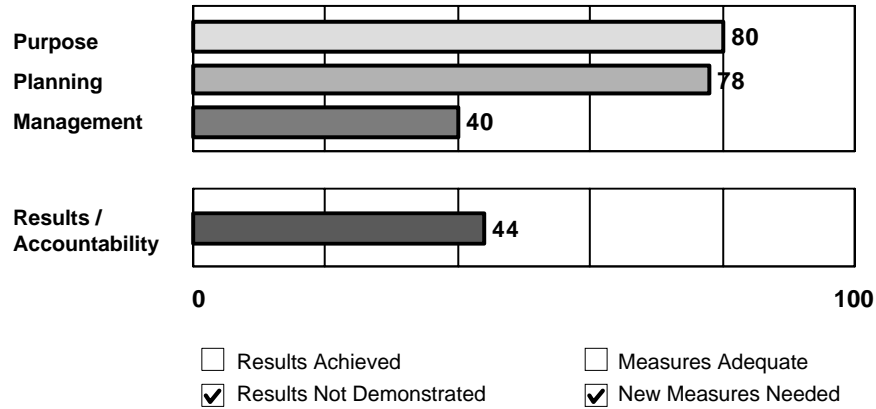
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
877	1,079	1,252

## Program: Communications Infrastructure

Agency: Department of Defense--Military

Bureau: Department of Defense--Military



### Key Performance Measures

### Year Target Actual

Long-term Measure: DoD is preparing long-term performance metrics, to include system capacity, performance, and user satisfaction. (New measure, target under development)			
Annual Measure: Percent of time that the Non-Secure Internet Protocol Router Network (NIPRNET) access circuit is available. NIPRNET is the unclassified IT system.	2000	> 98.5%	99.63%
	2001	> 98.5%	99.50%
	2002	> 98.5%	
	2003	> 98.5%	
Annual Measure: Number of bases upgraded by the Army Installation Infrastructure Modernization Program (I3MP)	2001	5	5
	2002	8	8
	2003	5	

## \*Rating: Results Not Demonstrated

Program Type Capital Assets

### Program Summary:

The communications infrastructure program includes all networks and systems for transmission of voice, data, and video information for the Department of Defense, with a total investment of about \$5.4 billion in 2003. This analysis includes base level communications activities of the military services, DoD's long distance communications, and the Defense Information System Network (DISN), managed by the Defense Information Systems Agency (DISA), which provides world wide communications capabilities to military personnel. The DISN includes the Global Infrastructure Grid (GIG) Bandwidth Expansion program, which will increase bandwidth connections to over 90 military bases, and the DoD Teleport program, which will improve satellite communications connections.

Overall, the PART reveals that DoD does not manage its communications infrastructure on an enterprise or department-wide basis. Best industry practice suggests a communications infrastructure should be managed with an enterprise approach rather than in a piecemeal fashion by component. The PART assessment also suggests that DoD should develop common performance measures to be used across the entire department for this program. Additional findings include:

1. The program's purpose is clear, owing to the unique military requirements of these systems.
2. The program performs well on planning because it has established clear short-term goals and has taken meaningful steps to address strategic planning deficiencies. It has not, however, established long-term performance measures.
3. While the program does collect performance information and is working to address management deficiencies, it lacks clearly defined long-term performance objectives and does not measure program efficiency or effectiveness.
4. The program results section also shows some weaknesses. Here again the PART highlighted the lack of long-term outcome goals.

In response to these findings, DoD will develop common metrics to assess program performance across the department.

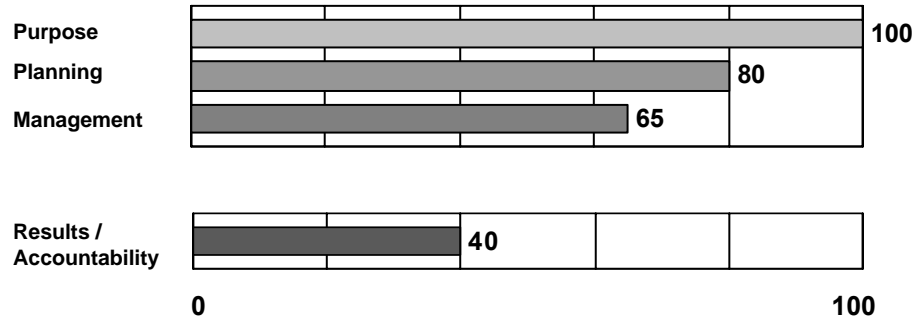
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Defense Health*

**Agency:** *Department of Defense--Military*

**Bureau:** *Defense Health*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Patient Satisfaction Surveys	2003	55%	
	2004	57%	
	2004	65%	
Annual Efficiency Measure: Measures are being developed on inpatient and outpatient costs in the direct care system.			
Annual Efficiency Measure: Measures are being developed on the medical readiness status of active duty members			

**Rating:** *Adequate*

**Program Type:** *Direct Federal*

**Program Summary:**

The Defense Health Program (DHP) trains military medical personnel and provides health care in peace and war time to active duty members, retirees and their families around the globe.

The assessment found that the program has a unique and clear mission of providing medical readiness training for war time. In addition,

- DoD patients are generally satisfied with the availability and quality of health care.
- In 2003, DoD made good progress in implementing its new five-year health strategic plan.
- The program scored relatively low on the Program Results area primarily because it has not yet fully developed performance measures aligned to its new strategic plan, as apparent in table at left. While these results are still unknown, DoD is widely recognized for ensuring quality medical care in combat zones and at home – hence, the rating of “Adequate.”
- The program needs to develop efficiency measures and link performance results to its budget.
- DoD continues to improve its collaboration with the Department of Veterans Affairs (VA). DoD and VA have developed a joint sharing strategic plan.

In response to these findings, DoD will:

1. Take steps to finalize performance measures with annual targets that are aligned to its new strategic plan.
2. Develop efficiency measures and identify how it can link performance results to its budget.
3. Improve coordination with VA through sharing of enrollment and patient record data as well as through implementation of several joint medical sites.
4. Further the implementation of the DoD/VA joint sharing strategic plan.

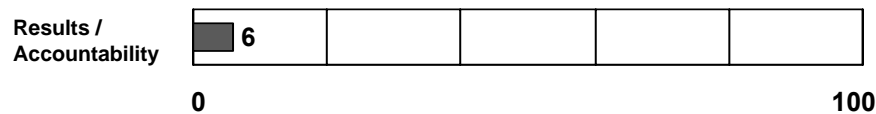
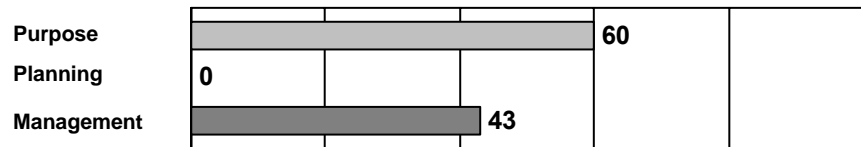
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
15,398	16,392	17,640

**Program:** *DoD Small Business Innovation Research / Technology Transfer*

**Agency:** *Department of Defense--Military*

**Bureau:** *Research & Development*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Revise the Commercialization Achievement Index (CAI) to eliminate counting of investments as commercialization no later than three years after receiving the first Phase II support. After that, count competitive sales receipts only.	2004	All	
Long-term Measure: Stop funding companies with more than 5 current or past Phase II awards in the last 5 years if the company is in the bottom quartile in the CAI.	2005	All	
Long-term Efficiency Measure: Emphasize commercialization so overall competitively awarded sales to the government (direct or indirect) from resulting products is at least equal to new R&D investment (Phases I-III), as a portfolio of prior 3-8 year investments (rolling average).	2004	0.15	
	2005	0.2	
	2006	0.3	
	2007	0.5	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Research and Development*

**Program Summary:**

The Department of Defense's (DoD's) Small Business Innovation Research and Small Business Technology Transfer programs supply funds to small businesses (in the latter case, in conjunction with non-profit research institutions) to develop products that help DoD defend the country.

The assessment found that the program:

- Provides funds to small businesses but has poor controls on unproductive spending
- Continues to provide funding to companies with track records of poor performance;
- Overestimates commercial successes resulting from Federal support by treating additional investment in the same way as product sales.

In response to these findings, the Administration will:

1. Tighten eligibility requirements for accepting proposals from companies and individuals that repeatedly fail to sell resulting products in the marketplace.
2. Change the way companies' past performance is assessed to ensure that it more closely matches the intent of the law.
3. Look for ways to budget explicitly for the program's administrative costs.
4. Seek to get highly successful awardees to enter the mainstream of Defense contracting.

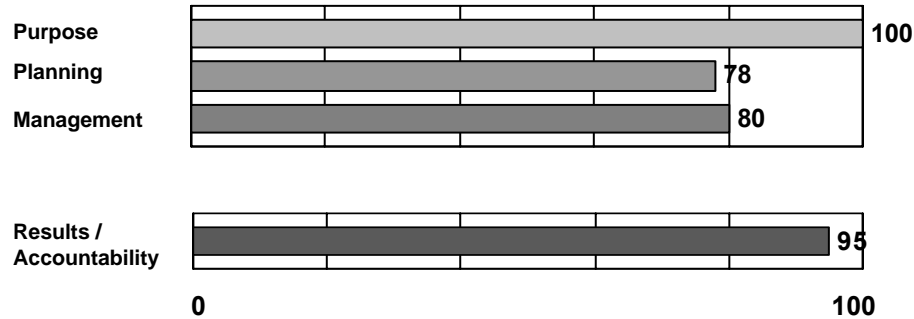
**Program Funding Level (in millions of dollars)**

<b>2003 Actual</b>	<b>2004 Estimate</b>	<b>2005 Estimate</b>
963	1,100	1,133

**Program: Energy Conservation Improvement**

**Agency:** Department of Defense--Military

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Reduce energy consumption in Department of Defense Buildings. The target is a 35% reduction by 2010 from a 1985 baseline.	2002		26%
	2010	35%	
Long-term Measure: Reduce energy consumption in Department of Defense Industrial Facilities. The target is a 25% reduction from a 1990 baseline.	2002		24.5%
	2010	25%	
Annual Measure: Reduce energy consumption in Department of Defense Buildings: goal is a 1.5% annual reduction relative to previous year.	2002	1.5%	2.5%

**Rating: Effective**

**Program Type:** Capital Assets and Service Acquisition

**Program Summary:**

The Department of Defense (DoD) consumes more than three-fourths of the Federal government's energy use. DoD spent \$7 billion in 2002 on energy use, including fuels. The Energy Conservation Improvement Program (ECIP) is designed to improve energy and water efficiency in existing DoD facilities to reduce energy costs.

The assessment found:

- The ECIP program scored well in the purpose and planning sections because the purpose is clear and DoD has established realistic, attainable goals. DoD manages this program well. It closely tracks program spending and results, and manages future budget allocations to the Military Services accordingly. DoD has corrected past obligation rate problems.
- The program achieves results. From 1985 through 2002, energy consumption has been reduced in DoD's buildings by one-fourth and in industrial facilities by more than one-fifth. More importantly, this reduction was achieved at a net savings. Over the life of the program, ECIP projects have produced average savings of about four dollars for every dollar invested.
- Overall, the program scored well because it is a small, well-targeted program which assists the Military Services and Defense Agencies.

In response to these findings, the Administration:

1. Will ensure that the program produces high returns on investment, and
2. Will develop new metrics to provide additional information about the program's results, and will develop even more aggressive targets.

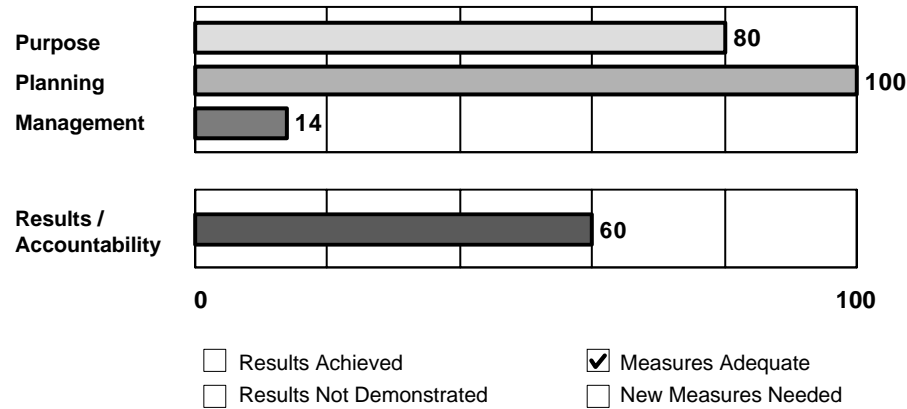
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
35	50	60

**Program:** *Facilities Sustainment, Restoration, Modernization, and Demolition*

**Agency:** *Department of Defense--Military*

**Bureau:** *Operation and Maintenance*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percentage of existing facilities rated C-2 or better These facilities have no significant or major deficiencies that affect DoD's ability to perform its missions.	2001	100%	31%
	2002	100%	32%
	2003	100%	
	2004	100%	
Long-term Measure: Rate, expressed in years, in which planned facilities are restored, modernized, or replaced, given planned investment spending (lower, but not below target, is better) (New measure)	2003	67 yrs	138 yrs
	2004	67 yrs	128 yrs
Annual Measure: Percentage of day-to-day maintenance funded (target level keeps facilities in good working order) (New measure)	2003	100%	93%
	2004	100%	94%

**\*Rating:** *Adequate*

**Program Type** *Direct Federal*

**Program Summary:**

The Facilities Sustainment, Restoration, Modernization (SRM) program provides funds to keep the Department of Defense's (DoD's) inventory of facilities in good working order. In addition, the program provides resources to repair aging or damaged facilities and alter facilities to meet new needs. The Demolition program provides funds to get rid of structures no longer needed.

The assessment found that while DoD has not adequately maintained its facilities (68% have significant or major deficiencies that affect DoD's ability to perform its missions), it is making a significant effort to address this problem. Additional findings include:

1. DoD recently developed a long-term strategic plan and is improving business practices, such as using performance-assessment metrics and using life cycle cost analyses that emphasize capital rather than short-term budgeting.
2. The high planning section score is due to the new strategic plan as well as recent development of new performance management tools and improved guidance issued to the military services.
3. The management section score is low because the program is not optimally managed to ensure that program execution matches the plan. The military services can deviate from guidance since program execution is decentralized. Deviation from the plan can put achieving program goals, such as funding day-to-day maintenance requirements fully and restoring or modernizing facilities every 67 years on average (based on private sector standards), at risk. Higher priority defense requirements have caused managers to use funds intended for maintenance of facilities for other programs. Over time this movement of funds has contributed to an accumulation of inadequate facilities.
4. A key performance measure, readiness of existing facilities to meet mission requirements, uses subjective assessments and can yield inconsistent results.

To address these findings, the agency will:

1. Improve program management. Performance should improve once managers begin managing more strictly to the new performance management tools. Accountability systems have been put in place to help.
2. Pursue a facilities readiness or condition reporting system that yields more objective, consistent results.
3. Continue to work to eliminate excess facilities.

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

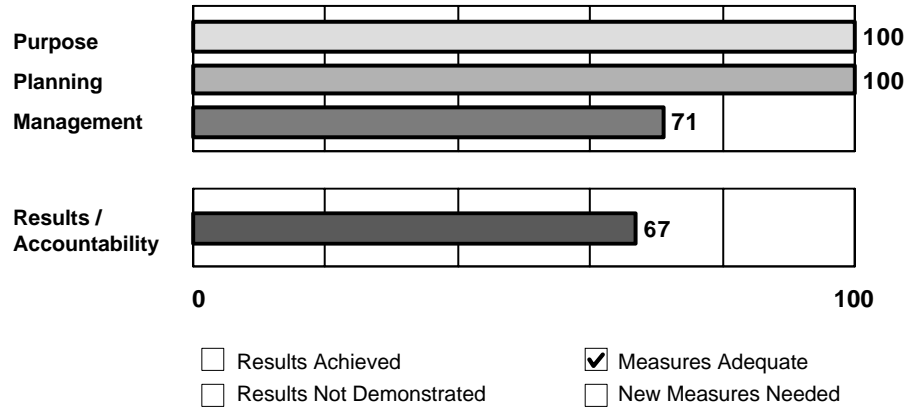
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program: Housing**

**Agency:** Department of Defense--Military

**Bureau:** Military Personnel



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Reduce the number of inadequate houses to zero by 2007	2002	153,249	163,195
	2003	125,366	
	2004	98,953	
Annual Measure: Number of housing units privatized	2002	13,905	10,284
	2003	34,649	
	2004	41,258	
Annual Measure: Percent of service members out-of-pocket housing expenses as a fraction of the national median housing costs	2002	11.3%	11.3%
	2003	7.5%	
	2004	3.5%	
	2005	0%	

**\*Rating: Moderately Effective**

**Program Type** Direct Federal

**Program Summary:**

DoD's housing program provides housing to military service members and their families. DoD does this in two ways -- by providing housing allowances (BAH) to service members (who find housing in the private sector or in privatized housing on-base) or by providing members DoD-owned housing.

1. The PART reveals that DoD received high scores for the purpose and planning sections because the housing program meets the specific needs of the military and has long-term and short-term goals.
2. The PART shows that, even though DoD has an ambitious goal of eliminating the number of inadequate houses by 2007 (a Presidential Management Initiative), DoD is lagging behind in meeting its targets as shown in the performance measures table on the left. At the end of 2002, DoD owned 163,195 inadequate housing units, higher than what was projected.
3. However, DoD met its goal for reducing service member out-of-pocket housing expenses to 11.3% by increasing housing allowances in 2002.
4. DoD is making attempts to reduce the federal role by increasing both allowances and privatization of government-owned housing.

Based on these findings, the Administration will:

1. Work toward meeting yearly targets so that DoD can eliminate all inadequate housing by 2007.
2. Eliminate all out-of-pocket housing expenses by providing an appropriate housing allowance.
3. Privatize government-owned housing, where feasible, so that military service members and their families can live in quality housing.

(For more information on this program, please see the Department of Defense chapter in the Budget volume.)

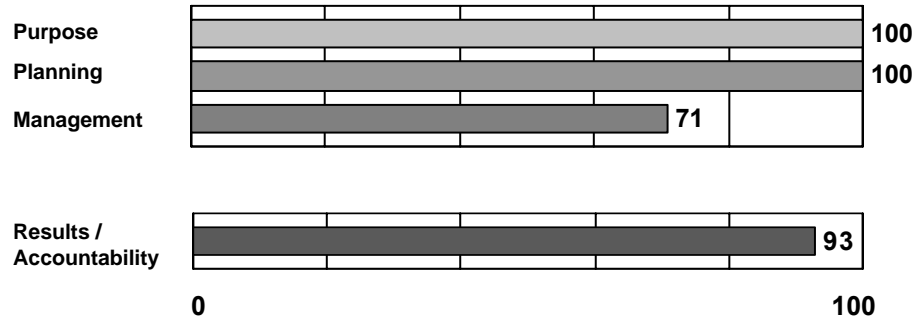
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Military Force Management**

**Agency:** Department of Defense--Military

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Active Duty End-Strength - percentage of manning goal achieved	2001	99.5% to 102%	102.3%
	2002	99.5% to 102%	101.8%
	2003	99.5% to 102%	103.2%
	2004	99.5% to 102%	TBD
Annual Measure: Active Duty Recruiting - yearly percentage of required accessions achieved	2001	100.0%	100.5%
	2002	100.0%	100.5%
	2003	100.0%	101.0%
	2004	100.0%	TBD
Long-term Efficiency Measure: Efficient manpower mix - percent of military manpower realigned as planned to achieve a more efficient force. Will be applied to both individual and unit formations			

**Rating: Effective**

**Program Type:** Direct Federal

**Program Summary:**

DoD's Military Personnel Management area covers the entire range of personnel functions of the Department – from recruiting to retention, pay and subsistence, and retired pay accrual. The focus of the PART was manning the force – having the right quantity and quality of personnel in the right places at the right times to meet DoD's requirements.

The assessment found that DoD is very effective at manning its force. It has significant flexibility to recruit, train, and retain the best personnel. Recruiting has been strong, even during the Global War on Terror. Retention is the best it has ever been in some services. Compensation is above the median for comparably educated civilians, and exceeds the 70<sup>th</sup> percentile in many cases. The DoD bonus programs have allowed retention in critical skills, ensuring those important needs are met.

In spite of this effectiveness, DoD still needs to increase its management efficiency. Over the past year, for example, several GAO reports have criticized the Department for the handling of its Selective Reenlistment Bonus (SRB) program and its reserve pay system, and last year's recruiting PART found similar weaknesses in the efficiency measures for that function. In response to these findings, DoD will:

- Evaluate the entire military personnel compensation package, rather than making piecemeal recommendations.
- Improve its pay and personnel systems, and include reserve systems.
- Develop additional evaluation measures to rate the efficiency of its bonus and other programs, rather than just their effectiveness.

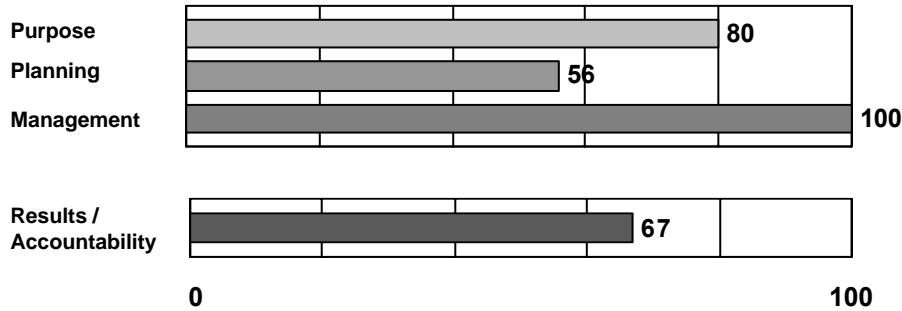
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
93,500	98,956	103,100

**Program:** *Missile Defense*

**Agency:** *Department of Defense--Military*

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
<b>Long-term Measure:</b> Demonstrate technical performance goals: FY2003 - (1) BMDS Terminal Capability vs SRBMs (2) GBI EKV Guidance & Control; FY2004 - (1) BMDS Midcourse Capability vs LRBMs (2) IDO Capability; FY2005 - (1) BMDS Midcourse Capability Vs IRBMs/MRBMs, (2) Expanded BMDS Terminal Capability Vs SRBMs; FY2006 - (1) SBX & (2) Space-based Sensor Performance	2003	1 & 2	1&2 achieved
	2004	1 & 2	
	2005	1 & 2	
	2006	1 & 2	
<b>Annual Measure:</b> Measure performance through key milestones. FY2003 - Verify PAC-3 ESG & GEM/GEM+ ESG; FY2004 - Complete IDO, including 1st GBI installation, surveillance & tracking upgrade of up to 3 Aegis BMD ships, Cobra Dane & EWR Upgrades, Verify 6 GBI ESGs; FY2005 - Verify 5 SM-3 ESGs & 4 THAAD ESGs, add up to 9 SM-3s, complete 3 C2BMC suites, etc. FY2006 - (provided separately)	2003	Verify 6 ESGs	6 ESGs Verified
	2004	3 Tests, 6 ESGs	
	2005	4 Tests, 9 ESGs	
	2006	2 Tests	
<b>Annual Measure:</b> Annual costs estimated for Block 04, 06, and 08 parallel development. Evaluation based on managing within projected costs. (Note: Draft FY05 PB data used for FY05 and FY06 targets.)	2003	\$5.08B	\$5.08B
	2004	\$5.79B	
	2005	\$6.94B	
	2006	\$5.72B	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Capital Assets and Service Acquisition*

**Program Summary:**

The DoD missile defense program consists of multiple systems and capabilities developed by the Missile Defense Agency (MDA) or military services, as well as the policy and budgetary support provided by the Office of the Secretary of Defense. This program fields active defenses against short, medium, and long-range missiles in a multi-layered, global system. Demonstrated capabilities will be fielded incrementally in “blocks” to provide near-term defense, with subsequent increases to system robustness to keep pace with growing threats. The score is a composite for MDA, U.S. Army, and DoD oversight performance.

The assessment of DoD’s missile defense program found:

- DoD continues to design, engineer, and develop extensive missile defense capabilities, but has not programmed adequate funds to procure and operate the newly developed capabilities.
- MDA has matured its goal-setting procedures, completing the Statement of Goals for Blocks 04, 06, and 08. The newly-developed concept of Engagement Sequence Groups (ESGs – used in the Key Performance Measures) has become the organizing principle for measuring progress of the developmental program.
- Technical progress continues, but there have been challenges. The PAC-III operated effectively against hostile Iraqi ballistic missiles, but also experienced command and control problems. Aggressive GMD and Aegis SM-3 efforts are on track. Two long-range missile defense tests (one land-; one sea-based) failed, but two new booster shots were a success. The Airborne Laser is falling behind schedule due to technical problems, which are more difficult than expected. System-wide engineering efforts are maturing well, and construction of Fort Greely is approximately 80% complete and on schedule. The program is within 30 days of schedule for Initial Defense Operations in late 2004.
- DoD has not adequately refined the MDA-to-service transfer of missile defense programs. There continues to be friction in the implementation of this process.

In response to these findings, DoD will:

1. Fund missile defense sustaining operations & support, and production/ deployment of future “blocks” through the Future Years Defense Plan.
2. Continue to review and improve policies and procedures for transitioning missile defense capabilities from development to production, and to the Combatant Commanders for operational use.

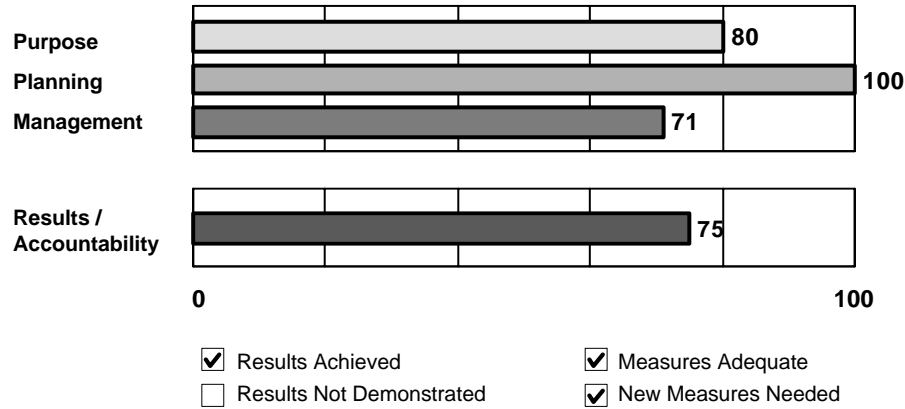
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
7,490	9,095	10,298

**Program: Recruiting**

**Agency:** Department of Defense--Military

**Bureau:** Operation and Maintenance



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Number of personnel required to meet military needs In addition to exceeding the required number of recruits, quality goals have been met over the past three years.	1999	200,000	193,000
	2000	205,000	206,000
	2001	211,000	212,000
	2002	210,000	212,000
Budget/Short-term Measure: Average cost of recruiting a new member into the Armed Forces (The numbers in this table represent the total cost of the program divided by the number of recruits. This measure is not currently used as a performance goal - it is only a measure of the expected cost of the program. The Administration recommends this performance measure.)	2002		\$13,252
	2003	\$13,662	
	2004	\$14,162	
Program efficiency metrics currently under development			

**\*Rating:** Moderately Effective

**Program Type** Direct Federal

**Program Summary:**

The recruiting program of the Department of Defense (DoD) is designed to attract large numbers of high quality young men and women to serve in the armed forces. The program is multifaceted, using military members, advertising, and bonuses to attract young men and women to military service. The goal of DoD recruiting is to ensure that sufficient numbers of qualified young Americans enlist in the armed services.

The assessment found that the program was highly effective, but since there were no measures of program efficiency, the overall rating is only moderately effective. DoD has met its goals for both quality and quantity of recruits for the past two years. During this period, costs did increase, with the Services adding production recruiters, expanding and refining their enlistment incentive programs, reenergizing advertising with performance incentives written into their contracts, embracing high technology with laptop computers and cell phones, exploiting the Internet with cyber-recruiting initiatives, and adopting proven business practices in recruiter selection and training. The Services continue to refine their recruiting programs, with the Army and Navy actually able to reduce the number of recruiters as the investments in the recruiting process come to fruition. When viewed in constant dollars, the cost-per-recruit has stabilized at the 2002 level in the 2004 Budget Request. However, the program does not have management information systems in place to allow for better decision making. There is currently no way to gauge the effectiveness of specific new tools and determine whether the recruiters are more effective.

In response to these findings, the Administration will:

1. Recommend the Department of Defense create better information systems to allow more management information flow to the program managers. This new system should support separating out and measuring fixed and variable costs, measures of management efficiency, and performance information for the results of particular inputs. Such a system would increase the information available to the program managers about the effectiveness of each of the elements of the program, allowing them to take a broader look at the available resources and apply them more efficiently.
2. Create a quarterly execution report to track program performance and program efficiency.

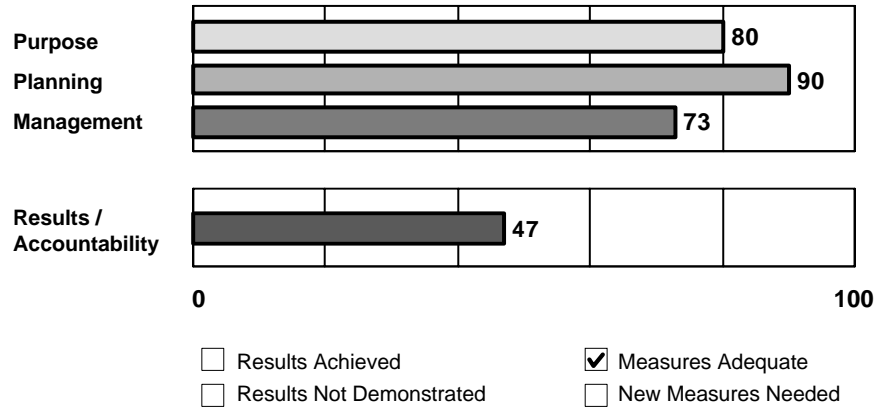
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

# Program: Shipbuilding

Agency: Department of Defense--Military

Bureau: Procurement



## Key Performance Measures

Year Target Actual

Measure Description	Year	Target	Actual
Annual Measure: Percent change in acquisition costs for individual programs from established cost of the program. Results from Virginia Class attack submarine program shown as example; data from DoD's annual Selected Acquisition Reports. The Dec 2001 report represents a two-year period (1999-2001) due to the absence of a Dec 2000 report.	1999	<10%	12%
	2001	<10%	12%
	2002	<10%	
	2003	<10%	
Annual Measure: Percentage of ship construction complete Each ship under construction has a delivery date and construction schedule. At the end of each year, the Program Manager has a goal to have a percentage of the ship construction completed. The information provided is for the first Virginia Class submarine (SSN 774).	1999	22%	24%
	2001	57%	64%
	2002	>85%	
	2003		
Long-term Measure: Number of ships in the Fleet The Navy has a baseline level of ships that it should maintain. For example, the 2001 Quadrennial Defense Review set 55 attack submarines as the baseline force that the Navy should maintain. The information shown shows planned levels for attack submarines.	2000	55	56
	2005	55	54
	2009	55	60
	2012	55	60

**\*Rating: Adequate**

Program Type Capital Assets

## Program Summary:

The shipbuilding program buys new ships and overhauls older ships for the Navy.

The assessment shows that the Navy's shipbuilding program has a clear purpose, which directly relates to the Navy's mission to defend the nation. The shipbuilding program is designed around long-term goals to maintain a specific fleet size and capability. For example, the Navy uses a baseline of 12 aircraft carriers as the minimum number needed to carry out required missions. Because of this goal, aircraft carriers are purchased at levels required to maintain this quantity. Additional findings include:

1. The Navy has specific cost, schedule, and performance goals for each shipbuilding program.
2. The Department of Defense conducts periodic reviews of programs at major milestones of development and uses a structured reporting regime to help monitor the status of ship development and cost, and construction schedule.
3. The shipbuilding program is limited by industrial base, political, and budgetary pressures that have prevented the Navy from building ships at an optimal, efficient rate to provide for the long term.
4. The Navy has experienced cost increases and schedule slips on some ship construction programs.
5. The unique attributes of each ship and the small procurement quantities within the shipbuilding program challenge the Navy from realizing efficiencies that could be achieved program-wide. Optimistic budget assumptions have exacerbated this problem.

In response to these findings the Administration will:

1. Improve the cost estimates for the shipbuilding program or, in some cases, fully budget to cost estimates.
2. Work to ensure that shipbuilding decisions are made with long term fleet size and capability goals in mind.
3. Institute program-wide goals rather than the ship specific goals that are currently used.

## Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

## **DEPARTMENT OF EDUCATION**

**Program:** 21st Century Community Learning Centers

**Agency:** Department of Education

**Bureau:** Office of Elementary and Secondary Education

**Rating:** Adequate

**Program Type:** Block / Formula Grant

**Program Summary:**

The 21<sup>st</sup> Century Community Learning Centers (21stCCLC) program supports before- and after-school programs, in particular in schools that are high-poverty and are struggling to improve academic performance. States receive formula grants, then award competitive grants primarily to school district/community-based organization partnerships.

The assessment found that the program is implementing improvements to address the results of a preliminary evaluation that found the program to be ineffective in improving academic achievement:

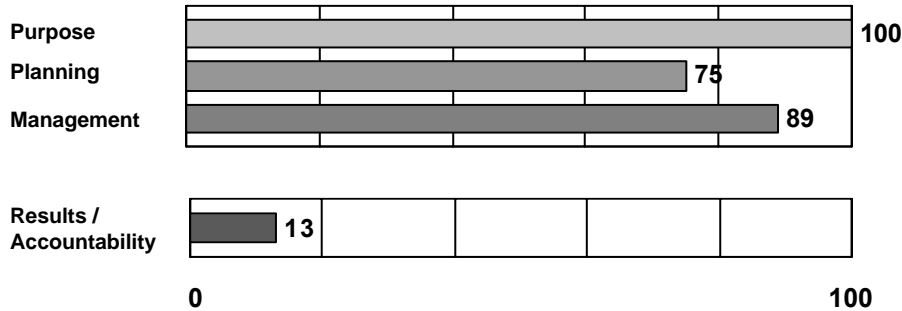
- The evaluation found that, on average, students in 21stCCLC programs did not exhibit better academic performance or better behavior than peers who did not receive program services. However, some disadvantaged sub-populations did better than expected.
- The program has new performance measures and is working with States to ensure they have an equivalent system of performance measurement. States will hold grantees accountable for meeting performance goals.
- The Department is implementing a new technical assistance strategy that focuses on improving the quality of academic content-enrichment activities, promoting regular participation, and helping after-school providers use academic materials effectively to improve student achievement.

In response to these findings, the Administration will:

1. Reverse last year's budget policy of reducing funding based on the preliminary findings from a rigorous evaluation of the antecedent program. Instead, level funding of \$999 million is proposed for FY 2005.
2. Hold States accountable for meeting program performance goals.
3. Support research on after-school models that effectively improve student achievement.
4. Implement a technical assistance strategy to identify and disseminate promising and proven instructional practices in academic areas.
5. Ensure that the program has a data collection and evaluation system that will allow Education to analyze whether State and school district performance goals are being met.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
993	999	999



**Key Performance Measures**

**Year Target Actual**

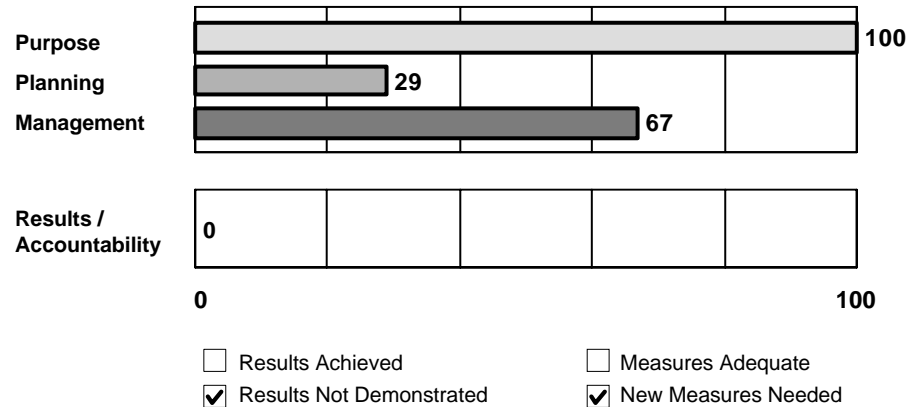
Key Performance Measure	Year	Target	Actual
Annual Measure: Percentage of regular program participants whose achievement test scores improved from below grade level to at or above grade level.	2002		4
	2005	26	
	2006	36	
	2007	46	
Annual Measure: Percentage of regular program participants with teacher-reported improvement in homework completion and class participation.	2002		75.5
	2004	78	
	2005	80	
	2006	82	
Long-term Measure: Percentage of regular program participants whose achievement test scores improved from below grade level to at or above grade level.	2002		4
	2008	46	
	2010	76	
	2012	100	



## Program: Adult Education State Grants

Agency: Department of Education

Bureau: Office of Vocational and Adult Education



### Key Performance Measures

### Year Target Actual

Measure Description	Year	Target	Actual
Long-term and Annual Measure: Percentage of participants who entered employment in the 1st quarter after program exit (New measure: result of common measures exercise; targets to be determined beginning in 2003; 2001 reports performance against a similar previous goal.)	2001		31%
Long-term and Annual Measure: Percentage of participants who were employed in the 1st quarter after program exit who remain employed in 2nd and 3rd quarters after exit (New measure: result of common measures exercise; targets to be determined beginning in 2003; 2001 reports performance against a similar previous goal.)	2001		62%
Long-term and Annual Measure: Percentage change in earnings: Based on (1) pre-enrollment to program exit; (2) 1st quarter after exit to 3rd quarter after exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			

## \*Rating: Results Not Demonstrated

Program Type Block / Formula Grants

### Program Summary:

The Adult Education State Grants program provides grants to states in order to teach adults how to read and learn other skills that will help them obtain a high school diploma, employment, and economic self-sufficiency.

The assessment found:

1. Grantees have clear guidance on the purpose and goals of the program.
2. The program is managed well overall, but grantees are not held fully accountable for results.
3. The impacts of the program are not clear. Grantee performance reports have significant data quality problems, such as low response rates. Some available data demonstrates modest positive impacts (e.g., in 2001, only 31% of participants with a job placement goal were successful in meeting that goal.) There is currently no national evaluation of this program.
4. The current program has adopted a new, common measures reporting framework so that it can be compared to other Federal programs serving similar objectives, such as job training programs within the Department of Labor. However, the program must establish specific performance targets and ensure that the necessary data is collected to institute the new measures.
5. The program received a zero on the results portion of the assessment because of: (a) the lack of specific performance targets; (b) the lack of reliable data informing on the measures; and (c) available data demonstrates very modest positive impacts (e.g., in 2001, only 31% of participants with a job placement goal were successful in meeting that goal.)

In response to these findings, the Budget proposes to:

1. Implement reforms to the program, including increased grantee accountability, improved performance reporting, and a clear focus on improving participants' reading, math, literacy and numeracy skills so they can earn a degree or certificate and obtain employment that leads to economic self-sufficiency.
2. Adopt common performance measures with similar federal programs, including a new measure to gauge cost-effectiveness. Set short and long-term targets based on the common measures. Develop strategy for collecting necessary data to institute common measures.

(For more information on this program, please see the Department of Education chapter in the Budget volume.)

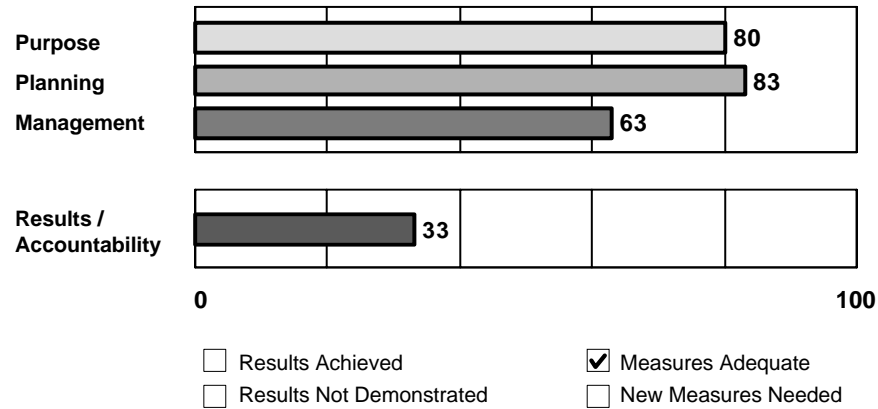
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

## Program: Comprehensive School Reform

Agency: Department of Education

Bureau: Office of Elementary and Secondary Education



### Key Performance Measures

Year Target Actual

Long-term Measure: Percentage of schools that have received CSR funds that are failing to reach their academic goals (Target = percent of schools served annually that are in need of school improvement)	2000		33%
	2001		30%
	2007	15%	
	2014	0%	
Annual Measure: Percentage of elementary school students in schools have received CSR funds that meet or exceed State proficiency requirements in reading and math (reading%/math%)	2000		75%/74%
	2001	77%/76%	83%/86%
	2002	85%/88%	
	2003	87%/90%	
Annual Measure: Percentage of high school students in schools that have received CSR funding that meet or exceed State proficiency requirements in reading and math (reading%/math%)	2000		64%/74%
	2001	67%/76%	56%/87%
	2002	70%/89%	
	2003	73%/91%	

**\*Rating:** Adequate

Program Type Block / Formula Grants

### Program Summary:

Comprehensive School Reform (CSR) provides money for failing schools to implement strategies that reform all aspects of a school, including improvements in curriculum, teacher training, and instructional strategies.

The PART assessment found:

1. The purpose of the CSR program is redundant with Title I of the Elementary and Secondary Education Act, which also provides funds for comprehensive reform. In 2004, the funds that states can set-aside in Title I for improving failing schools will double to nearly \$500 million under the 2004 request.
2. The program has good performance measures and clear targets.
3. The program is well-managed, has had a comprehensive data-collection system, and uses data to improve program management.
4. Results are mixed and evaluation data are not yet available. Performance data indicate improvements in elementary school reading and math, but no improvement in middle school math, and a decrease in high school reading proficiency. The program evaluation is not yet complete and does not yet have outcome data.

In response to these findings, the Administration will redirect this funding to Title I and close out this program in order to reduce program duplication and administrative burden. Redirecting the CSR funds to Title I will allow troubled schools to carry out comprehensive reform without the extra administrative burden of applying to a separate grant program.

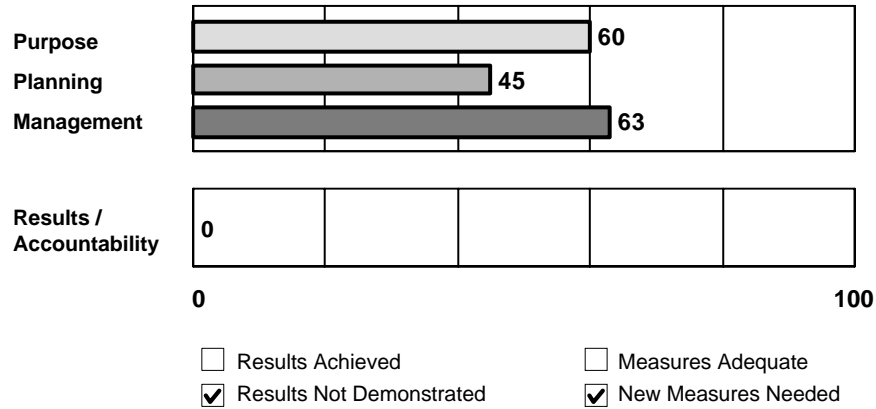
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Even Start**

**Agency:** Department of Education

**Bureau:** Office of Elementary and Secondary Education



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: The percentage of Even Start children reading at grade level (Targets under development)			
Annual Measure: The percentage of Even Start children who enter school ready to learn to read (Targets under development)			
Annual Measure: The percentage of Even Start adults who receive a secondary school diploma or a GED (Targets under development)	1999		18.4%
	2000		17%
	2001	25%	17%

**\*Rating: Ineffective**

**Program Type** Block / Formula Grants

**Program Summary:**

Even Start is a family literacy program. It provides grants to States for comprehensive educational services to low-income families with low educational attainment for improving the educational outcomes of children from birth through age 7. Services include early childhood education, adult education, and parenting education. The program is based on research that indicates that children are more likely to learn to read well when their parents are able to read.

The PART assessment found:

1. National evaluations show the program to have no impact on the children and parents served by Even Start. The Department of Education has conducted three major evaluations of this program, two that include a small experimental design study. None of the studies show that either children or parents who received services made greater school readiness gains or educational gains than those who did not receive Even Start services. The strong evaluation evidence provides much of the basis for the ineffective rating.
2. The program is well managed and has an extensive data system in place for tracking information on grantees. However, State and local data often measure outputs such as hours of service provided rather than outcomes such as whether children read at grade level.
3. Performance measurement has been improved by focusing on improving student reading or reading readiness. However, currently there are no clear annual or long-term targets for the program.

In response to these findings, the Administration requests sufficient funds to continue awards to current grantees and redirects funds to Early Reading First which supports model pre-school programs that use only the most proven instructional practices to teach pre-reading skills.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Federal Family Education Loans*

**Rating:** *Adequate*

**Agency:** *Department of Education*

**Program Type:** *Credit*

**Bureau:** *Federal Student Aid*

**Program Summary:**

Under the Federal Family Education Loan (FFEL) Program, the Education Department encourages private lenders to make loans to undergraduate and graduate students by guaranteeing such loans in the case of default and providing lenders with financial subsidies that ensure a minimum rate of return on all loans made.

Overall, the assessment concluded that both this program and the William D. Ford Direct Student Loan program fulfill their purpose of ensuring that low and middle income students can afford the costs of postsecondary education. The program also has meaningful performance measures and outcome data on these measures. However, the Department has been minimally successful in achieving its long-term and annual performance goals for its main student aid programs.

The assessment also revealed some program deficiencies in the FFEL program, such as the following:

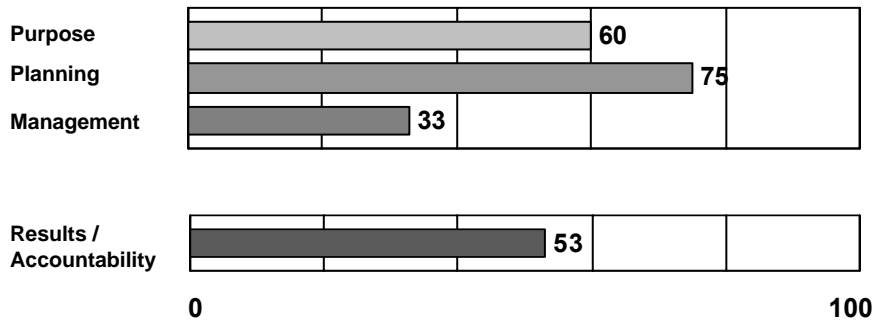
- The program could be more cost effective while continuing to meet its goals if it increased lender risk sharing, used market-based mechanisms to determine subsidy and benefit levels, and employed a more rigorous performance based compensation framework for Guaranty Agencies;
- A disproportionate amount of program benefits are provided to borrowers out of school versus students attending school and statute-based loan limits have not kept pace with rising tuition costs; and
- The cost model used by the Education Department needs to better capture relevant program costs.

In response to these findings, the Administration proposes to:

1. Explore through reauthorization of the Higher Education Act possible structural changes to FFEL that will ensure financial stability, lead to improved cost efficiencies, and target increased program benefits to student borrowers while they are attending school. Notably, the Administration proposes to maintain variable interest rates beyond 2006, eliminate a provision that permits lenders to receive a higher guaranteed return on certain loans, and provide for a modest increase in loan limits; and
2. Explore possible improvements to the Department's student loan cost model. [See the Student Aid Administration PART summary for additional findings and recommendations related to program management. ] Note: Due to the uncertainty that goes into predicting economic trends and student-borrower behavior, these reestimates often produce significant annual fluctuations in subsidy costs.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
3,432	2,880	7,050



**Key Performance Measures**

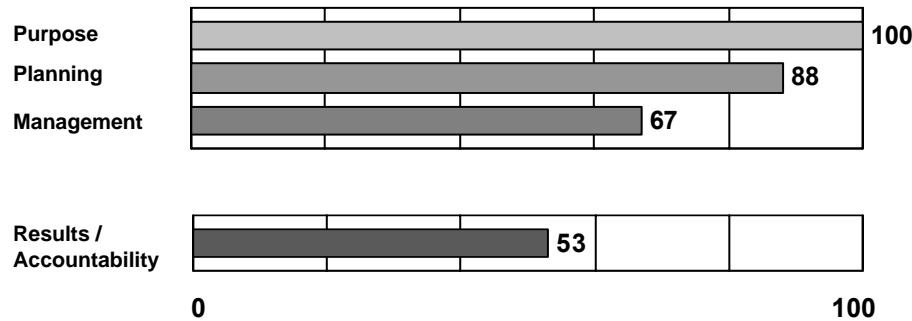
**Year Target Actual**

Annual Measure: Federal debt burden: The median Federal debt burden (yearly scheduled payments as a percentage of annual income) of borrowers in their first full year of repayment shall be less than 10 percent.	1999	>10%	6.5%
	2000	>10%	6.4%
	2001	>10%	
	2002	>10%	
Annual Measure: Postsecondary Enrollment rates: The percent of high school graduates enrolling immediately in college will increase each year for all students.	1999	Increase	62.9%
	2000	Increase	63.3%
	2001	Increase	61.7%
	2002	Increase	
Annual Measure: Completion rates: The percent of full-time degree seeking students completing college within 150 percent of the normal time required will increase each year for all students.	1999	Increase	53.0%
	2000	Increase	52.4%
	2001	Increase	
	2002	Increase	

**Program:** *Federal Pell Grants*

**Agency:** *Department of Education*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Postsecondary Enrollment rates: The percent of high school graduates enrolling immediately in college will increase each year for all students.	1999	Increase	62.9%
	2000	Increase	63.3%
	2001	Increase	61.7%
	2002	Increase	
Annual Measure: Completion rates: The percent of full-time degree seeking students completing college within 150 percent of the normal time required will increase each year for all students.	1999	Increase	53%
	2000	Increase	52.4%
	2001	Increase	
	2002	Increase	
Annual Measure: Targeting: The percent of Pell Grant funds that are targeted to students below 150% of the poverty level.	1999	75%	78%
	2000	75%	78%
	2001	75%	
	2002	75%	

**Rating:** *Adequate*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

Under the Federal Pell Grant Program, the Education Department provides grant aid to nearly five million needy students to help them pay for an undergraduate education. Nearly one third of all undergraduates receive a Pell Grant. Congress sets the maximum Pell Grant each year in appropriations; the current maximum award is \$4,050.

The assessment found that the Federal Pell Grants program helps ensure that low-income students can afford a college education by providing a stable foundation of need-based aid for all eligible students. However, the Department has only been minimally successful in achieving its long-term and annual performance goals for its main student aid programs.

The assessment also revealed some program deficiencies, such as the following:

- Pell Grants, like other student aid, are prone to abuse, where students who under-report their family income receive more aid than they should. The Department estimates that net overawards in Pell total more than \$350 million annually.
- Under current law, whenever the Congress increases the maximum award, more higher-income students become eligible to receive a Pell Grant. This glitch in the eligibility formula adversely affects the degree funding is targeted toward the neediest students.

To address these findings, the Administration will.

1. Provide sufficient funding for this program to keep the maximum award at \$4,050, even with historic increases in the number of Pell-eligible students.
2. Repropose to amend the Internal Revenue Code to allow the IRS to match student aid data and tax data to prevent overawards (and underawards) in Pell and other student aid programs.
3. In the Higher Education Act (HEA) reauthorization, work with the Congress on proposals to better target Pell funding to the neediest students.
4. Develop legislative and administrative strategies to improve performance on the annual and long-term measures. Work with the Congress on enacting the legislative strategies as part of the HEA reauthorization.

[See the Student Aid Administration PART for additional findings and recommendations related to program management.]

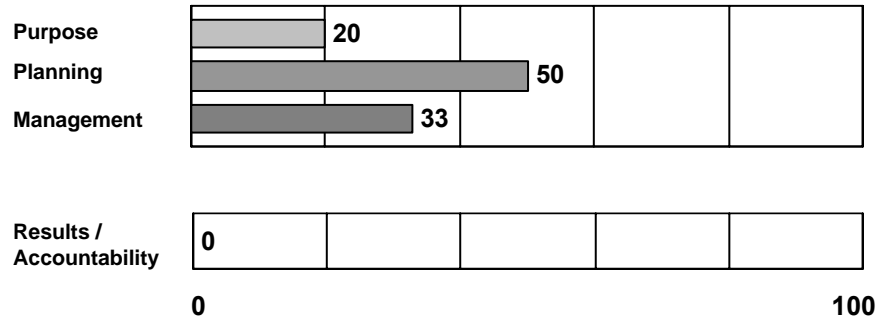
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
11,365	12,007	12,830

**Program:** *Federal Perkins Loans*

**Agency:** *Department of Education*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Persistence: The gap between persistence rates for campus-based aid recipients and for the general student population will decrease each year. [Targets under development.]			
Annual Measure: Completion: The gap between completion rates for campus-based aid recipients and for the general student population will decrease each year. [Targets under development.]			

**Rating:** *Ineffective*

**Program Type:** *Credit*

**Program Summary:**

Under the Perkins Loan program, the Education Department provides funding to colleges and universities to make low interest loans available to needy students. The Perkins Loan program is typically referred to as a "campus-based" financial aid program because it is the postsecondary institution, and not the Education Department, that administers the program on behalf of its students.

In determining that the Perkins Loan program is "ineffective," the assessment identified a number of deficiencies, including a lack of program-specific performance measures. In addition, the PART found:

- The program is redundant and duplicative, given the broad availability of need-based, subsidized, relatively low interest loans available through the two larger student loan programs (Federal Family Education Loans (FFEL) and Direct Student Loans (DL));
- The program is less cost efficient than competing loan programs (FFEL and DL);
- The current statutory formula for allocating funding to schools fails to target aid to the neediest students; and
- The data the Education Department collects from colleges and universities is insufficient for performance measurement and program management.

In response to these findings, the Administration will:

1. Proposes to eliminate the funding for this program and redirect funds to more effective student aid programs, such as Pell.
2. As long as the program exists, implement a new performance measurement approach that tracks program success on student persistence (i.e., staying in school) and graduation. This includes collecting improved program and financial data and developing meaningful efficiency measures.

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

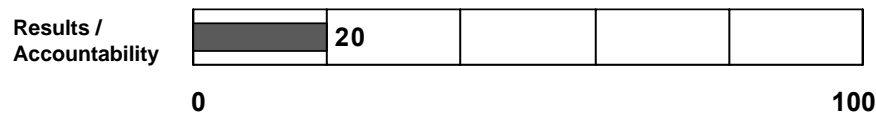
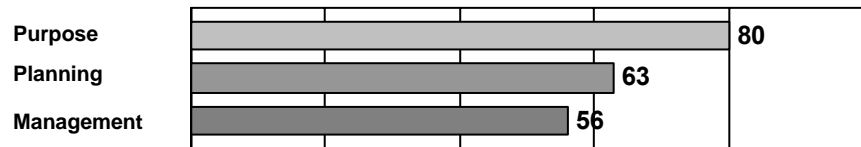
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
99	99	0



**Program:** *Federal Work-Study*

**Agency:** *Department of Education*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Annual Measure: Persistence: The gap between persistence rates for Federal Work-Study recipients and for the general student population will decrease each year. [Targets under development.]			
Annual Measure: Completion: The gap between completion rates for Federal Work-Study recipients and for the general student population will decrease each year. [Targets under development.]			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

Under the Federal Work Study program, the Education Department provides funding to colleges and universities to make grant aid available to needy students in exchange for work. Currently, schools are required by law to dedicate at least seven percent of their Federal funding to providing community service jobs to students. Work Study is typically referred to as a “campus-based” financial aid program because it is the postsecondary institution, and not the Education Department, that administers the program on behalf of its students.

The assessment found that work-based student aid has a positive impact on persistence and graduation rates, but that the current program needs reform. In particular:

- The current statutory formula for allocating funding to schools fails to target aid to the neediest students.
- While universities place on average 15 percent of their students in community service jobs, many schools (including many “elite” colleges and universities) fail to meet even the seven percent funding requirement.
- The data the Education Department collects from colleges and universities is insufficient for performance measurement and program management.

In response to these findings, the Administration will:

1. Propose to correct the funding allocation formula as part of the reauthorization of the Higher Education Act (HEA) by ensuring that funds reach postsecondary institutions with the highest proportion of neediest students.
2. In the HEA reauthorization, propose to replace the seven percent community service requirement with a separate set-aside for community service, equal to 20 percent of the Work Study appropriation. Schools would apply for these community service funds separate from their regular allocation.
3. In 2004, begin to collect data for the Work Study program that is sufficient to measure program performance and reconcile financial data. These data should support the Education Department’s new performance measurement approach that tracks program success on improving student persistence and graduation.
4. In 2004, develop meaningful efficiency measures for this program.

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

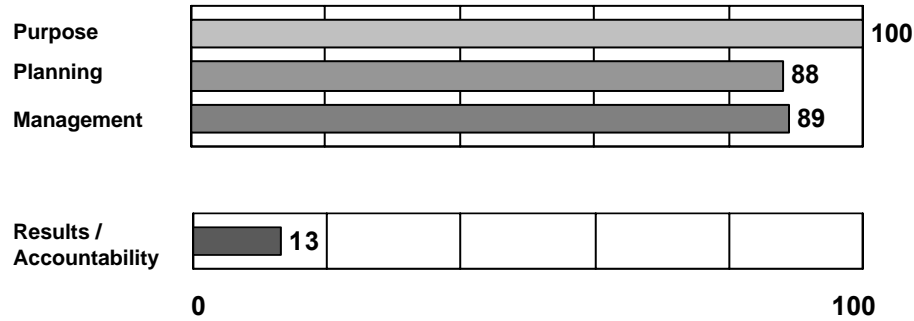
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
999	999	999



**Program: GEAR UP**

**Agency:** Department of Education

**Bureau:** Office of Postsecondary Education



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Percentage of program participants completing Algebra I by the 9th grade	2003		30
	2004	40	
	2005	50	
	2006	60	
Long-term Measure: Percentage of program participants that enroll in college (the first complete GEAR UP student cohort does not finish 12th grade until 2005 at the earliest)	2007	65	
	2008	65.5	
	2009	66	
	2010	66.5	
Long-term Measure: Percentage of program participants that complete high school (the first complete GEAR UP student cohort does not finish 12th grade until 2005 at the earliest)	2007	73	
	2008	73.5	
	2009	74	
	2010	74.5	

**Rating: Adequate**

**Program Type:** Competitive Grant

**Program Summary:**

The Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) program provides six-year competitive grants to States and partnerships to provide services at high-poverty middle and high schools. Unlike other Federal programs, these grants serve an entire cohort of students beginning no later than the seventh grade and follow the cohort through high school. GEAR UP grantees provide a wide range of services such as: tutoring, academic and career counseling, professional development and college scholarships.

In determining that the GEAR UP program is “adequate”, the assessment noted that the program is based on other successful models. It also determined that the program is well managed and has a clear purpose. The Education Department has begun to evaluate the program and is implementing aggressive long-term targets for its PART measures.

The assessment also revealed a few areas for improvement, including:

- The program has key performance indicators but lacks data because the first GEAR UP grantees have not completed their six-year grants.
- The program requires better monitoring of expenditures.
- The program does not yet have an efficiency measure.

In response to these findings, the Department plans to:

1. Collect baseline data for annual measures and work to ensure that appropriate data collection strategies are in place for the long-term measures.
2. In 2004, implement its plan for responding to Inspector General concerns for monitoring program expenditures.
3. In 2004, develop a meaningful efficiency measure.

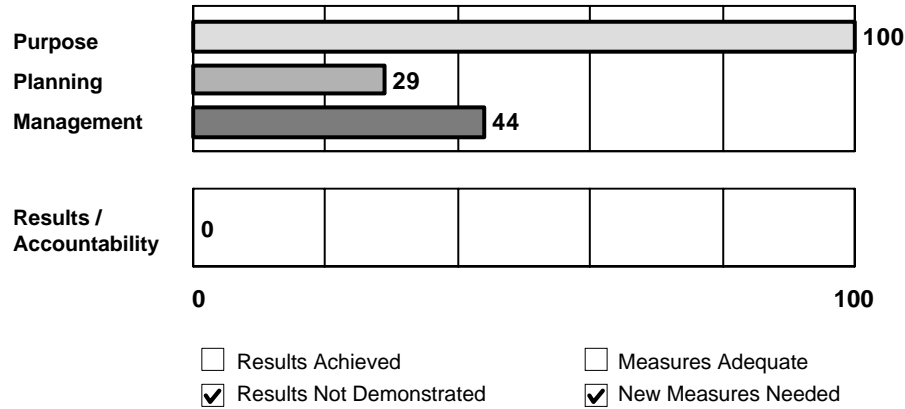
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
293	298	298

**Program: IDEA Grants for Infants and Families**

**Agency:** Department of Education

**Bureau:** Office of Special Education and Rehabilitative Services



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term and Annual Measure: Percentage of children participating in the Infants and Families program who demonstrate improved and sustained functional abilities, including progress in areas such as social, emotional, cognitive, communication and physical development (Proposed measure with no data available; targets under development)			
Long-term and Annual Measure: Percentage of participating families that report that early intervention services have increased their family's capacity to enhance their child's development (Targets under development)	1997		72%
	2001	80%	73%
Long-term and Annual Measure: Percentage of children ages birth through 2 who are served under the Infants and Families program as a proportion of the general population in this age range (Targets under development)	1999	1.6%	1.8%
	2000	1.8%	2.0%

**\*Rating: Results Not Demonstrated**

**Program Type** Block / Formula Grants

**Program Summary:**

The Individuals with Disabilities Act (IDEA) Grants for Infants and Families program provides grants to states to identify disabilities in infants and toddlers (ages 0-2), and provide early intervention services for them and their families.

The PART assessment found:

1. The purpose of the IDEA Infants and Families program is clear and unambiguous, and serves a national need. There is no other program that focuses exclusively on the developmental needs of infants and toddlers with disabilities. A major purpose of this program is to coordinate resources from other sources (public and private).
2. The program has annual process performance measures, but no annual or long term outcome-oriented performance targets or data, in particular for student abilities outcomes. Thus, this program cannot demonstrate the level of impact it has on infants and toddlers. This is the primary reason it scores a zero for "Results." While annual data shows that this program has met its process goals, such as the number of children served, there are no data on the key measure of program performance -- the educational and developmental outcomes of infants and toddlers served through this program. A longitudinal study is underway that should provide some information on the short and long-term outcomes of children with disabilities served through this program.
3. The Department has collaborated well with other Federal programs, and manages some other components of the program well. However, the Department of Education should continue to increase the program's focus on improving child outcomes and holding states accountable for performance.
4. In the case of some states, program funds are not obligated in a timely manner (while this was a significant problem in the past, the Department has worked hard to reduce the number of states carrying forward large unobligated balances).

To address these findings, the Department will:

1. Work with Congress on the upcoming IDEA reauthorization, which should increase state accountability for child outcomes. Even with no direct evidence that this program improves outcomes, the \$10 million increase requested in the 2004 Budget will help states meet their responsibilities under the IDEA.
2. Establish long-term outcome-oriented objectives, and develop a strategy to collect annual performance data in a timely manner.
3. Work with Congress on the IDEA reauthorization to increase the Act's focus on results, and reduce unnecessary regulatory and administrative burden.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: IDEA Grants to States**

**Agency:** Department of Education

**Bureau:** Office of Special Education and Rehabilitative Services

**\*Rating:** Results Not Demonstrated

**Program Type** Block/Formula Grants

**Program Summary:**

The Individuals with Disabilities Education Act (IDEA) Grants to States program provides grants to states to provide special education and related services to students with disabilities aged 3-21. In exchange for receiving funding, which all states do, states must provide a "free appropriate public education" designed to meet each student's specific needs.

The PART assessment found:

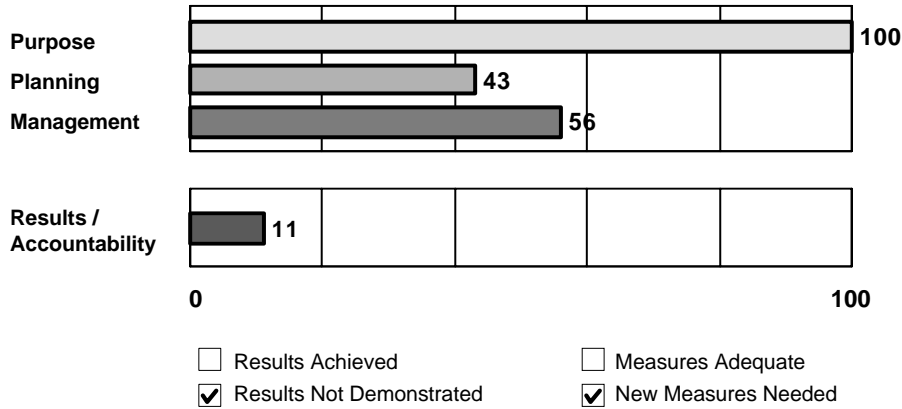
1. The purpose of the IDEA Grants to States program (described above) is unique and unambiguous. The IDEA statute's requirements have a significant impact on how states and schools educate students with disabilities.
2. While IDEA funding has more than tripled in recent years, there is no evidence that this funding has further improved educational outcomes for children with disabilities.
3. The IDEA Grants to States program has annual performance measures, but no long term performance targets.
4. Annual data shows marginal increases in the graduation rate for students with disabilities. However, Department of Education achievement data on students with disabilities (based on National Assessment of Educational Progress (NAEP) data) is not timely and needs improvement. Longitudinal evaluations that are currently underway may provide additional program performance information.
5. The program is not sufficiently focused on educational outcomes and state accountability.
6. Services provided under special education are not coordinated well with other federal programs, such as Medicaid and Vocational Rehabilitation.

To address these findings, the Department will:

1. Provide a \$1 billion increase for this program. While there is no evidence that this program improves outcomes, the Administration has determined this increase is necessary to help states and schools meet their responsibilities under the IDEA while at the same time attempting to demonstrate the program is achieving real results.
2. Work with Congress on the IDEA reauthorization to increase the Act's focus on accountability and results, and reduce unnecessary regulatory and administrative burdens.
3. Collect timely NAEP data for students with disabilities that meet the same standards as other NAEP data.
4. Improve collaboration with other federal programs.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Key Performance Measures**

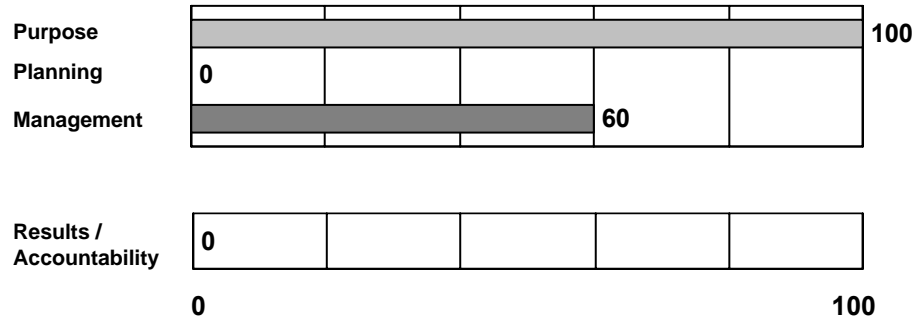
**Year Target Actual**

Measure Description	Year	Target	Actual
Long-term and Annual Measure: Percentage of students with disabilities who meet or exceed basic levels in reading, math, and science in the National Assessment of Educational Progress (NAEP) (Fourth grade reading data provided at right. Targets under development)	1998		24.0%
	2000		21.5%
Long-term and Annual Measure: Percentage of children with disabilities served by this program who earn a high school diploma (Targets under development)	1996		52.6%
	2000	57%	56.2%
	2001	59%	57.0%
Long-term and Annual Measure: Other measures under development			

**Program: IDEA Part D - Personnel Preparation**

**Agency:** Department of Education

**Bureau:** Office of Special Education and Rehabilitative Services



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Annual Measure: New goal under development			
Long-term Measure: New goal under development			

**Rating: Results Not Demonstrated**

**Program Type:** Competitive Grant

**Program Summary:**

The Individuals with Disabilities Education Act (IDEA) Personnel Preparation program is designed to improve the supply and training of special education personnel. Persistent shortages of qualified personnel have been identified since IDEA's enactment in 1975.

The assessment found that the program makes a unique contribution by concentrating support in key areas of special education personnel training where States have limited capacity and incentives to invest (e.g., personnel serving students with low-incidence disabilities and school administrators). However, the program lacks quantifiable long term measures and its current annual GPRA measures (which are common to all IDEA National Activities) do not meaningfully address the Personnel Prep program's responsiveness to its unique purpose. Additional findings include:

- No independent evaluations of this program exist;
- The program does not regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance;
- There is some disagreement on whether the primary emphasis of this program is to provide scholarships to increase the quantity of aspiring special education personnel, or to improve the quality of academic programs for these personnel.

In response to these findings, the Department of Education will:

1. Develop performance measures and goals that appropriately reflect the impact of the federal government's investment in increasing the supply and/or quality of special education personnel;
2. Institute a new performance system for grantees by 2004 and make the information available to the public in a transparent and meaningful manner;
3. Work with the Department of Education's other teacher programs to review and compare common performance indicators on an annual basis;
4. Develop program efficiency measures; and
5. Develop a schedule for independent evaluations by 2004.

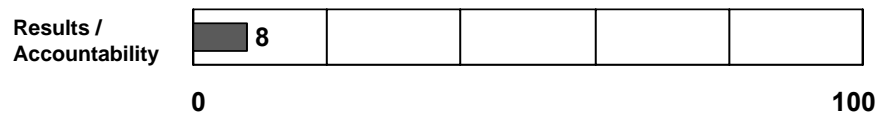
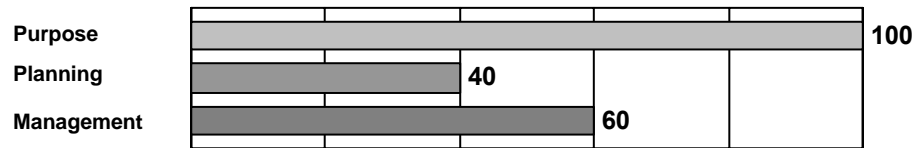
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
92	91	91

**Program:** *IDEA Part D - Research and Innovation*

**Agency:** *Department of Education*

**Bureau:** *Office of Special Education and Rehabilitative Services*



**Key Performance Measures**

**Year Target Actual**

Annual Measure: As determined by expert panels, the percentage of program funding priorities that respond to critical needs of children with disabilities and their families.	2002	85	72
	2003	75	66
	2004	75	
	2005	75	
Annual Measure: As determined by expert panels, the percentage of Research and Innovation projects that use exceptionally rigorous quantitative or qualitative research and evaluation methods or current research-validated practices and materials, as appropriate.	2001		69
	2002	75	73
	2003	80	
	2004	82	
Annual Measure: As determined by expert panels, the percentage of practitioners, including policy-makers, administrators, teachers, parents, or others, as appropriate, that use products and practices developed through the Research and Innovation program to improve results for children with disabilities.	2001		58
	2003	75	
	2004	75	
	2005	75	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Research and Development*

**Program Summary:**

The Individuals with Disabilities Education Act (IDEA) Research and Innovation program is the primary federal program focused on improving special education and early intervention services and results for children with disabilities through applied research. Children with disabilities have special needs that are less likely to be addressed through regular education research activities because of their low numbers.

The PART assessment found that the Research and Innovation program has annual GPRA indicators that focus on the importance of program priorities, the quality of research, and on whether research activities produce results that could be used to improve educational services for children with disabilities. However, the program does not have specific long-term outcome goals against which the impact of federal investments in special education and early intervention research can be measured. Additional findings include:

- The Office of Special Education Programs (OSEP) lacks a comprehensive strategic plan which can guide its research priorities and investments;
- There have been no independent evaluations of Research and Innovation activities since 1991 when a partial evaluation of program activities was conducted;

In response to the PART assessment, the Department of Education will:

1. Articulate substantive long-term research objectives that have measurable outcomes and goals by 2005;
2. Promote better coordination between the Office of Special Education and Rehabilitative Services and the Institute of Education Sciences (IES) in the development and implementation of education research priorities aimed at improving education results for children with disabilities, consistent with the proposed transfer of special education research to IES in 2005;
3. Implement a regular schedule for review by an independent organization to assess overall program quality, coordinated with the reauthorization cycle; and
4. Collect grantee performance data and make it available to the public in a transparent and meaningful manner.

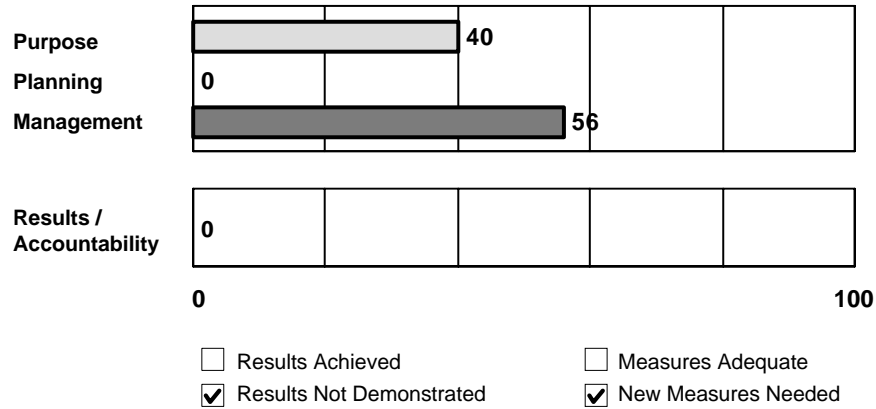
**Program Funding Level (in millions of dollars)**

<b>2003 Actual</b>	<b>2004 Estimate</b>	<b>2005 Estimate</b>
77	78	78

**Program: IDEA Preschool Grants**

**Agency:** Department of Education

**Bureau:** Office of Special Education and Rehabilitative Services



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term and Annual Measure: Percentage of preschool children receiving special education and related services who have readiness skills when they reach kindergarten (Proposed measure with no data available; targets under development)			
Long-term and Annual Measure: Targets under development			
Long-term and Annual Measure: Targets under development			

**\*Rating: Results Not Demonstrated**

**Program Type** Block / Formula Grants

**Program Summary:**

The Individuals with Disabilities Education Act (IDEA) Preschool Grants program provides grants to states to provide special education and related services to children with disabilities aged 3-5.

The PART assessment found:

1. The Department of Education has no performance data on preschool children with disabilities who are served under this program. While an upcoming longitudinal study should provide some information on child outcomes, the results of this study are several years away, and will not provide data on program effectiveness or ongoing data on results.
2. The program has no long term performance goals or annual performance data. Only about half of the states have established annual performance goals for their IDEA preschool programs, or are in the process establishing these goals.
3. The program only supplements existing funding provided under the IDEA Grants to States program (see related PART summary), which covers children with disabilities aged 3-21. IDEA Preschool Grants have no separate programmatic requirements for preschool children with disabilities, or incentives distinct from IDEA Grants to States. While the initial purpose of the Preschool Grants program was to provide a financial incentive for states to serve preschool children, this incentive is no longer necessary because all states now serve preschool children, and funding is provided through IDEA Grants to States.
4. The Department does not collaborate as well as it could with some other federal programs, such as Head Start and Medicaid.

To address these findings, the Department will:

1. Maintain federal funding at last year's level until the Administration has had a chance to work with Congress on the IDEA reauthorization, which should increase state and school accountability for having a real impact on children. In this reauthorization, the Administration will work with Congress to determine how best to serve preschool children with disabilities under the Act.
2. Develop long term performance goals, and annual goals for performance, for preschool children with disabilities.
3. Improve collaboration with other federal programs.

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

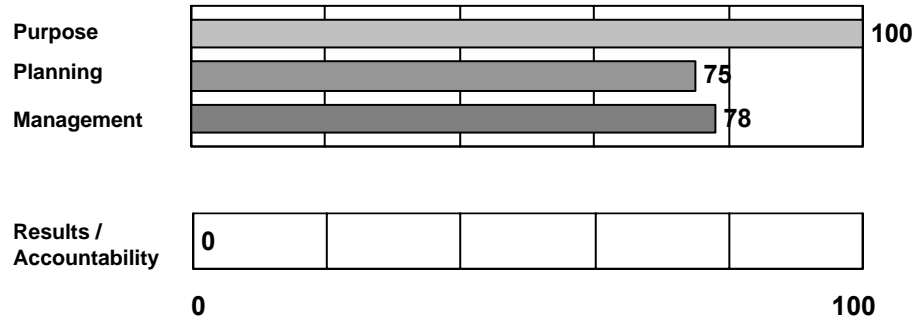
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** *Improving Teacher Quality State Grants*

**Agency:** *Department of Education*

**Bureau:** *Office of Elementary and Secondary Education*



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Percentage of highly qualified teachers in Title I schools (baseline data needed to set initial targets)	2004		
	2005		
	2006	100	
	2007	100	
Annual Measure: Percentage of highly qualified teachers in all schools (baseline data needed to set initial targets)	2004		
	2005		
	2006	100	
	2007	100	
Long-term Measure: Percentage of highly qualified teachers in all schools (baseline data needed to set initial target)	2004		
	2006	100	
	2010	100	
	2012	100	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Improving Teacher Quality State Grants program provides funding on a formula basis to State educational agencies (SEAs) and local educational agencies (LEAs) to help increase the academic achievement of all students by helping schools and school districts ensure that all teachers of core academic subjects are highly qualified to teach. Program funds are used at the discretion of the SEAs and LEAs to train, recruit and retain highly qualified teachers.

The assessment noted the Education Department's (ED's) good progress in administering this relatively new program (first authorized in 2002). ED has provided useful technical assistance to SEAs and LEAs through its Teacher Assistance Corps. In addition, the Education Department is evaluating this program with a series of intervention studies that examine the effectiveness of some promising State and local strategies for improving teacher quality.

However, in determining that the Improving Teacher Quality State Grants program is "Results Not Demonstrated", the assessment identified some areas for improvement, including:

- The program lacks targets for its annual performance measures
- The program does not yet have an efficiency measure

In response to these findings, the Department proposes to:

1. In 2004, continue to collect baseline information on program participants and set targets for its annual measures
2. In 2004, develop a meaningful efficiency measure

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

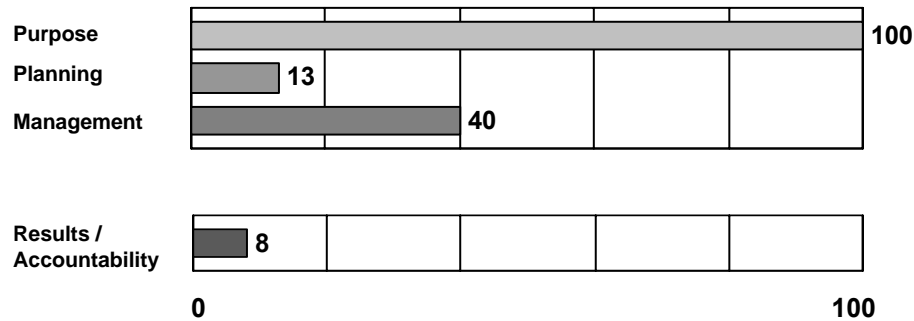
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
2,931	2,930	2,930



**Program:** *Independent Living (IL) Programs*

**Agency:** *Department of Education*

**Bureau:** *Office of Special Education and Rehabilitative Services*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Percentage of goals achieved by consumers (goals may include such things as living skills, transition from school to work, or remaining in home rather than entering institutional environments)	1999	67	62.5
	2000	63	63
	2001	63	64
	2002	75	63
Long-term Measure: New goal under development			
Long-term Measure: New goal under development			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Independent Living (IL) programs, which include the Center for Independent Living (CIL) and IL State Grants programs, are uniquely designed among federal disability programs to help states and localities assist individuals in finding the support they need to live independently in a community-integrated setting, as mandated by the Supreme Court decision *Olmstead v. LC*. Unlike other disability programs within Education, IL programs provide services to those whose disabilities make employment difficult to obtain, but for whom independent living goals are feasible.

The PART assessment found that the IL programs collaborate and coordinate effectively with each other, the designated State units for administering programs, and other federal programs such as the Social Security Administration. However, the programs have not established performance measures that focus on outcomes in the long-term. Additional findings include:

- The programs do not collect timely and credible performance data from grantees and make them available to the public in a transparent and meaningful manner; and
- The programs' regional and headquarters staff have had difficulty meeting the statutory requirement to perform site visits of 15 percent of grantees and 1/3 of the designated state units each year.

In response to these findings, the Department of Education will:

1. Revise the Section 704 data reporting requirements to reflect any statutory changes due to reauthorization of the program authority;
2. Develop long-term performance goals and measures that reflect the four core areas of services and the standards and assurances for the IL State Grants and CIL programs;
3. Develop at least one efficiency measure for each IL program;
4. Reduce the time needed to collect and analyze grantee performance reports and make the aggregate data available to the public on the Department's website in an accessible format;
5. Conduct periodic and high quality evaluations of each of the IL programs; and
6. Devise and implement an improved audit and site visit system to ensure that the agency is meeting its statutory oversight requirements.

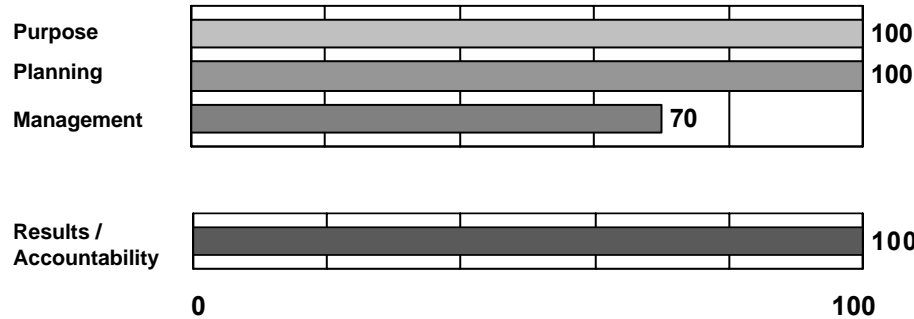
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
85	96	96

**Program:** *National Assessment*

**Agency:** *Department of Education*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-Term Measure: Customer Satisfaction: Percentage of customer respondents satisfied or very satisfied with timeliness of NCES publications.	2001	90	74
	2003	90	
	2005	90	
	2007	90	
Long-Term Measure: Customer Satisfaction: Percentage of customer respondents satisfied or very satisfied with the timeliness of NCES data files.	2001	90	66
	2003	90	
	2005	90	
	2007	90	

**Rating:** *Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The National Assessment program runs the National Assessment of Education Progress (NAEP), a group of assessments that help monitor student achievement in reading, mathematics, science, and other subjects.

As in the 2004 assessment, the 2005 PART assessment underscored the following strengths of the National Assessment program:

- Educational administrators, researchers and policymakers show high levels of customer satisfaction with the overall efforts of the National Center for Education Statistics (NCES), of which the National Assessment program is a part. Satisfaction was measured regarding the comprehensiveness, timeliness, and utility of products and services provided by NCES, including assessment activities.
- The competitive bidding process used to administer the National Assessment enhances the quality of NAEP assessments and other activities.
- The National Assessment Governing Board (NAGB), which is comprised of educators, researchers, and policymakers, helps improve the quality and relevance of the National Assessment program.

The 2004 PART assessment found a weakness in the long-term performance measurement used for NCES and the National Assessment program. The 2005 PART assessment notes that the Department of Education responded to this finding by articulating long-term performance measures, but still needs to improve the timeliness of NCES products and services.

In response to these findings, the Department of Education will focus on the timeliness of NCES products and services, which include National Assessment activities.

Note: The Department of Education measures the timeliness, comprehensiveness, and utility of NCES products and services. Since NCES (and National Assessment) are performing well on customer satisfaction with the comprehensiveness and utility of products and services, only timeliness is shown under Key Performance Measures.

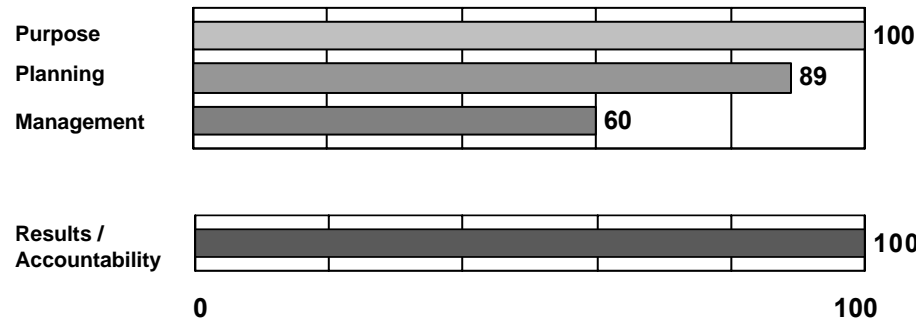
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
95	95	95

**Program:** *National Center for Education Statistics*

**Agency:** *Department of Education*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-Term Measure: Customer Satisfaction: Percentage of customer respondents satisfied or very satisfied with timeliness of NCES publications.	2001	90	74
	2003	90	
	2005	90	
	2007	90	
Long-Term Measure: Customer Satisfaction: Percentage of customer respondents satisfied or very satisfied with the timeliness of NCES data files.	2001	90	66
	2003	90	
	2005	90	
	2007	90	

**Rating:** *Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The National Center for Education Statistics (NCES) collects, analyzes, and reports statistics reflecting the condition of education in the United States. NCES is the key Federal repository of education statistics; publications include the *Digest of Education Statistics* and the *Condition of Education*, both of which serve as valuable resources for educators, administrators, journalists, and policymakers.

As in the 2004 assessment, the 2005 PART assessment underscored the following strength of NCES: Educational administrators, researchers and policymakers show high levels of customer satisfaction with the efforts of NCES. Satisfaction was measured regarding the comprehensiveness, timeliness, and utility of NCES products and services.

The 2004 PART assessment found a weakness in long-term performance measurement for NCES. The 2005 PART assessment notes that the Department of Education responded to this finding by articulating long-term performance measures for the program, but still needs to improve the timeliness of NCES products and services.

In response to these findings, the Department of Education will focus on improving the timeliness of NCES products and services.

Note: The Department of Education measures the timeliness, comprehensiveness, and utility of NCES products and services. Since NCES is performing well on customer satisfaction with the comprehensiveness and utility of products and services, only timeliness is shown under Key Performance Measures.

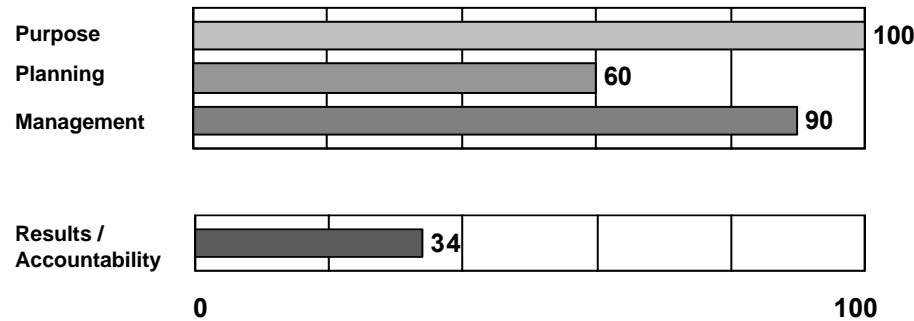
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
89	92	92

**Program:** *Nat'l Institute on Disability and Rehab. Research (NIDRR)*

**Agency:** *Department of Education*

**Bureau:** *Office of Special Education and Rehabilitative Services*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Percentage of grantee research and development activity rated 4 or greater in appropriateness of study designs, the rigor with which accepted standards of scientific and/or engineering methods are applied, and the degree to which it builds on and contributes to the level of knowledge in the field, based on a 5-point Likert-type scale.	2002	65	54
	2003	70	67
	2004	70	
	2005	75	
Annual Measure: The average number of publications per award based on NIDRR-funded research and development activities in refereed journals.	2002		4.6
	2003	4.6	
	2004	5	
	2005	5	
Long-term Measure: Number of new or improved tools, instruments, protocols, technologies and programs developed, evaluated and published by grantees that are rated "good to excellent" in terms of improving the measurement of disability and rehabilitation-related concepts and/or contributing to changes/improvements in policy, practices, or outcomes for individuals with disabilities and their families. (New goal. Targets under development)			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Research and Development*

**Program Summary:**

The National Institute for Disability and Rehabilitative Research (NIDRR), as authorized by Title II of the Rehabilitation Act of 1973, is the principal federal agency supporting applied research, demonstration projects and training, and related activities to improve the quality of life for individuals with disabilities. The Census Bureau reported that nearly 1 out of every 5 Americans had a disability in 1997, demonstrating the need for disability-related research.

The PART assessment found that NIDRR is continuing to strengthen program management and review to ensure that grantees produce high quality research. However, NIDRR could not clearly demonstrate the results of its investments because NIDRR has not established long term goals and associated performance measures. Some of the other major findings include:

- NIDRR funding is allocated across many program and priority areas without a systematic analysis of whether this blanket approach is more effective than targeting funds on strategic priority areas;
- NIDRR has established annual performance indicators and targets for research quality, productivity (i.e., number of peer-reviewed journal articles), and utility;
- In 1997, the National Academy of Sciences conducted a comprehensive independent evaluation of NIDRR. Findings were used to improve features of NIDRR's strategic planning and program management systems.

In response to PART findings, the Department of Education will:

1. Articulate substantive long-term research goals that have measurable outcomes as part of its 2004 update of the 2004 to 2008 Long-Range Plan;
2. Examine its portfolio, using its Long-Range Plan as a guide, to determine whether targeting funds on a smaller number of research priorities would improve NIDRR's ability to meet its long-term goals;
3. Implement a regular schedule for review by an independent organization to assess overall program quality, coordinated with reauthorizations and the Long-Range Plan cycle; and
4. Develop strategies to have smaller grant portfolios, such as field initiated research, reviewed by expert panels starting in 2004.

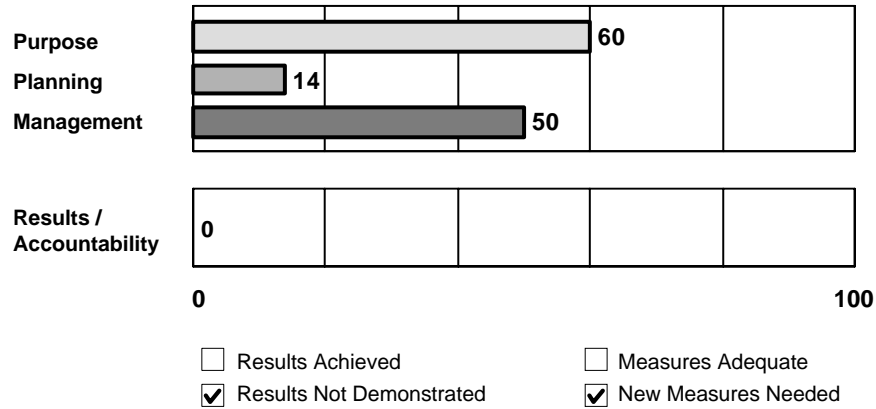
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
109	107	107

**Program: Occupational and Employment Information**

**Agency:** Department of Education

**Bureau:** Office of Vocational and Adult Education



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: No measures under development, program recommended for elimination			
Annual Measure: No measures under development, program recommended for elimination			
Efficiency Measure: No measures under development, program recommended for elimination			

**\*Rating: Results Not Demonstrated**

**Program Type** Competitive Grants

**Program Summary:**

The Occupational and Employment Information program promotes state efforts to improve career and school choices of high school and postsecondary students.

The assessment found:

1. The impacts of this program are not known. Current performance indicators measure program outputs, such as number of career guidance documents provided to parents and students. The program is currently unable to demonstrate what impact this information has on student outcomes. There is no national evaluation of this program.
2. The program has adequate financial management, but performance data that are collected from grantees are not readily available to the public, in print or on the Internet, and do not reflect program impacts.
3. All activities under this program are redundant with allowable activities under the Vocational Education State Grants program.

In response to these findings, the 2004 Budget proposes to terminate the program so that Federal resources can be used to support other education priorities.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Safe and Drug Free Schools State Grants*

**\*Rating:** *Ineffective*

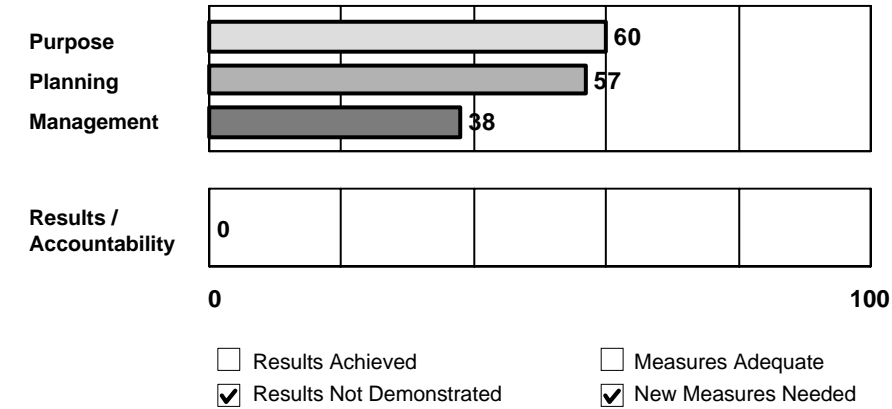
**Agency:** *Department of Education*

**Program Type** *Block / Formula Grants*

**Bureau:** *Office of Elementary and Secondary Education*

**Program Summary:**

Safe and Drug-Free Schools State Grants awards grants to States and school districts for programs to reduce youth crime and drug-abuse.



The PART assessment found that:

1. The program has failed to demonstrate effectiveness. Existing program indicators use national surveys that don't measure youth crime and drug abuse at State and local levels.
2. A 2001 RAND study determined that the structure of the Safe and Drug-Free Schools State Grants program is fundamentally flawed. The study concluded that Safe and Drug Free grant funds are spread too thinly to support quality interventions.
3. Program financial management is good, but the agency should bolster efforts to attain higher quality program performance information and provide meaningful technical assistance through the State Grants authority.
4. The Department of Education has authored "Principles of Effectiveness" in an attempt to influence how school districts run Safe and Drug Free programs. The Principles include guidelines for instituting measurable goals and objectives, research-based programs, and strong evaluation techniques. However, the Agency needs to provide performance measures that help improve local programming decisions and are of equal use to State, local, and Federal administrators.

**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

In response to these findings, the Administration will:

1. Make a modest reduction in funding and tie future funding to the demonstration of results.
2. Develop a new strategy for measuring program performance that helps improve local programming decisions and is of equal use to State, local, and Federal administrators.
3. Study ways to redesign the program in order to better distribute funds and support high quality, research-based strategies at the local level.

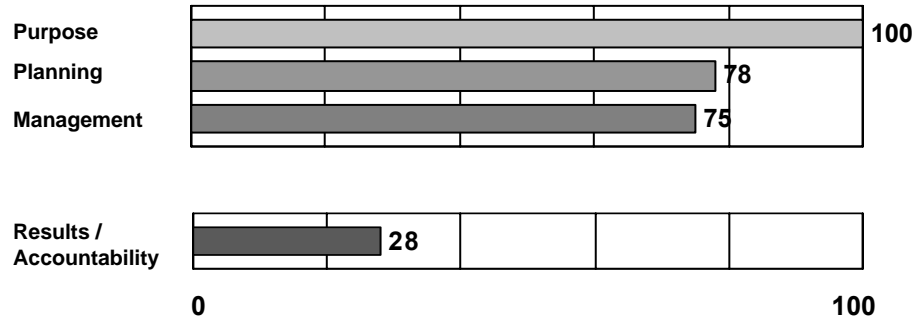
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Student Aid Administration

**Agency:** Department of Education

**Bureau:** Federal Student Aid



**Key Performance Measures**

**Year Target Actual**

Long-term Efficiency Measure: Recovery rate on Department-held defaulted loans. [Note: Recovery rate = (sum of FSA collection on defaults) minus (collections through consolidations) divided by (outstanding default portfolio from the previous year).]	2001		7.8%
	2002	7.2 %	7.6%
	2003	7.6%	
	2004	8.0%	
Long-term Efficiency Measure: Reduce the percentage of Pell Grant overawards.	2001		3.4%
	2002	<2.5%	3.3%
	2003	<2.5%	3.1%
	2004	<2.5%	
Long-term Efficiency Measure: Reduce the unit cost of student aid processes. [Baselines and targets under development.]	2001		
	2002		
	2003		
	2004		

**Rating:** Adequate

**Program Type:** Capital Assets and Service Acquisition

**Program Summary:**

The Student Aid Administration (SAA) account provides funding for the Education Department (ED) to administer its student aid programs. ED uses SAA funds to carry out statutorily mandated activities, such as: delivering grant and loan aid to schools on behalf of students; monitoring school and financial institution compliance with laws and regulations; developing policies and procedures to eliminate erroneous payments; and simplifying the student aid process through IT systems improvements and other means.

In determining that the Education Department's administration of student aid programs is "adequate," the assessment identified a number of strengths and weaknesses. Program **strengths** include:

- Improved financial management practices, which have yielded better quality financial data;
- Progress in integrating student aid IT systems;
- Modest reduction in erroneous Pell Grant payments; and
- Increased collection on defaulted loans.

Program **weaknesses** include:

- Remaining financial management issues affect both data quality and Education's ability to integrate financial data into long and short-term decision-making;
- The Education Department has not fully developed and implemented a unit cost framework with meaningful efficiency targets.
- Several key contracts do not have adequate performance incentives; and
- Inspector General audits have found deficiencies in the Education Department's contract oversight.

In response to these findings, the Administration proposes to:

1. Complete development of a unit-cost framework and meaningful efficiency targets.
2. Implement a new data strategy that yields more timely and accurate financial and program data.
3. Better integrate data into decision-making, including the development of a more comprehensive approach to eliminating program fraud and error.
4. Improve contract oversight and performance management.
5. Maintain progress on system integration efforts.

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

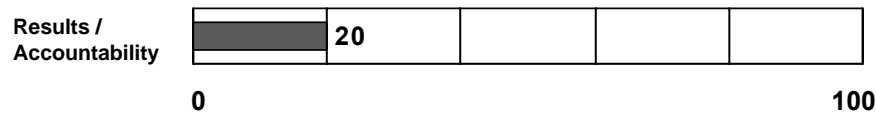
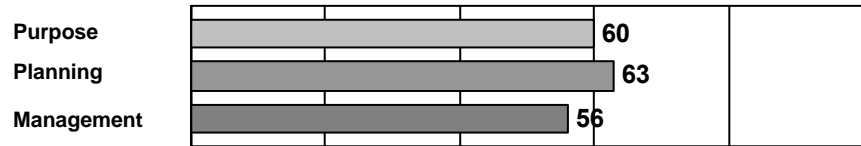
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
900	912	935



**Program:** *Supplemental Educational Opportunity Grants*

**Agency:** *Department of Education*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Annual Measure: Persistence: The gap between persistence rates for campus-based aid recipients and for the general student population will decrease each year. [Targets under development.]			
Annual Measure: Completion: The gap between completion rates for campus-based aid recipients and for the general student population will decrease each year. [Targets under development.]			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

Under the Supplemental Educational Opportunity Grant (SEOG) program, the Education Department provides funding to colleges and universities to make grant aid available to needy students. The students are not required to pay these funds back, but must use them on tuition and other education-related expenses. The program is typically referred to as a "campus-based" financial aid program because it is the postsecondary institution, and not the Education Department, that administers the program on behalf of its students.

In determining that the SEOG program is "results not demonstrated," the assessment identified a number of deficiencies, including:

- The program lacks program specific performance measures;
- The program is redundant of the Pell Grant program;
- The current statutory formula for allocating funding to schools fails to target aid to the neediest students; and
- The data the Education Department collects from colleges and universities is insufficient for performance measurement and program management.

In response to these findings, the Administration will:

1. Correct the funding allocation formula as part of the reauthorization of the Higher Education Act by ensuring that funds reach postsecondary institutions with the highest proportion of needy students.
2. In 2004, begin to collect data for the SEOG program that is sufficient to measure program performance and reconcile financial data. These data should support the Education Department's new performance measurement approach that tracks program success on improving student persistence and graduation.
3. In 2004, develop meaningful efficiency measures for this program.

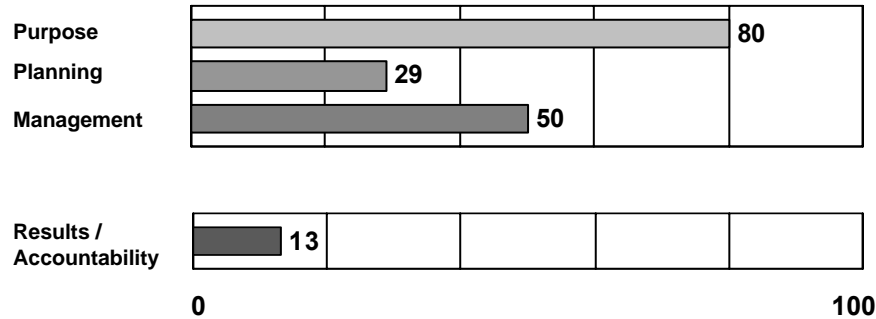
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
760	770	770

**Program:** *Teacher Quality Enhancement*

**Agency:** *Department of Education*

**Bureau:** *Office of Postsecondary Education*



**Key Performance Measures**

**Year Target Actual**

Annual Measure: The percentage of program completers, from Institutions of Higher Education with Teacher Quality Enhancement Partnership grants, who are highly qualified teachers (according to the NCLB definition) upon program completion.	2004	>75%	
	2005	>80%	
	2006	>85%	
	2007	>88%	
Long-term Measure: The percentage of program completers, from Institutions of Higher Education with Teacher Quality Enhancement Partnership grants, who are highly qualified teachers (according to the NCLB definition) upon program completion.	2006	>85%	
	2007	>90%	
	2008	>90%	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Teacher Quality Enhancement (TQE) program provides funding for three kinds of activities: Partnership Grants for Improving Teacher Education, State Grants, and Teacher Recruitment Grants. TQE funding supports improvement in schools of teacher preparation, recruitment of new teachers in high-need school districts, and Statewide reform efforts that integrate student achievement standards with teacher training and preparation.

The assessment noted that the TQE program has a unique role as ED's only program designed to improve teacher quality by reforming the very schools that train new teachers. It also points out that ED is currently conducting an evaluation of the Partnership component of the program and should have more performance data available from the study in the next few years.

In addition, the assessment identified a number of deficiencies, including:

- The program lacks useful performance information about its effectiveness
- The program does not yet have enough annual and long-term measures, as well as an efficiency measure
- The program has lacked sufficient oversight of grantee activities
- The program's design has restricted ED from using all of its appropriated funding for TQE in the last two years

In response to these findings, in 2004 the Administration will:

1. Begin to collect baseline data to set targets for the program's new measures
2. Develop the necessary long-term, annual and efficiency measures
3. Implement its plan to ensure adequate grantee oversight
4. Consider reforms that would enable ED to use all available TQE funding to support the highest-quality grant applications

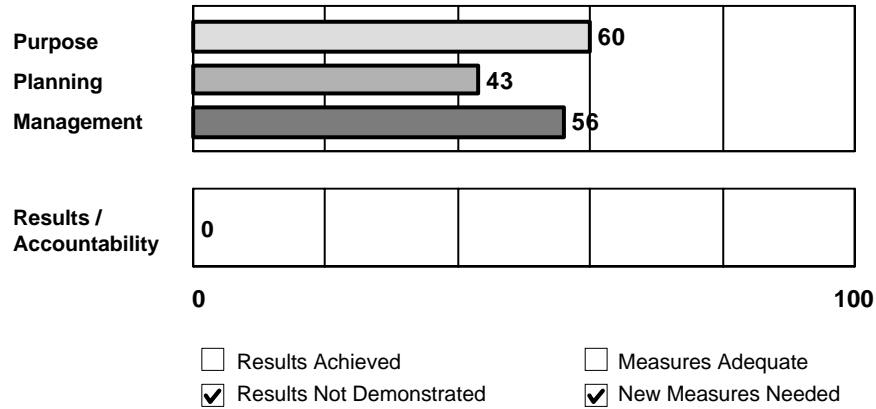
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
89	89	89

**Program: Tech-Prep Education State Grants**

**Agency:** Department of Education

**Bureau:** Office of Vocational and Adult Education



**Key Performance Measures**

**Year Target Actual**

Measure Description	Year	Target	Actual
Long-term and Annual Measures for postsecondary students: Percentage of participants who entered employment in the 1st quarter after program exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure for secondary students: Attainment of a high school diploma, certificate, or GED (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure for secondary students: Entry into employment or enrollment in postsecondary education/advanced training (New measure: result of common measures exercise; targets to be determined beginning in 2003)			

**\*Rating: Results Not Demonstrated**

**Program Type** Block / Formula Grants

**Program Summary:**

The Tech-Prep Education State Grants program provides grants to states to expand 2 + 2 programs (i.e., 2 years of secondary education transitioning into 2 years of postsecondary education) with the goal of increasing the number of students who receive degrees in technical fields.

The assessment found:

1. Grant recipients need clearer guidance on the purpose and goals of the program. The Department has received various feedback from the education community that the broad scope and varied activities of the program have caused confusion at the local level about the key objectives of the program.
2. The program is redundant with allowable activities under the existing Vocational Education State Grant program.
3. A series of national evaluations indicate that the program provides no measurable advantage for high school students in terms of high school completion, postsecondary enrollment, and academic achievement. It may have a small positive effect on earnings for some program participants. Annual performance data is not yet available for this program.

In response to these findings, the 2004 Budget proposes to terminate the program so that Federal resources for this program can be redirected to programs with a proven track record for effectiveness, such as Pell Grants.

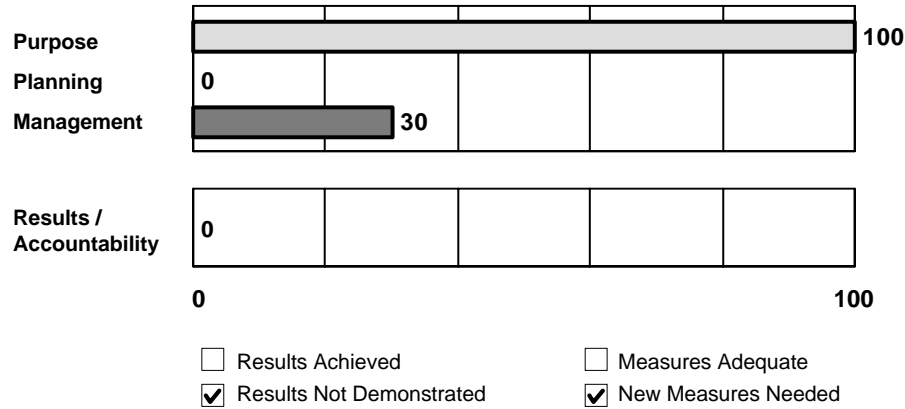
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Tribally Controlled Postsecondary Vocational and Technical Institutions

**Agency:** Department of Education

**Bureau:** Office of Vocational and Adult Education



**Key Performance Measures**

**Year Target Actual**

Measure Description	Year	Target	Actual
Long-term and Annual Measure: Percentage of participants who entered employment in the 1st quarter after program exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure: Percentage of participants who were employed in the 1st quarter after program exit who remain employed in 2nd and 3rd quarters after exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure: Percentage change in earnings: Based on (1) pre-enrollment to program exit; (2) 1st quarter after exit to 3rd quarter after exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			

**\*Rating:** Results Not Demonstrated

**Program Type** Competitive Grants

**Program Summary:**

The Tribally Controlled Postsecondary Vocational and Technical Institutions program provides funding to two institutions that provide vocational training to Indian students.

The assessment found:

1. This is a small program with the basic purpose to fund two institutions providing vocational education and training to approximately 600 students. "Vocational" education provides skill development training for specific career fields and thus is more job focused than traditional "academic" education.
2. The extent to which this program improves outcomes for Indian youth is not known. There is no data collected on current performance measures. There is no national evaluation of this program.
3. The program has adopted a new reporting framework, but lacks specific performance targets and the necessary data to support the new measures.

In response to these findings, the Administration will:

1. Seek legislative program reforms that include increased grantee accountability, improved performance reporting, and a clear focus on strengthening the academic and technical skills of post-secondary Indian students.
2. Explore whether efficiencies can be gained by combining this program with other programs serving similar objectives.
3. Adopt common performance measures with similar programs, including a new measure to gauge cost-effectiveness. Set short and long-term targets based on the common measures and develop strategy for collecting necessary data to institute these common measures.

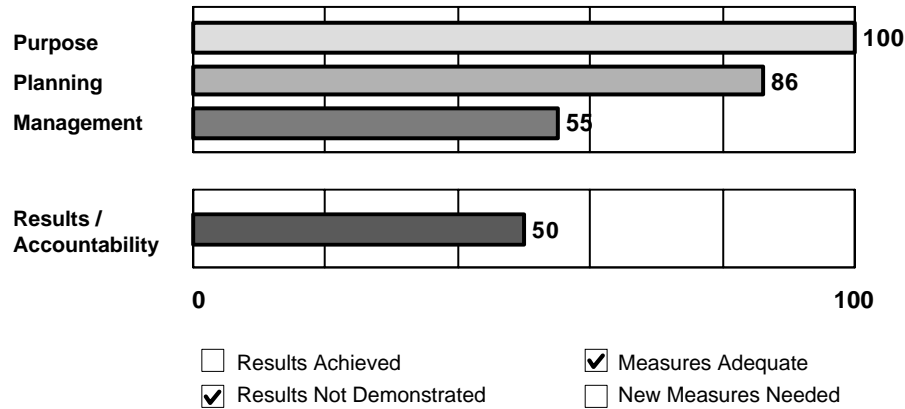
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: TRIO Student Support Services**

**Agency:** Department of Education

**Bureau:** Office of Postsecondary Education



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: College completion rate of low-income first-generation college students who are program participants (Baseline is 29%)	2000	29%	29%
	2003	29.5%	
	2005	30.5%	
	2007	31%	
Long-term Measure: College Persistence rate, as measured by the extent students remain in the same college from year to year, of low-income, first-generation college students who are program participants	2000	67%	67%
	2003	68%	
	2005	69%	
	2007	70%	
Annual Measure: College Persistence rate of low-income, first-generation college students who are program participants (Baseline is 67%)	2000	67%	67%
	2001	67%	
	2002	67.5%	
	2003	68%	

**\*Rating: Results Not Demonstrated**

**Program Type** Competitive Grants

**Program Summary:**

The purpose of TRIO Student Support Services (SSS) is to increase graduation and retention rates among low-income, first-generation college students by providing counseling and tutoring. ED provides grants to institutions of higher education to provide these services.

The PART assessment found:

1. A program evaluation demonstrated some positive results. It found a 9 percentage point positive effect on bachelor's degree completion rates for SSS students against a comparison group not receiving those services. The study also noted other less impressive but similarly positive effects for students continuing their college studies until graduation.
2. While evaluation findings are generally positive, the Department has only recently established specific goals and targets for this program. As a result, the program has only collected baseline data for the program and will not be able to measure progress on the SSS goals until next year. Therefore, program performance relative to these measures is not yet known.
3. The program has acquired useful performance information from grantees but is not yet using it to improve program-wide performance. This information is mainly used for project monitoring.
4. SSS does not attract a significant amount of first-time grantees due to statutory and regulatory constraints.

In response to these findings, the Department will:

1. Closely monitor new SSS annual program goals and make better use of project performance report data to improve the program.
2. Explore policies that would reduce statutory and regulatory barriers faced by qualified first-time grantees in order to encourage their participation in the program.
3. Collect and establish second-year data for performance measures.

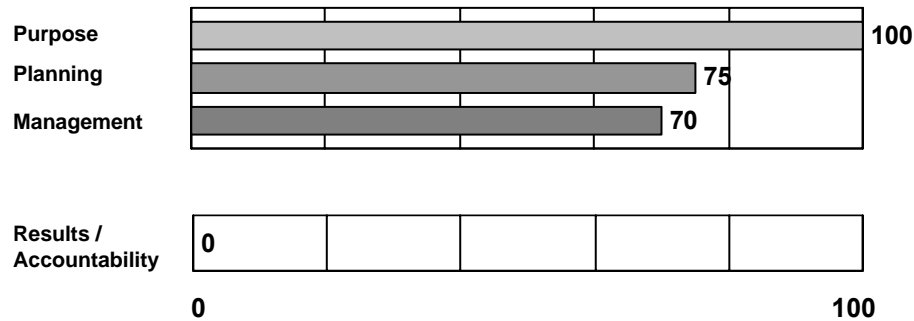
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** TRIO Talent Search

**Agency:** Department of Education

**Bureau:** Office of Postsecondary Education



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Percentage of low-income, first-generation participants that enroll in college	2000		73
	2004	73.5	
	2005	74	
	2006	74.5	
Annual Measure: Percentage of participants who apply for financial assistance to attend college (targets under development)			
Long-term Measure: Percentage of low-income, first-generation participants that enroll in college	2007	75	
	2009	76	
	2011	77	
	2013	78	

**Rating:** Results Not Demonstrated

**Program Type:** Competitive Grant

**Program Summary:**

The TRIO Talent Search (TS) program provides funding to consortia that include institutions of higher education, public or private agencies or organizations. These consortia provide services, such as financial aid planning or counseling, designed to encourage low-income, first-generation middle and high school students to complete high school and pursue a postsecondary degree. The program is one component of the Federal TRIO programs, which are educational opportunity outreach programs designed to motivate and support students from disadvantaged backgrounds.

The assessment noted that the Talent Search program has a clear program purpose and is well targeted to the low-income student population it is intended to serve. ED is currently conducting an evaluation of the program and should have more performance data available from the study in the next two years.

In addition, the assessment identified a number of deficiencies, including:

- Lack of useful performance information about its effectiveness
- No efficiency measures
- The current guidelines for the program's grant competitions has effectively excluded new applicants from receiving awards except when funding is increased

In response to these findings, in 2004 the Administration proposes to:

1. Complete program evaluation currently in progress and utilize its findings to improve program performance
2. Develop a meaningful efficiency measure
3. Explore policies that would open up the Talent Search application process to include more worthy new applicants while still rewarding high-performing prior grantees

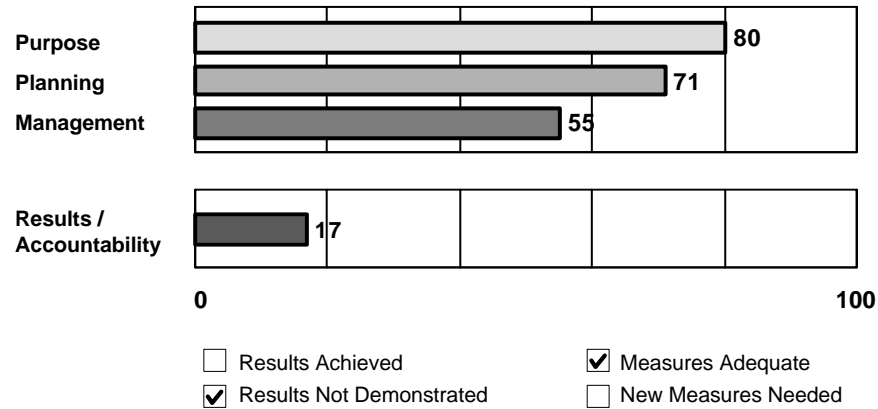
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
145	146	146

## Program: TRIO Upward Bound

Agency: Department of Education

Bureau: Office of Postsecondary Education



### Key Performance Measures

Year Target Actual

Key Performance Measure	Year	Target	Actual
Long-term and Annual Measure: College Enrollment rate of higher-risk low-income, first generation college students who are program participants	2000	34%	34%
	2003	35%	
	2005	36%	
	2007	37%	
Long-term Measure: College Enrollment rate of all program participants	2000	65%	65%
	2003	65%	
	2005	65%	
	2007	65%	

**\*Rating: Ineffective**

Program Type Competitive Grants

### Program Summary:

The purpose of TRIO Upward Bound (UB) is to increase the college enrollment rate of low-income high school students through intensive services designed to improve their academic performance and college preparation. The program makes grants to postsecondary institutions and other organizations who, in turn, provide such services as residential summer school, visits to colleges, and tutoring.

The PART assessment found:

1. A recent evaluation of UB determined this program has not been effective in increasing college preparation and enrollment of its program participants at large. However, there is evidence that UB has significant effects on increased college enrollment and program persistence for "high risk", low-income students ("high-risk" students include those with no expectation of completing a bachelor's degree). Unfortunately, the study's findings reveal that UB is inadequately targeted to these students. The Department of Education's new performance goals for this program include a measure of college enrollment rates for high-risk program participants. The strong evaluation evidence provides the basis for the "ineffective" rating.
2. The Department has only recently established specific goals and targets for this program. As a result, the program has only collected baseline data for the program and will not be able to measure progress on the UB goals until next year. Therefore, program performance is not yet known.
3. The program has implemented a plan to address Inspector General concerns of inadequate grantee monitoring and unclear reporting requirements. Like the TRIO Student Support Services program, UB does not attract a significant amount of first-time grantees due to statutory and regulatory constraints.
4. The program purpose is clear, but the program design does not adequately target the most high-need students.

In response to these findings, the Department will:

1. Complete an anticipated rulemaking process in the upcoming year to increase the proportion of high-risk students served by UB grantees.
2. Provide technical assistance to new applicants and current grantees on high risk participants.
3. Explore policies that would encourage more qualified first-time grantees to participate in the program.
4. Closely monitor new UB annual program goals and make better use of project performance report data to improve the program.

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

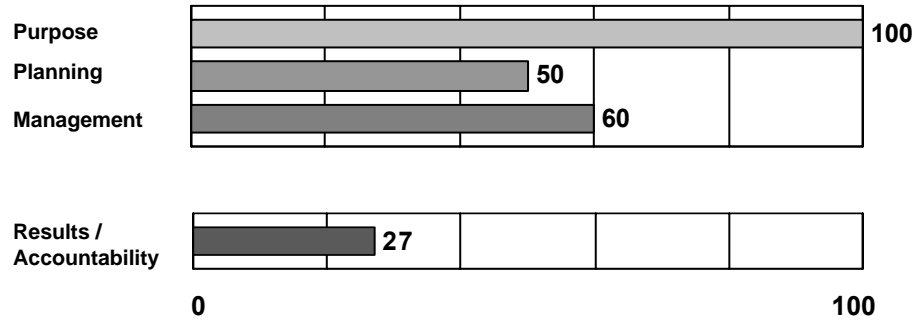
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** Troops-to-Teachers

**Agency:** Department of Education

**Bureau:** Office of Innovation and Improvement



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: The percentage of individuals recruited by Troops-to-Teachers who become highly qualified math and science teachers. (targets under development)			
Annual Measure: The percentage of Troops-to-Teachers participants who remain in teaching for three or more years after placement in a teaching position in a high-need school district. (targets under development)			
Long-term Measure: The percentage of program recruits who become highly qualified teachers. (targets under development)			

**Rating:** Adequate

**Program Type:** Competitive Grant

**Program Summary:**

The Department of Education (ED) provides funding for the Troops-to-Teachers program, which is administered by the Department of Defense's Defense Activity for Non-Traditional Education Support (DANTES) program. This program provides assistance, including stipends of up to \$5,000, to eligible members of the armed forces so that they can obtain certification or licensing as elementary school teachers, secondary school teachers, or vocational/technical teachers and become highly qualified teachers by demonstrating competency in each of the subjects they teach. DANTES supports the placement of these qualified individuals in high-need school districts. In addition, qualified individuals who agree to teach in high-need schools in high-need school districts for at least three years may receive a bonus of \$10,000 in lieu of the stipend.

Overall, the assessment concluded that the Troops-to-Teachers program has been somewhat effective in developing and placing its participants in high-need school districts. A 1998 evaluation of the program noted that school administrators found new Troops-to-Teachers educators to be, on average, better first-year teachers than their counterparts.

The assessment also identified some areas for improvement, including:

- The program lacks targets for its annual and long-term performance measures
- The program does not adequately collect and display performance information for the public
- The program does not yet have an efficiency measure

In response to these findings, in 2004 the Administration proposes to:

1. Begin to collect baseline information on program participants and set targets for its new measures;
2. Strengthen program performance data collection and make it publicly accessible; and
3. Develop a meaningful efficiency measure.

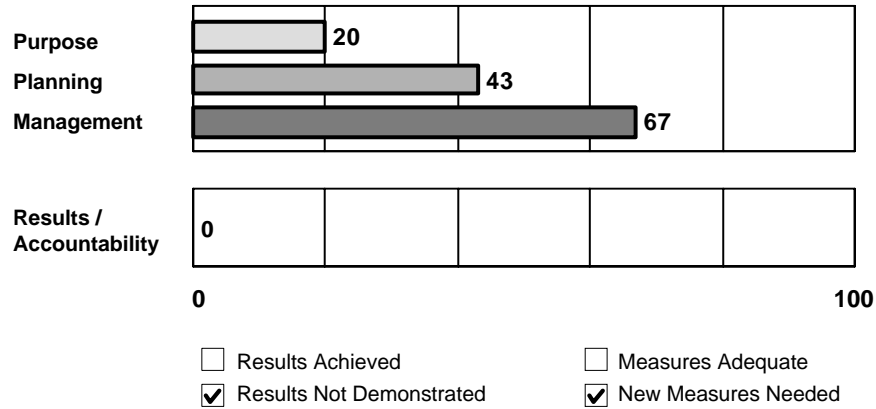
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
29	15	15

**Program:** Vocational Education State Grants

**Agency:** Department of Education

**Bureau:** Office of Vocational and Adult Education



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term and Annual Measures for postsecondary students: Percentage of participants who entered employment in the 1st quarter after program exit (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure for secondary students: Attainment of a high school diploma, certificate, or GED (New measure: result of common measures exercise; targets to be determined beginning in 2003)			
Long-term and Annual Measure for secondary students: Entry into employment or enrollment in postsecondary education/advanced training (New measure: result of common measures exercise; targets to be determined beginning in 2003)			

**\*Rating:** Ineffective

**Program Type** Block / Formula Grants

**Program Summary:**

The Vocational Education State Grants provides funds to support state-sponsored vocational education programs. These programs, which are implemented in high schools and postsecondary schools, provide students with job-focused education and occupational training.

The assessment found:

1. A series of national evaluations indicate that the program provides little or no measurable advantage for high school students in terms of high school completion, postsecondary enrollment, and academic achievement.
2. Annual performance data show that many states are not making adequate progress in achieving positive student outcomes. For example, less than 40% of postsecondary "Voc. Ed." students obtain a degree or certificate.
3. There are significant problems with how the program collects information from grantees, making it difficult to know how the money is spent and what results are being achieved. For example, many states have a unique definition of who is a "Voc. Ed." student, making it difficult to compare one state to another or to develop national performance statistics.

In response to these findings, the Budget proposes to implement significant program reforms. Specifically:

1. Grantee funding will be contingent on a rigorous assessment that student outcomes are being achieved.
2. Grantees will have the flexibility to focus program funds in a manner that best serve students in a given locality.
3. States will have the option to redirect high school funds from this program into their Title I of the Elementary and Secondary Education Act programs to maximize flexibility.
4. The program will correct all outstanding data collection problems and adopt new "common" performance measures that will allow better assessment of how the program is achieving student outcomes and enable comparisons with other programs serving similar objectives. The Department will set short and long-term targets based on the common measures and develop strategies for collecting the necessary data to institute common measures.

(For more information on this program, please see the Department of Education chapter in the Budget volume.)

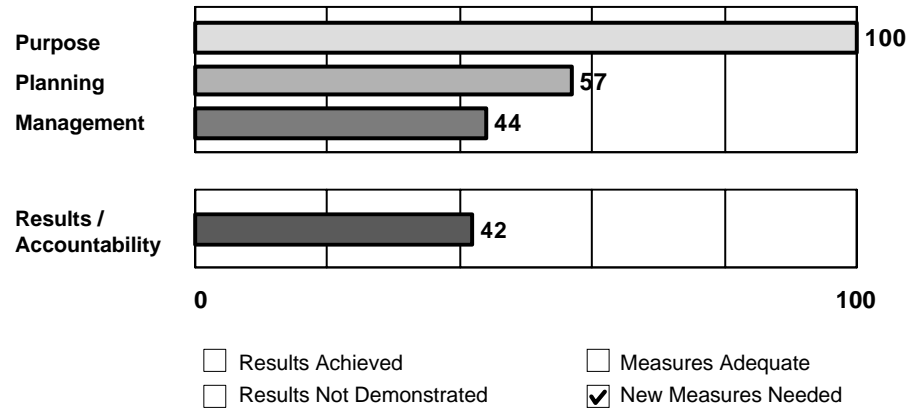
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

## Program: Vocational Rehabilitation State Grants

Agency: Department of Education

Bureau: Office of Special Education and Rehabilitative Services



### Key Performance Measures

Year Target Actual

Measure	Year	Target	Actual
Long-term and Annual Measure: Percent of participants placed in employment (Targets beyond 2004 under development)	2000	62.7%	62.5%
	2001	63%	60.7%
	2003	63.2%	
	2004	63.2%	
Long-term and Annual Measure: Of individuals placed in employment, the percent who obtain employment in an integrated setting at or above the minimum wage (Targets beyond 2004 under development)	2000	82.5%	86.0%
	2001	86.2%	87.6%
	2003	86.6%	
	2004	86.8%	
Long-term and Annual Measure: Among individuals exiting the program in competitive employment, the median ratio of their average hourly wage to the state's average hourly wage for all employed individuals (Targets beyond 2004 under development)	2000	0.57	0.57
	2001	0.57	0.56
	2003	0.58	
	2004	0.59	

**\*Rating: Adequate**

Program Type Block/Formula Grants

### Program Summary:

The purpose of Vocational Rehabilitation (VR) State Grants is to help individuals with disabilities obtain employment. The program gives priority to individuals with the most significant disabilities. Program services are tailored to the specific needs of the individual, and include education, vocational training, counseling, rehabilitation technology, and supported employment. State VR agencies are required one-stop partners under the Workforce Investment Act, and Employment Networks under the Ticket to Work and Work Incentives Improvement Act.

The PART assessment found:

1. The program's purpose is clear. While the federal government supports many other job training programs, most of them are not tailored to meet the specific needs of individuals with disabilities as this one is.
2. Annual data and longitudinal evaluations show the VR State Grants program is, in general, successful in meeting its program goals. However, there remains wide variation in performance across states.
3. The program has adopted a new, common measures reporting framework so that it can be compared to other Federal programs serving similar objectives. However, the program must establish specific performance targets and collect the necessary data to support the measures.
4. The Department of Education could do a much better job managing this program by using existing data, making these data available to the public in a timely manner, and improving collaboration with other federal programs. These problems persist even though the administrative costs associated with this program are high compared to other formula grant programs.

To address these findings, the Department will:

1. In the upcoming reauthorization, work with the Congress to align federal funding with performance, and hold all states accountable for their performance. In this reauthorization, the Administration will revisit whether funding for this program should be reclassified as discretionary.
2. Establish specific performance targets in the outyears and collect the necessary data to support new common measures. Also, consider whether any additional measures are appropriate for this program.
3. Take significant steps to improve program management using existing outcome data and make these data available to the public in a more timely manner.

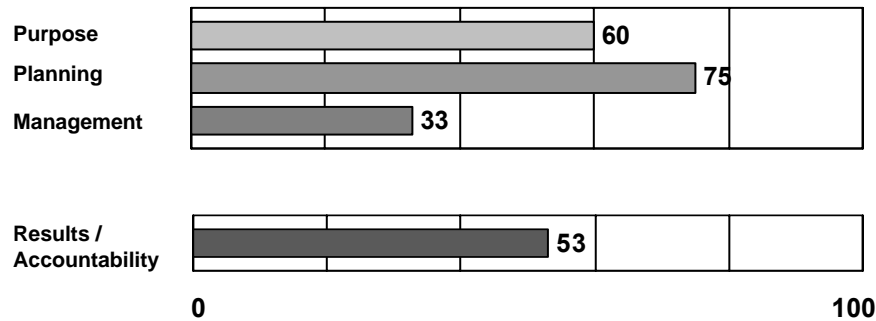
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** William D. Ford Direct Student Loans

**Agency:** Department of Education

**Bureau:** Federal Student Aid



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Federal debt burden: The median Federal debt burden (yearly scheduled payments as a percentage of annual income) of borrowers in their first full year of repayment shall be less than 10 percent.	1999	>10%	6.5%
	2000	>10%	6.4%
	2001	>10%	
	2002	>10%	
Annual Measure: Postsecondary Enrollment rates: The percent of high school graduates enrolling immediately in college will increase each year for all students.	1999	Increase	62.9%
	2000	Increase	63.3%
	2001	Increase	61.7%
	2002	Increase	
Annual Measure: Completion rates: Postsecondary education completion rates for all full-time, degree-seeking students in less-than-4-year programs will improve.	1999	Increase	34.4%
	2000	Increase	32.7%
	2001	Increase	
	2002	Increase	

**Rating:** Adequate

**Program Type:** Credit

**Program Summary:**

Under the Federal Direct Student Loan (DL) program, the Education Department makes direct loans to undergraduate and graduate students to help them pay for a college education.

Overall, the assessment concluded that both this program and the Federal Family Education Loan program fulfill their purpose of ensuring that low and middle income students can afford the costs of postsecondary education. The program also has meaningful performance measures and outcome data on these measures. However, the Department has only been minimally successful in achieving its long-term and annual performance goals for its main student aid programs.

The assessment also revealed some program deficiencies in the DL program, such as the following:

- The Education Department does not fully employ market mechanisms that could ensure optimal efficiency in program operations and benefits distribution,
- A disproportionate amount of program benefits are provided to borrowers out of school versus students attending school and statute-based loan limits have not kept pace with rising tuition costs; and
- The cost model used by the Education Department does not capture all of the relevant program costs.

In response to these findings, the Administration will:

1. Explore through reauthorization of the Higher Education Act possible structural changes to DL that will lead to improved cost efficiencies and better target program benefits to student borrowers while they are attending school. Notably, the Administration proposes to maintain variable interest rates beyond 2006 and provide for a modest increase in loan limits
2. Explore possible improvements to the Department's student loan cost model.

[See the Student Aid Administration PART for additional findings and recommendations related to program management.] Note: Due to the uncertainty that goes into predicting economic trends and student-borrower behavior, these reestimates often produce significant annual fluctuations in subsidy costs.

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

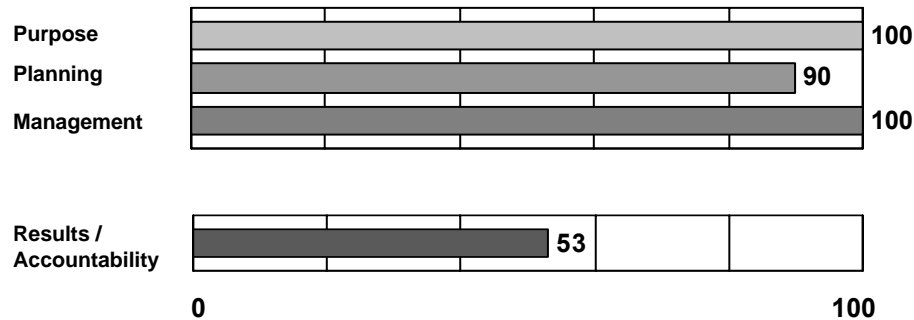
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
4,225	2,381	-492

## **DEPARTMENT OF ENERGY**

**Program:** *Advanced Fuel Cycle Initiative*

**Agency:** *Department of Energy*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Complete focused spent fuel treatment and transmutation technology research and development that will provide the Secretary sufficient input to decide (with a 70% confidence level) on the technical need for a second geologic repository.	2008	Report to secretary	
Annual Measure: Complete laboratory-scale "hot" testing of the UREX+ advanced aqueous spent fuel separations process. (Target refers to separation purity.)	2005	Purity >=99.9%	
Annual Measure: Complete 100 percent of the first irradiation experiment that will demonstrate the integrity of at least one oxide fuel form containing 5 percent plutonium.	2005	No fuel failure	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The Advanced Fuel Cycle Initiative (AFCI) funds research and development of innovative technologies for the production and treatment of nuclear fuel that will significantly reduce the volume and toxicity of nuclear waste requiring geologic disposal. The program also aims to enhance national security by reducing quantities of commercially-generated plutonium and recovering the energy value contained in spent nuclear fuel. By statute, the Secretary of Energy is required to report to the President and the Congress on the need for a second nuclear waste repository between 2007 and 2010; the Secretary will use the results of the AFCI research to inform the content of the report.

The assessment found that the program has a strong purpose and design based upon extensive government, industry, academia, and international collaboration. Additional findings include:

- The program has established a detailed program plan with measurable annual performance targets based upon its need to provide a comprehensive basis for a Secretarial decision on the technical need for a second repository as early as 2007.
- The program is coordinated with other DOE nuclear energy and waste management programs, including the Generation IV Nuclear Energy Systems Initiative, and the Civilian Radioactive Waste Management Programs.
- Although there has been regular oversight and assessment by the Nuclear energy Research Advisory Committee (NERAC), a formal evaluation process, including international programs with similar goals, has not been established.

In response to these findings, the Administration will:

1. Provide funding of \$46.254 million in 2005 to support this important research, and
2. Establish a formal evaluation plan for AFCI by March 31, 2004.

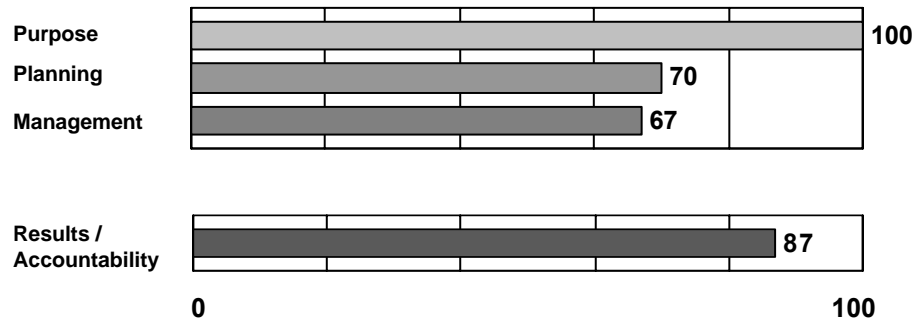
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
57	67	46

**Program:** *Advanced Scientific Computing Research*

**Agency:** *Department of Energy*

**Bureau:** *Office of Science*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Progress toward developing the mathematics, algorithms, and software that enable scientifically-critical models of complex systems, including highly nonlinear or uncertain phenomena, or processes that interact on vastly different scales, or contain both discrete and continuous elements. An independent expert panel will conduct a review and rate progress (excellent, adequate, poor) on a triennial basis.	2006	Excellent	
	2009	Excellent	
	2012	Excellent	
	2015	Excellent	
Annual Measure: Focus usage of the primary supercomputer at the National Energy Research Scientific Computing Center on capability computing (percentage of the computing time used that is accounted for by computations that require at least 1/8 of the total resource).	2003		36%
	2004	50%	
	2005	50%	
Annual Measure: Maintain Procurement Cost/Performance Baselines. Percentages within: (1) original baseline cost for completed procurements of major computer systems or network services; and, (2) original performance baseline versus integrated performance over the life of the contract(s).	2002	<10%, <10%	0%, 0%
	2003	<10%, <10%	0%, -1%
	2004	<10%, <10%	
	2005	<10%, <10%	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development, Competitive Grant, Capital Assets and Service Acquisition*

**Program Summary:**

The Office of Science's Advanced Scientific Computing Research (ASCR) program funds research in applied math, computer science, and computer networks and provides high-performance computer facilities for primary use by the other Office of Science research programs.

The assessment found that the ASCR program has developed a limited number of adequate performance measures and is in the process of drafting a long-term strategic vision, as recommended during the 2004 PART process. Additional findings include:

- The program has demonstrated an improved level of interagency communication and cooperation.
- The program recently instituted a Committee of Visitors process, but the program's merit review processes have yet to be validated—for impact on quality, relevance, and performance of the research portfolio—since the assessment(s) have not been completed.
- The program's advisory committee is underutilized relative to other Office of Science advisory committees.
- The user facilities supported by the program are considered to be world-class, and a major interdisciplinary software effort begun by the program has been very successful.

In response to these findings:

1. The 2005 Budget provides funds to continue operating the program's primary user facility at 100 percent of maximum capacity, and to begin a major new research activity in applied mathematics.
2. The Department will develop an appropriate action plan in response to the findings and recommendations of the Committee of Visitors within 30 days of receipt of the report.
3. The Department will meaningfully engage the ASCR advisory committee in thorough assessments of research performance and in regularly revisiting the strategic priorities for the program in order to help identify gaps in the research portfolio and suggest remedies.
4. The Department will work with its advisory committee to develop research milestones [by September, 2004] against which future outside panels may judge interim progress toward achieving the long-term goals of the program.

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

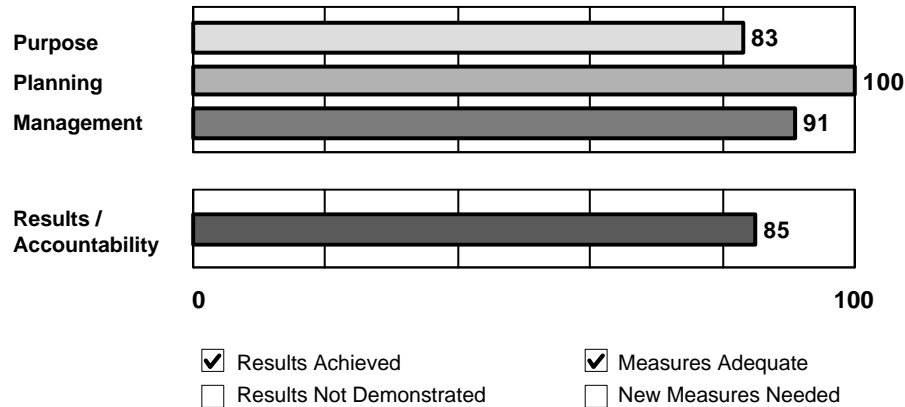
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
167	202	204



**Program: Advanced Simulation and Computing (ASCI)**

**Agency:** Department of Energy

**Bureau:** National Nuclear Security Administration



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Ability to perform three dimensional predictive simulations necessary to support weapons system certification and refurbishment schedules	2009	2009	
Annual Goal to Measure Progress in Achieving Long-term Measure: Computing capability, measured in trillions of operations per second, that are developed, installed, and tested	2000	10	10
	2003	30	
	2005	100	
	2007	200	
Annual Goal to Measure Progress in Achieving Long-term Measure: Number of weapon system components analyzed using ASCI computer codes to certify their performance	2002	4	4
	2004	10	
	2006	17	
	2008	28	

**\*Rating: Effective**

**Program Type** Research and Development

**Program Summary:**

The Advanced Simulation and Computing program (ASCI) assesses whether our nuclear weapons stockpile is safe and ready, if necessary, for use. This must be done without detonating any of the weapons to see what happens to them as they age and as they are modified. Therefore, ASCI uses computer models and existing experimental data to understand the effect that aging and other changes to weapons will have on the warheads. Approximately one quarter of the program's funding is for hardware while the remaining three quarters of funding develops tools that support scientific experiments at the three NNSA weapons laboratories.

Overall, the program scores well because it has a clear purpose, is well managed, and has clear and measurable goals. Additional findings include:

1. For the most part, the program makes a unique contribution to this mission area and there does not appear to be any other viable alternative.
2. ASCI has specific goals that guide the program and inform its progress. While some of the annual goals are somewhat vague, they contribute to the long-term goal of simulating the performance of nuclear weapons.
3. A possible area of concern with the ASCI program is that the focus of the program not be diverted to other, non-weapons related work. Furthermore, the program should focus on using its resources to the maximum extent possible without developing redundancy in the three weapons laboratories.

In response to these findings, the Administration will ensure that planned growth in the program meets requirements specifically related to the weapons stockpile and does not develop unneeded redundancy.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)

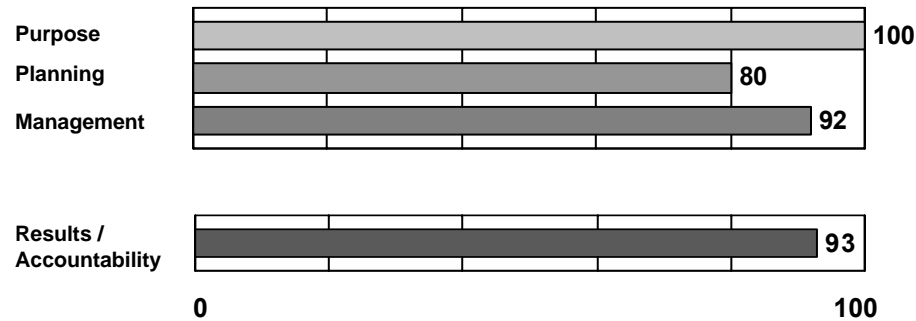
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Basic Energy Sciences*

**Agency:** *Department of Energy*

**Bureau:** *Office of Science*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Progress in designing, modeling, fabricating, characterizing, analyzing, assembling, and using a variety of new materials and structures, including metals, alloys, ceramics, polymers, biomaterials and more--particularly at the nanoscale--for energy-related applications. An independent expert panel will conduct a review and rate progress (excellent, adequate, poor) on a triennial basis.	2006	Excellent	
	2009	Excellent	
	2012	Excellent	
	2015	Excellent	
Annual Efficiency Measure: Average achieved operation time of the scientific user facilities as a percentage of the total scheduled annual operation time. (Scheduled annual operating time is roughly 31,350 hours in 2004 and 35,450 hours in 2005. The ambitiousness and appropriateness of the 90% target level is currently under review by OMB.)	2002	>90%	96%
	2003	>90%	91%
	2004	>90%	
	2005	>90%	
Annual Measure: Improve Spatial Resolution: Demonstrated spatial resolutions for imaging in the hard and soft x-ray regions, and spatial information limit for an electron microscope (measured in nanometers).	2002		150, 24, 0.09
	2003		130, 20, 0.09
	2004	<115, <19, <0.08	
	2005	<100, <18, <0.08	

**Rating:** *Effective*

**Program Type:** *Research and Development, Competitive Grant, Capital Assets and Service Acquisition*

**Program Summary:**

The Office of Science's Basic Energy Sciences (BES) program funds research in materials sciences, chemistry, geosciences, and aspects of biosciences, and provides national user facilities for over 8,000 researchers annually who are funded by DOE, other federal research agencies, foreign institutions, and the private sector.

The assessment found that the BES program has developed a limited number of adequate performance measures, as recommended during the 2004 PART process. Additional findings include:

- The program is strategically driven and well managed.
- Outside expert panels have validated the program's merit-based review processes for awarding contracts and grants, resulting in a sponsored research portfolio that is generally considered to be relevant and of very high quality.
- The experimental end stations at one the program's main facilities have been underutilized at times, and there was a general lack of performance reporting on the actual use of all of the program's synchrotron light source facilities.
- The program does not include its long term research goals in grant solicitations, does not use strict quality control on performance data filed by laboratory contractors, and does not make annual aggregated grantee performance data available to the public in a transparent and meaningful manner.

In response to these findings:

1. The 2005 Budget provides funding to operate the program's main user facilities at 100 percent of maximum capacity (the same as in 2004). Funds are provided to start construction on the final nanoscale science research center and for procurement activities for a new x-ray laser light source. The Budget nearly quadruples BES basic research funding for critical hydrogen and fuel cell work in support of the President's Hydrogen Initiative.
2. The Department will continue to improve performance reporting and centralize management and planning of operations at its user facilities.
3. The Department will work to include the long-term goals of each program in grant solicitations, and will improve performance reporting by grantees and contractors.
4. The Department will work with its advisory committee to develop research milestones [by September, 2004] against which future outside panels may judge interim progress toward achieving the long-term goals of the program.

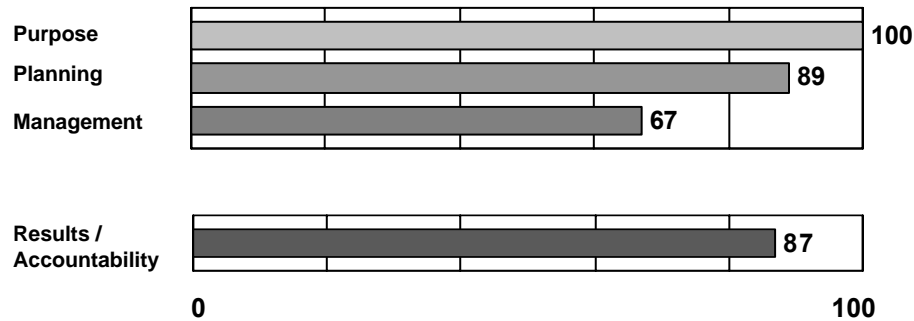
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,020	1,011	1,064

**Program:** *Biological and Environmental Research*

**Agency:** *Department of Energy*

**Bureau:** *Office of Science*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Life Sciences -- Progress in characterizing the multi-protein complexes (or the lack thereof) involving a significant fraction of a microbe's proteins, and in developing computational models to direct the use and design of microbial communities toward DOE mission needs. An independent expert panel will conduct a review and rate progress (excellent, adequate, poor) on a triennial basis.	2006	Excellent	
	2009	Excellent	
	2012	Excellent	
	2015	Excellent	
Annual Measure: Improve climate models -- Develop a coupled climate model with fully interactive carbon and sulfur cycles, as well as dynamic vegetation to enable simulations of aerosol effects, carbon chemistry and carbon sequestration by the land surface and oceans and the interactions between the carbon cycle and climate.	2002		Resolution
	2003		New Model
	2004	Testbed	
	2005	3 parameters	
Annual Efficiency Measure: Average achieved operation time of the scientific user facilities as a percentage of the total scheduled annual operation time. (Scheduled annual operating time is roughly 38,880 hours in 2004 and 2005. The ambitiousness and appropriateness of the 90% target level is currently under review in conjunction with a reevaluation of the program's suite of user facilities.)	2002	>90%	97%
	2003	>90%	97%
	2004	>90%	
	2005	>90%	

**Rating:** *Effective*

**Program Type:** *Research and Development, Competitive Grant, Capital Assets and Service Acquisition*

**Program Summary:**

The Office of Science's Biological and Environmental Research (BER) program funds research in climate change, life sciences, environmental remediation, and medical applications, and provides national user facilities used by public and private sector scientists across a wide range of disciplines.

The assessment found that the BER program has developed a limited number of adequate performance measures, as recommended during the 2004 PART process. Additional findings include:

- The program uses targeted grant solicitations that convey the long-term goals of the program, and funds high-risk research that regularly delivers important results in areas such as genomics.
- The program regularly coordinates its activities with other federal research agencies.
- The program recently instituted a Committee of Visitors process, but the programs merit review processes have yet to be validated—for impact on quality, relevance, and performance of the research portfolio—since the assessment(s) have not been completed.

In response to these findings:

1. The 2005 Budget provides funds to operate the program's user facilities at 100 percent of maximum capacity (the same as in 2003 and 2004), fully funds the program's climate change science and technology efforts, and increases facility design and research grant funding for Genomics: GTL.
2. The Department will develop an appropriate action plan in response to the findings and recommendations of the Committee of Visitors within 30 days of receipt of the report.
3. The Department will work with its advisory committee to develop research milestones [by September, 2004] against which future outside panels may judge interim progress toward achieving the long-term goals of the program.

Note: The 2003 and 2004 program funding levels contain \$53 million and \$141 million in Congressional earmarks, respectively.

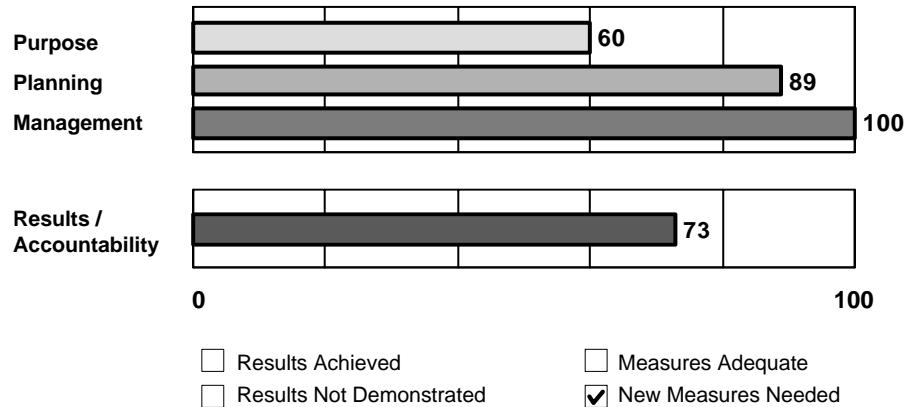
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
507	641	502

**Program: Bonneville Power Administration**

**Agency:** Department of Energy

**Bureau:** Power Marketing Administration



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Achieve high customer satisfaction ratings (scores above 7.2) based on annual independent surveys (scale 1-10)	2001	7.2 to 7.6	7.4
	2002	7.2 to 7.6	
	2003	7.2 to 7.6	
Annual Measures: Achieve high ratings for: Efficiency (actual generation output in cycles/second[cps] vs the 60 cps goal); and Reliability (% of operating time generation is within its electricity production tolerances) based on nat'l standards  Meet safety standards of 3.3 accidents/200,000 hrs worked	2001	100	173.1
	2001	90	98.7
	2001	3.3	2.0
Annual Measures: Make planned debt payment to the Trerasury to repay the long-term ocst of building hydropower facilities Recover subsidies identified by GAO incurred during construction of hydropower facilities Adopt industry-wide measures of efficiency, such as the cost of generating and transmitting power/kilowatthour	2001	\$135 M	\$230 M

**\*Rating: Moderately Effective**

**Program Type** Capital Assets

**Program Summary:**

The Bonneville Power Administration markets power generated at 31 Corps of Engineers and Bureau of Reclamation dams located in the Northwestern United States. Bonneville is responsible for recovering all its costs through the sale of power to customers.

The program assessment demonstrates that Bonneville plans and carries out its programs effectively, meeting national standards for providing dependable power to the four Pacific Northwest states while also balancing power and environmental requirements. Additional findings include:

1. It conducts annual financial audits and extensive program and management reviews for power generation and its transmission and natural resources programs. Bonneville's high score is based on the planning and management of its programs and the reliable delivery of power.
2. Bonneville's score is reduced because the program does not make a unique contribution to addressing a problem in the industry, and its power allocations, by law made on a preference basis to a special class of customers, are not optimally designed. Developing power rates and customer allocations under its legal requirements often takes years and is an inefficient (it does not offer power to bidders) and burdensome process. In addition, according to the General Accounting Office (GAO), Bonneville historically has not covered all its costs.
3. Bonneville competes with the private sector, particularly in its surplus power sales to California.
4. Bonneville also has not developed adequate long and short term performance targets and measures, particularly efficiency measures.

Based on these findings:

1. Bonneville will improve its long and short term targets and measures of performance.
2. The Administration will develop and collect data on efficiency measures comparable to those used by private industry.
3. Bonneville will develop recommendations to improve the way it conducts marketing functions and the recovers its costs.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)

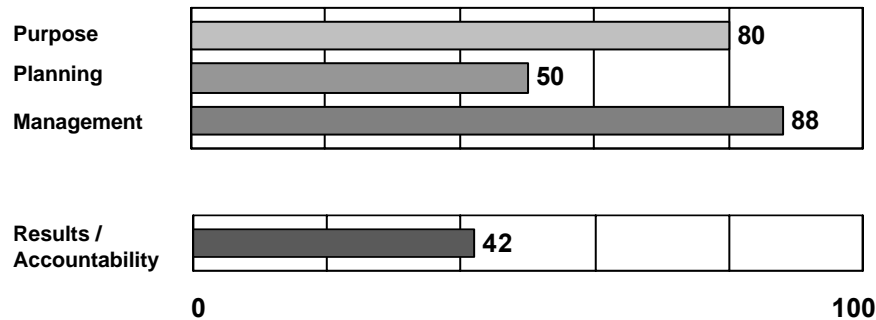
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Building Technologies**

**Agency:** Department of Energy

**Bureau:** Energy Efficiency and Renewable Energy



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Number of design technology packages for new residential buildings (and percent increase in energy efficiency relative to the 2000 International Energy Conservation Code) at little or no incremental cost. (There are 15 potential design packages: 3 building types in each of 5 climate zones. Design packages incorporating renewable energy technologies can lead to Zero Energy Homes.)	2003	5 (30%)	0 (30%)
	2005	3 (30%)	
	2007	5 (40-70%)	
	2010	5 (40-70%)	
Long-term Measure: Efficiency of "white light" solid state lighting, in lumens per watt (LPW). (Solid state lighting, also known as light emitting diodes [LEDs], can potentially be more than twice as efficient as fluorescent lighting [currently about 85 LPW] and may be able to last 10 times as long [up to 100,000 hours].)	2002		25
	2003	29	30
	2005	50	
	2010	100	
Annual Measure: Number of proposals to update appliance standards and test procedures published in the Federal Register. (Based on potential energy savings, the program prioritizes rulemakings to reduce the backlog of legislatively mandated new rules and updates to existing rules.)	2002	2	1
	2003	4	2
	2004	4	
	2005	4	

**Rating: Adequate**

**Program Type:** Research and Development

**Program Summary:**

The Buildings Technology program develops technologies, designs, and codes and standards for making residential and commercial buildings and equipment more energy efficient.

The assessment found that the program generally has a clear (but broad) purpose. Additional findings include:

- The program has successfully “graduated” some energy efficient technologies to the private sector for commercialization. A National Research Council assessment of four (among hundreds) of the program’s R&D activities found that three have produced positive returns to the public on the Federal investment.
- The program has consolidated activities on development of building designs, formerly funded through two different appropriations, by eliminating funding from the Energy and Water appropriation, which was heavily earmarked.
- The program has recently developed long-term performance measures for its research activities, but has not yet developed corresponding annual measures.
- The program appears to have a good prioritization process for development of energy efficiency standards for building equipment and appliances.
- The program is now focusing its “Emerging Technology R&D” activity on longer-term, higher-risk activities, such as solid state lighting.
- This program and other applied R&D programs at the Department need to improve consistency in methodology and assumptions in estimating potential benefits to facilitate meaningful analyses that can help inform budget decisions.

In response to these findings, the Administration:

1. Provides funding consistent with meeting performance targets, including continued support for solid state lighting and reduced support for other technologies near commercialization.
2. Will develop annual performance measures for research activities.
3. Will issue guidance that specifies a consistent framework for the Department to analyze the costs and benefits of its R&D investments, and will apply this guidance as part of 2006 Budget development.

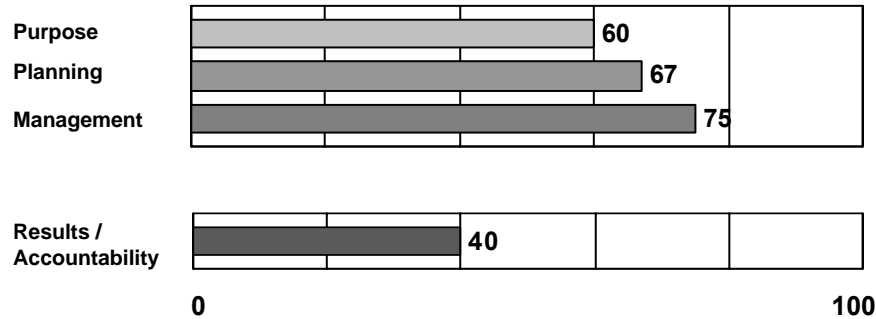
**Program Funding Level (in millions of dollars)**

2003 Actual	2004 Estimate	2005 Estimate
67	60	58

**Program:** *Clean Coal Research Initiative*

**Agency:** *Department of Energy*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Efficiency of advanced coal-based energy plants. (Percentage of heat in fuel converted to electricity.) Demonstrate technologies at pilot scale which validate the feasibility of targets.	2003		0.4
	2010	50%	
Long-term Measure: Capital cost of Integrated Gasification Combined Cycle (IGCC) coal plants. Demonstrate technologies at pilot scale which validate the feasibility of target costs. Such plants currently produce power at a cost of approximately \$1275 per kw.	2003		\$1250-1300
	2010	1000	
Annual Measure: Capital cost of IGCC coal plants. Demonstrate technologies at pre-commercial scale which validates the feasibility of target costs. Such plants currently produce power at a cost of approximately \$1275 per kw.	2003		\$1250-1300
	2005	\$1,200	
	2006	\$1,200	
	2007	\$1,150	

**Rating:** *Adequate*

**Program Type:** *Research and Development*

**Program Summary:**

The Clean Coal Research Initiative researches better ways to use coal more cleanly and efficiently. The program encompasses all DOE coal-related research including Advanced Central Power Systems, Carbon Sequestration, Clean Coal Power Initiative, and Innovations for Existing Plants.

The assessment found:

- These programs have a clear purpose and have demonstrated the ability to articulate potential public benefits.
- Too high a proportion of funding has been directed at lower-priority activities (commercial-scale demonstrations) which should primarily be the responsibility of the private sector.
- Annual performance measures have been agreed upon.
- This program and other applied R&D programs at the Department need to improve consistency in methodology and assumptions in estimating potential benefits to facilitate meaningful analyses that can help inform budget decisions.

In response to these findings, the Administration will:

1. Improve research effectiveness by reducing funding for demonstrations and placing greater emphasis on funding research and development.
2. Issue guidance that specifies a consistent framework for the Department to analyze the costs and benefits of its R&D investments, and apply this guidance as part of the 2006 Budget development.

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

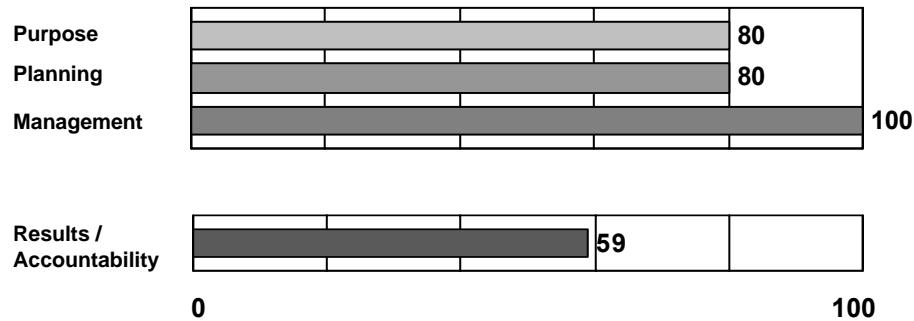
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
345	378	447



**Program:** *Distributed Energy Resources*

**Agency:** *Department of Energy*

**Bureau:** *Energy Efficiency and Renewable Energy*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Number of technologies developed with 25 percent increase in energy efficiency (2000 baseline), with NOx emissions less than 0.15 lbs per MWh, and an equivalent or 10 percent reduction in cost to comparable technologies.	2003	0	0
	2006	1	
	2008	3	
Long-term Measure: Number of integrated combined heat and power systems developed that will achieve 70 percent efficiency and customer payback in less than 4 years.	2003	0	0
	2006	1	
	2008	3	
Annual Measure: Amount of nitrogen oxide pollutant emitted per unit of power from small microturbines (less than 1 megawatt), in pounds per megawatt-hour (lbs/MWh).	2002	0.7	0.5
	2003	0.4	
	2004	0.4	
	2005	0.3	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

Distributed power means power produced on site (for example, at a hospital, an industrial facility, or a home). The Distributed Energy Resources program improves the energy efficiency of and reduces pollutant emissions caused by power generating units that are “distributed.” Distributed power can help prevent power outages when demand for electricity is high, and can reduce overall emissions of pollutants and greenhouse gases compared to some centralized power plants.

The assessment found that the program generally has strong management and planning, and was largely rated positively in its most recent peer review (2002). Additional findings include:

- The program focuses on developing highly efficient “package” systems by researching the best ways to integrate heating and power systems. The program also develops decision and design tools to help specific industries quantify costs and benefits of installing distributed energy technologies.
- The program has recently developed several good performance measures that cover most of the program’s technical activities, and appears to have performed well against its targets.
- Some of the program’s work on component technologies appears to be within the capability of industry.
- The program also conducts education and other outreach activities to support development of better environmental siting and permitting regulations, more effective building codes and standards, and more open and competitive utility markets. Performance measures for outreach activities are still under development.
- This program and other applied R&D programs at the Department need to improve consistency in methodology and assumptions in estimating potential benefits to facilitate meaningful analyses that can help inform budget decisions.

In response to these findings, the Administration:

1. Maintains the program’s focus on systems integration and reduces funding for component technology R&D that is within industry’s capability.
2. Will develop a performance measure for its outreach activities.
3. Will issue guidance that specifies a consistent framework for the Department to analyze the costs and benefits of its R&D investments, and will apply this guidance as part of 2006 Budget development.

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

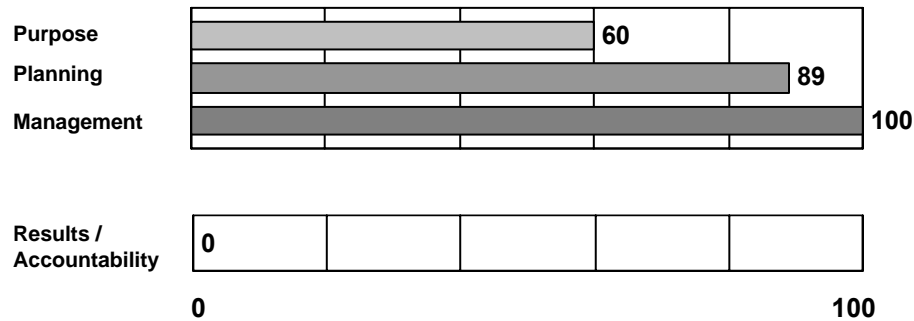
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
61	61	53



**Program:** *Elimination of Weapons-Grade Plutonium Production Program*

**Agency:** *Department of Energy*

**Bureau:** *National Nuclear Security Administration*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Percent of interim safety upgrades completed on three remaining plutonium producing nuclear reactors.	2003	5%	5%
	2004	67%	
	2005	100%	
Annual Measure: Percent of construction completed on fossil fuel plant in Seversk that will facilitate the shutdown of two weapons-grade plutonium producing reactors.	2004	25%	
	2005	57%	
	2006	80%	
	2008	100%	
Long-term Measure: Metric tons of weapons-grade plutonium produced per year in the Russian Federation	2004	1.2	
	2006	1.2	
	2009	0.4	
	2012	0	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Capital Assets and Service Acquisition*

**Program Summary:**

The goal of the Elimination of Weapons Grade Plutonium Production (EWGPP) program is to reduce the threat of nuclear terrorism by facilitating the shutdown of the three remaining nuclear reactors in Russia that are still capable of producing weapons-grade plutonium. To accomplish this, the program will replace the reactors by constructing a new fossil-fuel (coal) plant at one site in Russia and refurbishing an existing coal-burning power plant at another site. In the interim, the program will upgrade some safety-related components of the existing reactors to prevent a Chernobyl-like catastrophe.

The assessment found that:

- EWGPP is a new program for the National Nuclear Security Administration (the transfer of the program from the Department of Defense was only completed in FY 2003) and so it has not developed a track record of results that would justify any rating more than “results not demonstrated.”
- The program has developed solid, tangible performance measures against which it can measure itself.

In response to these findings,

1. The Budget includes funding at the 2004 level.
2. NNSA will evaluate the possibility of re-allocating funds from other delayed programs to accelerate the EWGPP program and establish a funding profile more consistent with a construction project.
3. NNSA will study lessons learned from the Plutonium Disposition program and other nonproliferation and threat reduction programs to minimize the programmatic risk inherent in working on projects in Russia.
4. NNSA will re-visit the EWGPP milestones and performance measures on a regular basis.

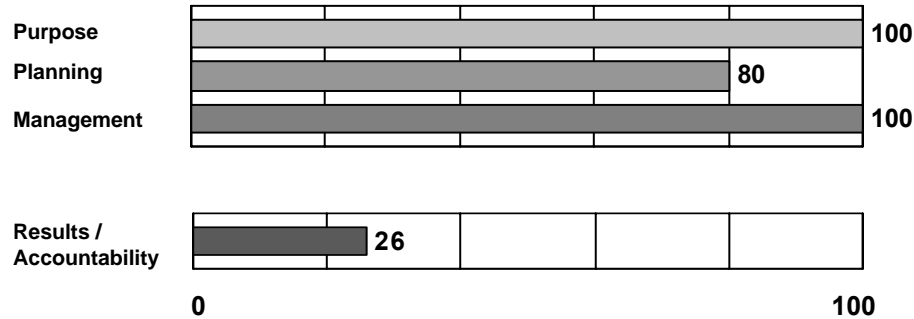
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
122	50	50

**Program:** *Environmental Management*

**Agency:** *Department of Energy*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Reduce life-cycle costs of the EM program from 2001 baseline (amounts shown are 2003 dollars in millions)	2002	< 192	161
	2003	< 161	142
	2004	< 142	
Annual Measure: Number of the 114 geographic sites where cleanup is completed	2002	75	75
	2003	77	76
	2004	77	
	2005	79	
Annual Measure: Number of the 6,045 certified DOE storage, treatment, & disposal containers (3013 or equivalent) of plutonium metal or oxide packaged and ready for long-term storage	2003	4320	4549
	2004	5543	
	2005	5708	

**Rating:** *Adequate*

**Program Type:** *Capital Assets and Service Acquisition*

**Program Summary:**

The Environmental Management program protects human health and the environment by cleaning up waste and contamination resulting from more than 50 years of nuclear weapons production and energy research at 114 Department of Energy sites in the United States and its territories.

The assessment found that managers are implementing reforms that are improving program performance, including re-competing and renegotiating cleanup contracts to include performance incentives and reorganizing operations to focus on on-the-ground risk reduction. The program's rating improved from ineffective to adequate. Additional findings include:

- The EM program has been redesigned to focus on its cleanup mission.
- The program has aggressive long-term risk reduction, cost, and schedule goals.
- The program needs to develop annual cost and schedule performance measures.

In response to these findings:

1. The 2005 Budget proposes additional funding of \$400 million to continue implementing program reforms.
2. Program managers will continue to work with federal and state regulators to resolve outstanding issues with revised cleanup plans.
3. The Department of Energy will validate program baselines approved by the Assistant Secretary and develop annual cost and schedule measures by September 2004.

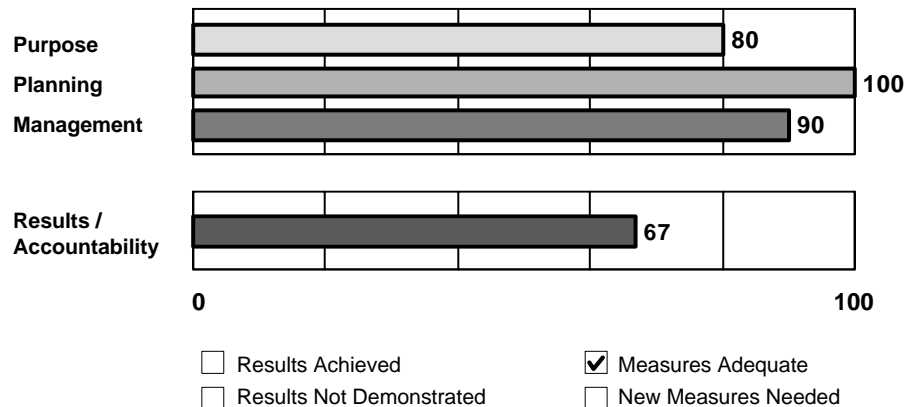
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
6,952	7,034	7,434

## Program: Facilities and Infrastructure

Agency: Department of Energy

Bureau: National Nuclear Security Administration



### Key Performance Measures

Year Target Actual

Key Performance Measure	Year	Target	Actual
Long-term Measure: Amount of maintenance deferred from year to year that would otherwise be required to keep a facility in originally intended condition. Current NNSA data is under development. (Industry standard is to maintain the total cost of deferred maintenance at 5% or less of the total cost to replace the facility.)	2005	Stabilized	
	2009	Ind. Std.	
Long-term Measure: Amount of square feet of excess building space eliminated	2004	435,000	
	2009	3,000,000	

**\*Rating: Moderately Effective**

Program Type Capital Assets

### Program Summary:

The purpose of the Facilities and Infrastructure Recapitalization Program (FIRP) is to restore the physical infrastructure of the nuclear weapons complex. The Department established the program in 2000 to address longstanding problems highlighted in numerous studies. Even though it is a young program, early indications are that NNSA manages it well.

Findings from the PART assessment include the following:

1. The program has a specific purpose--to refurbish the aging nuclear weapons complex and reduce the backlog of maintenance that the Department deferred over the past decade. The Department has an adequate and detailed planning process that should enable it to achieve its goals of stabilizing (not increasing) the amount of deferred maintenance by 2005 and meeting the industry standard by 2009.
2. The program has a Ten-Year Comprehensive Site Plan that integrates and prioritizes projects across the weapons complex. Using the priority list, the backlog of maintenance work will be reduced to a level comparable to that found in industry by 2009. It will also lower overall maintenance requirements by reducing the amount of unused building space in the complex by approximately 3 million square feet.
3. The program appears to have strong program management at the headquarters level, with detailed involvement at the site level to ensure the proper allocation of funds.
4. Given that the program is new (its first year of funding was 2001), it does not yet have an extensive record of results.
5. Because the program is only two years old, and its results are not yet measurable, there may be some overlap between the FIRP program and other NNSA infrastructure related programs. For example, NNSA manages a separate budget line for facility readiness, and provides funding for new construction in its science campaigns budget lines. Both of these contribute to the overall condition of the weapons complex so it is an area that may require management attention in the future.

The Administration plans to:

1. Review all infrastructure programs to ensure that there is no overlap between the FIRP and other NNSA programs; and
2. Monitor actual results and change the program accordingly.

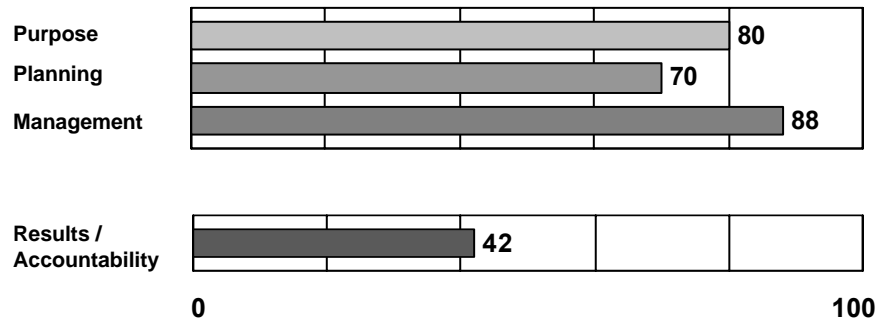
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Fuel Cells (Stationary)**

**Agency:** Department of Energy

**Bureau:** Office of Fossil Energy



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Efficiency of fuel cell turbine systems (percentage of heat in fuel converted to electricity).	2003		30%
	2015	60%	
Long-term Measure: Capital Cost of fuel cell system. Fuel cell systems currently produce power at a cost of \$4500 per kw.	2003		4500
	2014	400	
Annual Measure: Capital Cost of fuel cell system. Fuel cell systems currently produce power at a cost of \$4500 per kw.	2003		4500
	2005	1500	
	2006	1000	
	2007	800	

**Rating: Adequate**

**Program Type:** Research and Development

**Program Summary:**

The Stationary Fuel Cell program conducts research and development on stationary fuel cells that are intended to generate electricity for the existing electricity grid system (grid power) or for on-site use (distributed generation).

The assessment found that the program is relatively well designed, planned and managed reflecting changes made in response to external reviews. The program has been recently revamped to establish new long-term outcome-oriented measures; implement a new strategic approach that focuses on commercialization through use of competitive research teams; and establish specific management tracking systems. Additional findings include:

- Specific annual performance measures tied to long term goals have been established.
- This program and other applied R&D programs at the Department need to improve consistency in methodology and assumptions in estimating potential benefits to facilitate meaningful analyses that can help inform budget decisions.
- Some programs have reached completion (e.g., molten carbonate fuel cell demonstration and tubular solid oxide fuel cells).

In response to these findings, the Administration will:

1. No longer fund the molten carbonate or tubular solid oxide fuel cell programs since they have reached completion.
2. Issue guidance that specifies a consistent framework for the Department to analyze the costs and benefits of its R&D investments, and apply this guidance as part of 2006 Budget development.

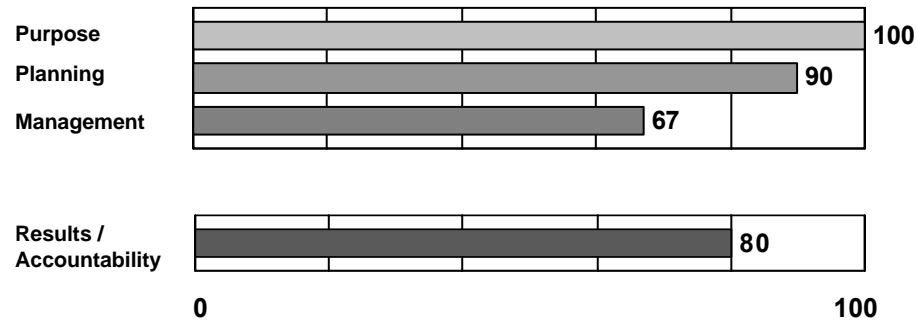
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
61	71	23

**Program:** Fusion Energy Sciences

**Agency:** Department of Energy

**Bureau:** Science



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Progress in developing a predictive capability for key aspects of burning plasmas using advances in theory and simulation benchmarked against a comprehensive experimental database of stability, transport, wave-particle interaction, and edge effects. An independent expert panel will conduct a review and rate progress (excellent, adequate, poor) on a triennial basis.	2006	Excellent	
	2009	Excellent	
	2012	Excellent	
	2015	Excellent	
Annual Efficiency Measure: Average achieved operation time of the major national fusion facilities as a percentage of the total planned operation time. (Scheduled annual operating time is roughly 2,160 hours in 2004 and 1,680 hours in 2005. The ambitiousness and appropriateness of the 90% target level is currently under review by OMB.)	2002	>90%	94%
	2003	>90%	81%
	2004	>90%	
	2005	>90%	
Annual Efficiency Measure: Cost-weighted mean percent variance from established cost and schedule baselines for major construction, upgrade, or equipment procurement projects.	2001	<10%, <10%	-6%, -6%
	2002	<10%, <10%	+5%, 0%
	2003	<10%, <10%	0%, 0%
	2004	<10%, <10%	

**Rating:** Moderately Effective

**Program Type:** Research and Development, Competitive Grant, Capital Assets and Service Acquisition

**Program Summary:**

The Office of Science's Fusion Energy Sciences (FES) program supports facilities and research in plasma science, and in fusion science and technology aimed at providing the intellectual basis for a possible future fusion energy source.

The assessment found that the FES program has developed a limited number of adequate performance measures, as recommended during the 2004 PART process. Additional findings include:

- The program budget is not yet sufficiently aligned with scientific program goals so that the impacts of funding changes on performance are readily known.
- The program has not yet produced a science-based strategic plan for the future of U.S. fusion research within the new international context for fusion.
- The program recently instituted a Committee of Visitors process, but the program's merit review processes have yet to be validated—for impact on quality, relevance, and performance of the research portfolio—since the assessment(s) have not been completed.
- Due in part to design problems and inadequate oversight, one of the program's scientific user facilities, the National Spherical Torus Experiment, experienced a magnetic coil failure in February, 2003, so it only operated for 4 weeks in 2003.

In response to these findings:

1. The 2005 Budget more than doubles spending on pre-construction preparatory work for ITER, and dedicates an increased fraction of the operation of the program's tow tokamak user facilities to support for ITER.
2. The Department will develop an appropriate action plan in response to the findings and recommendations of the Committee of Visitors within 30 days of receipt of the report.
3. The Department will work with its advisory committee to develop research milestones [by September, 2004] against which future outside panels may judge interim progress toward achieving the long-term goals of the program.
4. The Department will engage the FES advisory committee to prepare a top-to-bottom scientific prioritization for the new U.S. fusion program within an international context, including participation in ITER. An interim report will be prepared by July, 2004, with a final report due by November, 2004.
5. The Department will develop a strategic plan for the fusion program, based upon the input of this advisory committee report, and will submit that plan to OMB by September, 2005.

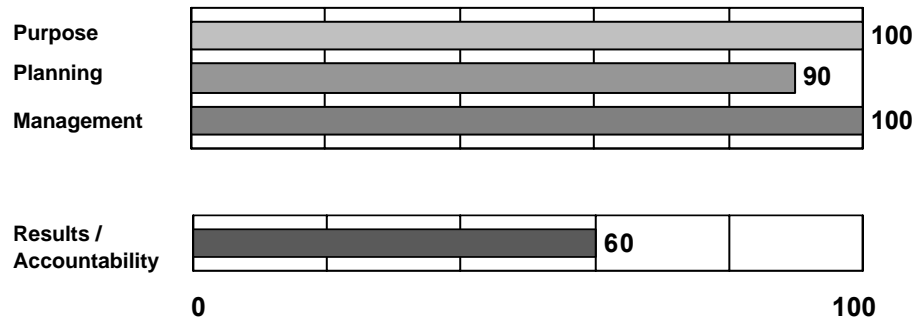
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
247	263	264

**Program:** *Generation IV Nuclear Energy Systems Initiative*

**Agency:** *Department of Energy*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Develop a next-generation nuclear energy system for deployment between 2015 and 2030. *Targets: 10X improvement in sustainability, 2X improvement in proliferation resistance and security, 20% improvement in safety and reliability, and 20% improvement in economics.	2015	*	
Annual Measure: Advance Generation IV Nuclear Plant reactor system concepts Targets (1) Complete preconceptual design for Next Generation Nuclear Plant (NGNP) (2) Complete reference point design for NGNP (3) Technology roadmap completion	2005	(1)	
	2004	(2)	
	2003	(3)	
Annual Efficiency Measure: Variance from cost and schedule baselines	2005	<10%	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The Generation IV Nuclear Energy Systems Initiative (Gen IV) program supports research and development of next generation nuclear reactor designs that can help meet the Nation's needs for low cost and efficient electricity and commercial quantities of hydrogen. The program will help create a new generation of nuclear generation and fuel cycle technologies in the 2015-2030 timeframe that offer significant advances in the areas of sustainability, proliferation resistance, physical protection, safety, reliability, and economics.

The assessment found that the Gen IV program had a strong overall design based upon a comprehensive technology roadmap developed by an international team of experts from many different countries and international organizations, the Generation IV International Forum. Additional findings include:

- To evaluate sustainability, proliferation resistance and security, safety and reliability, and economics with confidence requires a well-developed preconceptual or conceptual design.
- Efforts are underway to refine performance measures as preconceptual designs are completed.
- A comprehensive program evaluation is planned for February 2004.

In response to these findings, the Administration:

1. Will provide \$30.546 million to support the Gen IV R&D program in 2005.
2. Will closely monitor the efficacy of the six reactor concepts under study to downselect for further investigation the most promising, in terms of key performance parameters, as soon as indicative research results are available.

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

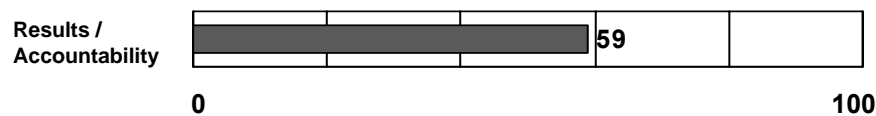
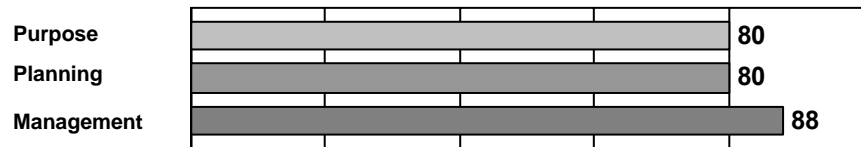
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
17	24	31



**Program:** *Geothermal Technology*

**Agency:** *Department of Energy*

**Bureau:** *Energy Efficiency and Renewable Energy*



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Cost of "flash power" from geothermal resources, in cents per kilowatt-hour (¢/kWh). (Flash power means power produced by "flashing" geothermally pressurized water into steam to turn a turbine.)	2000	3.5	3.8
	2005	3.4	
	2007	3.2	
	2010	3.0	
Long-term Measure: Cost of "binary power" from geothermal resources, in cents per kilowatt-hour (¢/kWh). (Binary power plants transfer the heat of the geothermal fluid to a separate working fluid, which boils to vapor and is directed into a turbine for power production.)	2000	5.5	5.6
	2005	5.0	
	2007	4.8	
	2010	4.5	
Annual Measure: Cost of drilling geothermal wells based on program estimates, in dollars per foot (\$/ft).	2002	282	282
	2003	273	
	2006	246	
	2008	225	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The Geothermal Technology program develops techniques for expanding the use of geothermal energy resources, which include heat, hot water, and steam near the earth's surface, as well as magma farther down. The program also provides technical assistance, guidance, and information to State and local entities to explore and develop geothermal resources.

The program has a very clear purpose and strong planning and management. Additional findings include:

- In 2000, the National Research Council (NRC) reported that the program has contributed to the development of advanced drilling technologies that have lowered costs and opened up a larger fraction of the U.S. geothermal resources base for competitive power production.
- The program has implemented the NRC recommendation to shift focus from near-term technologies to enhanced geothermal systems, which are engineered reservoirs created to extract heat from economically unproductive geothermal resources.
- The program's 2002 peer review generally reported positively on the technical progress of most projects.
- The program has made progress in further refining its long-term and annual performance measures, including measures for its outreach activities.
- Each year, the Congress earmarks a portion of program funds for activities that do not contribute to the program's goals.
- This program and other applied R&D programs at the Department need to improve consistency in methodology and assumptions in estimating potential benefits to facilitate meaningful analyses that can help inform budget decisions.

In response to these findings, the Administration:

1. Provides funding consistent with meeting performance targets by redirecting funding from lower priority earmarks.
2. Continues emphasis on enhanced geothermal systems research.
3. Will issue guidance that specifies a consistent framework for the Department to analyze the costs and benefits of its R&D investments, and will apply this guidance as part of 2006 Budget development.

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

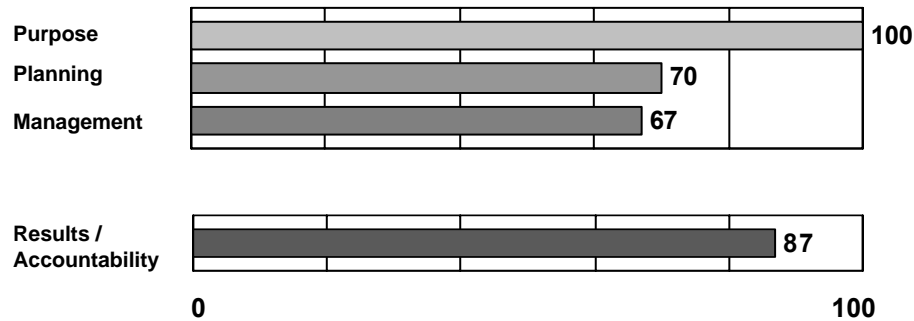
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
29	26	26



**Program:** *High Energy Physics*

**Agency:** *Department of Energy*

**Bureau:** *Office of Science*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Progress (excellent, adequate, poor) in measuring the properties and interactions of the heaviest known particle (the top quark) in order to understand its particular role in the so-called "Standard Model" of particle physics. An independent expert panel will conduct a review and rate progress (excellent, adequate, poor) on a triennial basis.	2006	Excellent	
	2009	Excellent	
	2012	Excellent	
	2015	Excellent	
Annual Measure: Total integrated amount of data (within 20%; measured in inverse picobarns) delivered to the CDF and D-Zero detectors at the Tevatron. (Targets are set in part by the funding requested/appropriated during that fiscal year. The ambitiousness of the target error bar of 20% is currently under review by OMB.)	2002	80	83
	2003	225	240
	2004	240	
	2005	390	
Annual Measure: Total integrated amount of data (within 20%; measured in inverse femtobarns) delivered to the BABAR detector at the SLAC B-factory. (Targets are set in part by the funding requested/appropriated during that fiscal year. The ambitiousness of the target error bar of 20% is currently under review by OMB.)	2002	35	42
	2003	45	40
	2004	45	
	2005	50	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development, Competitive Grant, Capital Assets and Service Acquisition*

**Program Summary:**

The Office of Science's High Energy Physics (HEP) program supports large national and international particle accelerator experiments and research in particle physics and related fields, including particle astrophysics and cosmology.

The assessment found that the HEP program has developed a limited number of adequate performance measures, as recommended during the 2004 PART process. Additional findings include:

- There is cautious optimism that the program's largest facility (the Tevatron at Fermilab) may finally be emerging from its recent period of performing below expectations.
- The program recently instituted a Committee of Visitors process, but the program's merit review processes have yet to be validated—for impact on quality, relevance, and performance of the research portfolio—since the assessment(s) have not been completed.
- The program's advisory committee delineated priorities amongst several new projects, but has yet to set priorities across the breadth of the program.

In response to these findings:

1. The 2005 Budget provides funding to operate the program's two national user facilities at 93 percent of maximum capacity (the same as in 2004), and for the upgrades necessary to improve future performance.
2. The Department will work to develop a resource-loaded project plan covering the remainder of the Tevatron Run II effort, and will submit that plan to OMB by June, 2004.
3. The Department will develop an appropriate action plan in response to the findings and recommendations of the Committee of Visitors within 30 days of receipt of the report.
4. The Department will work with its advisory committee to develop research milestones [by September, 2004] against which future outside panels may judge interim progress toward achieving the long-term goals of the program.

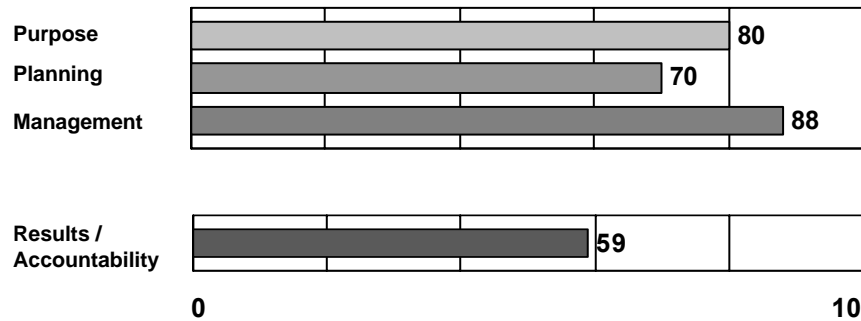
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
718	734	737

**Program:** *High Temperature Superconducting R&D*

**Agency:** *Department of Energy*

**Bureau:** *Electric Transmission & Distribution*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Ability to produce increasingly powerful superconducting Power Equipment prototypes: power (megawatts), voltage, and/or length.	2012	5MW motor	
	2012	850MW Gen.	
	2012	340MW transf	
	2012	2 mile Cable	
Annual Measure: Maintain progress in achieving milestones for voltage, power, and cable length	2003	1.8MW gen	
	2003	.02 mile cable	
	2004	10MW Transf	
	2006	.2 mile cable	
Long-term Measure: HTS Wire capacity, length, and cost	2002	\$200/kA-M	\$200/kA-M
	2017	\$10/kA-M	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The High Temperature Superconductivity program funds cost-shared research and development of electrical power equipment – generators, motors, cables, and transformers – that incorporates high temperature superconducting wire that will result in more efficient equipment, and in the case of cables, the ability to carry more current. This efficiency and higher capacity will contribute to a more reliable electricity system.

The assessment found that the program is relatively well designed, planned and managed, but hasn't articulated how benefits and other factors such as risk and cost are used in funding decisions. Additional findings include:

- The program and individual projects are evaluated by annual independent peer review which helps to ensure that the over all program remains relevant and that progress is being made at the program and project level.
- The program lacks an efficiency/cost-effectiveness measure.
- This program and other applied R & D programs at the Department need to improve consistency in methodology and assumptions in estimating potential benefits to facilitate meaningful analyses that can help inform budget decisions.
- Detailed annual power (megawatt), voltage (kilavolt), and in the case of cable, meters, metrics exist for each equipment type.

In response to these findings, the Administration will:

1. Issue guidance that specifies a consistent framework for the Department to analyze the costs and benefits of its R & D investments, and apply this guidance as part of 2006 Budget development.
2. Maintain the current level of effort.

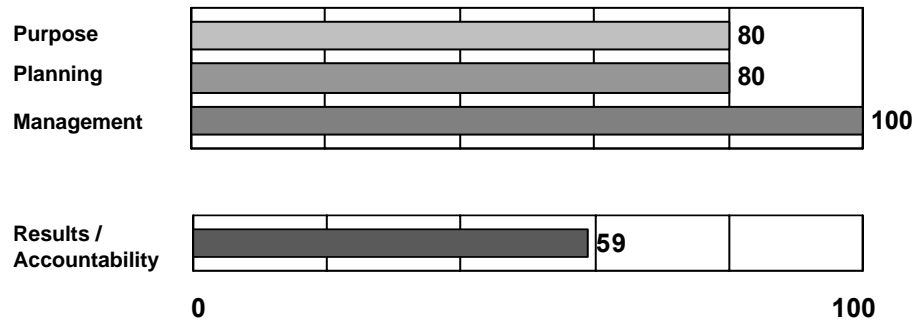
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
39	34	45

**Program:** *Hydrogen Technology*

**Agency:** *Department of Energy*

**Bureau:** *Energy Efficiency and Renewable Energy*



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Cost of hydrogen produced from renewables (at 5,000 pounds per square inch (psi), untaxed, at the pump), in dollars per gasoline gallon equivalent (\$/gge).	2002		8.5
	2003	6	6.2
	2005	5.7	
	2010	3.9	
Long-term Measure: Energy density of hydrogen storage system using solid state storage technologies, in weight percent. (Six weight percent will enable a 300-mile driving range in some vehicles.)	2000	5.0	2.3
	2004	3.0	
	2005	4.5	
	2010	6.0	
Long Term Measure: Displacement of petroleum, in millions of barrels of oil per day (m bbl/d)	2002	0	0
	2020	0.5	
	2030	4	
	2040	11	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The Hydrogen Technology program develops hydrogen production, storage, delivery, and safety technologies, and also educates the public and others (State officials, local fire marshals) about hydrogen. The program aims to accelerate progress toward using hydrogen fuel in transportation and other applications, which can help reduce the Nation's dependence on oil and reduce emissions of pollutants and greenhouses gases. The program leads in implementing the President's Hydrogen Fuel Initiative.

The program has a very clear purpose and strong planning and management. Additional findings include:

- The program has coordinated well with other DOE programs and with industry in establishing a plan to achieve the goal of President's Hydrogen Fuel Initiative, which is focused on developing commercially viable hydrogen fuel and vehicle technologies by 2015.
- In 2000, the National Research Council (NRC) reported that the program "has established a firm technical foothold in the critical technical areas" of hydrogen production and storage. The program's 2003 Merit Review and Peer Evaluation generally reported positively on the technical progress of most projects.
- The NRC indicated that the program should concentrate its hydrogen production research on production from renewable energy resources.
- Each year, the Congress earmarks a portion of program funds for activities that do not contribute to the program's goals. Earmarks in 2004 consumed nearly half of the program's budget, jeopardizing progress on the Initiative.
- This program and other applied R&D programs at the Department need to improve consistency in methodology and assumptions in estimating potential benefits to facilitate meaningful analyses that can help inform budget decisions.

In response to these findings, the Administration:

1. Increases program funding to stay on track to achieve the Initiative's goals.
2. Redirects funding from earmarked activities to R&D that better contributes to the program's performance goals.
3. Will issue guidance that specifies a consistent framework for the Department to analyze the costs and benefits of its R&D investments, and will apply this guidance as part of 2006 Budget development.

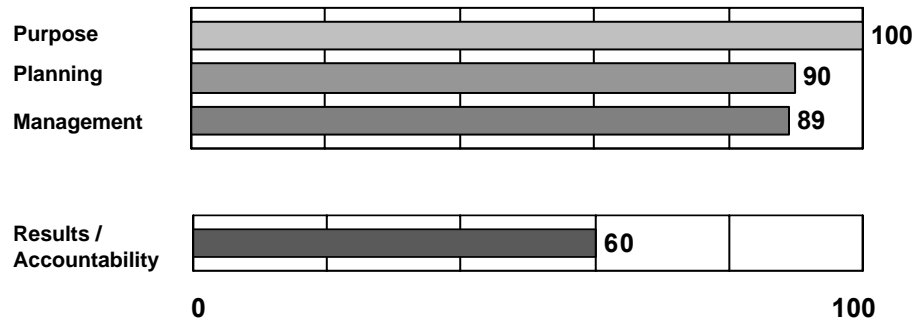
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
39	82	95

**Program:** *Inertial Confinement Fusion Ignition and High Yield Campaign / NIF*

**Agency:** *Department of Energy*

**Bureau:** *National Nuclear Security Administration*



**Key Performance Measures**

**Year Target Actual**

Measure Description	Year	Target	Actual
Long-term Measure: Cumulative percentage of progress (measured by program milestones completed) towards creating and measuring extreme temperature and pressure conditions -- a 2010 stockpile stewardship requirement.	2002	52%	52%
	2003	57%	57%
	2004	63%	
Long-term Measure: Cumulative percentage of progress towards simulating conditions of a nuclear explosion at the National Ignition Facility (NIF) to increase confidence in modeling the performance of nuclear weapons.	2002	51%	51%
	2003	56%	55%
	2004	63%	
	2014	100%	
Annual Measure: Cumulative percentage of construction completed on the NIF.	2002	57%	57%
	2003	65%	65%
	2004	74%	
	2008	100%	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development, Capital Assets and Service Acquisition*

**Program Summary:**

The Inertial Confinement Fusion Ignition and High Yield Program (ICF) supports the nuclear weapons stockpile stewardship program by developing laboratory capabilities to create and measure extreme conditions of temperature, pressure, and radiation similar to those of a nuclear explosion, and by conducting weapons-related research in these environments. In the absence of underground nuclear testing, this capability is required to assess and certify that the Nation's nuclear weapons stockpile is reliable and effective.

The assessment found that the program appears to be better managed than it was several years ago when cost increases and schedule delays in the construction of the National Ignition Facility (NIF) threatened to halt it. However, much remains to be accomplished which has considerable technical risk. Specific findings include:

- Clear, succinct performance measures are difficult for the program office to articulate, and it is not clear that current performance measures are measurable.
- Although numerous external evaluations have supported the need for the program, there are parts of the Department of Defense that rank ICF lower on the priority list than many other nuclear weapons-related programs.
- NNSA has taken steps to correct deficiencies uncovered in 2000 that threatened to derail the program.

In response to these findings, NNSA will:

1. Continue to refine the performance measures that clearly describe the goals of the program.
2. Continue frequent monitoring by independent evaluators, including those retained by the Department of Defense.

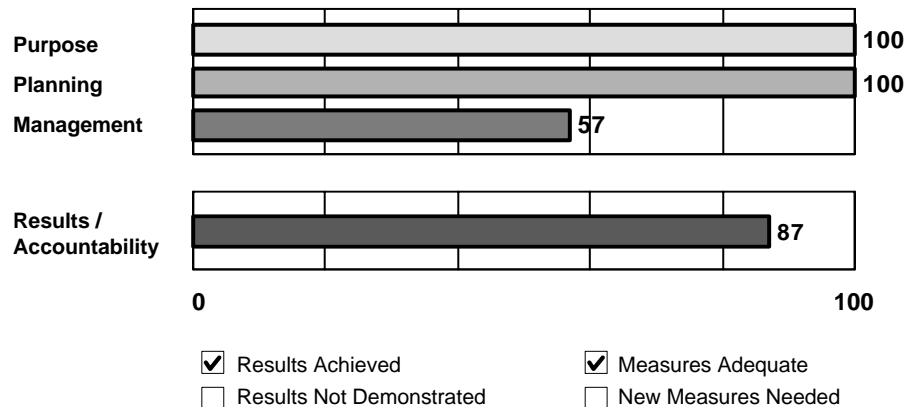
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
499	514	492

**Program:** *International Nuclear Materials Protection and Cooperation*

**Agency:** *Department of Energy*

**Bureau:** *National Nuclear Security Administration*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percentage of security upgrades (such as fences or electronic sensors) completed at 53 Russian Navy nuclear sites containing 4,000 nuclear warheads and 60 metric tons of weapons-usable material	2002	40%	40%
	2003	60%	
	2004	90%	
	2006	100%	
Long-term Measure: Percentage of security upgrades completed at 29 Russian and 13 Newly Independent States nuclear sites containing 540 metric tons of weapons useable material	2002	8%	8%
	2003	18%	
	2004	22%	
	2008	100%	
Long-term Measure: Percentage of 29 metric tons of highly enriched uranium converted to low enriched uranium	2002	12%	12%
	2003	22%	
	2004	32%	
	2009	100%	

**\*Rating:** *Effective*

**Program Type** *Direct Federal*

**Program Summary:**

This program provides money and expertise to Russia and other states of the Former Soviet Union to prevent proliferation of weapons of mass destruction (WMD). Funding goes for such activities as consolidating and improving security around nuclear warheads and nuclear material that could be used to make a nuclear weapon so that terrorists cannot obtain a bomb or the material to build a bomb.

This program has a clear purpose that addresses a specific need. Furthermore, the vitality of this work is apparent in the post September 11 environment and the knowledge that terrorists are seeking to obtain weapons of mass destruction. The Department has established specific, measurable goals and timeframes. In addition to the long-term performance goals, the Department tracks specific annual performance goals to measure year to year progress. The program scored less well on management primarily because the Department's ability to track expenditures by country on a timely basis needs improvement and because the Department is slow to spend annual funding. Historically, the program has carried forward a large amount of funding from one year to the next. However, this slow spending is largely the result of difficulties negotiating access agreements with Russia (DoD's Cooperative Threat Reduction Programs suffers from the same problem). Because the Department has achieved measurable results, it scored well on the results section. For example, by 2002, the Department secured 40 percent of nuclear weapons and weapons usable material at numerous Russian Navy sites.

The Department needs to improve the way it tracks expenditures by country so that it can better manage its allocation of resources.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)

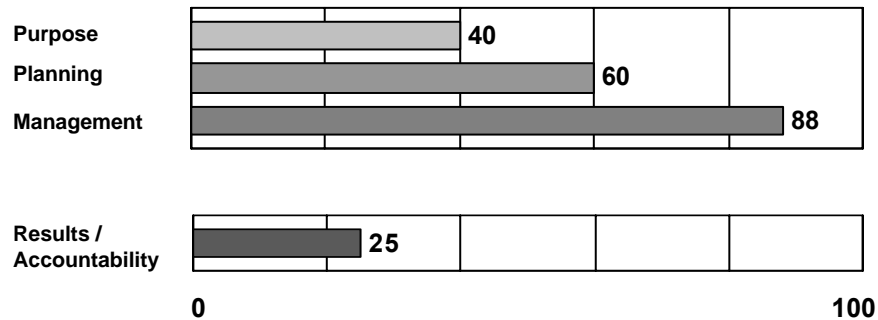
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Natural Gas Technologies*

**Agency:** *Department of Energy*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Additional economically recoverable domestic gas resource (trillion cubic feet).	2010	28	
	2015	50	
Annual Measure: Additional economically recoverable domestic gas resource (trillion cubic feet).	2005	1.5	
	2006	4	
	2007	10	
	2008	16	
Long-term Measure: Technically recoverable resources of natural gas from methane hydrates (trillion cubic feet).	2015	0	
	2020	5	
	2025	20	

**Rating:** *Ineffective*

**Program Type:** *Research and Development*

**Program Summary:**

The Gas Exploration and Production Program seeks to increase energy security by researching better ways for commercial companies to explore for, drill, and develop natural gas resources.

The assessment found:

- Many of the program’s efforts are not unique, since private industry undertakes similar research.
- Actual additional production attributable to the program has been relatively small. Moreover, as noted by the National Academy of Sciences: “It is difficult to separate the contributions made by DOE and contributions made by industry and others.”
- While annual performance measures have been agreed to, modeling assumptions need to be made transparent.
- The program lacks a rigorous peer review process.
- This program and other applied R&D programs at the Department need to improve consistency in methodology and assumptions in estimating potential benefits to facilitate meaningful analyses that can help inform budget decisions.

In response to these findings, the Administration will:

1. Re-examine project selection to improve outcomes.
2. Make modeling assumptions transparent.
3. Issue guidance that specifies a consistent framework for the Department to analyze the costs and benefits of its R&D investments, and apply this guidance as part of 2006 Budget development.

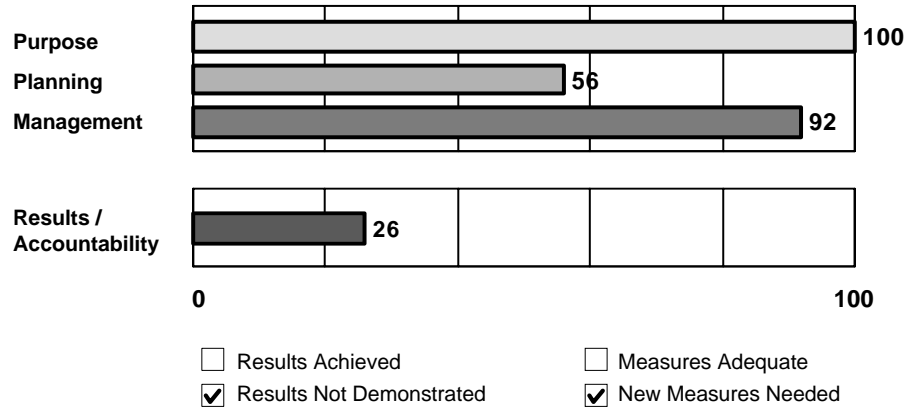
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
47	43	26

**Program:** Nuclear Energy Research Initiative

**Agency:** Department of Energy

**Bureau:** Energy Programs



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

**\*Rating:** Results Not Demonstrated

**Program Type** Research and Development

**Program Summary:**

The Nuclear Energy Research Initiative (NERI) funds research to solve technical problems that impede the expanded use of nuclear energy in the United States. The program uses a competitive, expert peer-review process to select awardees for research at universities, national laboratories, and industry.

The assessment indicates that while the program purpose is very clear, the lack of long-term and near-term performance measures makes it impossible to objectively determine the program's technical accomplishments. Additional findings include:

1. NERI funds investigator-initiated, innovative R&D projects annually through grants and cooperative agreements for up to three years with specific milestones and deliverables that are monitored routinely, but the individual projects' contributions to larger program goals are not assessed.
2. Basing project selection on independent expert peer-review recommendations helps DOE select the most scientifically-meritorious applications for funding.
2. NERI publishes an annual report describing the projects funded and the Department annually reviews the research topics for which applications will be considered. However, it has not conducted an independent overall program evaluation.
3. Program performance has been measured in terms of numbers of projects awarded. This output measure is not acceptable, because it does not demonstrate the program's effectiveness in resolving the problems on which it is focused.

In response to these findings, the Administration:

1. Will establish a program baseline and measurable long-term performance objectives against which to plan and measure annual performance of individual projects and the program as a whole.
2. Will plan independent program evaluations to guide program management and development.

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

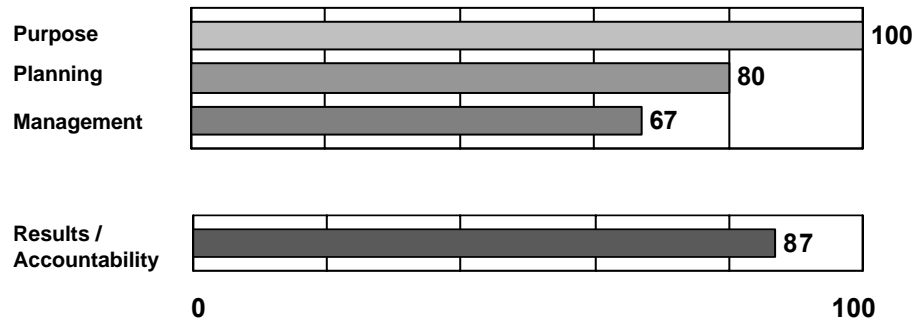
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** Nuclear Physics

**Agency:** Department of Energy

**Bureau:** Office of Science



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Progress in searching for, and characterizing the properties of, the quark-gluon plasma by recreating brief, tiny samples of hot, dense nuclear matter. An independent expert panel will conduct a review and rate progress (excellent, adequate, poor) on a quinquennial basis.	2007	Excellent	
	2012	Excellent	
	2017	Excellent	
Annual Measure: Weighted average number (within 20%) of billions of events recorded by experiments in Hall A, Hall B, and Hall C, respectively, at the Continuous Electron Beam Accelerator Facility. (Targets are set in part by the funding requested/appropriated during that fiscal year. The ambitiousness of the target error bar of 20% is currently under review by OMB.)	2002		2.8, 9.9, 2.7
	2003		3.0, 9.0, 2.6
	2004	2.4, 7.2, 2.1	
	2005	2.9, 9.6, 2.8	
Annual Measure: Weighted average number (within 30%) of millions of heavy-ion collision events recorded by the PHENIX and STAR detectors, respectively, at the Relativistic Heavy Ion Collider. (Targets are set in part by the funding requested/appropriated during that fiscal year. The ambitiousness of the target error bar of 30% is currently under review by OMB.)	2002		170, 8.2
	2003		5500, 38
	2004	900, 40	
	2005	1800, 40	

**Rating:** Effective

**Program Type:** Research and Development, Competitive Grant, Capital Assets and Service Acquisition

**Program Summary:**

The Office of Science's Nuclear Physics (NP) program operates nuclear accelerator facilities, funds research in fundamental nuclear physics and related fields, such as nuclear astrophysics, and trains people for a variety of nuclear-related areas.

The assessment found that the NP program has developed a limited number of adequate performance measures, as recommended during the 2004 PART process. Additional findings include:

- The program's management is excellent. The program produces a relatively transparent budget justification, and engages its advisory committee in a manner that produces fiscally responsible advice.
- The program recently instituted a Committee of Visitors process, but the program's merit review processes have yet to be validated—for impact on quality, relevance, and performance of the research portfolio—since the assessment(s) have not been completed.
- The program has already engaged its advisory committee in developing research milestones against which future outside panels may judge interim progress toward achieving the long-term goals of the program.
- The program does not include its long term research goals in grant solicitations, does not use strict quality control on performance data filed by laboratory contractors, and does not make annual aggregated grantee performance data available to the public in a transparent and meaningful manner.

In response to these findings:

1. The 2005 Budget provides funds to operate the program's five national user facilities at 88 percent of maximum capacity (up from 79 percent in 2004), including a funding increase of \$12 million in order to significantly increase the operating hours for the two primary facilities.
2. The Department will develop an appropriate action plan in response to the findings and recommendations of the Committee of Visitors within 30 days of receipt of the report(s).
3. The Department will work to include the long-term goals of each program in grant solicitations, and will improve performance reporting by grantees and contractors by September, 2004.
4. The Department will ensure that a thorough, independent scientific assessment of the proposed Rare Isotope Accelerator is carried out by October, 2005.

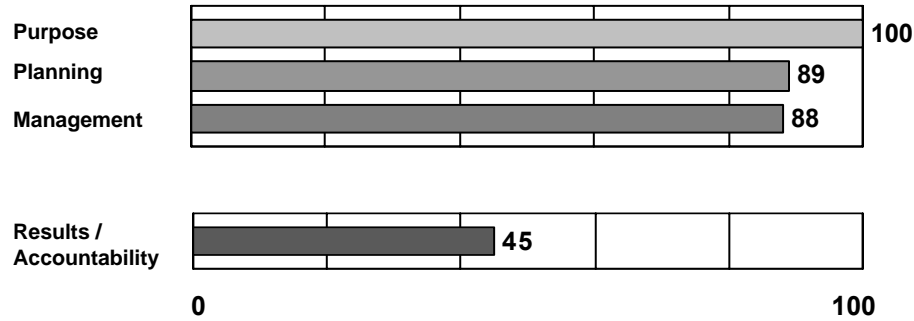
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
380	390	401

**Program:** Nuclear Power 2010

**Agency:** Department of Energy

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Achieve an industry decision by January 2005 to order and build at least one new advanced nuclear power plant that will begin commercial operation by 2012	2006	*	
	2008	Plant ordered	
	2010	Construction start	
	2014	Plant Operatnl	
Annual Measure: Demonstrate for the first time the combined Construction and Operating License (COL) process. Targets: ** Solicit industry proposals *** Prepare COL application	2004	**	
	2005	***	
Annual Measure: Support at least two Early Site Permit (ESP) applications for commercial reactor sites to the NRC. ****2003 Target and Actual: ESP applications submitted	2003	ESPs awarded	
	2006	****	****

**Rating:** Adequate

**Program Type:** Research and Development

**Program Summary:**

The Nuclear Power 2010 program (NP2010) seeks to achieve near-term deployment of new advanced nuclear power plants (Generation III+) in the United States through cost-shared demonstrations of new licensing processes affecting the siting, construction and operation of new plants that can compete in a deregulated market.

Findings from the PART include the following:

- The program purpose is clear and the program has prepared a plan of action that has been reviewed by DOE’s Nuclear Energy Research Advisory Committee (NERAC).
- The program’s near-term new plant deployment goals are consistent with the National Energy Policy report.
- The program has established annual performance goals to assess achieving its long-term objective, and detailed performance measures.
- DOE’s NP2010 program plan, which includes the use of competitive, peer-reviewed project awards and a performance-based personnel appraisal system, will provide information needed to manage the program effectively and efficiently and hold managers accountable for results.

In response to these findings, the Administration is providing \$10.246 million for NP2010 in 2005 to cost-share with industry demonstration of the Nuclear Regulatory Commission’s (NRC’s) Early Site Permit and combined Construction and Operating License processes.

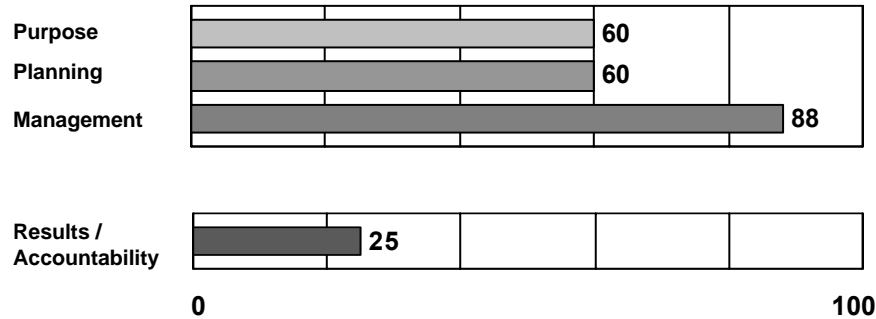
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
32	20	10

**Program: Oil Technology**

**Agency: Department of Energy**

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Additional economically recoverable domestic oil (annual incremental additional billion barrels of oil)	2010	.615	
	2015	1.4	
	2020	1.9	
	2025	2.0	
Annual Measure: Additional economically recoverable domestic oil (annual incremental additional million barrels of oil).	2004	52	
	2005	23	
	2006	29	
	2007	34	

**Rating: Ineffective**

**Program Type: Research and Development**

**Program Summary:**

The Oil Exploration and Production Program seeks to increase energy security by researching better ways for the oil industry to explore for, drill, and develop oil and gas resources.

The assessment found:

- The purpose of the program is well-defined.
- Actual additional production attributable to the program has been relatively small. Moreover as noted by the National Academy of Science: “It is difficult to separate the contributions made by DOE and contributions made by industry and others.”
- While annual performance measures have been agreed to, modeling assumptions need to be made transparent.
- The program lacks a rigorous peer review process.
- This program and other applied R&D programs at the Department need to improve consistency in methodology and assumptions in estimating potential benefits to facilitate meaningful analyses that can help inform budget decisions.

In response to these findings, the Administration will:

1. Refocus the program on longer-term high-risk research that will advantage domestic production in the world market.
2. Make modeling assumptions transparent.
3. Issue guidance that specifies a consistent framework for the Department to analyze the costs and benefits of its R&D investments, and apply this guidance as part of 2006 Budget development.

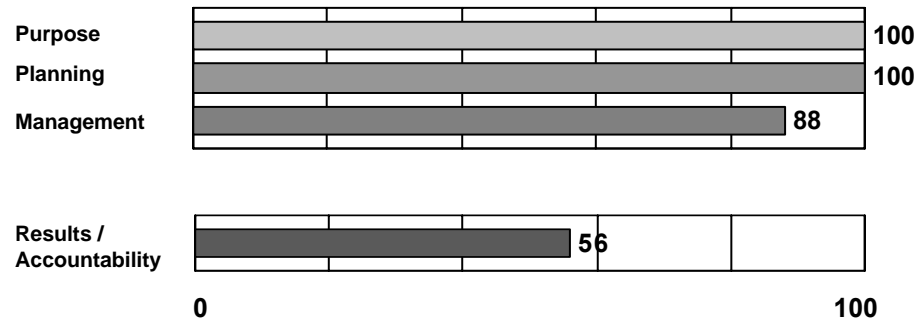
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
42	35	15

**Program:** *Readiness in Technical Base and Facilities (RTBF), Operations*

**Agency:** *Department of Energy*

**Bureau:** *National Nuclear Security Administration*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Percentage of time that mission-essential facilities are available.	2001	> 90%	94.6%
	2003	> 90%	96.5%
	2005	> 90%	
Annual Measure: Reportable accidents per 200,000 workhours (National Bureau of Labor (NBL) standard is 6.7 accidents per 200,000 workhours)	2001	< 6.7	2.6
	2003	< 6.7	2.1
	2005	< 6.7	
Long-term Measure: Percentage of scheduled annual maintenance activities for mission-essential facilities that are completed.	2003	> 90%	102.7%
	2004	> 90%	
	2006	100%	
	2008	100%	

**Rating:** *Moderately Effective*

**Program Type:** *Capital Assets and Service Acquisition*

**Program Summary:**

The Readiness in Technical Base Facilities (RTBF) - Operations program operates and maintains the Nation's nuclear weapons laboratories and production facilities for the National Nuclear Security Administration. The facilities must be safe, secure, and ready to conduct work on the nuclear weapons stockpile on-time and to standard. The program covers a wide variety of facility operating items such as utilities, technician training, salaries, facility and equipment maintenance costs (such as labor, tools, and replacement parts), and environmental, safety, and health initiatives.

The assessment found that the program has only recently developed long-term performance goals against which it can measure its success. Therefore, the program does not yet have a well established track record against which those goals can be assessed. Additional findings include:

- The integration of RTBF and the Facilities Infrastructure Recapitalization Program is just beginning.
- The extent to which contractors are held accountable for cost, schedule, and performance goals is unclear.
- Improved efficiencies and demonstrated cost effectiveness from year to year was not readily apparent.
- Independent evaluations of the program were decidedly mixed in their assessments, but trending towards showing improvements.

In response to these findings, NNSA will:

1. Develop mechanisms that would provide greater leverage over contractors at each specific site.
2. Develop better efficiency measures by which it can track progress.
3. Clearly lay out a plan that integrates the successful completion of the Facilities and Infrastructure Recapitalization Program with a broader scoped RTBF program.

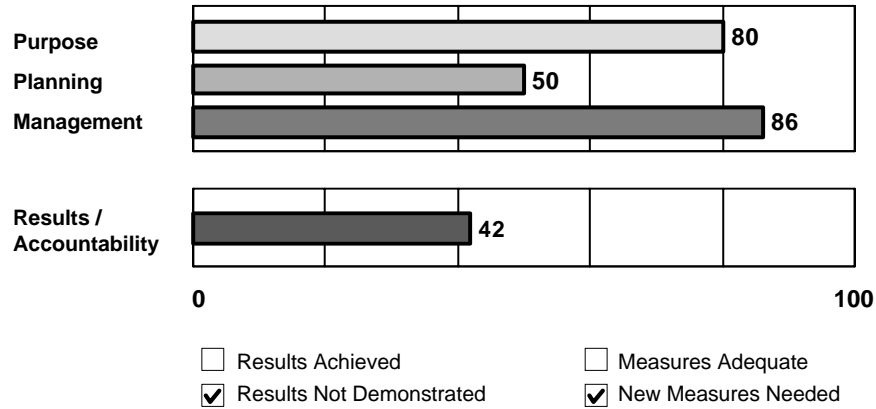
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
996	1,022	1,018

**Program: Safeguards and Security**

**Agency:** Department of Energy

**Bureau:** National Nuclear Security Administration



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
New performance measures are under development.			

**\*Rating:** Adequate

**Program Type** Capital Assets

**Program Summary:**

The Weapons Safeguards and Security program protects the material, information, and people throughout the National Nuclear Security Administration (NNSA) weapons complex which consists of three national laboratories, four production facilities, and the Nevada Test Site. The program employs a number of security measures including guards, fences, electronic sensors, and computer security measures.

Findings from the PART assessment include the following:

1. The Department commits a significant amount of resources to secure the weapons complex, and it is arguably one of the most secure sets of facilities in the country.
2. The program lacks clearly defined goals that can help the program achieve the greatest return on its investment and thus enhance the level of security. The "adequate" rating received by the program largely reflects this shortcoming and should not be interpreted to mean that security at the Nation's nuclear weapons complex is lax or insufficient.
3. The program has a clear purpose which addresses a specific need "securing the Nation's nuclear weapons complex" and thus scored well in the Purpose Category. The design of the program is still evolving and the Department recognizes the need to clearly articulate changes to the existing structure as they are determined.
4. The program does not have strong linkages between performance goals and quantifiable outcomes. For example, the goals of the program are: (1) to "provide a cost effective security program"; (2) to "demonstrate protection against a specific threat"; and (3) to "develop new technologies." These goals are not quantifiable or measurable and it is therefore difficult to quantify the value of additional spending going towards this effort. One may argue that the results section should be higher because there have been no security breaches and a comprehensive, in-depth security posture is in place and operating effectively. However, with improved measures of effectiveness and direct links between goals and outcomes, the safeguards and security program can better assure maximum program effectiveness and efficiency. (The program received an "adequate" rating rather than a "results not demonstrated" rating because NNSA leadership is aware of this shortcoming and is actively working on new measures.)

Based on these findings, the Administration will develop more measurable goals which, ultimately, will improve the results of the program.

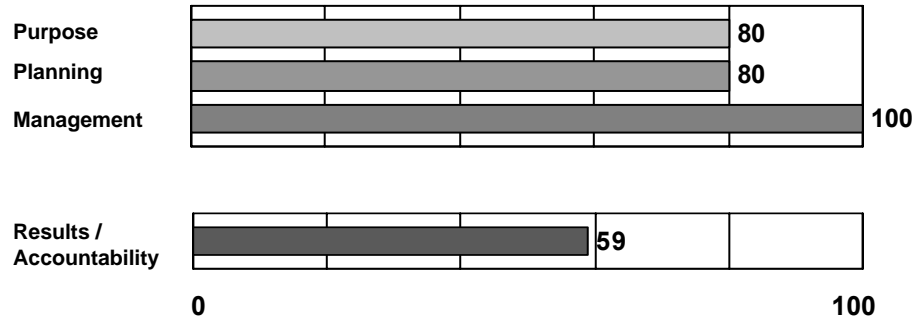
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Solar Energy*

**Agency:** *Department of Energy*

**Bureau:** *Energy Efficiency and Renewable Energy*



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Years of durability of polymer materials for solar water heaters, measured by "accelerated" testing	2000	7	8
	2004	7	
	2005	5	
	2006	4	
Long-term Measure: Cost of power from large-scale concentrating solar power (CSP) plants, in cents per kilowatt-hour (¢/kWh).	2003		14
	2004	12	
	2005	11	
	2010	9	
Long-term Measure: Cost of power from photovoltaics, in cents per kilowatt-hour (¢/kWh). (The cost of energy from a photovoltaic system is dependent on application and system requirements, financing terms, and possibly other non-technology related factors, which is why targets are given as ranges.)	2000	10-15	20-25
	2003	19-24	19-24
	2005	17-22	
	2010	12-18	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The Solar Energy program develops solar energy devices and systems that are more efficient, reliable, and affordable than those currently available.

The program has a very clear purpose and strong planning and management. Additional findings include:

- The program has implemented a new "systems-driven" approach to help prioritize activities in its portfolio by analyzing present and potential markets, technology trade-off studies, and research and development (R&D) reviews. The program also drafted a multi-year technical plan to guide its research efforts.
- The program has made progress in further refining its long-term and annual performance measures.
- Each year, the Congress earmarks a portion of program funds for activities that do not contribute to the program's goals.
- In 2000, the National Research Council (NRC) reported that the program's photovoltaic activity has largely been successful, while the Concentrating Solar Power (CSP) systems activity has not. The 2003 and 2004 Budgets phased out the CSP activity.
- In 2003, a third-party technical report (funded by the Department, but reviewed by NRC) of two CSP technologies indicated that the technologies may approach cost competitiveness by 2020, although this potential is largely dependent on significant incentives to increase deployment.
- This program and other applied R&D programs at the Department need to improve consistency in methodology and assumptions in estimating potential benefits to facilitate meaningful analyses that can help inform budget decisions.

In response to these findings, the Administration:

1. Provides funding consistent with meeting performance targets, and eliminates funding for low-priority earmarks.
2. Resumes limited funding for CSP research and will carefully monitor technological progress.
3. Will issue guidance that specifies a consistent framework for the Department to analyze the costs and benefits of its R&D investments, and will apply this guidance as part of 2006 Budget development.

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

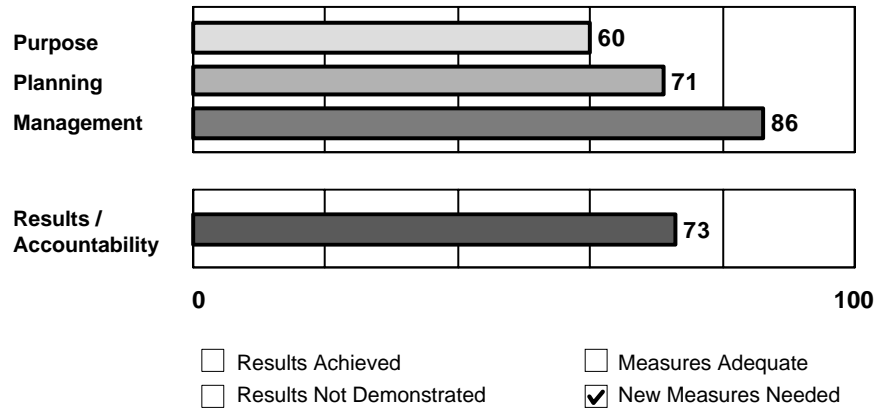
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
84	83	80



**Program:** *Southeastern Power Administration*

**Agency:** *Department of Energy*

**Bureau:** *Power Marketing Administration*



**Key Performance Measures**

**Year Target Actual**

Long-term Measures: Measures under development			
Annual Measures: Achieve high ratings for: Efficiency (actual generation output in cycles/second[cps] vs the 60 cps goal); and Reliability (% of operating time generation is within its electricity production tolerances) based on nat'l standards Adopt industry-wide measures of efficiency, such as the cost of generating and transmitting power per kilowatthour	2001	100	204
	2001	90	99.8
	2003	TBD	
Annual measures: Make planned annual debt payments to the Treasury to repay the long-term cost of building hydropower facilities Recover subsidies identified by GAO incurred during construction of hydropower facilities	2001	\$27 M	\$13 M
	2002	\$8.8 M	\$10 M
	2003	\$26 M	

**\*Rating:** *Moderately Effective*

**Program Type** *Direct Federal*

**Program Summary:**

The Southeastern Power Administration markets hydroelectric power from 23 Corps of Engineers dams located in the Southeastern United States. The program is responsible for covering all its costs through the sale of power to customers.

The program assessment shows that Southeastern largely fulfills its authorized purpose, but the function it performs is not unique in the industry, and the program, though largely in accordance with the law, is not optimally designed --- its power sales activities are inefficient (power is not sold in a bidder's market) and administratively burdensome (rate changes sometimes take years to initiate and implement). Additional findings include:

1. Southeastern plans its activities effectively to ensure that power is provided dependably and meets national standards for quality of service that apply to all utilities. These elements, in concert with its management and execution of operations, earn this activity a high score.
2. The program conducts annual financial audits and managerial reviews and budgets its full annual costs except for a portion of its debt service that the General Accounting Office (GAO) indicates is not recovered.
3. Southeastern lacks adequate long and short term measures and targets, particularly efficiency measures.

Based on the findings:

1. The Budget proposes to continue current operations and develop long-term goals, measures and targets.
2. The Administration will develop and collect data on efficiency measures comparable to those used by private industry.
3. Southeastern will review its program and develop recommendations to improve its power marketing functions.
4. Southeastern's management team will develop recommendations designed to help the program recover its costs and fully repay its annual debt service obligations.

(For more information on this program, please see the Department of Energy chapter in the Budget volume.)

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

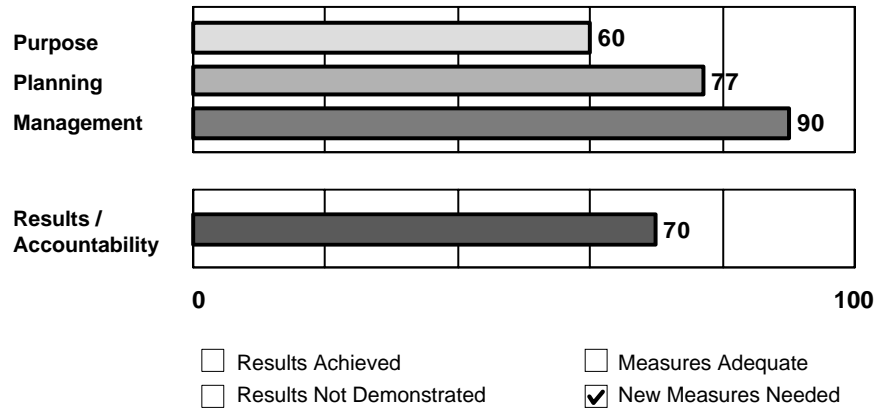
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** *Southwestern Power Administration*

**Agency:** *Department of Energy*

**Bureau:** *Power Marketing Administration*



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measures: Measures under development			
Annual Measures: Achieve high ratings for: Efficiency (actual generation output in cycles/second [cps] vs the 60 cps goal); and Reliability (% of operating time generation is within its electricity production tolerances) based on nat'l standards Adopt industry-wide measures of efficiency, such as the cost of generating and transmitting power per kilowatthour	2001	100	192
	2001	90	100
	2003	TBD	
Annual Measures: Make planned debt payments to the Treasury to repay the long-term cost of building hydropower facilities Recover subsidies identified by GAO incurred during construction of hydropower facilities	2001	\$22.8 M	\$19.9 M
	2002	\$25 M	

**\*Rating:** *Moderately Effective*

**Program Type** *Direct Federal*

**Program Summary:**

The Southwestern Power Administration markets hydropower generated at 24 Corps of Engineers dams located the southwestern United States. The program is designed to recover all costs of producing and transmitting power through the sales of electricity to customers.

The program assessment rating shows that Southwestern is effective in planning and managing its program. The program also meets national standards applied to all utilities across the country that measure generation and transmission efficiency, reliability and quality of service. Additional findings include:

1. Southwestern contracts for annual financial audits and conducts periodic managerial reviews.
2. Transmission line construction projects are adequately planned and reviewed. This element, and the previous two, give this activity a high score.
3. Southwestern's rating is reduced because the program makes no unique contribution to addressing a problem in the industry and it competes with other suppliers by buying power in the market to substitute for hydrogeneration when that product is unavailable because of drought or other conditions.
4. The marketing program, though largely in accordance with the law, is not optimally designed. Power sales contracts rely on a time consuming preference system that allocates power to special customers (rather than offering power to bidders) and is administratively burdensome (allocations sometimes take years to develop). In addition, according to the General Accounting Office (GAO), Southwestern, historically, has not recovered all its costs.
5. Southwestern has inadequate long and short term goals, measures and targets, particularly efficiency measures.

Based on these findings:

1. The Budget proposes to continue current operations and provide modest increases for maintenance and high cost electrical equipment identified in its replacement schedule.
2. The Administration will develop and collect data on efficiency measures comparable to those used by private industry.
3. Southwestern will develop long-term goals, targets and measures.
4. Southwestern will develop recommendations to improve its power marketing functions and meet all its financial obligations.

(For more information, see Department of Energy chapter in the Budget volume.)

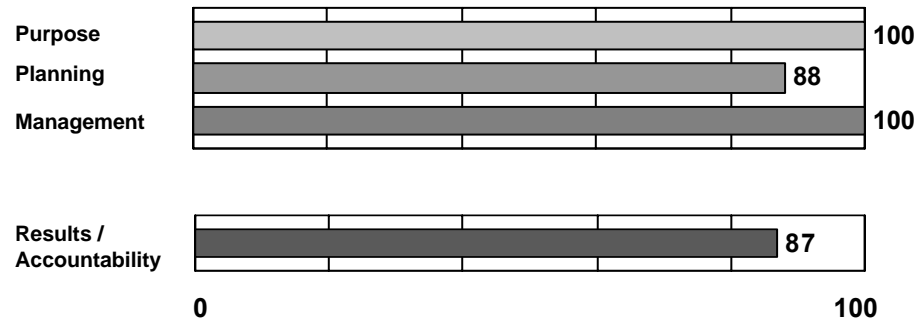
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Strategic Petroleum Reserve (SPR)

**Agency:** Department of Energy

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Capability to draw down the Reserve (million barrels/day).	2002	4.1	4.2
	2004	4.4	
	2010	4.4	
	2015	4.4	
Annual Measure: Barrels of Oil Degassed (million barrels).	2004	23	
	2005	30	
	2006	14	
	2007	27	
Annual Efficiency Measure: Operating Cost per bbl of oil capacity (\$ per barrel).	2002	0.2058	0.1981
	2003	0.213	
	2004	0.207	
	2007	0.199	

**Rating:** Effective

**Program Type:** Direct Federal

**Program Summary:**

The Strategic Petroleum Reserve (SPR) is a government-owned stockpile of crude oil stored in salt caverns along the Gulf Coast that provides the nation strategic protection in the event of a severe energy supply interruption. Upon a presidential decision that a severe energy supply interruption has or is likely to occur, this oil can be drawn down and sold into the market within 15 days of the presidential finding.

The assessment found that the program is strong over-all and that:

- The program has a clear purpose and is well designed. Some analysts suggest that the program would be more efficient if it made oil acquisition decisions based on market conditions. This would ease pressure on the market, and allow more oil to be delivered when prices were lower.
- The program is strongly committed to performance measurement and tracking, and demonstrates results.
- The program needs to continue to improve explicitly linking budget requests to performance goals.
- The trend of the annual efficiency measure over years provides more meaningful performance information than year-to-year changes. The measure may be misleading when viewed on a year-to-year basis due to one-time increases or decreases in capital costs.

In response to these findings, the Administration will maintain funding for the program in the 2005 Budget at a level that allows the program to continue to achieve its relatively high level of performance.

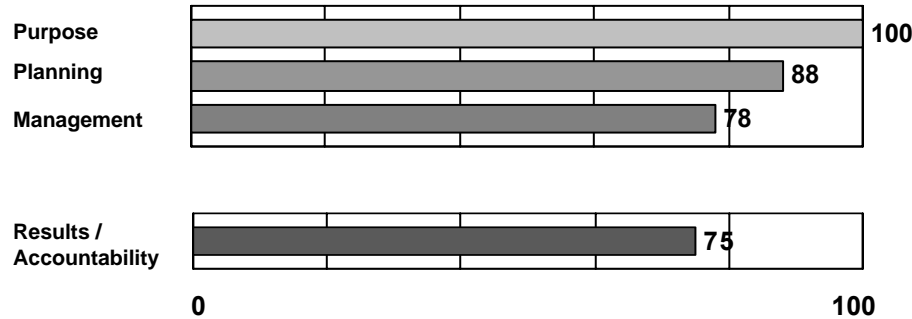
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
172	171	172

**Program:** Weatherization Assistance

**Agency:** Department of Energy

**Bureau:** Energy Efficiency and Renewable Energy



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Cumulative number of low-income family homes weatherized starting in 2002, in thousands.	2002	105.0	104.5 (prelim.)
	2004	340.9	
	2005	459.8	
	2011	1,200.0	
Annual Measure: Number of low-income family homes weatherized annually.	2000	67,340	74,316
	2001	75,350	77,697
	2002	105,000	104,500 (prelim.)
	2005	118900	
Long-term Efficiency Measure: Program benefit-cost ratio excluding non-energy benefits. (This ratio represents the discounted value (3.2 percent discount rate) of energy saved divided by total program costs.)	1996		1.79
	1999		1.51
	2002		1.3
	2005	1.19 - 2.0	

**Rating:** Moderately Effective

**Program Type:** Block / Formula Grant

**Program Summary:**

The Weatherization Assistance Program provides technical assistance and formula grants to State and local agencies to weatherize homes of low-income families, with target populations including the elderly, people with disabilities, and families with children.

The program has a very clear purpose, has strong planning and management, and generally weatherizes the number of homes it commits to weatherize each year. Additional findings include:

- Based on analyses by the Oak Ridge National Lab, the program has maintained a favorable (greater than one) benefit-cost ratio.
- The program appears to coordinate well with the Department of Health and Human Services, and coordination with the Department of Housing and Urban Development on lead paint issues appears to be improving.
- The program does not conduct a periodic independent analysis of its cost effectiveness, and does not require States to report on cost effectiveness, largely due to the cost of such evaluations. However, the program is planning for an evaluation in response to this finding in last year's assessment.
- In 2003, the Department's Inspector General (IG) found that some local agencies inappropriately charged administrative expenses as operating costs. In effect, the agencies understated total administrative costs, which have statutory limits.
- The IG also found that some States combined the results of weatherization efforts funded by the Low Income Home Energy Assistance Program (LIHEAP) with those completed with Department funds, which may distort upwardly the program's benefit-cost ratio.

In response to these findings, the Administration:

1. Continues to meet the President's commitment to increase funding by \$1.4 billion over 10 years to help a total of 1.2 million low-income families reduce their energy bills.
2. Will plan for an independent evaluation of program effectiveness.
3. Will take appropriate management actions in response to the 2003 audit report by the Department's Inspector General.

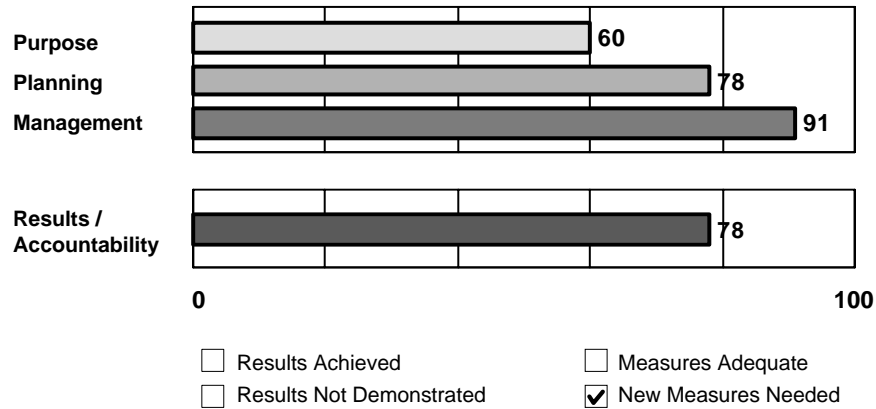
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
224	227	291

**Program:** *Western Area Power Administration*

**Agency:** *Department of Energy*

**Bureau:** *Power Marketing Administration*



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measures: Measures under development			
Annual Measures: Achieve high ratings for: Efficiency (actual generation output in cycles/second [cps] vs the 60 cps goal); and Reliability (% of operating time generation is within electricity production tolerances) based on nat'l standards Adopt industry-wide measures of efficiency, such as the cost of generating and transmitting power per kilowatthour	2001	100	187
	2001	90	98
	2003	TBD	
Annual Measures: Make scheduled debt payments to the Treasury to repay the long-term cost of building hydropower facilities Recover subsidies identified by GAO incurred during construction of hydropower facilities	2001	\$62.6 M	\$11.9 M
	2002	\$26.2 M	
	2003		

**\*Rating:** *Moderately Effective*

**Program Type** *Capital Assets*

**Program Summary:**

The Western Area Power Administration (Western) markets all available power generated at Corps of Engineers and Bureau of Reclamation dams located in the Northern Midwest states extending through the Southwestern United States. Western is responsible for recovering, through sales to customers, all costs of producing and transmitting power.

The assessment found that Western is effective in planning and managing its activities. It meets national standards for providing dependable power. Additional findings include:

1. Western conducts annual financial audits and management reviews to ensure that its activities are conducted according to sound financial and accounting standards.
2. Its system for reviewing and adopting construction projects is rigorous.
3. Western's role in marketing power makes no unique contribution to solving a problem in the industry and the program, though largely in accordance with the law, is not optimally designed. The process of allocating power sales on preference basis to special customers (rather than to bidders) is time consuming and administratively burdensome (allocations sometimes take years to develop and adjust). Also, according to the General Accounting Office (GAO), Western does not recover all its costs.
4. Western competes with private industry by purchasing unneeded power to resell.
5. Western lacks adequate statements of long and short term goals, targets and measures.

As a result of these findings:

1. The Budget proposes that Western continue current operations and modestly increase construction expenditures for scheduled substation equipment replacements and the ongoing replacement of transmission line facilities and housekeeping needs such as a new roof on one of their buildings.
2. The Administration will develop and collect data on efficiency measures comparable to those used by private industry.
3. Western will review its activities and develop recommendations for improving its record of Treasury repayments and the marketing and delivery of power.
4. Western will develop long-term goals, targets and measures.

(For more information, see Department of Energy chapter in the Budget volume.)

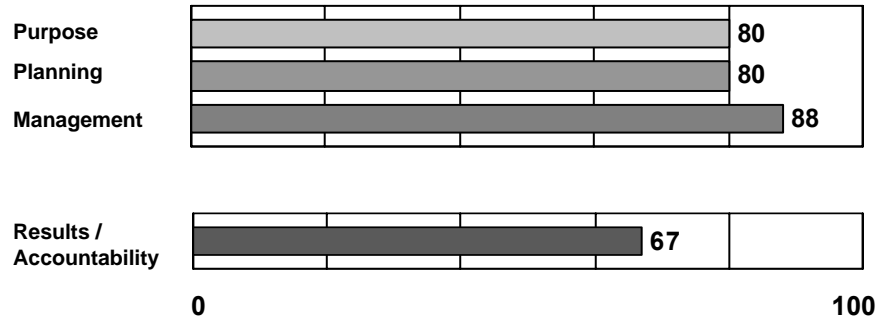
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Wind Energy*

**Agency:** *Department of Energy*

**Bureau:** *Energy Efficiency and Renewable Energy*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Cost of wind power in Class 4 wind speed areas (i.e., 13 mph annual average wind speed at 33 feet above ground), in cents per kilowatt-hour (¢/kWh).	2002	5.5	5.5
	2003	5.0	5.0
	2005	4.3	
	2012	3.0	
Long-term Measure: Cost of wind power for residential-sized (3 to 10 kilowatt) distributed energy applications in Class 3 wind speed areas (i.e., 12 mph annual average wind speed at 33 feet above ground), in cents per kilowatt-hour (¢/kWh).	2002	22	22
	2004	19	
	2005	18	
	2010	15	
Annual Measure: Number of States that have at least 100 megawatts (MW) of wind power capacity installed	2002		8
	2004	12	
	2005	16	
	2006	19	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The Wind Energy program conducts research and development (R&D) on wind energy systems to reduce their cost and expand their use. The program also provides technical assistance, guidance, and information to State and local entities to explore and develop wind energy.

The program has a very clear purpose and strong planning and management. Additional findings include:

- In 2000, the National Research Council (NRC) reported that “the Wind Energy program, combined with temporary substantial federal and state renewable energy subsidies, have been responsible for the U.S. lead in technology development.”
- The growing commercial success of wind energy systems in high wind-speed areas (15 mph or more) obviates the need for further Federal support of wind turbine R&D in these areas. Beginning in 2003, the program shifted its focus to low wind-speed areas.
- The program has made progress in further refining its long-term and annual performance measures.
- Each year, Congress earmarks a portion of program funds for activities that do not contribute to the program’s goals.
- This program and other applied R&D programs at the Department need to improve consistency in methodology and assumptions in estimating potential benefits to facilitate meaningful analyses that can help inform budget decisions.

In response to these findings, the Administration:

1. Provides funding consistent with meeting performance targets by redirecting funds from low-priority earmarks.
2. Continues emphasis on wind technology development for low wind-speed areas.
3. Will issue guidance that specifies a consistent framework for the Department to analyze the costs and benefits of its R&D investments, and will apply this guidance as part of 2006 Budget development.

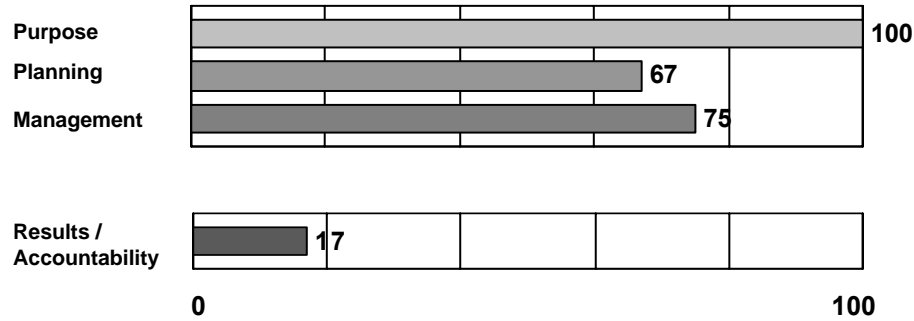
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
42	41	42

**Program:** *Yucca Mountain Project*

**Agency:** *Department of Energy*

**Bureau:** *Office of Civilian Radioactive Waste Management*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Begin acceptance of spent nuclear fuel & high-level radioactive waste at the repository in 2010.	2004	License Applicatn	
	2008	Constrxn Authorize	
	2010	Waste Accept	
Annual Measure: Complete cost, schedule ad performance baseline; complete CAMP; certify EVMS.	2004	Baseline complete	
	2004	CAMP complete	
	2004	EVMS certified	
Annual Measure: Variance from cost, schedule and performance baselines	2004	<=10%	
	2005	<=10%	

**Rating:** *Adequate*

**Program Type:** *Capital Assets and Service Acquisition*

**Program Summary:**

The Office of Civilian Radioactive Waste Management is responsible for siting, licensing, constructing, and operating an underground repository for the disposal of spent fuel from the nation's commercial nuclear power reactors and high-level radioactive waste from the nation's atomic energy defense activities. The program also is responsible for transporting such wastes to the repository.

Now that Yucca Mountain, Nevada, has been selected as the site of the Nation's first nuclear waste repository, the program is changing its emphasis from scientific and technical studies to design, licensing by the Nuclear Regulatory Commission, and construction of the repository. Significant increases in annual appropriations will be needed to achieve the program's goal of a working repository by the 2010. Reflecting the early stages of the program's transition, the assessment found that the program is strong in terms of overall purpose and design but weaker in terms of strategic planning, program management, and results. More specifically, the assessment found that:

- The project does not yet have an adequate performance baseline.
- The project's Earned Value Management System is not yet certified.
- The project's Capital Asset Management Plan, including its acquisition strategy, is incomplete.

In response to these findings, the Administration will:

1. Include in the 2005 Budget a legislative proposal to establish a new program funding mechanism to help ensure adequate funding is available to have a working repository by 2010.
2. Ensure that the program's Earned Value Management System (EVMA) is certified by the Defense Contract Management Agency in 2004.
3. Ensure that the program completes its Capital Asset Management Plan (CAMP), which will include a firm performance baseline and acquisition strategy for the major components of the repository.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
457	577	880

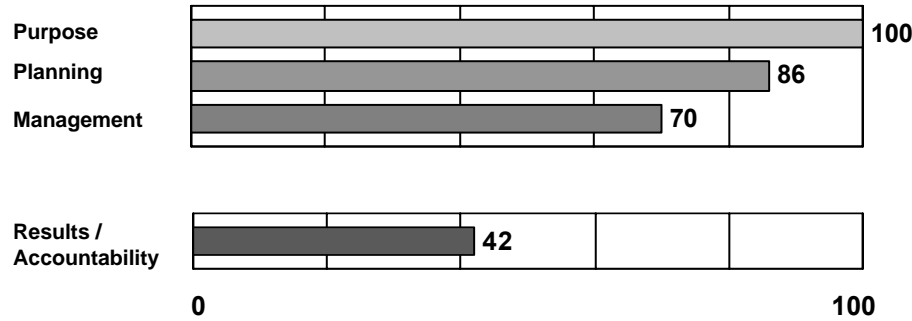
## **DEPARTMENT OF HEALTH AND HUMAN SERVICES**



**Program:** 317 Immunization Program

**Agency:** Department of Health and Human Services

**Bureau:** Centers for Disease Control and Prevention



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Number of cases of vaccine-preventable diseases in the United States as measured by cases of polio, rubella, measles, congenital rubella, mumps and tetanus.	2001	<150	<183
	2010	0	
Annual Measure: Percentage of children 19-35 months of age who receive recommended vaccines every year.	2001	90%	>=90% var. 68%
	2004	90%	
Annual Measure: Number of polio cases worldwide.	2001		483
	2002	500	
	2003	200	

**Rating:** Adequate

**Program Type:** Competitive Grant

**Program Summary:**

The Centers for Disease Control and Prevention immunization program awards grants to State health departments and carries out other activities such as surveillance and public education to ensure that children are vaccinated against disease.

The assessment found:

- The program is successful in improving immunization rates among children.
- There have been no comprehensive evaluations analyzing current program operations, management, and the structure of the overall program and how that affects achievement of program performance. Over the last year, CDC entered into a contract to have an independent party conduct a comprehensive evaluation of the program. The first phase of the evaluation will focus on the 317 immunization program and will be completed in one year.
- The program generally has strong management practices, but has not had processes in place to measure or improve efficiency. Over the last year, the program began a baseline assessment of information technology use and consolidated all IT into one office.
- There is no explicit mechanism linking the program's budget for State immunization administrative activities to program performance.

In response to these findings, the Administration:

1. Is including a legislative proposal in the 2005 Budget to make it easier for uninsured children who are eligible for the CDC Vaccines for Children (VFC) program to receive immunizations in public health clinics, to improve program efficiency in the overall childhood immunization program. This proposal will expand the VFC program and result in \$110 million in savings to the 317 discretionary childhood immunization program.
2. Will continue a comprehensive evaluation of the program and will work with grantees to better measure outcomes and allocate resources based on more clear criteria.
3. Will review administrative functions to determine whether improvements in program operations and efficiency can be made.

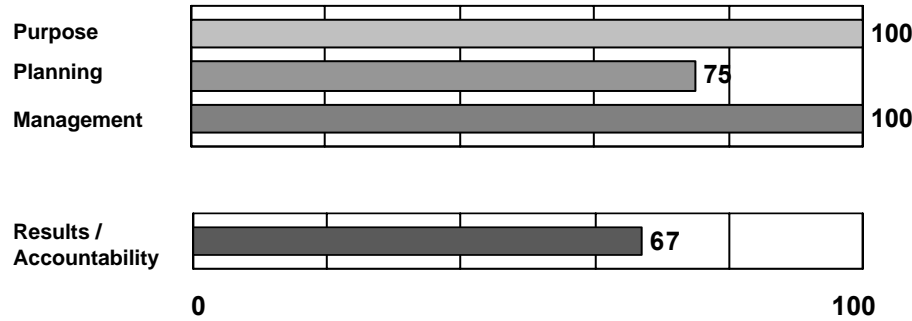
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
651	643	534

**Program:** Administration on Aging

**Agency:** Department of Health and Human Services

**Bureau:** Administration on Aging



**Key Performance Measures**

**Year Target Actual**

Annual Efficiency Measure: People served per \$million of AoA funding (with no decline in service quality).	2001	Baseline	5,800
	2004	Baseline +6%	
	2005	Baseline +8%	
	2006	Baseline+ 10%	
Long-term Measure: By 2010, the number of states achieving a targetting index (which is the percentage of service recipients that live in rural areas or in poverty, divided by the overall percentage of the age 60+ population that live in rural areas or in poverty) greater than 1.0 for rural and poverty measures.	2001	(poverty)	44
	2001	(rural)	41
	2010	51 States P	
	2010	50 States R	
Long-term Measure: The percentage of caregivers reporting that services have definitely enabled them to provide care for a longer period.	2003		48%
	2004	55%	
	2005	62%	
	2006	68%	

**Rating:** Moderately Effective

**Program Type:** Block / Formula Grant

**Program Summary:**

The Administration on Aging (AoA) attempts to enable elderly people to remain in their homes and communities. These programs and services include such activities as meals in community settings and home-delivered, preventive health care, senior centers, and support of family caregivers.

The reassessment once again indicates that the overall program has a clear purpose, addresses a specific need, and is effectively designed. The reassessment found that the agency had taken several steps to act on recommendations of the FY 2004 assessment related to performance measurement. Findings include:

- The agency has moved toward a focus on program outcomes in performance measures. Annual targets now support long-term improvement in program performance.
- Evaluations and program data indicate positive outcomes are achieved.

In response to these findings, the Administration will publish a new set of performance measures that reflect program outcomes and appropriate performance targets as part of the agency's FY 2005 GPRA plan.

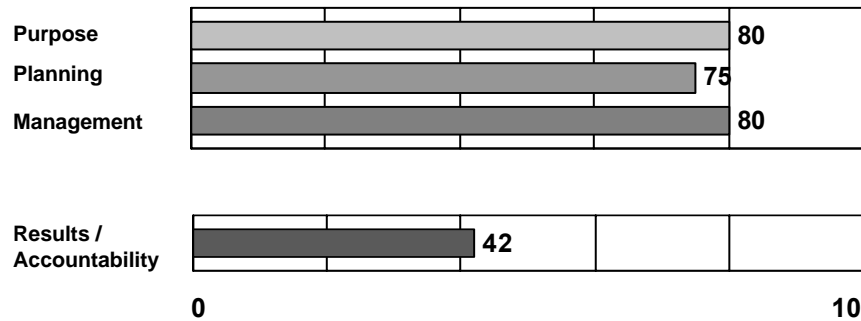
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,367	1,374	1,377

**Program:** *Agency for Toxic Substances and Disease Registry*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Agency for Toxic Substances and Disease Registry*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Prevention of ongoing and future exposure from hazardous waste sites and releases and the associated human health effects, as measured by the percentage of ATSDR's recommended actions EPA, States, or industry follow at sites with documented exposure.	2002		51%
	2003	55%	
	2004	60%	
	2005	70%	
Annual Measure: Discovery of the human health effects of exposure to 275 Superfund-related priority hazardous substances, as measured by filling additional data needs related to these substances.	2002		6
	2003	6	
	2004	10	
	2005	15	
Long-term Measure: Percentage of sites where human health risks and disease have been mitigated, as measured by testing in blood levels, cancer rates, other morbidity and mortality data, levels of environmental exposure and other methods.			

**Rating:** *Adequate*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Agency for Toxic Substances and Disease Registry (ATSDR) addresses the health effects of toxic substances in coordination with Federal, State and local partners. The program works to prevent harmful exposure and disease related to toxic substances through science, public health actions and health information.

The assessment found ATSDR is managed well and has a clear purpose, but has not demonstrated the impact of the program on the health of people living in communities exposed to toxic substances. Specifically, ATSDR has not yet tracked progress on health outcome measures or undergone a comprehensive and independent evaluation of the program's impact. Additional findings include:

- In reports touching on select aspects of ATSDR's efforts, the General Accounting Office has generally found the agency is effective in meeting the intended purpose.
- ATSDR has improved operating efficiency by reducing the number of offices and support staff, converting paper-based systems to CD-ROM and the Internet, and partnering with industry to conduct needed toxicological studies.
- The program is not redundant of the Environmental Protection Agency (EPA) and is taking significant steps to eliminate any administrative and management redundancies with the Centers for Disease Control and Prevention.
- The program's partners contribute to strategic planning efforts and link grant proposals to ATSDR's goals and objectives.
- The program has begun allocating resources according to performance goals and is making progress toward budgeting based on program performance.

In response to these findings, the Administration:

1. Will track newly adopted annual measures to determine the program's progress in preventing ongoing and future exposure through recommendations to EPA and other parties and progress in filling data needs related to priority hazardous substances.
2. Will refine a newly developed long-term outcome measure and start setting targets over the next year to measure the impact of the program on human health risks and disease.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
82	73	77

**Program:** *CDC State and Local Preparedness Grants*

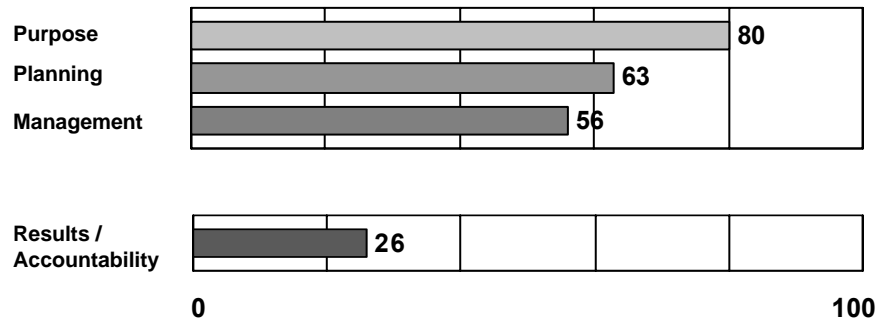
**Rating:** *Results Not Demonstrated*

**Agency:** *Department of Health and Human Services*

**Program Type:** *Block / Formula Grant*

**Bureau:** *Centers for Disease Control and Prevention*

**Program Summary:**



The CDC State and Local Preparedness grant program assists state and local governments increase their ability to identify and respond to the intentional use of biological, chemical, radiological or nuclear weapons.

The assessment found that while the purpose and importance of this effort are clear, results have not yet been demonstrated. This is due in large part to the fact that the program is relatively new, and to the inherent difficulty of measuring preparedness against an event that does not regularly occur. Additional findings include:

- This effort is well coordinated with other Federal preparedness efforts, including the HRSA Hospital Preparedness grants.
- The formula for distribution of these funds may not be optimal since it does not address varying threat levels or states of preparedness.

**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Percentage of Laboratory Response Network labs that pass proficiency testing for Category A threat agents	2005	75%	
	2006	80%	
	2007	85%	
	2008	90%	
Annual Measure: Percentage of LRN laboratories that report routine public health testing results through standards-based electronic disease surveillance systems, and have protocols for immediate reporting of Category A agents.	2005	75%	
	2006	80%	
	2007	85%	
	2008	90%	
Annual Measure: Percentage of state public health agencies that improve their capacity to respond to exposure to chemicals or category A agents by annually exercising scalable plans, and implementing corrective-action plans to minimize any gaps indentified	2005	75%	
	2006	80%	
	2007	85%	
	2008	90%	

In accordance with these findings, the Administration:

1. Reduced funding for these grants to pay for a new biosurveillance initiative that will also be of great value to states and local health departments.
2. Has established outcome oriented goals and targets for preparedness.
3. Will work with State and local representatives to ensure that performance information will be available to determine when acceptable preparedness has been demonstrated, and to target assistance for those areas that are not adequately prepared.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
939	934	829

**Program:** *Children's Hospitals Graduate Medical Education Payment Program*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Health Resources and Services Administration*

**Rating:** *Adequate*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

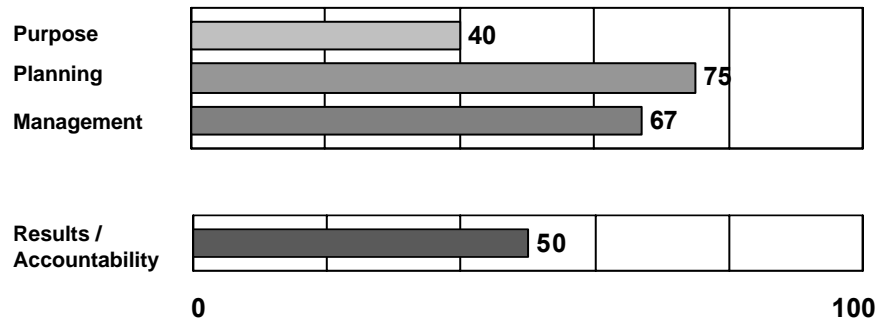
The Children's Hospitals Graduate Medical Education Payment Program (CHGME PP) provides payments to free-standing children's hospitals. Payments are calculated using the number of residents, beds, discharges, and patient case-mix in each hospital. CHGME PP does not explicitly support teaching activities because the supported children's hospitals can use program funds for any purpose.

The assessment found while the program fulfills the statutory requirements, CHGME PP is fundamentally duplicative of other Federal, state, and private efforts. Additional findings include:

- Children's hospitals are more likely to have positive margins than other hospitals.
- The program makes timely payments to eligible children's hospitals.
- During the assessment process, the program adopted new annual performance measures that demonstrate progress towards long-term goals.

In response to these findings, the Administration:

1. Contingent upon the results of pilot studies, will verify 100% of hospitals' reported data on bed counts, case-mix index, and number of discharges by FY 2008.
2. The program is required by statute to pay hospitals on a bi-weekly basis. The Administration will examine whether the program can improve efficiency by paying hospitals on a quarterly basis.



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Percent of hospitals with verified bed counts, case-mix index, and number of discharges. This measure is contingent upon the results of pilot studies to be completed in FY2006.	2008	100%	
Annual Measure: Percent of payments made on time	2002	100%	100%
	2003	100%	
	2004	100%	
	2005	100%	
Annual Measure: Percent of hospitals with verified FTE resident counts and caps	2003	100%	
	2004	100%	
	2005	100%	
	2006	100%	

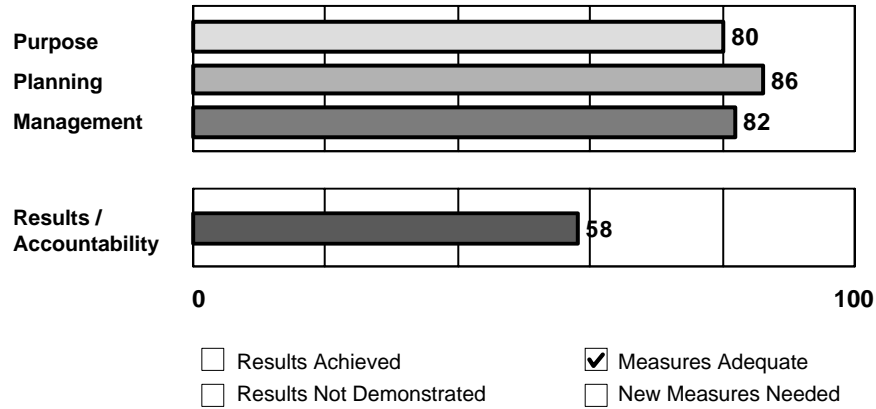
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
290	303	303

**Program:** *Childrens Mental Health Services*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Substance Abuse and Mental Health Services Administration*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent of funded sites that will exceed a 30 percent improvement in behavioral and emotional symptoms among children receiving services for six months (New measure)	2001		30%
	2010	60%	
Long-term Measure: Percent of systems of care that are sustained five years after Federal program funding has ended (New measure, baseline under development)	2008	80%	
Annual Measure: Average days of inpatient/residential treatment among children with serious emotional disturbance in grantee communities over the past year (Measure and targets to be refined)	1999	212	144
	2000	212	149
	2001	159	152
	2004	151	

**\*Rating:** *Moderately Effective*

**Program Type** *Competitive Grants*

**Program Summary:**

The Children's Mental Health Services program makes competitive grants to state and local governments to support services for children with serious emotional disturbance.

The assessment found:

1. The Children's Mental Health Services program is making a unique contribution to improve care for children with serious emotional disturbance, but reaches a limited number of communities and the national impact is not fully known.
2. The program purpose is clear and commonly held by interested parties.
3. The program supports an annual evaluation to demonstrate improvements in services and outcomes for children with serious emotional disturbance in funded communities.
4. While accountability for results could be improved, the program uses performance information to improve annual outcomes.
5. The program has limited data related to the newly adopted long-term performance measures, but is meeting most of the annual targets.
6. A recent evaluation indicates the program is effective at improving the care and well being of children with serious emotional disturbance. After two years of services, 42 percent of the children showed a significant reduction in severe behavioral and emotional problems and an additional 48 percent of the children were stabilized.

Based on these findings, the Administration:

1. Proposes an increase of \$10 million above the 2003 Budget to extend the reach of the program and help additional communities provide effective services to children with serious emotional disturbance.
2. Will determine if the program is making lasting improvements in the care of children with serious emotional disturbance. The program will track how well children's behavioral and emotional symptoms improve and how well funded communities sustain their systems of care beyond the period of federal funding.

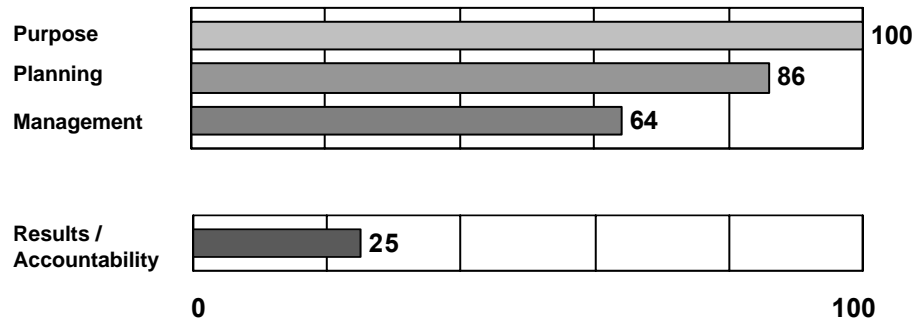
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Chronic Disease - Breast and Cervical Cancer*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Centers for Disease Control and Prevention*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Percentage of all newly enrolled women who have not received a Pap test within the past five years.	2000		21.7%
	2001		23.3%
	2004	22.5%	
Annual Measure: Percentage of women with breast cancer and cervical cancer who start treatment within 60 days of diagnosis.	2000		94%/88%
	2001		93.1%/88.5%
	2004	95%/90%	
Long-term Measure: Measure Under Development			

**Rating:** *Adequate*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Centers for Disease Control and Prevention's Breast and Cervical Cancer program provides grants to state health departments to support breast and cervical cancer screenings for low-income women who have little or no health insurance coverage for these services.

The assessment found:

- The program provides important health screenings to a population that would otherwise not receive these services.
- The program lacks long-term health outcome goals (e.g., reduced morbidity/mortality through early detection) and has focused instead on inputs and outputs. The program is working with a contractor to develop new outcome measures.
- The program can show progress on annual output goals and has some evidence of program performance from evaluations of particular components.
- While the program has relatively strong management practices, all program managers are not held accountable for achieving the program's stated performance goals, and the program lacks procedures to measure or improve efficiency.
- In 2003, the program began expanding the use of performance-based contracts and is working to improve efficiency of internal operations. The program is also working with grantees to make information on program performance available to the public.

In response to these findings, the Administration:

1. Will work on developing outcome-oriented long-term measures and more ambitious long-term goals; and
2. Proposes a \$10 million increase in the 2005 Budget for this program to provide additional screenings.

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

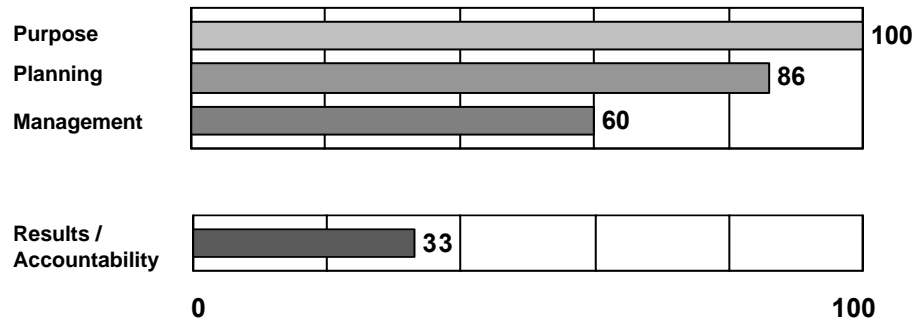
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
199	210	220



**Program:** *Chronic Disease - Diabetes*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Centers for Disease Control and Prevention*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Rate of lower extremity amputations in persons with diabetes.	2010	1.8 per 1,000	
Annual Measure: Percentage of people with diabetes who receive the recommended eye and foot exams in States with comprehensive diabetes control programs funded by the program.	1999	72%/62%	67%/58%
	2000	72%/62%	69%/62%
	2001	72%/62%	70%/62%
	2004	72%/67%	
Annual Measure: Percentage of persons with diabetes who receive at least 2 blood sugar control measures per year in States with comprehensive diabetes control programs funded by the program.	2000		62.0%
	2001		63.3%
	2004	72.5%	

**Rating:** *Adequate*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Centers for Disease Control and Prevention (CDC) diabetes program supports State health department programs which focus on reducing the health complications caused by diabetes.

The assessment found:

- The program adopted a long-term measure on diabetes-associated lower extremity amputations. CDC is also working to develop a way to project the number of cases of blindness, amputations and kidney disease in order to develop scientifically credible performance targets.
- The program has made progress in achieving annual performance goals and improving efficiency in Federal operations.
- The management of this program is fairly strong with processes and procedures in place to review the efficiency of its operations.
- There is no explicit mechanism that links the program budget to the achievement of the program's stated performance goals.
- The program is making State data from CDC's Behavioral Risk Factor Surveillance System available on the Internet. The program is also establishing performance-based contracts for senior program managers.

In response to these findings, the Administration:

1. Will work over the next year to develop the program's long-term health outcome measures, baselines and targets and measure progress on the annual performance goals.
2. Will maintain diabetes program funding in the 2005 Budget and propose an \$81 million increase for the STEPS to a HealthierUS initiative to address diabetes, obesity and asthma.

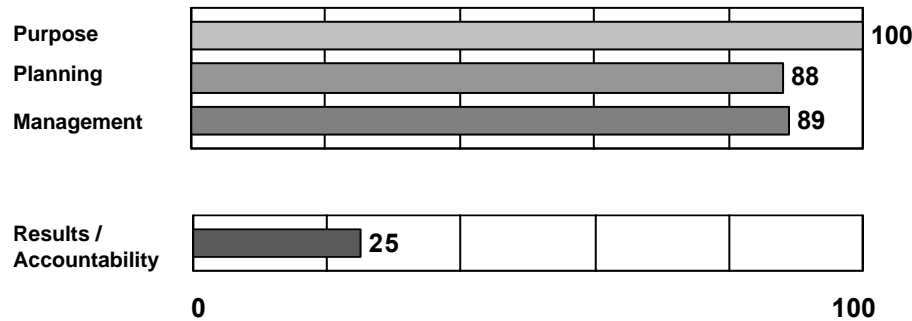
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
63	67	67

**Program:** *Community Mental Health Services Block Grant*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Substance Abuse and Mental Health Services Administration*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Rate of readmission to State psychiatric hospitals (a) within 30 days (b) within 180 days	2000		8.2/18.1
	2008	5/15.1	
Annual Measure: Number of SAMHSA-identified, evidence-based practices in each state and the percentage of service population coverage for each practice.			
Annual Measure: Rate of consumers/family members reporting positively about outcomes for (a) adults and (b) children/adolescents.	2000		70/63
	2005	73/65	

**Rating:** *Adequate*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Community Mental Health Services Block Grant provides funds to states by formula to support community mental health services for adults with serious mental illness and children with serious emotional disturbance.

The assessment found:

- The Block Grant is the only federal program that provides funds to every state to develop a comprehensive, community-based system of care for individuals with serious mental illness (SMI) and serious emotional disturbance (SED) who are uninsured or who have no mental health coverage.
- The formula for distributing funds to states does not use prevalence of SMI and SED. However, state surveys confirm that the Block Grant is serving low-income individuals with SMI and the maintenance of effort requirement guards against supplantation.
- As a part of the transition to performance partnerships, the program has adopted new long-term outcome measures for states to report on in exchange for additional flexibility. The program does not yet have multiple years of data to measure progress on all newly-adopted long-term outcomes.
- The program will undergo the first of three consecutive independent evaluation studies this year.
- The program does not provide a budget presentation that clearly ties the impact of funding decisions on expected performance. Having new outcome measures in place will enable the agency to better understand the impact of changes in funding and make budget decisions based on program performance.

In response to these findings, the Administration:

1. Proposes to fund competitive planning grants to states to more rapidly facilitate needed changes in the mental health system, in response to the report from the President's New Freedom Commission on Mental Health.
2. Will continue to work with states to facilitate the transition from the Block Grant to performance partnerships to provide states additional flexibility in exchange for program performance.
3. Will develop an efficiency measure and begin collecting data in the next year.

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

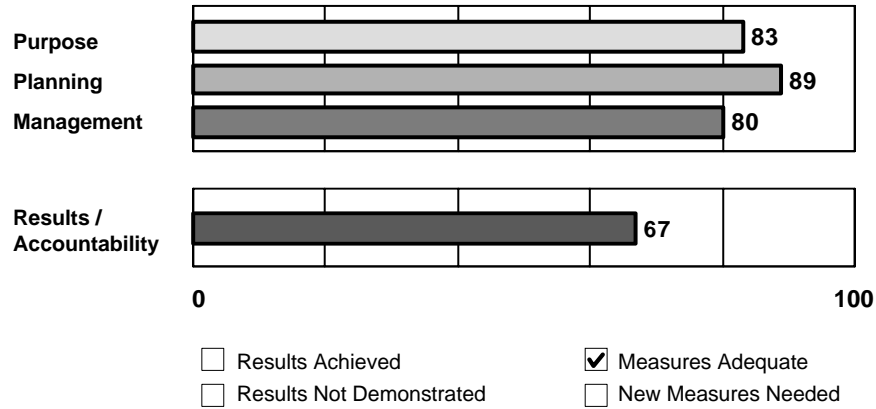
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
437	435	436



**Program: Data Collection and Dissemination**

**Agency:** Department of Health and Human Services

**Bureau:** Agency for Healthcare Research and Quality



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Number of months after the date of completion of the Medical Expenditure Panel Survey data will be available (New measure)	1997		19-27
	2008	12	
Long-term Measure: Number of organizations that will use Healthcare Cost and Utilization Project databases, products or tools to improve statewide health care quality for their constituencies (New measure, baseline under development)	2010	5	
Annual Measure: The strategy for achieving the long-term goal on Healthcare Cost and Utilization Project databases, products or tools (New measure, baseline and targets under development)			

**\*Rating:** Moderately Effective

**Program Type** Research and Development

**Program Summary:**

These programs collect data on the cost (Medical Expenditure Panel Survey), use (Healthcare Cost and Utilization Project), and quality of health care in the United States and develop and survey beneficiaries regarding their health care plans (Consumer Assessment of Health Plans).

The assessment found:

1. The Agency for Healthcare Research and Quality (AHRQ) recently developed new long-term and annual performance measures and goals. Program partners have committed to achieving the stated goals and these programs undergo regular evaluations.
2. The programs do not yet have data available to measure their new targets.
3. Program managers acknowledged difficulties tracking budgetary expenditures and their impacts on actual program performance. AHRQ will begin to connect budget and planning systems to identify more easily those activities not meeting their goals.
4. The purpose of these programs is clear--to have a unique impact on the need for and availability of national level health care cost, utilization, and health plan data. These programs do not effectively articulate their public benefits.
5. AHRQ regularly collects timely and credible performance data and uses these data to manage the program. There are some management deficiencies including an inability to determine the full annual costs of these programs.

In response to these findings, the Administration will:

1. Collect performance data on the new measures.
2. Propose an increase of \$5 million above the 2003 Budget to support AHRQ's efforts to ensure continued collection and availability of national health care cost, use, and quality data.
3. AHRQ has begun to address management deficiencies by adopting performance-based contracts that require superior performance toward achieving established goals.

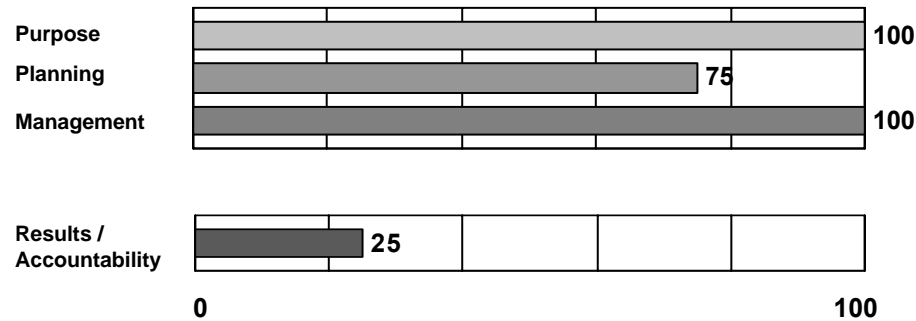
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Developmental Disabilities Grant Programs*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Administration for Developmental Disabilities*



**Rating:** *Adequate*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Administration for Developmental Disabilities (ADD) grant programs are intended to help individuals with developmental disabilities and their families access needed community services or supports. ADD does not provide services directly to individuals, but rather provides grants to organizations that assist individuals with developmental disabilities in accessing supports. Included in this review were three programs: (1) State Councils on Developmental Disabilities to help communities create systems of support (SCDD); (2) University Centers for Excellence in Developmental Disabilities Education, Research and Service (UCEDD) to provide education, training, technical assistance, public information and research; and (3) Protection and Advocacy systems to protect individuals with developmental disabilities from abuse, neglect and violation of rights (P&A).

**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: By the end of FY 2007, the percentage of individuals with developmental disabilities who are independent, self-sufficient and integrated into the community, as a result of State Council efforts, will increase to 14 percent. (SCDD)	2004	13.2%	
	2005	13.4%	
	2006	13.7%	
	2007	14.0%	
Annual Measure: Ratio of individuals with developmental disabilities and family members who access health care services compared to those who are trained regarding access to health care services. (UCEDD) [Targets Under Development]	2004		
	2005		
	2006		
	2007		
Annual Measure: Percentage of individuals who have their complaint of abuse, neglect, discrimination or other human or civil rights corrected compared to total assisted. (P&A)	2004	88.0%	
	2005	91.0%	
	2006	92.0%	
	2007	93.0%	

The assessment found that ADD is effective in many aspects of administering the programs. Specific findings include:

- The programs have a clear purpose and complement other public and private efforts to support individuals with developmental disabilities.
- ADD addressed a strategy planning deficiency by adopting revised performance measures focused on program outcomes. ADD plans to develop an efficiency measure.
- As ADD grants are not used to provide direct services, it is difficult to link budget and performance.
- ADD uses strong financial management practices.
- ADD grant programs have not been independently evaluated.

In response to these findings, the Administration will:

1. Continue to strengthen performance measurements and monitor results and progress toward newly developed goals, and
2. Support ADD's plans to explore, in FY 2004, the feasibility and design of a comprehensive, independent evaluation of the grant programs.

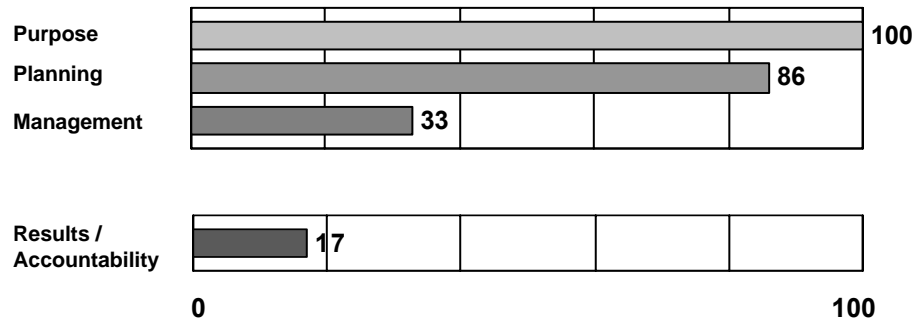
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
132	138	138

**Program:** *Domestic HIV/AIDS Prevention*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Centers for Disease Control and Prevention*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Number of new HIV infections in the U.S.	2000		Baseline
	2010	-25%	
Annual Measure: Number of HIV infection cases diagnosed each year among people less than 25 years of age.	2000		2,086
	2004	1,900	
Annual Measure: Proportion of all HIV-infected people who know they are infected.	1999		70%
	2004	80%	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Centers for Disease Control and Prevention HIV/AIDS program supports applied research and surveillance activities regarding HIV/AIDS. It also awards grants to State health departments and community-based organizations for HIV/AIDS prevention.

The assessment found:

- The number of new HIV infections in the U.S. has remained at approximately 40,000 for the past decade and has not declined. Among some groups, the number of newly diagnosed cases has increased recently.
- In 2003, the program refined an outcome measure to track the impact of the program on HIV infections, diagnoses and treatment. The measure will rely on surveillance data for the population under age 25 until the year 2005 when national HIV incidence data are to be available.
- The program has developed new annual performance indicators and is able to show progress on some of these measures. Only baseline data are available for other annual measures.
- The program has had comprehensive evaluations at regular intervals to inform program improvements.
- The program has some weaknesses in the management and oversight of grantees and accountability for all Federal funds, including subgrantee funds; in some cases specific grantees have violated CDC's guidelines defining proper expenditures. In 2003, CDC introduced changes in grant agreements designed to increase accountability among program partners.
- The budget and program performance are not explicitly lined up. Over the last year, CDC began studying methods to more accurately forecast program outputs and outcomes at a given level of resources.
- The program has taken meaningful steps to improve the efficiency of Federal operations over the last year, but does not yet have incentives and procedures to make gains more broadly or ways of measuring annual improvements.

In response to these findings, the Administration:

1. Will maintain program funding to continue efforts to reduce the 40,000 new infections, specifically among minorities and women.
2. Will modify the program targets for its long-term measures and collect data on the new annual performance indicators.

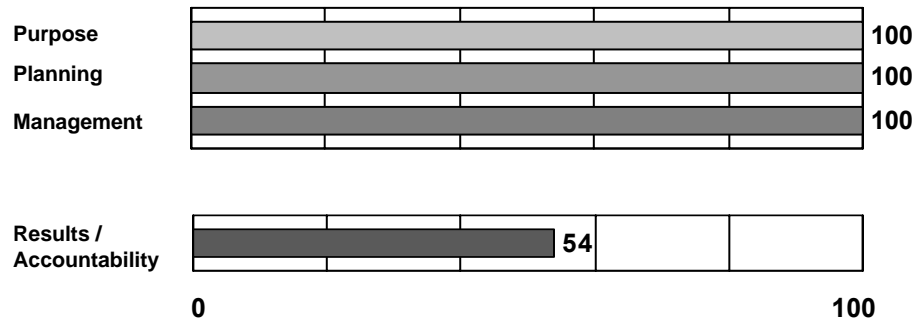
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
700	695	696

**Program:** Food and Drug Administration

**Agency:** Department of Health and Human Services

**Bureau:** Food and Drug Administration



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percentage of medical device submissions that will receive final decisions within 320 review days.	2001		72%
	2006	80%	
	2007	90%	
Long-term Measure: Increase by 40 percent the percentage of American consumers who correctly identify that trans fat increases the risk of heart disease. (Baseline data under development)			
Long-term Measure: Number of labs to address surge capacity in the event of terrorist attack on the food supply.	2004	10	10
	2005	25	
	2006	42	
	2007	60	

**Rating:** Moderately Effective

**Program Type:** Regulatory Based

**Program Summary:**

The Food and Drug Administration (FDA) regulates the safety and effectiveness of human and animal drugs, medical devices, vaccines, and animal feeds; and the safety of food (except meat, poultry, and certain egg products). FDA accomplishes this task through pre-market review of new products and continued safety surveillance of products already available to consumers. FDA-regulated products account for almost 20 cents of every dollar spent by American consumers.

For the 2004 Budget, a PART assessment was conducted for each of the five FDA product Centers. Due to the agency-wide centralization of planning efforts, each Center achieved a very similar score. The FDA PART for the 2005 Budget evaluates the entire FDA through one PART format.

The FY 2005 PART assessment resulted in the creation of a challenging set of long-term outcome goals at the FDA. The new long-term outcome goals address a variety of FDA programs throughout the agency. The PART assessment found:

- FDA has a clear mission and a unique Federal role in protecting public health.
- FDA is well managed, and has a strong and comprehensive strategic planning process.
- FDA's annual performance goals allow for measurement of performance results. FDA generally meets most annual performance goals.
- Financial management at FDA is sound; FDA has received a clean audit free of internal material control weaknesses for five consecutive years.
- FDA is improving collaborative efforts with stakeholders and other Federal agencies.

In response to these findings from the FY 2005 consolidated FDA PART, the Administration:

1. Will track FDA performance on new long-term outcome goals.
2. Is requesting additional food defense resources to support the achievement of FDA's lab surge capacity targets.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,652	1,695	1,845



**Program: Foster Care**

**Agency:** Department of Health and Human Services

**Bureau:** Children's Bureau,ACYF, ACF

**Rating: Adequate**

**Program Type:** Block/Formula Grant

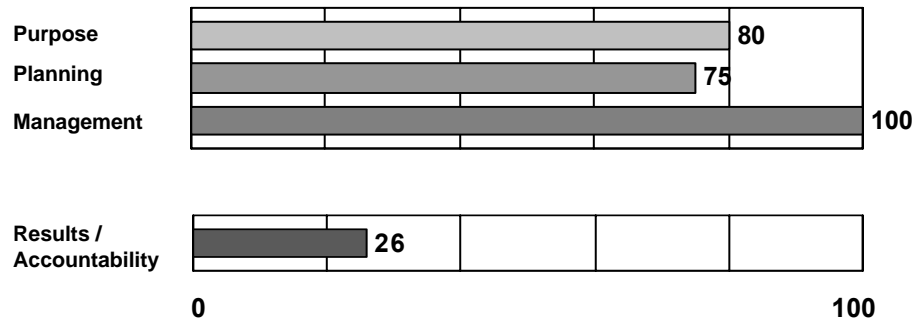
**Program Summary:**

The purpose of the federal foster care program is to prevent maltreatment and abuse of children in troubled families by providing a stable temporary home – a foster care family – until the children can safely return to their homes, or a permanent home is found. Foster Care Maintenance Payments are provided to foster parents to cover the costs of a child’s food, shelter, clothing, supervision, and travel home for visits.

This program was first assessed for the 2004 Budget. The reassessment for the 2005 Budget once again indicates that the overall purpose of the program is clear and addresses a specific need. The reassessment found that the agency had taken several steps to act on recommendations of the original assessment related to performance measurement. Findings include:

1. The agency has moved toward more specific and ambitious program performance goals.
2. There is still a lack of independent evaluations, and the budget and program goals are not aligned.
3. Because the program financial structure does not provide appropriate incentives for the permanent placement of children, the program is suboptimal in design.

To address these findings, the Administration re-proposes legislation to introduce an option available to all states to participate in an alternative financing system for child welfare that will better meet the needs of each state’s foster care population.



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: The cumulative number of adoptions from the public child welfare system, 2003-2008.	2008	327,000	
Annual Measure: Decrease the percentage of children with substantiated reports of maltreatment that have a repeated report within six months.	2001	7%	9%
	2002	7%	
	2003	7%	
	2004	7%	
Annual Measure: For those children who had been in foster care less than 12 months, increase the percentage that had no more than two placement settings.	2001	72%	83%
	2002	60%	81%
	2003	62%	
	2004	80%	

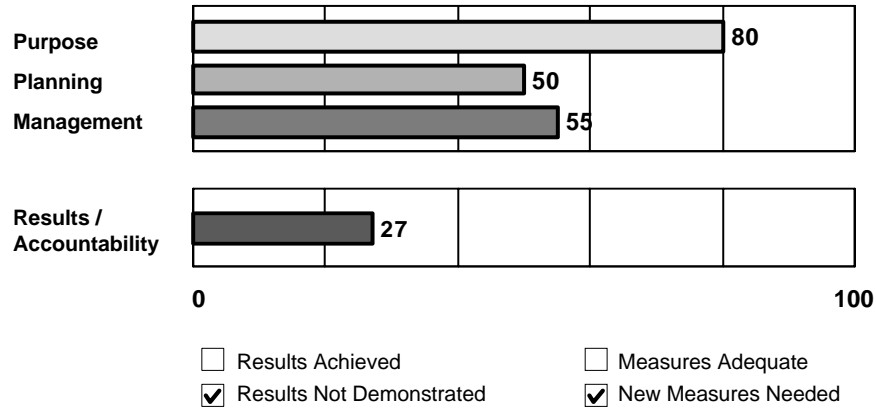
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
4,451	4,706	4,871

**Program: Head Start**

**Agency:** Department of Health and Human Services

**Bureau:** Administration for Children and Families



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Gain in word knowledge measured at Head Start entry and exit (Prior to 2002, measured as gaining in scale points -- 12 scale pts = 34%, after 2002 as % gains)	2000		10
	2002	32%	32%
	2003	32%	
	2004	34%	
Annual Measure: Percentage of parents that report reading to their child three times a week or more	2000		66%
	2002	70%	70%
	2003	70%	
	2004	70%	
Annual Measure: Other annual measures under development			

**\*Rating: Results Not Demonstrated**

**Program Type** Competitive Grants

**Program Summary:**

Head Start provides grants to local public, non-profit and for-profit programs to help low-income children prepare for school and improve their overall development.

The assessment found:

1. The program's long-term goals are not well linked to its purpose -- providing comprehensive development services to children and families. President Bush has focused on strengthening Head Start in its traditional mission of promoting school readiness. The current program design is flawed because it does not hold individual grantees responsible for effectively preparing children for school.
2. The program's existing long-term goals are weak in the area of promoting school readiness.
3. Head Start has not demonstrated sufficient progress in achieving short and long-term results. While Head Start children demonstrate gains in vocabulary, math and social skills, relative to their non-Head Start socio economic peers, they still lag behind other children. Head Start is not well coordinated with other early education and care programs.

Based on these findings the Department will:

1. Create a new system to assess every Head Start center on its success in preparing children for schools.
2. Propose legislation to better integrate Head Start, child care and state operated pre-school programs.
3. Develop annual performance measures that assess the progress of individual grantees in improving school readiness and better measure the impact on children.
4. Provide inflationary increase in program funding for 2004.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

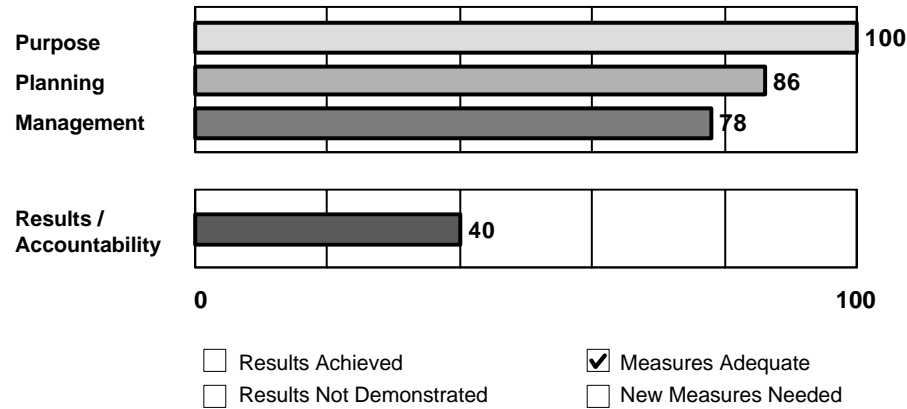
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

## Program: Health Alert Network

Agency: Department of Health and Human Services

Bureau: Centers for Disease Control and Prevention



### Key Performance Measures

Year Target Actual

Long-term Measure: Percent of State/Local public health jurisdictions with: (1) high speed, continuous internet; (2) 24/7 broadcast capability to local public health officials and key partners; and (3) distance learning infrastructure (New measure)	2002	baseline	68
	2005	100	
Annual Measure: Percent of HAN grantees are (1) served by a Center for Public Health Preparedness (CPHP) and (2) hold all CDC required certifications Actual performance was 30% in 2002. (New measure)	2003	50/10	
	2004	80/25	
	2005	90/40	
	2006	100	
Annual Measure: Percent of (1) state and (2) local public health agencies to whom CDC is able to transmit health alerts on a 24/7 basis, within 30 minutes of notification that an alert must be transmitted (New measure)	2002	100/60	100/60
	2003	100/80	
	2004	100	

**\*Rating: Adequate**

Program Type Competitive Grants

### Program Summary:

The Health Alert Network is an information network for early warning and response against bioterrorism and other public health threats. CDC provides grants to state public health departments, which provide resources for hardware and staff to ensure rapid exchange of information between local, state and federal public health agencies in the event of an emergency.

Findings from the PART assessment include the following:

1. While CDC has shown progress toward previous output measures, CDC is refining existing goals into better outcome measures for 2004, and therefore cannot yet show significant progress toward these new standards.
2. There were minor deficiencies identified in the management area, including a CDC-wide issue on financial management, and the fact that reports were not available to demonstrate the timeliness of obligations. Otherwise, management of this program is above average.
3. CDC has gone to great lengths to ensure that their grantees are aware of and working to attain the larger strategic goals. Good progress has been made toward previous output goals. However, since new goals with an increased focus on outcomes were established, grantee progress toward these new goals cannot yet be demonstrated.
4. The purpose of the program is clear.

In response to these findings, the Budget proposes:

1. Continued funding at the 2003 Budget level, which is a large increase from the 2001 level.
2. Increased funding for CDC's Public Health Information Network (PHIN) initiative, that will coordinate and establish interoperability between all CDC public health information activities (including HAN, NEDSS, Epi-X, PulseNet and other).

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Health Care Fraud and Abuse Control (HCFAC)**

**Agency:** Department of Health and Human Services

**Bureau:** Office of the Inspector General

**\*Rating:** Results Not Demonstrated

**Program Type** Direct Federal

**Program Summary:**

The Health Care Fraud and Abuse Control (HCFAC) program funds efforts to prevent health care fraud, waste, and abuse including prevention, audits and investigations.

The assessment found that the program purpose is articulated clearly by the agency and the authorizing statute, with a design that is appropriate to achieve the mission. Additional findings include:

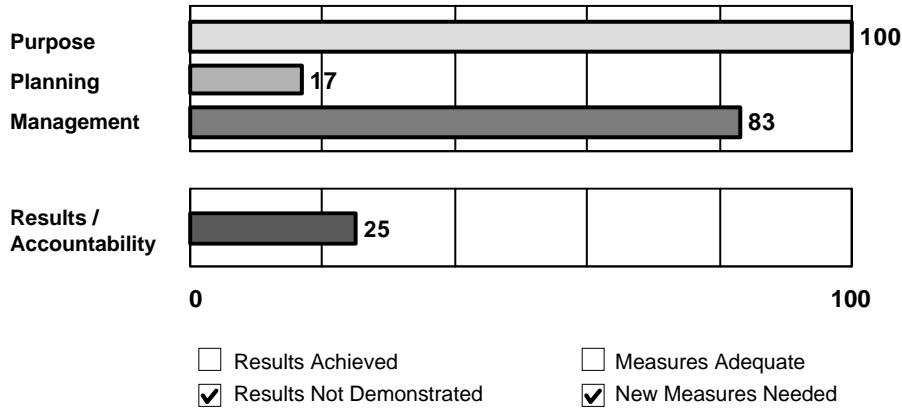
1. The program does not use objective data to establish workplans, allocate resources, or measure program performance, but rather managers use their professional judgment to identify and pursue program activities.
2. The program has a good management track record. GAO's independent audit of the program has certified in each of the three biennial reports that the financial management practices are free from material weaknesses.
3. The program has demonstrated anecdotal success in helping to reduce fraud, waste and abuse. It has also resulted in identifying and recommending corrections to close loopholes or stop abusive billing practices.
4. While providing some information on the status of fraud and abuse activities, the existing goals -- return on investment, expected recoveries, and program savings -- do not objectively measure if the program achieves its mission. The current measures do not demonstrate whether health care fraud and abuse have decreased, which is the program's ultimate mission.

In response to these findings, the Administration will:

1. Develop performance measures that are closely tied to the program's mission; measurable against an established, objective baseline; and can be used to make resource allocation decisions.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Key Performance Measures**

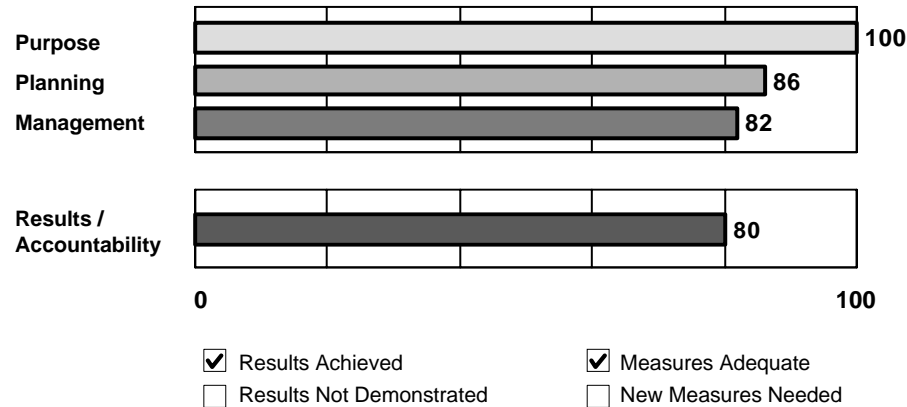
**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

## Program: Health Centers

Agency: Department of Health and Human Services

Bureau: Health Resources and Services Administration



### Key Performance Measures

Year Target Actual

Key Performance Measure	Year	Target	Actual
Long-term Measure: Rate of low weight births among health center patients (New measure)	1999		7.37%
	2000		7.14%
	2001		7.13%
	2006	6.53%	
Annual Measure: Number in millions of those served by health centers who are below 200% of poverty and the national percentage of all people below 200% of poverty served by the program (New measure)	2000		8.4/10%
	2001		9.1/11%
	2004	11.8/14%	
Long-term Measure: Number of new and expanded health center sites and millions of additional people served	2001	Baseline	
	2002	260/1.3	289/NA
	2006	1,200/6	

**\*Rating: Effective**

Program Type Competitive Grants

### Program Summary:

The Health Center program provides grants to health centers to provide medical care to uninsured, underserved and vulnerable populations in rural and urban areas.

The assessment found:

1. The program purpose is clear and commonly held by interested parties and the program is designed to have a unique and significant impact.
2. The program uses performance information to improve annual administrative and clinical outcomes. Internal and external evaluations and reviews are also conducted regularly and indicate the program is effective at extending high quality health care to underserved populations.
3. The program is also making progress on its long-term outcome measures, including reducing the percentage of low-weight births among health center patients. For example, the percentage of low-weight births among health center patients declined from 7.4 percent of all health center births in 1999 to 7.1 percent in 2001.
4. The program more efficiently met key milestones over the previous year by expanding existing health center sites, in addition to opening new ones. Expanded sites can serve more people with lower startup costs.
5. The program has struggled to estimate liabilities to the government that arise from malpractice coverage extended to health center employees under the Federal Tort Claims Act.
6. Collaboration with programs that share common goals could be improved.

In response to these findings, the Administration:

1. Proposes an additional \$150 million above the 2003 Budget for the President's health center initiative to expand and create 1,200 health center sites and increase the service capacity by 6.1 million patients by 2006.
2. Proposes an additional \$20 million increase to pay health center malpractice claims, a legislative proposal to cap non-economic awards, and a proposal for the HHS Inspector General to improve oversight of health center malpractice coverage.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

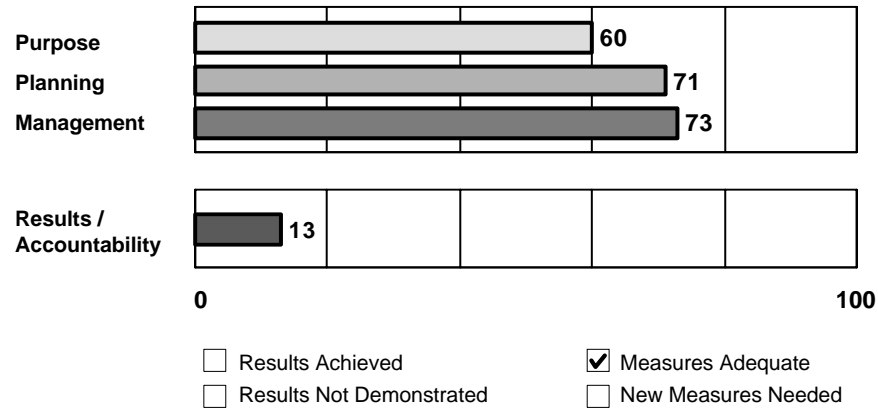
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

## Program: Health Professions

Agency: Department of Health and Human Services

Bureau: Health Resources and Services Administration



### Key Performance Measures

Year Target Actual

Key Performance Measure	Year	Target	Actual
Long-term Measure: Proportion of persons who have a specific source of reliable, continuing healthcare (New measure)	1999		84%
	2000		85%
	2001		86%
	2010	96%	
Long-term Measure: Proportion of health professionals completing funded programs that are serving in medically underserved communities (These communities have too few primary care physicians, higher infant mortality rates, lower family incomes and often an older population.) (New measure)	2010	40%	
Annual Measure: Proportion of health professionals completing Health Professions funded programs who are underrepresented minorities and/or from disadvantaged backgrounds (New measure)	2004	40%	

**\*Rating: Ineffective**

Program Type Competitive Grants

### Program Summary:

The Health Professions program provides grants to academic institutions to help meet the costs of training and educating students as nurses, doctors, dentists and other health professionals and provides additional support to minority and low income students and faculty.

The assessment found:

1. There is disagreement regarding the purpose of the program and a clear and focused purpose is not found in the authorizing legislation, external views and program documents. For example, the agency believes the purpose is to address the failure of the market to distribute health providers to all areas of the country and to serve all population groups. Others believe the purpose is primarily to help rural areas or to subsidize schools.
2. While the program is managed well overall, it has not regularly used performance data to improve program outcomes. The General Accounting Office noted in 1997 that effectiveness has not been shown and the impact will be difficult to measure without common goals, outcome measures, and reporting. The program has adopted new performance benchmarks, but lacks data to demonstrate progress.
3. An expert panel convened by George Mason University in 2002 recommended an increased emphasis on agency activities to support and promote basic nursing.

In response to these findings, the Administration:

1. Proposes to continue the phase-out of most health professions grants consistent with the 2003 Budget and direct resources to activities that are more capable of placing health care providers in medically underserved communities.
2. Proposes to redirect \$34 million from advanced education nursing to basic nursing activities, including \$12 million to the Nursing Education Loan Repayment program for loan repayment awards and newly authorized scholarships to increase the supply of practicing nurses.

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

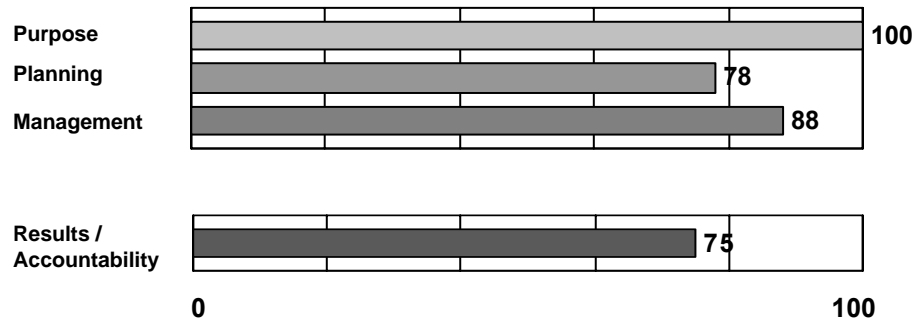
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** HIV/AIDS Research

**Agency:** Department of Health and Human Services

**Bureau:** National Institutes of Health



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: By 2010, develop an HIV/AIDS vaccine. 2005 Targets: 1) Expand breeding of non-human primates: 3 centers; 2) Test 1 new virus stock; 3) Test 2 vaccine candidates in animals; 4) Phase I human trials: 1 vaccine candidate; 5) Seroincidence data: 3 sites; 6) Evaluate vaccine safety: 2 labs; 7) Initiate 4 phases I and II vaccine trials; 8) Produce candidate vaccine for phase III trials.	2005	See targets	
	2007	original date	
	2010	revised date	
Long-term Measure: By 2007, evaluate the efficacy of 3 new treatment strategies for HIV infection in phase II/III clinical trials. •2005 Targets: 1) Develop 3 anti-HIV compounds; 2) Initiate 4 drug clinical trials; and 3) Develop/test 2 agent to prevent/treat drug complications; and 4) Develop/test 1 new approach to inhibit mother-to-child transmission.	2005	See targets	
	2007	3 new treatment	

**Rating:** Moderately Effective

**Program Type:** Research and Development

**Program Summary:**

The National Institutes of Health (NIH) HIV/AIDS research grants were first awarded in 1983 in direct response to an emerging public health threat. The Office of AIDS Research was established in 1988 and given increased authority in 1993 to plan and coordinate NIH AIDS activities. Nearly 60 million people worldwide cumulatively have been infected with HIV/AIDS, and the disease has killed more than 20 million people. The program's overarching priorities are: 1) prevention research to reduce HIV transmission (vaccine and microbicide development and behavioral intervention); 2) therapeutic research to develop simpler, less toxic, and cheaper drugs to treat HIV infection and complications; 3) international research; and 4) minority AIDS research.

The assessment found that the program has demonstrated some progress and is moderately effective overall. Additional findings include:

- The program has a flexible and cross-cutting program design that explicitly gives the NIH Office of AIDS Research the responsibility to plan, coordinate, fund, and evaluate AIDS research priorities across NIH Institutes.
- The program has a limited number of specific long-term performance measures that focus on outcomes.
- The program develops an annual comprehensive strategic plan, which is used to both develop the budget and to track expenditures; however, budget and performance are not explicitly aligned.
- Audited financial statements cited delays in NIH's financial reporting and processes as a material weakness.
- The program has made annual progress on developing treatment strategies that have prolonged and improved the quality of life of HIV-infected individuals. NIH has conducted more than 50 Phase I and Phase II clinical trials of more than 30 vaccine products in human volunteers.
- While progress has been made, based on the current state of science, the AIDS vaccine goal will not be achieved by 2007.

In response to these findings, the Administration will:

1. Adopt the revised goal of extending the timeline for developing an AIDS vaccine from 2007 to 2010, to more realistically reflect the state of the science.
2. Develop targets for the revised goal.

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

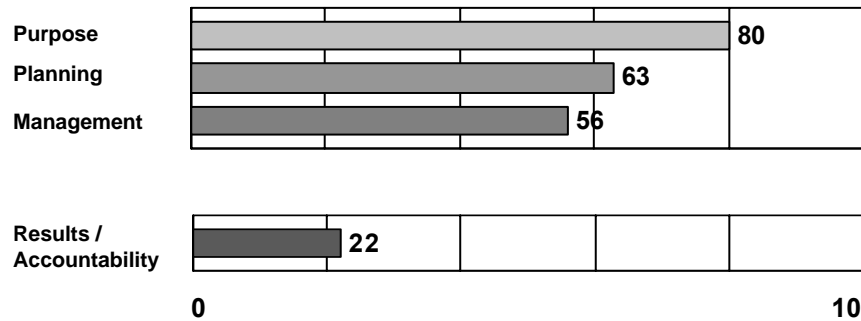
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
2,716	2,850	2,930



**Program:** *Hospital Preparedness Grants*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Health Resources and Services Administration*



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Percentage of awardees that have implemented regional plans and meet all major milestones established for all of the HRSA priority areas to meet the goal of a surge capacity of 500 persons per million population.	2005	75%	
	2006	85%	
	2007	95%	
	2008	100%	
Annual Measure: Percentage of awardees that will demonstrate their ability to secure and distribute pharmaceutical resources required in emergency events, including coordinated caches of pharmaceuticals from metropolitan medical response systems, sufficient to treat 500 persons per million population, as certified to by HRSA.	2005	75%	
	2006	85%	
	2007	95%	
	2008	100%	
Annual Measure: Percentage of awardees that have (1) assessed the existing chemical and radiological response equipment they currently possess, (2) acquired the needed additional equipment as identified in that assessment, and (3) have trained hospital and emergency medical service personnel likely to respond/treat 500 persons per million population, chemically or radiological contaminated.	2005	75%	
	2006	85%	
	2007	95%	
	2008	100%	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The HRSA Hospital Preparedness program makes grants to states to assist hospitals improve their ability to respond to a mass casualty event, including those caused by the intentional use of biological, chemical, radiological or nuclear weapons, as well as other public health emergencies.

The assessment found that while the purpose and importance of this effort are clear, results have not yet been demonstrated. This is largely attributable to the fact that the program is relatively new, and the inherent difficulty of measuring preparedness against an event that does not regularly occur. Additional findings include:

- This effort is well coordinated with other Federal preparedness efforts, including the CDC State and Local Preparedness grants.
- The formula for distribution of these funds may not be optimal since it does not address varying threat levels or states of preparedness.

In accordance with these findings, the Administration:

1. Has established outcome oriented goals and targets for surge capacity and preparedness.
2. Has reduced funding for these grants to pay for a new biosurveillance initiative that will assist states and hospitals respond to a bioterrorist event.
3. Will work with State and local representatives to ensure that performance information will be available to determine when acceptable preparedness has been demonstrated, and to target assistance for those regions that are not adequately prepared.

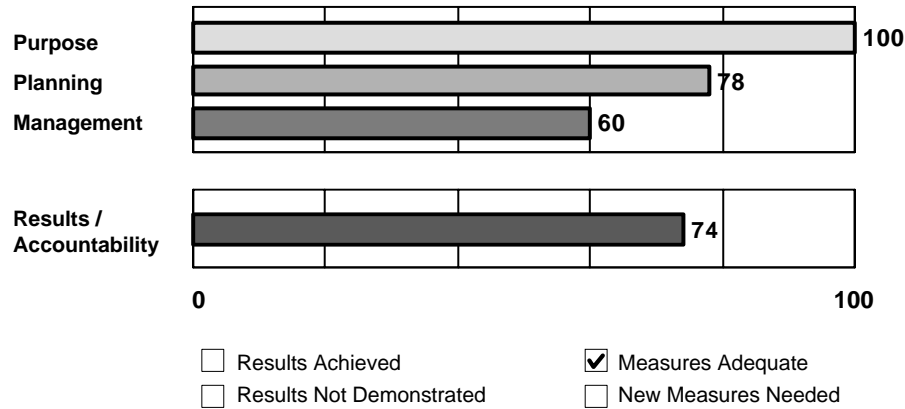
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
515	515	476

**Program: IHS Federally-Administered Activities**

**Agency:** Department of Health and Human Services

**Bureau:** Indian Health Services



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Years of Productive Life lost in American Indian/Alaska Native population (New measure, target will be developed by October 2003)			
Long-term Measure: Obesity rate in American Indian/Alaska Native children (ages 2-5) (New measure, target will be developed by October 2003)			
Annual Measure: Unintentional injury mortality rate in American Indian/Alaska Native population	1998		94.7
	1999	95.8	95.5
	2002	95.8	
	2004	95.8	

**\*Rating:** Moderately Effective

**Program Type** Direct Federal

**Program Summary:**

The Indian Health Service provides health care to the American Indian/Alaska Native population through direct care, contracts, and grants to Tribal and Urban Indian health programs.

The assessment indicates:

1. The overall purpose of the program is clear and unique.
2. The program is successful in meeting the majority of its annual goals and has adopted new long-term goals and established ambitious targets. Even though the measure is new, historical performance data is available to demonstrate the Years of Productive Life Lost rate was reduced by 50 percent from 1973 to 1995 and 19 percent from 1987 through 1998.
3. The program's efficiency and cost effectiveness is demonstrated by the following: a) achieved approximately \$182.5 million in savings in contract health services funds in 2001 as a result of rate agreements with frequently contracted providers; b) met its performance goals with a net reduction in staff (592) from 1993-2001 while outpatient visits increased by 50 percent over this same time period; and c) compared favorably on the health common measures exercise with Community Health Centers, and Department of Defense and Veterans Affairs health systems.
4. The program uses performance information to manage, however, activities are grouped under broad categories rather than a cost accounting link for each specific activity.
5. Audited financial statements for the past five years contain material weaknesses with respect to the timeliness of preparation, analysis and reconciliation of financial statements.

In response to these findings, the Administration will:

1. Include \$25 million in the 2004 Budget to fund staffing and related operating costs for new facilities.
2. Propose a \$25 million increase above the 2003 Budget for contract health services to reduce the number of denied claims due to exhaustion of funds.
3. Support continuation of, and a \$50 million increase in, annual mandatory funding for the Special Diabetes Program for Indians for demonstrated performance improvements.
4. Develop baselines and targets for new measures.

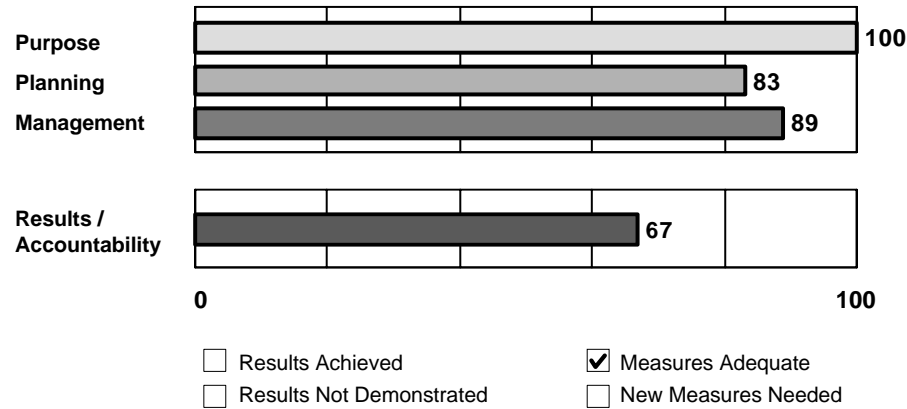
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: IHS Sanitation Facilities Construction Program**

**Agency:** Department of Health and Human Services

**Bureau:** Indian Health Services



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percentage of American Indian/Alaska Native (AI/AN) homes with sanitation facilities (New measure)	2000		92.5%
	2010	94%	
Long-term Measure: Percentage of Deficiency Level 4 or 5 AI/AN homes (as defined by U.S.C. 1632) provided with sanitation facilities (New measure, target will be developed by October 2003)			
Annual Measure: Number of new or like-new AI/AN homes and existing homes provided with sanitation facilities	1999	15,230	16,571
	2000	14,775	18,376
	2001	14,730	18,002
	2004	18,150	

**\*Rating:** Moderately Effective

**Program Type** Capital Assets

**Program Summary:**

The Indian Health Service's Sanitation Facilities Construction program provides potable water and waste disposal facilities for American Indian/Alaska Native homes.

The assessment indicates the overall purpose of the program is clear and unique: provide sanitation facilities to American Indian/Alaska Native homes. The program consistently exceeds its annual performance target for the number of homes provided with sanitation facilities. Additional findings include:

1. The program has demonstrated progress toward achieving its long-term goal by increasing the percentage of American Indian/Alaska Native homes with sanitation facilities from 20 percent in 1959 to 92.5 percent today.
2. The program is also able to demonstrate improved efficiencies and cost effectiveness, with declines in the cumulative average cost per home served from over \$5,700 in 1995 to \$5,200 in 2000 and 2001 despite a 2 percent average rate of inflation in construction costs from 1992-2001.
3. The program compares favorably with similar programs run by the Bureau of Reclamation, the Rural Utility Service, and the Environmental Protection Agency.
4. The program uses performance information to manage the program and has strong financial management practices, however it has not been subjected to a recent, credible cost benefit analysis.
5. No independent analysis of the program has been conducted since 1974.

In response to these findings, the Administration will:

1. Propose a \$20 million increase above the 2003 Budget so that the program can increase services to the most needy homes in its inventory which have higher construction costs.
2. Conduct an independent, comprehensive evaluation of the program.
3. Develop baselines and targets for new measures.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

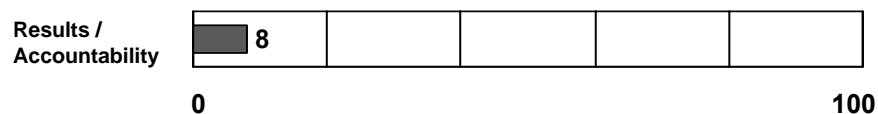
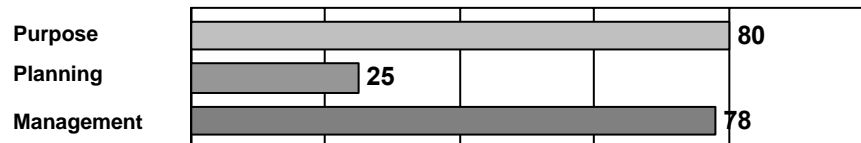
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Low Income Home Energy Assistance Program*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Office of Community Services, ACF*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Increase the targeting index of LIHEAP recipient households having at least one member 60 years or older compared to non-vulnerable LIHEAP recipient households (2004 targets are under development)	2001	Baseline	90
	2002	90:64	91:72
	2003		
	2004		
Annual Measure: Increase the targeting index of LIHEAP recipient households having at least one member 5 years or younger compared to non-vulnerable LIHEAP recipient households (2004 targets are under development)	2001	Baseline	109:64
	2002	109:64	110:72
	2003		
	2004		
Annual Efficiency Measure: Increase the amount of non-Federal energy assistance resources leveraged through the LIHEAP leveraging incentive program (Developmental)	2004		

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Low Income Home Energy Assistance Program (LIHEAP) provides low income families who pay a high proportion of household income for home energy with assistance in meeting their immediate home energy needs.

The assessment found that the program has a clear mission and addresses a specific problem and need, but it lacks strong performance measures and ambitious goals. Additional findings include:

- While energy trend data suggests that the net effect of LIHEAP assistance has been to move low income household heating burdens closer to that of all households, the program lacks performance data to support this suggestion.
- There have been no national studies conducted to evaluate program effectiveness and improvement to date, but LIHEAP is currently undertaking a national study to examine energy assistance to those low income households with the lowest incomes and highest energy costs.
- The program does not have a system of evaluating program management and correcting deficiencies.

In response to these findings, the Administration is:

1. Working to develop long-term and efficiency measures; and
2. Recommending \$500,000 for HHS to conduct a feasibility study of a nationally representative evaluation of LIHEAP program operations.

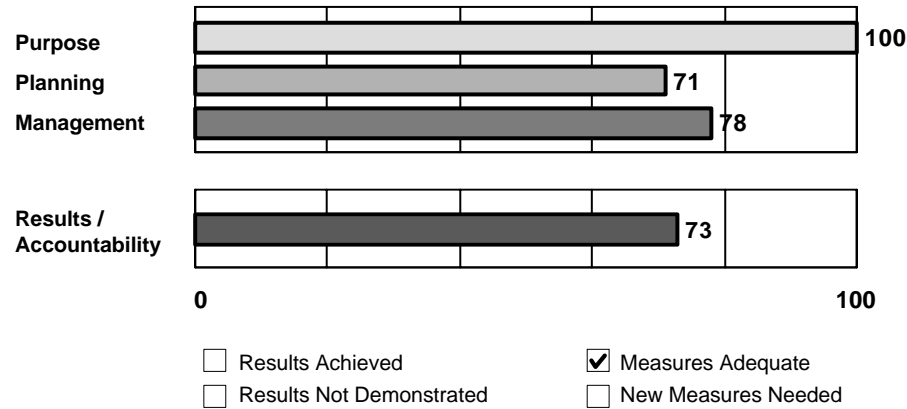
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,788	1,900	2,001

**Program: Maternal and Child Health Block Grant (MCHBG)**

**Agency:** Department of Health and Human Services

**Bureau:** Health Resources and Services Administration



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: National rate of maternal deaths per 100,000 live births (New measure)	1980		9.4
	1999		8.3
	2008	8	
Long-term Measure: National rate of infant deaths per 1,000 live births (Existing measure)	1995		7.6
	2000		6.9
	2008	6.5	
Annual Measure: National rate of illness and complications due to pregnancy per 100 deliveries (New measure)	1998		31.2
	1999		31.4
	2004	26	

**\*Rating:** Moderately Effective

**Program Type** Block / Formula Grants

**Program Summary:**

The Maternal and Child Health Block Grant (MCHBG) provides grants primarily to States to: improve the health of all mothers and children, reduce infant mortality, provide access to comprehensive prenatal and postnatal care, and increase the number of children receiving health assessments.

The assessment found:

1. The program is well designed as a safety net to help improve the health of all mothers and children and to have a significant impact on the health of these populations.
2. The Health Resources and Services Administration (HRSA) regularly collects timely and credible performance data for this program and uses these data to manage the program. This information is used by internal and external experts to review each State's performance and budget data based on previous and future year projections.
3. The Block Grant is effectively achieving results and has mechanisms in place to regularly collect and report timely data.
4. Regular, independent and quality evaluations of the MCHBG are not conducted. Also, HRSA does not make budget decisions based on using a detailed system of costing that is linked to targets.

In response to these findings, the Administration will:

1. Propose an increase of \$19 million above the 2003 Budget to support the program's strong performance and to ensure continued efforts to improve the health of all mothers and children.

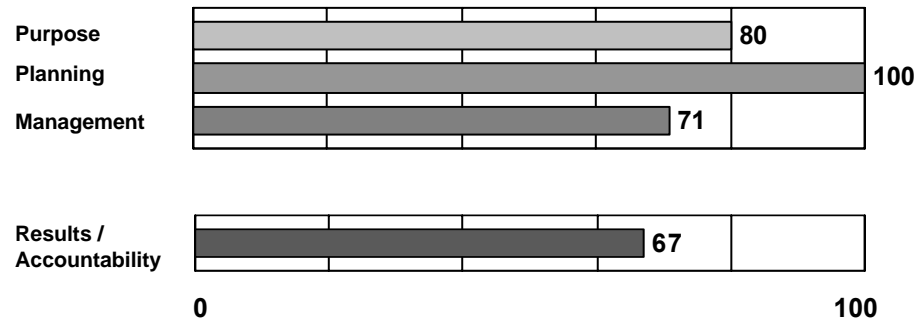
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Medicare

**Agency:** Department of Health and Human Services

**Bureau:** Centers for Medicare & Medicaid Services



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Percent of beneficiaries receiving antibiotic administration to reduce surgical site infection	2001		57.6%
	2003	60.5%	
	2004	66.5%	
	2005	72.5%	
Annual Measure: Percent of Medicare beneficiaries receiving influenza vaccination.	1994		59%
	2001	72%	67.4%
	2002	72%	69%
	2003	72.5%	
Annual Efficiency Measure: Erroneous payments made under the Medicare program	1997		11%
	2002	5%	6.3%
	2003	5%	5.8%
	2004	4.8%	

**Rating:** Moderately Effective

**Program Type:** Direct Federal

**Program Summary:**

The Medicare program finances health insurance for eligible elderly and disabled individuals.

The assessment found that the program is strong overall, but needs to be changed to reflect the evolution of health care since its inception in 1965. For example, unlike private health plans, Medicare does not cover most outpatient prescription drugs. A new drug benefit will become available in 2006, but Medicare lags in other ways, as in its general focus on acute care rather than disease prevention. Additional findings include:

- A clearly defined program purpose.
- Comprehensive long-term goals that reflect the program's mission across several dimensions including clinical care and program efficiency, with ambitious timeframes for meeting these goals.
- Some deficiencies with respect to program and financial management.
- Widely available evaluations of the program by third parties.

In response to these findings, the Administration recommends:

1. Greater emphasis on sound program and financial management.
2. More effort to link Medicare payment to provider performance.
3. Agency commitment to timely implementation of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

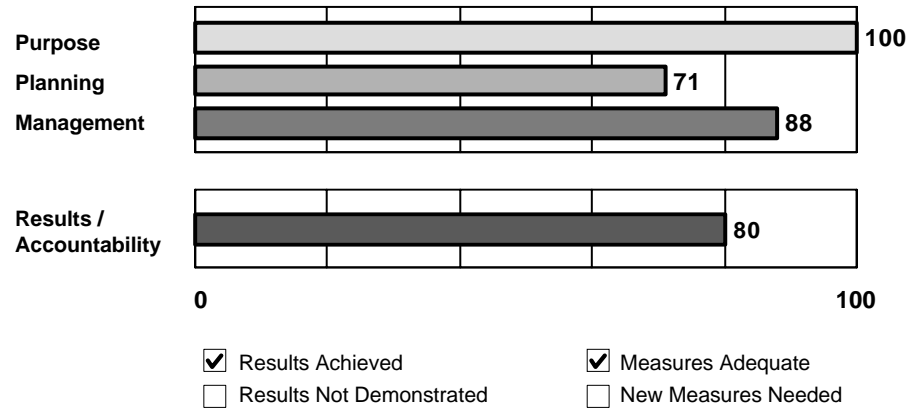
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
277,464	298,916	326,716

**Program:** Medicare Integrity Program (HCFAC)

**Agency:** Department of Health and Human Services

**Bureau:** Centers for Medicare and Medicaid Services



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Medicare national fee-for-service error rate	1996		14%
	2000	7%	6.8%
	2001	6%	6.3%
	2008	4%	
Long-term Measure: Percentage of contractor-specific error rates below national Medicare error rate	2005	25%	
	2006	50%	
	2007	75%	
	2008	100%	
Long-term Measure: Provider compliance error rates versus previous year (Baseline under development)	2005	+20%	
	2006	+20%	
	2007	+20%	
	2008	+20%	

**\*Rating:** Effective

**Program Type** Block / Formula Grants

**Program Summary:**

This program funds a variety of efforts to fight fraud and abuse in the Medicare program.

The assessment found the program purpose is clear and is reflected in the reduction of the Medicare Error Rate, which measures the level of erroneous fee-for-service claims. The Medicare error rate, the key measure of the program's overall effectiveness, has declined from 14 percent of fee-for-service payments in 1996 to 6.3 percent in 2001. Additional findings include:

1. The program is well managed and relies on performance measures, such as the Medicare error rate, that are directly relevant to its purpose.
2. The Administration is developing sub-national performance measures that will identify more specific error rates. In addition, the Administration is developing provider compliance rates to identify providers that may require additional assistance billing accurately for Medicare services.
3. Although the program has an effective national performance measure, it does not require its partners to commit to national or subnational error rates.
4. CMS hires contractors on a cost basis, and budgets most MIP funds based on activity level (e.g. number of claims reviewed). As a result, a contractor's reimbursement is unaffected by the number of claims payment errors made.

In response to these findings, the Administration will:

1. Complete development of contractor specific error rates and require contractors to commit to reducing their error rates.
2. Pursue the "Performance-based Outcomes Pilot" that will explore linking award fees to performance.

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

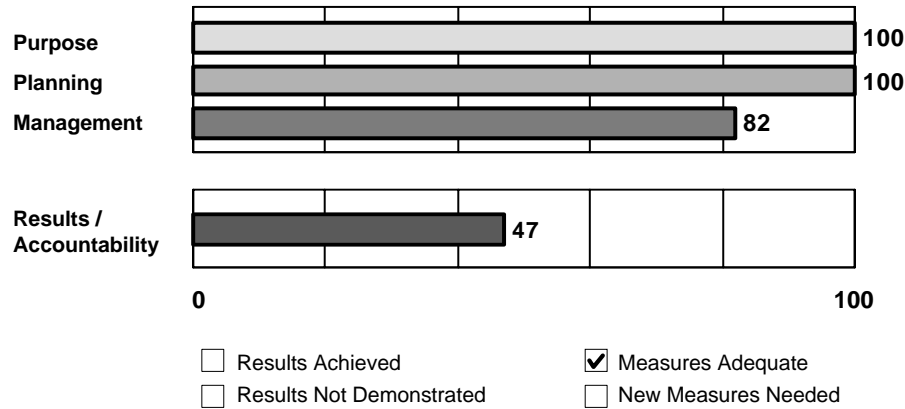
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** *National Health Service Corps*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Health Resources and Services Administration*



**Key Performance Measures**

**Year Target Actual**

Measure Description	Year	Target	Actual
Long-term Measure: Patients served through the placement and retention of NHSC clinicians (New measure, baseline under development)	2010	+20%	
Long-term Measure: Patients served through NHSC placements and retention, as well as other sources (Communities with a compelling need for providers that do not receive a NHSC clinician may more easily recruit a provider from another source as a result of increased exposure from the program.) (New measure, baseline under development)	2010	+20%	
Annual Measure: Average Health Professional Shortage Area (HPSA) score of areas receiving NHSC clinicians (HPSA scores gauge provider shortages and whether the program targets communities well.) (New measure, target/baseline under development)	2004	+1%	

**\*Rating:** *Moderately Effective*

**Program Type** *Competitive Grants*

**Program Summary:**

The National Health Service Corps (NHSC) provides scholarships and loan repayment awards to doctors and other health providers in exchange for a commitment to provide health care to people living in areas with a shortage of health providers regardless of their ability to pay.

The assessment found:

1. The program purpose is clear and the program is designed to have a unique and significant impact. By directly placing doctors and other clinicians in areas with a shortage of health providers, the NHSC can help patients who were previously without access to a physician and may also have been unable to afford the cost of care.
2. The program ensures clinicians honor their service agreements with the government and uses additional performance information to improve outcomes.
3. The program lacks outcome information for newly adopted measures and will need to set ambitious targets once baseline data are available. However, evaluations indicate the program is effective at increasing health care access. For example, roughly half of program providers remain in service for a long period of time after the end of the federal service contract.
4. The program has shown some efficiency improvements by shifting resources from federal administrative staff positions to pay for more doctors and other clinicians. Greater flexibility in the allocation of funds between scholarships and loans could further improve efficiency.

Based on these findings, the Administration:

1. Proposes \$23 million above the 2003 Budget, a 12% increase above 2003 and 46% increase above 2002, to place more doctors and other clinicians in areas facing a shortage of health providers.
2. Will support more underrepresented minorities and other students and health professionals from disadvantaged backgrounds through the program by enhancing recruitment efforts.
3. Will serve areas of greatest need by better targeting NHSC placements and taking into account foreign physicians who serve in areas with a shortage of health providers through visa waivers.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

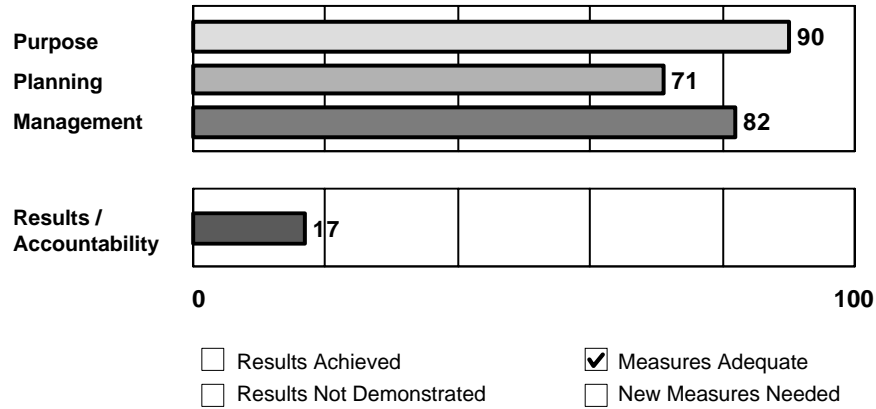
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Nursing Education Loan Repayment and Scholarship Program*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Health Resources and Services Administration*



**Key Performance Measures**

**Year Target Actual**

Measure Description	Year	Target	Actual
Long-term Measure: Number of individuals enrolled nationwide in nurse education and training programs compared with 2004 (Increasing enrollment in these programs can help prevent or reduce a shortage of nurses in the health care system.) (New measure, baseline under development)	2010	+10%	
Annual Measure: Percentage of program participants that serve in nursing homes, hospitals that provide care to a disproportionate number of low-income patients under Medicare and Medicaid, and public health departments and clinics compared with 2003 (New measure, baseline under development)	2004	+10%	
Annual Measure: Percentage of participants who remain employed at the health facility for at least a year after completing their federal service contract (New measure, baseline under development)	2004	+10%	

**\*Rating:** *Adequate*

**Program Type** *Competitive Grants*

**Program Summary:**

The Nursing Education Loan Repayment and Scholarship program provides loan repayment awards to nurses in exchange for a commitment to serve in health facilities facing a nursing shortage.

The assessment found:

1. The program directly places registered nurses in facilities that are short of nurses. Research has found health care quality and patient outcomes appear to be impacted by the number of nurses working in the facility relative to the number of patients in their care.
2. The program's national impact on nurse vacancies and staffing is not known. Selecting an outcome measure on a large problem is difficult for a relatively small program such as this one. Further work is needed to improve the measurement of key outcomes.
3. Participating nurses are repaying their loans and serving in eligible facilities.
4. While the program has adopted new performance benchmarks, it does not have data to show progress.
5. An evaluation of program results could be useful to target resources and make other decisions, but no evaluations have been conducted and no other evidence is available to indicate the program's overall impact.

In response to these findings, the Administration:

1. Proposes an increase of \$12 million above the 2003 President's Budget for loan repayment awards and newly authorized scholarships by redirecting resources from advanced nursing education activities that do not increase the supply of practicing nurses.
2. Will maximize the impact of the program by targeting providers to nursing homes, hospitals that serve a disproportionate number of low-income patients under Medicare and Medicaid, and other priority health facilities.
3. Will conduct an evaluation of the program's impact, develop outcome measures, and begin to track performance against newly adopted benchmarks by developing a baseline and refining performance targets.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

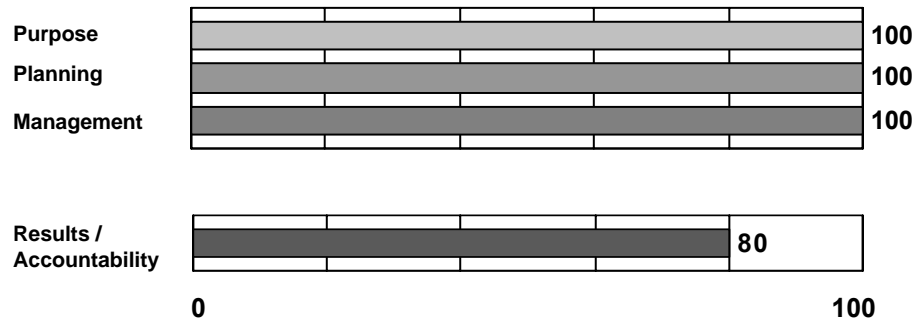
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Office of Child Support Enforcement

**Agency:** Department of Health and Human Services

**Bureau:** Administration of Children & Families



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Percent of IV-D collection rate for current support	2001	54%	57%
	2002	55%	58%
	2003	58%	
	2004	60%	
Annual Measure: Cost-effectiveness ratio (total dollars collected per \$1 of expenditures.)	2001	4	4.18
	2002	4.2	4.13
	2003	4.25	
	2004	4.35	
Long-term Measure: Annual child support distributed collections	2002	baseline	\$20billion
	2008	\$30billion	
	2013	\$40billion	

**Rating:** Effective

**Program Type:** Block / Formula Grant

**Program Summary:**

The Child Support Enforcement Program (CSE) is designed to help low-income and vulnerable families with children become self-sufficient by obtaining support from the children's non-custodial parents. The program helps families by establishing paternity, locating non-custodial parents, obtaining child and spousal support, and assuring that such assistance is available to all children for whom it is requested.

The CSE program received a PART score of 90% making it the highest rated social services program and the highest rated block/formula grant program amongst *all* programs reviewed government-wide. This program's high rating is due to its:

- Clear purpose and unambiguous mission linked to salient and meaningful performance measures;
- Strong management practices with financial incentives awarded and penalties assessed to states based on meeting the specific performance measures;
- Demonstration of measurable progress toward meeting its long-term and annual performance goals; and
- Independent evaluations indicating the program's effectiveness in achieving results

In response to these findings, the Administration is supporting:

1. Proposals to encourage families to transition off welfare, achieve self-sufficiency, and practice responsible parenthood while increasing HHS's ability to collect child support more effectively;
2. Medical support enforcement proposals to assist the approximately 3 million children without health care coverage in the CSE system

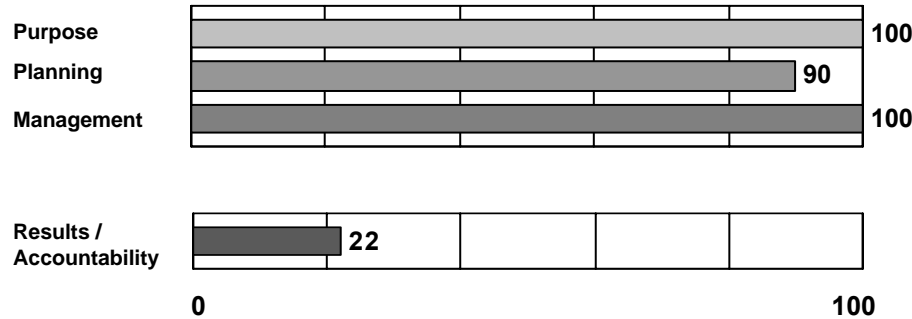
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
3,845	4,413	4,074

**Program: Patient Safety**

**Agency:** Department of Health and Human Services

**Bureau:** Agency for Healthcare Research and Quality



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Number of medical errors identified while decreasing the number of severe errors occurring	2005	Estb baseline	
	2010	Med/ Severe	
Annual Measure: Percent of hospitals reporting on adverse events as standard practice	2003	Dvlp reprt	
	2004	Pilot 50 hosp.	
	2005	Analyze # & types	
Long-term Measure: Percent increase in the number of hospitals/providers using Computerized Physician Order Entry	2004	Deploy IT	
	2005	Estb baseline	
	2008	+10%/ +50%	

**Rating: Adequate**

**Program Type:** Research and Development, Competitive Grant

**Program Summary:**

Agency for Healthcare Research and Quality (AHRQ) conducts and supports research to identify the causes of preventable health care errors and patient injury and to develop, demonstrate, and evaluate strategies for reducing these errors. AHRQ's efforts stem from findings by the Institute of Medicine that each year thousands of fatalities occur as a result of errors in the medical care patients receive. AHRQ's Patient Safety research portfolio includes grants to and contracts with domestic, public and private non-profit organizations that share this mission.

The PART analysis revealed the purpose and design of AHRQ's Patient Safety research portfolio are strong, but overall it lacks measurable performance results. In addition:

- The focus on Patient Safety addresses the specific and existing need for data on and to test techniques and technologies that could improve the day-to-day operation of the health care delivery system.
- AHRQ's Patient Safety portfolio is relatively new and many grants first funded in FY 2001 have recently completed their award cycle; therefore, identifiable and quantifiable results are not yet available.
- The program adopted new long-term and annual performance goals that more accurately reflect the purpose of Patient Safety activities.
- AHRQ coordinates and partners with its sister agencies, as well as other Departments to address national Patient Safety issues.

In response to these PART findings, the Administration will:

1. Continue to urge AHRQ to request reports from grantees on research findings and the potential to replicate good models across the country.
2. Monitor AHRQ's progress toward developing baselines for newly developed long-term and annual performance goals.

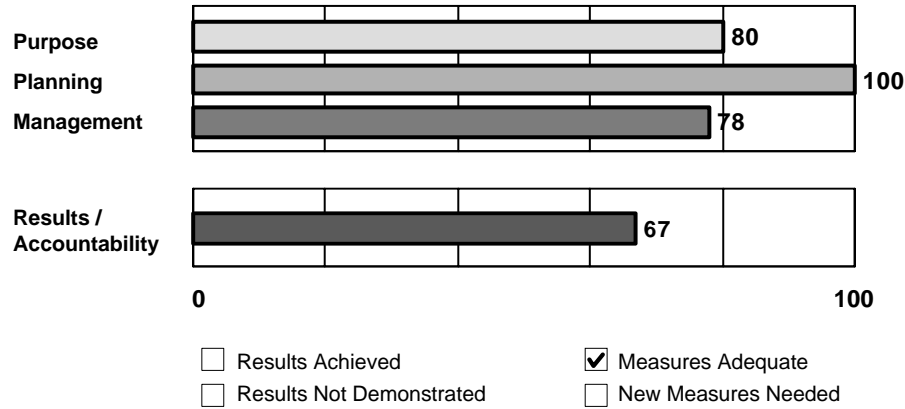
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
55	80	84

**Program:** *Projects for Assistance in Transition from Homelessness*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Substance Abuse and Mental Health Services Administration*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percentage of enrolled homeless persons who receive community mental health services (New measure)	2000		61%
	2005	75%	
Annual Measure: Percentage of contacted homeless persons with serious mental illness who are enrolled in services	1997		37%
	1998	30%	36%
	1999	33%	42%
	2000	41%	
Long-term Measure: Average federal cost for enrolling a homeless person with serious mental illness into services (New measure)	1999		\$579
	2000		\$668
	2004	\$668	
	2005	\$668	

**\*Rating:** *Moderately Effective*

**Program Type** *Block / Formula Grants*

**Program Summary:**

Projects for Assistance in Transition from Homelessness (PATH) makes formula grants to states to provide outreach, mental health and other supportive services to homeless individuals with serious mental illness.

The assessment indicates:

1. PATH is not entirely unique, but is designed to have a significant impact.
2. The program purpose is clear and commonly held by interested parties.
3. As required by the authorizing legislation, PATH supports an evaluation every three years to ensure expenditures are consistent with the authorization and to recommend changes in program design and operations.
4. Evaluations have found PATH succeeds at targeting homeless individuals with serious mental illness. For example, the 2000 evaluation found 35% of clients who received funded services were diagnosed with schizophrenia or some other psychotic disorder and an additional 30% were diagnosed with an effective disorder such as major depression or bipolar disorder.
5. The program has adopted useful and ambitious long-term and annual performance measures and is managed well overall.
6. The program's existing data indicate progress toward meeting newly adopted long-term performance measures.
7. The program can take additional steps to improve administrative efficiency, but operates with a relatively limited number of employees and has some procedures in place to be more efficient, such as electronic application and grantee reporting.

In response to these findings, the Administration:

1. Proposes a \$3 million increase above the 2003 Budget, which is a 26% increase above 2002.
2. Will track and improve program performance using newly developed long-term outcome and efficiency measures.

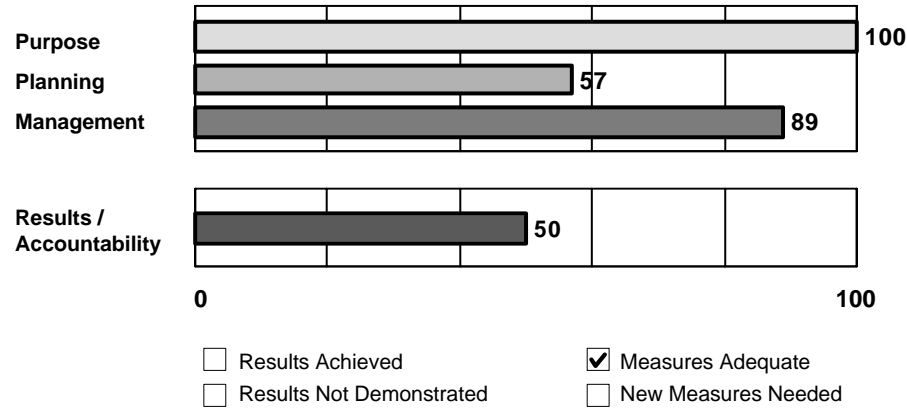
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

## Program: Refugee and Entrant Assistance

Agency: Department of Health and Human Services

Bureau: Administration for Children and Families



### Key Performance Measures

Year Target Actual

Long-term Measure: Entered employment rate: the ratio of refugees entering employment relative to the number of refugees receiving employment services (New measure)	2012	85%	
Annual Measure: Number of refugees entering employment through the Administration for Children and Families (ACF) funded refugee employment services	2001	56,885	45,893
	2002	48,188	
	2003	Increase by 3%	
	2004	Increase by 3%	
Annual Measure: Number of entered employments with health benefits available as a subset of full-time job placements	2001	30,613	27,270
	2002	28,702	
	2003	Increase by 3%	
	2004	Increase by 3%	

**\*Rating:** Adequate

Program Type Block / Formula Grants

### Program Summary:

The Office of Refugee and Resettlement's Entrant Assistance Social Services Programs (ORR) helps recently arrived refugees get a job as soon as possible.

The assessment indicates:

1. The program purpose and mission are clear. Social services for refugee populations are not provided by other programs. About 63% of the approximately 70,000 refugees who arrive annually speak no English and require intensive English language and job training.
2. ORR is weak in strategic planning because it fails to: (a) conduct independent evaluations, (b) align program budget with goals and © utilize a system to identify strategic planning deficiencies.
3. ORR's management is generally strong. For instance, the program collects performance data from States.
4. Financial management is good although this program is subject to numerous congressional earmarks, which complicates financial management processes.
5. The results section score is largely due to the fact that the program recently established long-term outcome goals for which data are not yet available.
6. The program tracks and reviews unit costs as a measure of effectiveness, but does not set performance targets to reduce unit costs as part of their annual goals.

In response to these findings:

1. The Budget includes funds (\$2 million) for ORR to conduct independent and quality evaluations.
2. ORR will establish targets for unit costs as an annual measure of cost-effectiveness.
3. The agency will continue its ongoing efforts to improve strategic planning to ensure that goals are measurable and linked to the budget, and systems are in place to identify program deficiencies.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** *Resource and Patient Management System*

**Rating:** *Effective*

**Agency:** *Department of Health and Human Services*

**Program Type:** *Capital Assets and Service Acquisition*

**Bureau:** *Indian Health Service*

**Program Summary:**

The Resource Patient Management System (RPMS) is an electronic information system designed to provide clinical and administrative information to health care providers and program managers at the local, regional and national levels.

The assessment indicates that the overall purpose of the program is clear: to provide accurate, timely and comprehensive information to health care providers and program managers. However, the program cannot provide a valid cost accounting link to health outcomes by specific activity and respective funding sources between its patient-based clinical and administrative applications and financial and administrative applications. Additional findings include:

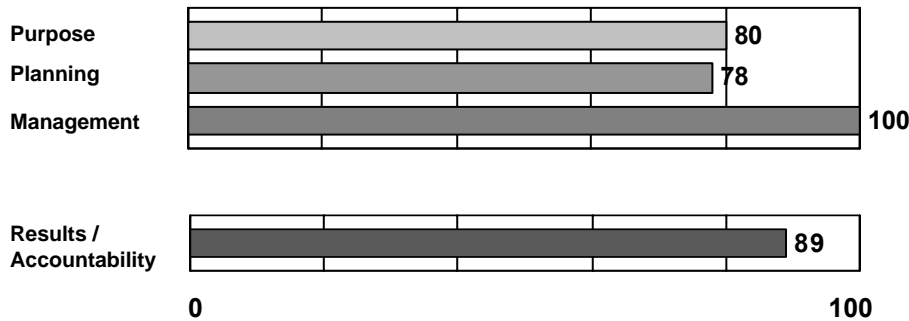
- The program demonstrated adequate progress in achieving two of its three long-term performance goals: derive all clinical indicators from RPMS and integrate with an electronic health record (EHR); and develop and deploy an automated behavioral health system to all Indian Health Service (IHS), Tribal and Urban facilities using RPMS. The long-term performance goal to develop a comprehensive EHR with clinical guidelines for five chronic diseases is a relatively new measure. The diabetes case management system was developed in 1998; the majority of targets are scheduled to be achieved from 2003-2008.
- RPMS compares favorably with other programs within the federal sector. RPMS includes the same functionality as the Departments of Defense and Veterans Affairs health information systems with additional functionalities such as a life long medical record and population health query ability on demand.
- Independent evaluations show that IHS facilities consistently score well on information system reviews.
- The program has strong management overall and sound financial practices.
- RPMS demonstrated improved efficiencies in achieving program goals. In 2000, IHS released 62 applications at a cost of \$6.63 million. In 2002, IHS released 72 applications at a cost of \$4.05 million.

In response to these findings, the Administration will:

1. Develop RPMS' capability to provide a valid cost accounting link to health outcomes by specific activity.
2. Ensure that Budget requests are explicitly tied to accomplishment of annual and long-term performance goals with a budget linkage to the specific activities of RPMS.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
58	65	70



**Key Performance Measures**

**Year Target Actual**

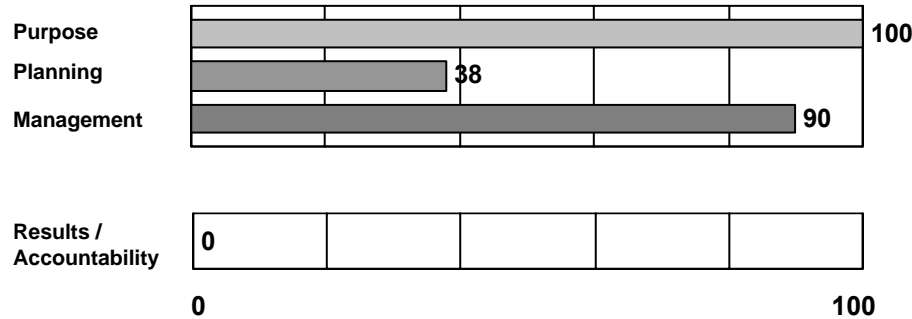
Key Performance Measure	Year	Target	Actual
Long-term Measure: Develop comprehensive electronic health record (EHR) with clinical guidelines for select chronic diseases: Targets: FY 2003: Prototype EHR/Asthma; FY 2004: HIV/AIDS; FY 2005: Obesity; FY 2006: Cardiovascular; FY 2008: Comprehensive EHR			
	2000	23/1	23/1
	2002	18/10	18/10
	2003	34/12	
Long-term Measure: Derive all clinical indicators from RPMS and integrate with EHR: Targets: FY 2000: 23 indicators/1 Area; FY 2002: 18 indicators/10 Areas; FY 2003: 34 indicators/12 Areas; FY 2004: 37 indicators/12 Areas; FY 2008: 39 indicators/integrate EHR	2000	10%	25%
	2001	10%	12%
	2002	5%	5%
	2003	5%	
Annual Measure: Percent increase in IHS, Tribal and Urban programs that use the national behavioral health data reporting system			
	2000	10%	25%
	2001	10%	12%
	2002	5%	5%



**Program:** *Runaway and Homeless Youth*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Family and Youth Services Bureau (FYSB)*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Increase the proportion of youth living in safe and appropriate settings after exiting the runaway and homeless youth programs.	2002		89.5%
	2003		89.6%
	2004	91%	
	2005	92%	
Annual Measure: Increase the proportion of youth that enter an RHY shelter or basic center program through outreach efforts.	2002		3.4%
	2003		7.6%
	2004	9%	
	2005	10%	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Competitive Grant*

**Program Summary:**

The purpose of the Runaway and Homeless Youth (RHY) Programs is to develop an effective system of care for youth who have become homeless or who leave and remain away from home without parental permission. This includes preventive services (RHY Street Outreach Program), emergency shelter services (RHY Basic Centers), and extended residential shelter (RHY Transitional Living Program) outside the law enforcement, juvenile justice, child welfare and mental health systems.

The assessment indicates that the overall purpose of the program is clear and addresses a specific need. However, performance measurement should be strengthened. Findings include:

1. Long-term and efficiency performance measures as well as ambitious annual performance targets should be developed.
2. There is still a lack of independent evaluations, and the budget and program goals are not aligned.
3. The program does not have procedures to measure efficiencies and cost effectiveness in program execution.

In response to these findings, the Administration will continue to develop new long-term and efficiency performance measures and ambitious performance targets.

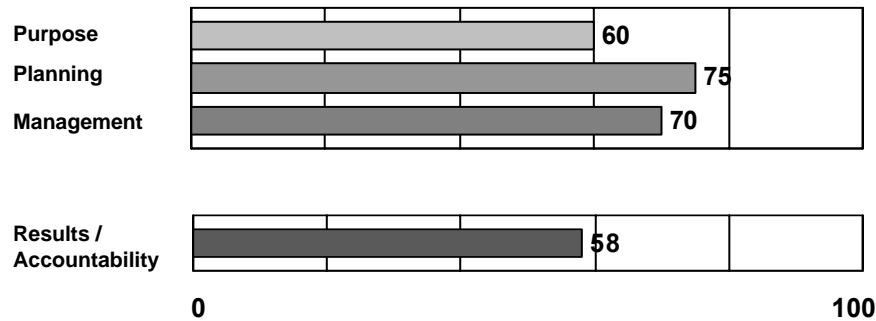
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
105	105	105

**Program:** *Rural Health Activities*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Health Resources and Services Administration*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percentage of critical access hospitals with positive operating margins	1999	Baseline	10%
	2010	35%	
Long-term Measure: Proportion of rural residents of all ages with limitation of activity caused by chronic conditions	2000	Baseline	14.6%
	2010	13.9%	
Annual Measure: Number of people served by outreach grants	2002	Baseline	673,700
	2005	+1%	
	2006	+1%	
	2007	+1%	

**Rating:** *Adequate*

**Program Type:** *Competitive Grant*

**Program Summary:**

Within the Health Resources and Services Administration (HRSA) several programs focus on services for rural areas. The Rural Health portfolio awards grants to States and public and private entities primarily to support: the development of rural health plans/strategies, the collection of information pertaining to rural health issues, the partnership of health care providers in networks, and the demonstration of telemedicine in rural areas.

The PART assessment for the 2005 Budget found that although the purpose of the Rural Health portfolio is clear, the programs' individual design and ability to measure health achievements is lacking. Additional findings include:

- Duplication and redundancy among programs does exist. More than one program across the Department addresses the same problem. In fact, more than 200 programs may reach rural areas.
- The major flaw of the Rural Health portfolio's design stems from the programs' authorization. A less fragmented and more seamless Federal effort could help maximize access, generate effectiveness, yield cost efficiencies, and reduce the number of specific and geographically targeted projects funded each year.
- Prior to the PART assessment, limited performance goals specifically related to the mission of the Rural Health portfolio existed. The program has developed new long-term and annual performance goals.

The Administration will continue to monitor progress toward data gathering for the newly developed long-term and annual performance goals.

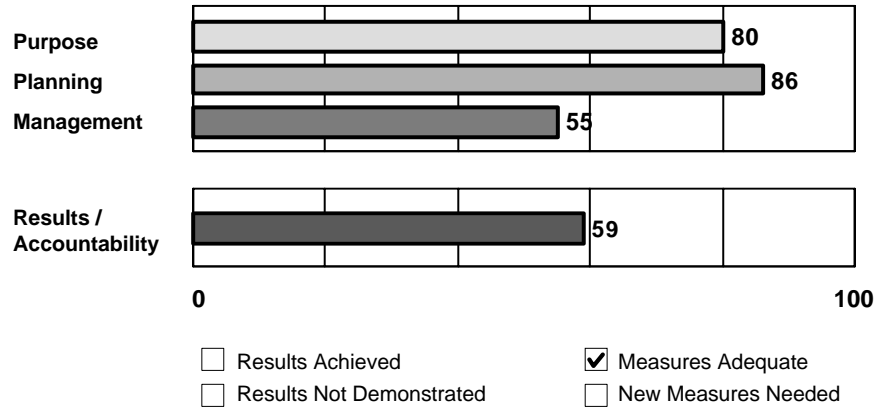
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
184	147	56

**Program: Ryan White**

**Agency:** Department of Health and Human Services

**Bureau:** Health Resources and Services Administration



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: National rate of deaths per 100,000 people due to HIV infection (New measure)	1994		15.4
	1999		5.4
	2010	3.6	
Long-term Measure: National proportion of people living with HIV receiving primary medical care and treatment (New measure)	2000		33%
	2010	50%	
Annual Measure: Number of persons who learn their serostatus from Ryan White CARE Act-funded programs (New measure)	2000		352,283
	2004	381,323	

**\*Rating:** Adequate

**Program Type** Block / Formula Grants

**Program Summary:**

The Ryan White program ensures care and treatment for persons with HIV through assistance to localities disproportionately affected by HIV. The funding goes to States, and other public/private/nonprofit entities.

The assessment found:

1. The program has developed new long-term and annual performance goals.
2. There is effective coordination with similar programs, regular independent evaluations occur, and the Health Resources and Service Administration (HRSA) is working with Booz Allen Hamilton to identify and manage areas in need of organizational improvement.
2. There is general consensus that the program purpose is clear and the program addresses a specific problem. The score for the program design portion of this section was affected by weaknesses with program design. The statute allows duplication among services funded under each Title and funding allocations are based on a formula that provides funds according to the number of AIDS cases over a 5 year period without regard to the level of sickness or need of those living with HIV/AIDS.
3. The program has contributed to the overall decline in the number of AIDS cases and deaths due to HIV. Program results were considerably affected by the fact that in some cases baseline data are not yet available and evaluations could focus more on the results of the program.
4. HRSA has not implemented preemptive mechanisms to identify problems or make corrective fixes prior to the mismanagement of resources. Some grantees/subgrantees do not use their funds according to the terms of their award. When problems are identified, legal action is taken, funds are returned, and/or individuals pay restitution.

In response to these findings the Administration will:

1. Develop recommendations and legislative strategies in preparation for the 2005 reauthorization, to find more meaningful ways of allocating drug treatment funding and standardizing eligibility across states.
2. Increase funding for the Ryan White AIDS Drug Assistance Program, +\$100 million, so that the program can purchase drug treatments for an additional 9,200 persons.

(For more information on this program, please see the Department of Health and Human Services chapter in the Budget volume.)

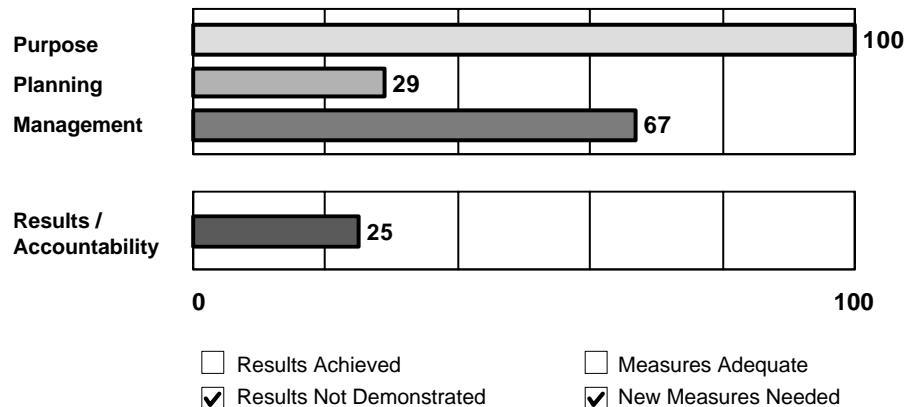
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *State and Community-Based Services Programs on Aging*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Administration on Aging*



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Rate of non-AoA funds leveraged to each \$1.00 of program funding (Targets under development)	2000	\$1.50	\$1.90
	2001		
	2002		
	2003		
Annual Measure: Measure under development			
Efficiency Measure: Measure under development			

**\*Rating:** *Results Not Demonstrated*

**Program Type** *Block / Formula Grants*

**Program Summary:**

The Administration on Aging (AoA) attempts to enable elderly people to remain in their homes and communities. These programs and services include such activities as meals in community settings and home-delivered, preventive health care, senior centers and support of family caregivers.

The assessment indicates that the overall program has a clear purpose, addresses a specific need, and is effectively designed. However, performance measurement should be strengthened. Findings include:

1. There is a lack of focus on program outcomes in performance measures. The proposed annual targets maintain current performance rather than support long-term improvements. For example, while AoA encourages states to leverage funds from non-federal sources, the 2004 target is \$1.90 to \$1.00, the same level that has been achieved since 1998.
2. While AoA monitors the financial performance of grantees, it does not actively promote efficiencies, utilize full cost accounting or proactively identify management deficiencies.
3. State and local entities have a great deal of flexibility in designing the programs and leveraging funds. Therefore, grantees cannot be required to adopt AoA's goals and measures, and it is difficult to determine how changes in federal funding may affect program performance.
4. The most recent program evaluation indicated positive outcomes are achieved. However, AoA's annual performance plans do not track or measure these outcomes. Performance measures and targets should be revised to reflect and improve these outcomes.

In response to these findings, the Administration will work with AoA to reevaluate its performance measures to reflect program outcomes, and to develop appropriate performance targets.

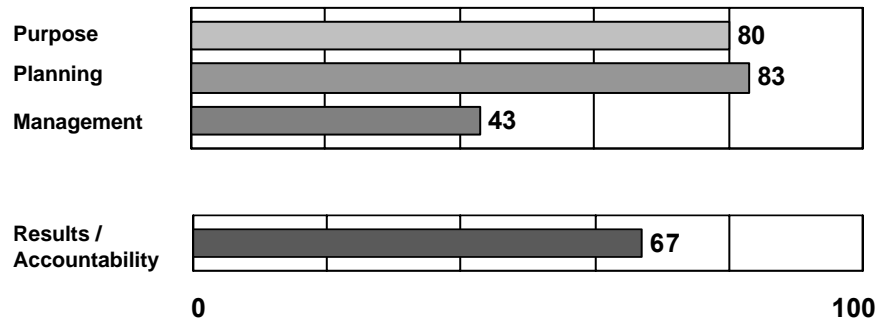
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *State Children's Health Insurance Program*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Centers for Medicare & Medicaid Services*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Increase the number of children enrolled in regular Medicaid or SCHIP	2001	1 million	>1 million
	2002	1 million	> 1 million
	2003	5% Increase	
	2004	Maintain 03 Levels	
Long-term Measure: Improve Health Care Quality Across Medicaid and SCHIP through the Performance Measurement Partnership Project (PMPP)			

**Rating:** *Adequate*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The State Children's Health Insurance Program (SCHIP) provides funds to states to initiate and expand health insurance coverage to uninsured low-income children less than 19 years of age.

The assessment found that the program purpose is clear and has achieved the goal of increasing the number of uninsured children enrolled in the SCHIP program. However, additional long-term performance goals related to quality of services in the program and achievement of health outcomes are still being developed and implemented.

Additional findings include:

- Long-term targets reflecting appropriate national health outcome goals such as rates of immunization and access to health care have not yet been developed.
- While the long-term and annual goals for SCHIP measure increases in enrollment, they do not measure the impact of SCHIP on the rate of uninsured children.
- In terms of financial management, the Centers for Medicare & Medicaid Services (CMS) is performing limited risk assessments and initiating a pilot to calculate error rates.

In response to these findings, the Administration will:

1. Work with states to develop long-term goals and implement a core set of national performance measures to evaluate the quality of care received by low-income children.
2. Develop additional long-term goals for measuring the impact of SCHIP on the number of uninsured beyond increasing enrollment.
3. Implement a pilot project to measure SCHIP improper payments and calculate error rates.

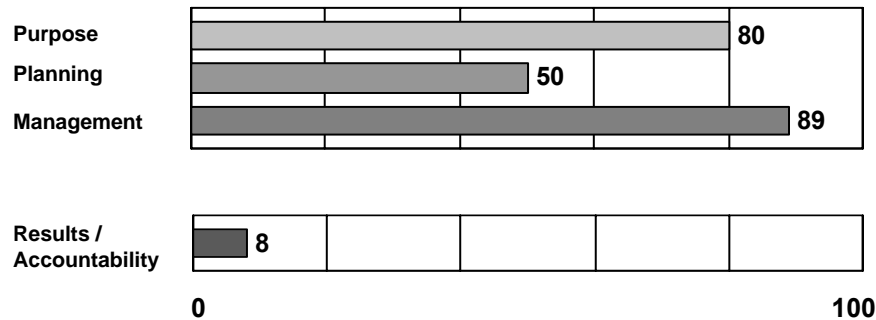
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
4,355	5,232	5,299

**Program:** *Substance Abuse Prevention and Treatment Block Grant*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Substance Abuse and Mental Health Services Administration*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Percentage of clients reporting change in abstinence at discharge from treatment			
Long-term Measure: Percentage of states that provide drug treatment services within approved cost per person bands by the type of treatment including outpatient non-methadone; outpatient methadone; and residential treatment services (treatment)			
Annual Measure: Perception of harm of drug use among program participants (prevention)			

**Rating:** *Ineffective*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Substance Abuse Prevention and Treatment Block Grant provides funding to states by formula to plan, carry out, and evaluate activities to prevent and treat substance abuse.

The assessment found:

- The Block Grant is the only federal program that provides funds to every state to support statewide substance abuse treatment and prevention services.
- The formula for distributing funds does not correspond with the prevalence of substance abuse. While states target funds to appropriate populations and the maintenance of effort requirement guards against supplantation, the likelihood of receiving federal support through the Block Grant for treatment varies by state.
- Existing annual measures provide information on outputs (i.e. number of states expressing satisfaction with the agency’s technical assistance). These measures do not demonstrate progress toward achieving long-term outcome goals.
- While states currently report voluntarily on a number of outcome measures, states will be required to report on outcome and other performance data in exchange for additional flexibility under the performance partnerships.
- The program has not been evaluated at the national level.
- The program does not provide a budget presentation that clearly ties the impact of funding decisions on expected performance. The agency is developing new outcome measures that will enable the agency to better understand the impact of changes in funding and make budget decisions based on program performance.

In response to these findings, the Administration:

1. Proposes increased funding to continue the President’s commitment to provide an additional \$1.6 billion for substance abuse treatment over five years.
2. Will continue to develop new outcome measures for substance abuse prevention focused on age of initiation, total drug use, and/or other indicators of prevention effectiveness.
3. Will establish baselines and set targets for treatment and prevention performance measures.
4. Will continue to work with states to facilitate the transition from the Block Grant to performance partnerships to provide states additional flexibility in exchange for program performance.

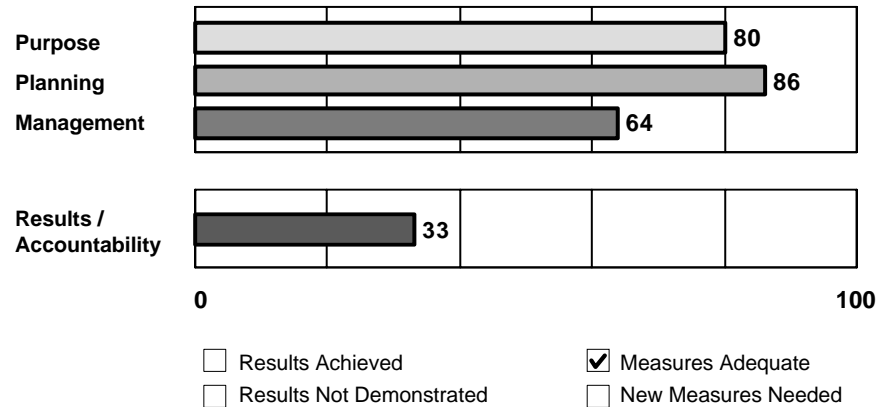
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,754	1,779	1,832

**Program:** Substance Abuse Treatment Programs of Regional and National Significance

**Agency:** Department of Health and Human Services

**Bureau:** Substance Abuse and Mental Health Services Administration



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Individuals who have received drug treatment services that show no past month substance use six months after admission to treatment (New measure; baseline under development)	2006	42%	
Annual Measure: Grantees that provide drug treatment services within approved cost per person guidelines by the type of treatment, such as inpatient, outpatient or methadone (New measure; approved cost range and baseline under development)	2000		60%
	2004	68%	
Annual Measure: Drug treatment professionals trained by the program that adopt proven treatment methods (Adopting proven methods ultimately improves drug treatment outcomes.) (New measure, target to be refined)	2001		40%
	2004	44%	

**\*Rating:** Adequate

**Program Type** Competitive Grants

**Program Summary:**

Substance Abuse Treatment Programs of Regional and National Significance is comprised of a variety of grants and activities intended to improve the quality and availability of drug treatment services.

The assessment indicates:

1. The overall purpose of the program is clear, but the relationship between activities to expand access to drug treatment and activities to improve the quality of drug treatment, such as training, communications and regulatory efforts, is less clear.
2. Grant awards are based on merit and competition is open.
3. The program has not regularly used performance information to improve outcomes and some activities have never been evaluated. The program also lacks data to indicate progress on newly adopted performance benchmarks.
4. A previous evaluation of drug treatment services grants indicates an impact. The 1997 National Treatment Improvement Evaluation Study indicates the program's treatment services demonstration grants were effective. Key findings include drug use declined from 73% to 38% one year after treatment, selling drugs declined 78%, arrests declined 64%, employment increased from 51% to 60%, and alcohol/drug-related medical visits declined 53%.
5. Evidence of impact is not available for research related activities and other efforts.

In response to these findings, the Administration:

1. Proposes \$200 million as part of the President's drug treatment initiative to expand access to treatment using vouchers. Vouchers will enable individuals to determine where they will receive treatment. The initiative will involve a variety of settings, including criminal justice and health care systems, to reach out to those in need of treatment and determine the type and level of services needed.
2. Proposes \$50 million at the 2003 Budget level for performance-based grants to states.
3. Proposes to redirect \$8 million from research related activities and other efforts lacking evidence of effectiveness to drug treatment services grants.
4. Will increase support for the National Treatment Outcome Monitoring System to provide current data on the effectiveness of drug treatment services.
5. Will further improve the effectiveness of services grants by introducing grant funding incentives and reductions based on performance.

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

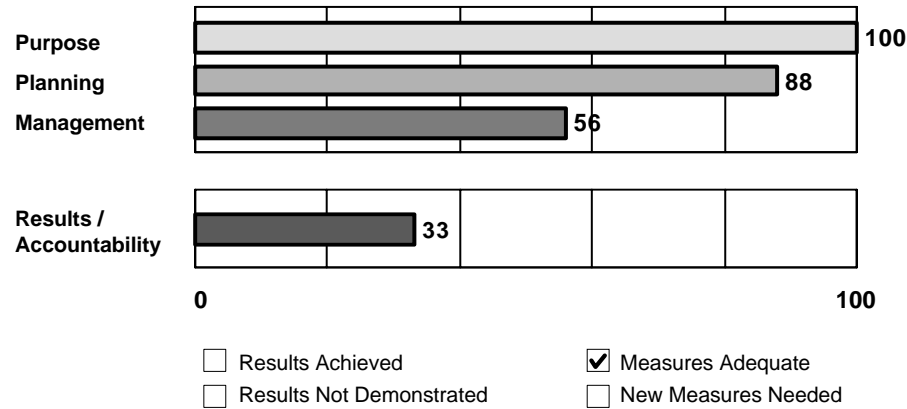
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



## Program: Translating Research into Practice

Agency: Department of Health and Human Services

Bureau: Agency for Healthcare Research and Quality



### Key Performance Measures

Year Target Actual

Key Performance Measure	Year	Target	Actual
Long-term Measure: Rate of hospitalizations for pediatric asthma in persons under age 18 (Modified existing measure)	1999		178,901
	2000		150,876
	2010	105,613	
Long-term Measure: Number of immunization-preventable pneumonia hospital admissions of persons aged 65 and older (Modified existing measure)	1999		792,264
	2000		743,487
	2010	520,441	
Long-term Measure: Number of immunization-preventable influenza hospital admissions of persons aged 65 and older (Modified existing measure)	1999		17,508
	2000		16,529
	2010	11,570	

**\*Rating:** Adequate

Program Type Research and Development

### Program Summary:

Translating Research Into Practice (TRIP) grants are provided to public or private entities, universities, and clinics, to address common health conditions, including: infant mortality, cancer screening, cardiovascular disease, diabetes, HIV/AIDS, child and adult immunizations, and mental health and pediatric asthma. Grantees assess the effectiveness of promising new interventions; determine if the new interventions are replicable; compare their benefits, costs, and effects on existing approaches; and focus on the day-to-day provider behavior changes that could improve health outcomes.

The assessment found:

1. There is general consensus that the program purpose of TRIP is clear.
2. The program developed new long-term goals in September 2001 and modified them for the 2004 Budget. The 2004 national measures will allow TRIP grantees to assess how the use of new interventions in health care settings could help improve health outcomes/reduce the number of unnecessary hospitalizations for those with pediatric asthma and those receiving adult immunizations. The program recognizes the difficulty of linking expenditures to actual program performance, but plans to better integrate its existing planning and budget databases to easily identify those programs that are not meeting their GPRA goals.
3. The program does not use performance information to manage the program and does not measure efficiencies and/or cost savings.
4. There is a lack of long-term and annual performance goals. As a result, it is difficult to measure the success of the program or the achievements/contributions it may be making to changes in provider behavior.

In response to these findings the Administration will:

1. Maintain funding at the 2003 Budget level to ensure continued efforts to go beyond collecting data to actually changing provider behavior and thus improving health outcomes.
2. The program is addressing its management deficiencies and will begin better integrating its planning and budget decision-making processes.

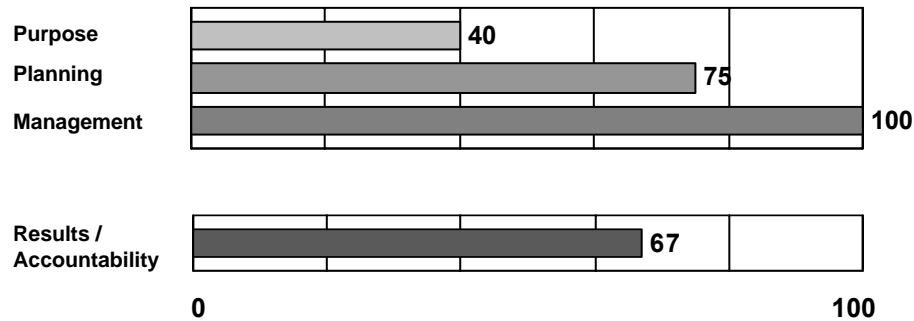
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Urban Indian Health Program*

**Agency:** *Department of Health and Human Services*

**Bureau:** *Indian Health Service*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent decrease in years of potential life lost	2010	10%	
Annual Efficiency Measure: Cost per service user in dollars per year	2003	\$483	
	2002		\$483
	2001		\$359
	2000		\$385
Annual Measure: Percent of diabetics with "ideal" blood sugar control	2003	34%	
	2002		34%
	2001		31%
	2000		30%

**Rating:** *Adequate*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Urban Indian Health program provides outreach and referral services and primary health care services to American Indians/Alaska Natives (AI/AN) that reside in urban areas.

The assessment found:

- The program purpose—"to ensure a comprehensive program of services, or access to services, is developed for each urban Indian community"—is not clear given that the program contracts with a range of providers for comprehensive and limited primary health care services and/or outreach and referral services in various urban markets.
- The program is duplicative of the Consolidated Health Centers (CHC) program—a federal grant program funded under Section 330 of the Public Health Service Act to provide for primary and preventive health care services in medically-underserved areas throughout the U.S. and its territories—although it does attempt to reduce cultural and social barriers to care for urban AI/ANs.
- The program contract and grant funds are distributed based on historical base funding for existing programs with a small portion (four percent) of the contract funds allocated to programs as an incentive to input data into program's Common Reporting Requirements System.
- The program has demonstrated progress on three of its four long-term goals: reduce the Years of Potential Life Lost (YPLL); achievement of "ideal" blood sugar control; and establishing an automated patient record system and data warehouse in all urban programs. The program is developing a baseline and targets to decrease obesity rates in AI/AN children (2-5 years).
- Improved efficiencies and cost effectiveness is evident by the fact that funding for the program relative to the total Indian Health Service budget has remained constant from 2000 (1.16 percent) to 2002 (1.12 percent), yet total service encounters have increased from 483,441 to 586,390, +21 percent over the same time period.

In response to these findings, the Administration will:

- Establish a workgroup to address deficiencies identified by the assessment and make recommendations for developing a clear program purpose and restructuring the program to reduce duplication with other federal programs.
- Develop baselines and targets for new measures.

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

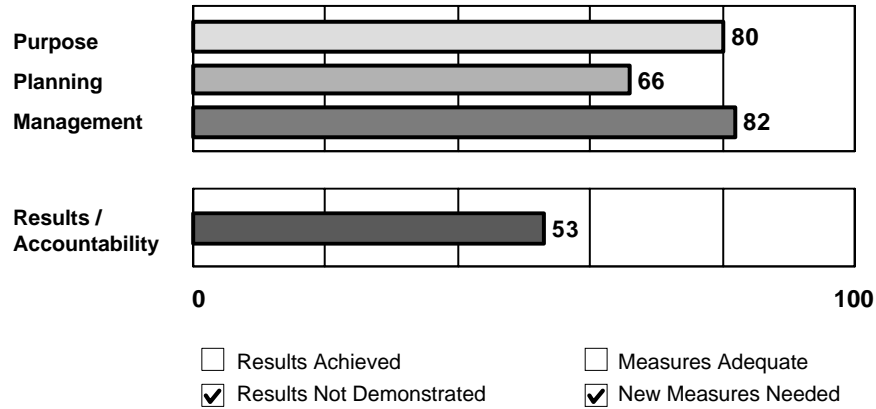
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
31	32	32

## **DEPARTMENT OF HOMELAND SECURITY**

**Program:** Aids to Navigation

**Agency:** Department of Homeland Security

**Bureau:** Coast Guard



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Total number of commercial vessel collisions, allisions, and groundings A collision is when two moving objects hit each other. An allision is when a vessel hits a stationary object. While this is an acceptable indicator, the program is not yet able to demonstrate its effect on accidents in the long-term.	1999		2,194
	2000		2,152
	2001	2,261	1,677
	2002	2,098	
Annual Measure: Percentage of time waterways are available for commerce Waterways are usually open to traffic but may be closed due to accidents or to navigational aids being unavailable. (New measure)	2003	98%	

**\*Rating:** Results Not Demonstrated

**Program Type** Direct Federal

**Program Summary:**

The Aids to Navigation (ATON) program helps ensure that vessels move safely in U.S. ports and waterways. This mission includes maintaining buoys, lighthouses, and radio navigation systems.

The PART raised questions about the design of the ATON program, which is run directly by the Coast Guard. Other program designs, such as contracting out some functions, may be more appropriate or efficient. In addition, the assessment found that the ATON program has no long-term performance measures and no regular evaluations. Therefore, the program cannot demonstrate at this time the level of impact it is having on vessel safety. To address these findings, the Administration will conduct an A-76 study on the ATON program to determine whether its services may be more efficiently provided by the private sector.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Assistance to Firefighters Grant Program

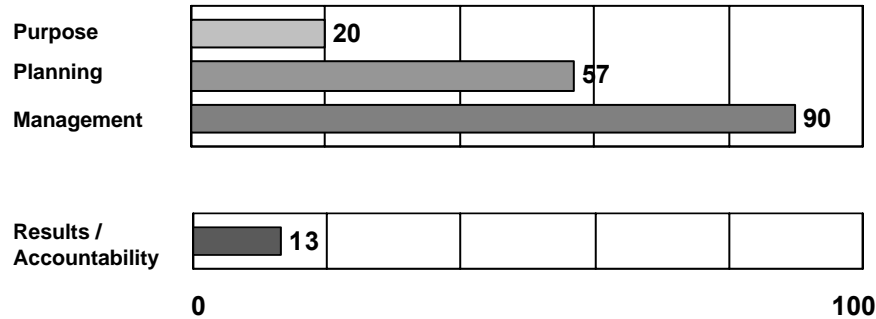
**Rating:** Results Not Demonstrated

**Agency:** Department of Homeland Security

**Program Type:** Competitive Grant

**Bureau:** Office for Domestic Preparedness

**Program Summary:**



The Assistance to Firefighters Grant Program provides fire departments with grants to protect the health and safety of the public and firefighting personnel against fire and fire-related hazards.

The assessment found that the program is generally well-managed, but has been more focused on awarding as many grants as possible than having a demonstrable impact on public safety.

- Grants are largely duplicative of local funding, and have not addressed unique Federal responsibilities.
- Performances measures are inadequate, and do not reflect the long-term decline in fire deaths that pre-date the Program.
- Heavily-populated areas are under-funded compared to rural areas, and the large number of small grants under \$20,000 complicates approval and oversight.
- The grant process generally well-managed, reflecting incremental improvements over time based on grantee feedback.
- Grantee reporting is improving, but still provides insufficient data to demonstrate improved performance.

**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Measure Under Development			
Long-term Measure: Measure Under Development			

In response to these findings, the Administration is pursuing program changes in 2004, and will recommend additional changes in 2005 :

1. Strengthen performance measures in 2004, and ensure that grantee reports incorporate such measures.
2. Beginning in 2004, terrorism and mass-casualty preparedness needs will be among the competitive priorities.
3. Requesting \$500 million for 2005, which better reflects the number of grants that can be awarded during the fiscal year.
4. Increase the maximum grant size for large cities to \$2 million, and administratively establish a minimum grant amount.

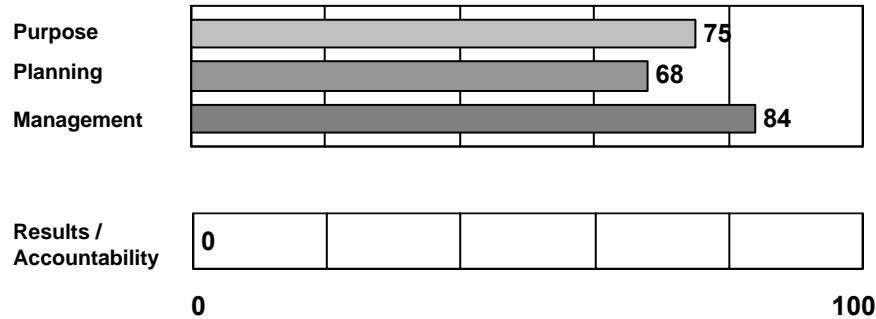
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
745	746	500

**Program:** Aviation Passenger Screening Program

**Agency:** Department of Homeland Security

**Bureau:** TSA



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Level of the Passenger Screening System Effectiveness Index (under development)			
Annual Measure: Level of the Customer Satisfaction Index for Aviation Security (under development)			
Annual Efficiency Measure: Level of the agency cost per passenger screened (under development)			

**Rating:** Results Not Demonstrated

**Program Type:** Direct Federal

**Program Summary:**

The DHS aviation Passenger Screening program provides security screening of passengers and carry-on baggage at all commercial airport checkpoints in the United States to prevent illegal objects from being brought on aircraft.

The assessment found that the Passenger Screening program:

- Is a new program and does not yet have measured outcome results, but has recently established a useful set of short and long-term outcome performance measures. The Transportation Security Administration (TSA) is working actively to put in place the necessary infrastructure for a successful performance management system at airport checkpoints;
- Has a clear purpose and currently addresses a specific need;
- Is working to address management deficiencies related to security outcome performance measurement, and the necessary size and attributes of its screener workforce. Given the urgent need to ensure adequate screening system security, it is imperative that TSA rapidly validate and implement new screening performance measures.

In response to these findings, the Administration:

1. Recommends that TSA secure during early 2004 an independent evaluation of its new Passenger Screener Performance and Passenger Screening System performance measures to assess and validate their use as proxy measures for security outcome performance.
2. Recommends that TSA complete a systematic analysis of appropriate and necessary airport screener staffing levels, as well as the appropriate split between part-time and full-time employees.
3. Recommends increased resources to fund an adequate level of screeners while TSA completes assessments of the appropriate level of screener staffing for the long term.

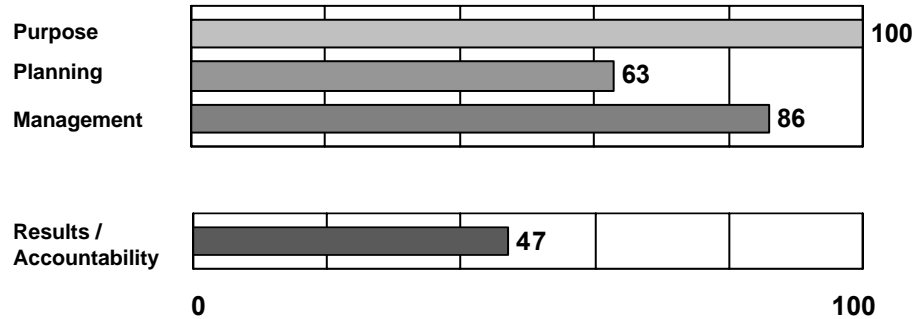
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,875	1,531	1,586

**Program:** *Border Patrol*

**Agency:** *Department of Homeland Security*

**Bureau:** *Bureau of Customs and Border Protection*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Efficiency Measure: Number of Southwest border corridors with optimum deterrence. (Optimum deterrence is defined as the level at which applying more Border Patrol agents and resources would not yield a significant gain in arrests or deterrence.)	2002	8	8
	2003	9	
	2004	11	
	2005	13	
Long-term Efficiency Measure: Integrated Surveillance Intelligence System (ISIS) Technology - number of sites deployed. (Monitors the deployment of remote video surveillance (RVS) cameras and electronic sensors in the sectors. The target is the projected annual deployment of new RVS camera systems.)	2002	65	76
	2003	65	
	2004	65	
	2005	65	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The Border Patrol's primary mission is the detection and apprehension of illegal aliens and smugglers of aliens at or near the land border. The Border Patrol utilizes a variety of equipment and methods to accomplish its mission. Electronic sensors are placed at strategic locations along the border to detect people or vehicles entering the country illegally. Video monitors and night vision scopes are also used to detect illegal entries. Agents patrol the border in vehicles, boats, aircraft, and afoot. In some areas, the Border Patrol employs horses, all-terrain motorcycles, bicycles, and snowmobiles.

The assessment indicates that the Border Patrol's mission and program are clear. However, improvements are needed in developing outcome and cost effectiveness based measures. Additional findings include:

- The Border Patrol has not established timeframes or milestones to measure progress toward achieving optimal deterrence of illegal crossers.
- There are no cost effectiveness measures currently in place.

In response to these findings:

1. The Administration will work to develop outcome measures, as well as establish timeframes and milestones to measure progress.
2. Beginning in 2004, the Border Patrol will be responsible for development and maintenance of cost effectiveness measures. Until recently, the Border Patrol did not have direct oversight of their procurement and contracting processes.
3. The Border Patrol will make certain that managers are held accountable for both performance and budget execution. It is not clear whether or not performance standards are established for border patrol managers.

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

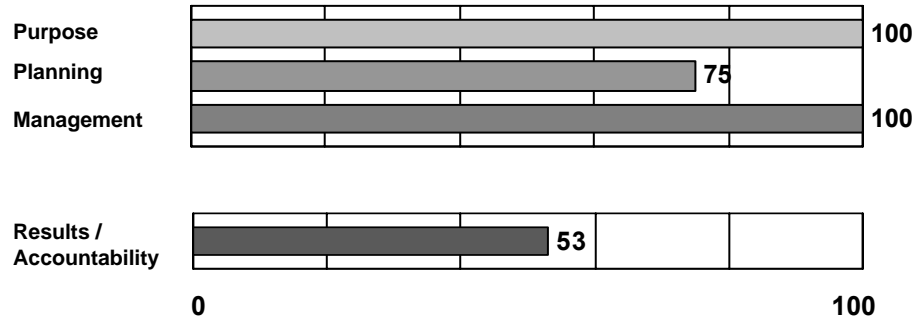
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,981	1,847	1,862



**Program:** *Coast Guard Fisheries Enforcement*

**Agency:** *Department of Homeland Security*

**Bureau:** *U.S. Coast Guard*



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Percentage of domestic fishing boats boarded that are in compliance with fishery management plan regulations	2002	97.00%	97.30%
	2003	97.00%	97.03%
	2005	97.00%	
	2005	97.00%	
Annual Measure: Foreign Fishing Vessel Incursions	2002	202	250
	2003	202	153
	2004	202	
	2005	202	
Long-term Measure: Percentage of domestic fishing boats boarded that are in compliance with fishery management plan regulations	2005	97.00%	
	2006	97.00%	
	2007	97.00%	
	2008	97.00%	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Coast Guard Fisheries Law Enforcement program enforces fisheries laws at sea to help the U.S. reach national goals for living marine resource conservation and management. While fisheries management is primarily the responsibility of the Department of Commerce, Coast Guard patrols and monitors fisheries to ensure that laws designed to ensure healthy stocks are not broken and to protect U.S. fisheries from foreign encroachment.

The assessment found that the program is strong overall, but shows some deficiencies in strategic planning.

In response to these findings, Coast Guard will:

1. Develop long-term goals that demonstrate annual performance improvement in preventing foreign fishing vessel incursion.
2. Continue its work, inspired by the 2004 PARTs, to complete regular comprehensive evaluations of all its programs. Coast Guard has entered into a contract with the Center for Naval Analyses to begin this effort.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
533	688	704

**Program:** Container Security Initiative

**Agency:** Department of Homeland Security

**Bureau:** Bureau of Customs and Border Protection

**Rating:** Results Not Demonstrated

**Program Type:** Direct Federal

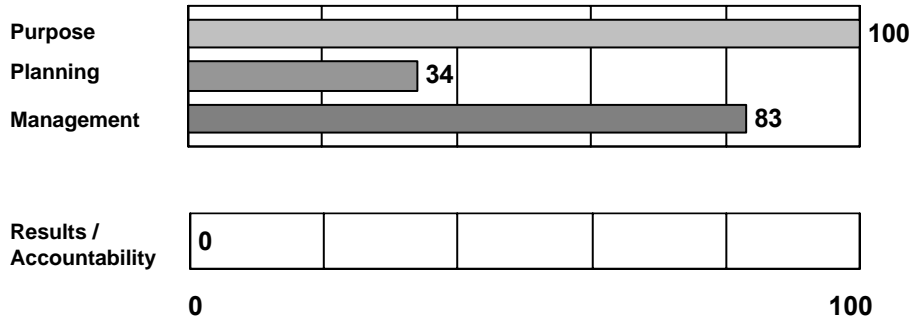
**Program Summary:**

The Container Security Initiative (CSI) protects containerized shipping from exploitation by terrorists. About 90 percent of all world cargo moves by container. In the United States, almost half of incoming trade (by value) arrives by containers on board cargo ships. Almost seven million cargo containers arrive and are offloaded at U.S. seaports each year. Under the CSI program, a team of officers from the Bureau of Customs and Border Protection (BCBP) are deployed to work with host nation counterparts to target high-risk cargo containers.

Findings from the assessment include the following:

- As a new program, CSI has few specific long-term performance measures and unclear targets and timeframes.
- BCBP has done an excellent job launching this program and partnering with foreign customs administrators.
- The program has a clear purpose and is well designed.

In response to these findings, the Administration will work to develop useful long-term performance and efficiency measures for this program and plan for regular evaluations. This program is an enhancement to BCBP's permanent inspections process (which is slated to be assessed in 2006). BCBP's expertise in the inspections process will be beneficial in developing successful measures for CSI in the near future. Due to the many successful characteristics of the CSI program, the Administration is requesting additional funding in 2005.



Key Performance Measures	Year	Target	Actual
Annual Measure: Improved Targeting Rates (Under Development)			
Annual Measure: More Cargo Screened (Under Development)			
Annual Measure: Additional Ports added to CSI (Under Development)			

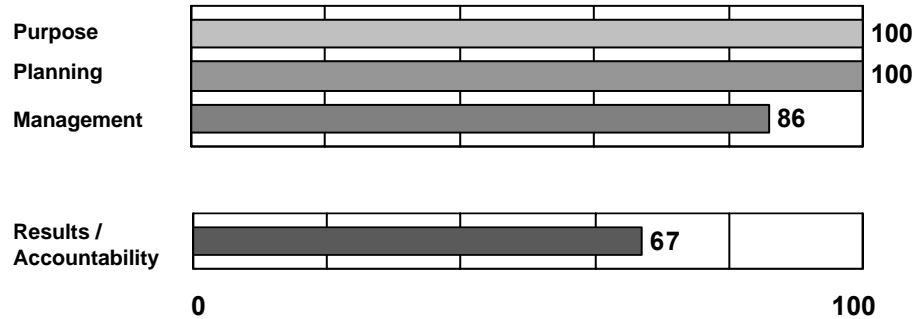
**Program Funding Level (in millions of dollars)**

2003 Actual	2004 Estimate	2005 Estimate
48	62	126

**Program:** *Detention and Removal*

**Agency:** *Department of Homeland Security*

**Bureau:** *Immigration and Customs Enforcement*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Removals as a percentage of final orders issued (under development)			
Annual Measure: Number of completed removals	2001	96,500	107,556
	2002	107,500	115,495
	2003	112,875	142,008
Annual Efficiency Measure: Appearance Rates for Immigration Hearings (under development)			

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Detention and Removal program aims to ensure the departure from the United States of all removable aliens as a part of the enforcement of the nation's immigration laws.

The assessment found that the program has struggled to successfully remove all removable aliens, but has recently reorganized operations and engaged in significant strategic and performance planning efforts that identify ambitious goals to improve program performance. Additional findings include:

- Approximately 400,000 aliens have received final orders of removal but are not confirmed to have departed the United States.
- The program has developed a useful outcome goal to remove all removable aliens from the United States. This measure illustrates the desired outcome of completing the immigration enforcement process.
- Program improvements have led to meeting key performance goals in recent years.

In response to these findings:

1. The Budget proposes to expand the program's initiatives to improve performance in removing all removable aliens.
2. The Department will work to develop cost effectiveness measures for the program.
3. The Department will ensure collection of critical performance data for the program's new measures.

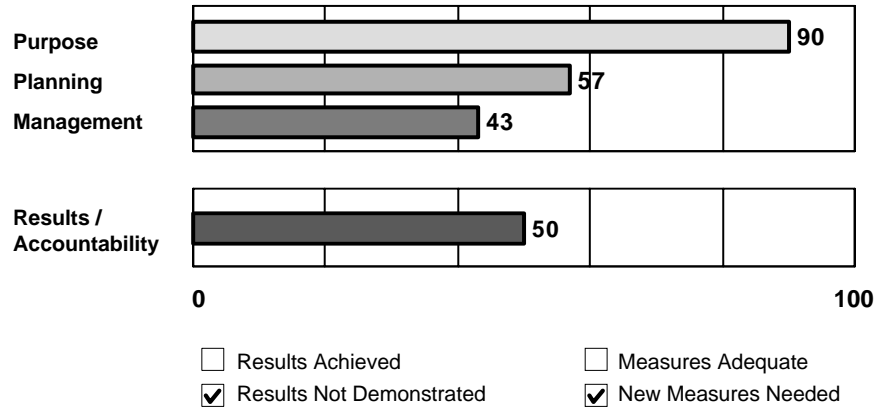
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,150	1,130	1,259

**Program: Disaster Relief Fund - Public Assistance**

**Agency:** Department of Homeland Security

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measures: Measures under development			
Annual Measure: Customer satisfaction rating on survey of grant recipients	2001		87%
	2002	87%	
	2003	88%	
	2004	87%	
Annual Measure: Efficiency measure under development			

**\*Rating: Results Not Demonstrated**

**Program Type** Direct Federal

**Program Summary:**

The Public Assistance program provides grants to States following disasters, for the repair of damaged public facilities such as court houses, community centers, sports stadiums, and hospitals. The grants also pay for debris removal and some emergency services.

The program assessment demonstrated that the program has a strong purpose, but suffers from planning and management deficiencies that hinder results.

1. The program has no long-term outcome measures.
2. It cannot meaningfully track its operations with annual performance measures.
3. The program fails to adequately screen requests for assistance to determine whether Federal help is needed.

Additional program reforms are being deferred until establishment and incorporation of the program into the Department of Homeland Security.

Note--Funding identified below is estimated percentage of spending from the Disaster Relief Fund for the Public Assistance program in each year. FEMA does not budget separately for this program, but budgets, instead, for the Disaster Relief program as a whole. Actual funding from year to year depends on the level of disaster activity and destruction to public facilities.

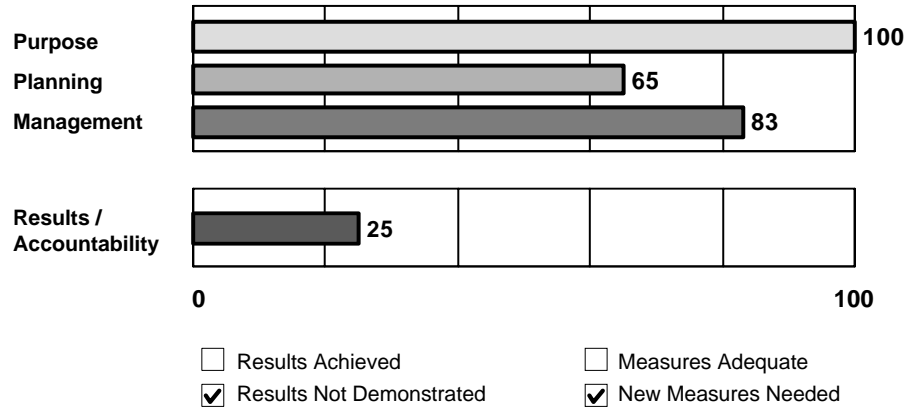
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Drug Interdiction**

**Agency:** Department of Homeland Security

**Bureau:** Coast Guard



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Seizure rate for cocaine shipped through the transit zone (Metric tons of cocaine seized by Coast Guard relative to total estimated by interagency flow models to be smuggled through a six-million square mile area including the Carribean Sea, Gulf of Mexico, Central America, northern coast of South America, Mexico, and Eastern Pacific)	1999	12.5%	12.2%
	2000	13.0%	10.6%
	2001	15.0%	11.1%
	2002	18.7%	
Efficiency Meseasure: Measures under development			

**\*Rating: Results Not Demonstrated**

**Program Type** Direct Federal

**Program Summary:**

The Coast Guard's Drug Interdiction program seizes and disrupts illegal drug shipments before they arrive in the U.S. This mission is accomplished by Coast Guard ships and aircraft patrolling the ocean areas between drug source countries and the U.S. border.

The PART found that while the program is generally well-managed, it faces challenges in strategic planning and performance.

1. The PART identified no significant problems with the Drug Interdiction program purpose or management.
2. This program has significant weaknesses in strategic planning. First, it does not have long-term performance measures specific to this program. Also, comprehensive evaluations for this program are not performed on a regular basis.
3. While the Coast Guard has not met its annual goals, it is developing new strategies and making key investments to improve its performance in the future.

In response to these findings, the Administration will work to develop useful long-term performance measures and efficiency measures for this program and to plan for regular evaluations.

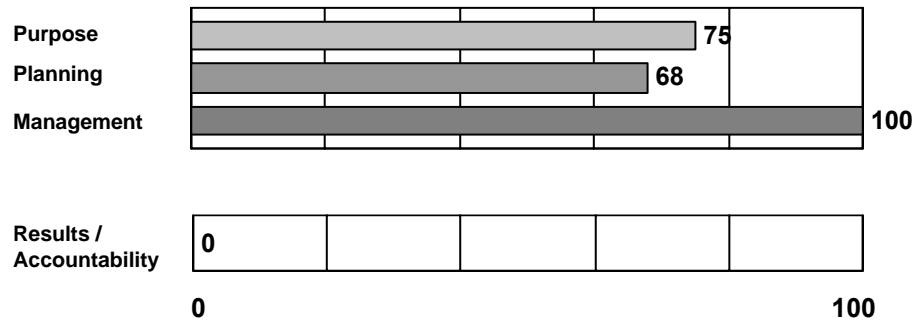
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Federal Air Marshal Service*

**Agency:** *Department of Homeland Security*

**Bureau:** *Bureau of Immigration and Customs Enforcement*



**Key Performance Measures**

**Year Target Actual**

Measure Description	Year	Target	Actual
Annual Measure: Percentage level in meeting FAM coverage target for each individual category of identified risk. (Targets are under development but data is classified for security reasons)			
Annual Efficiency Measure: Level of FAM days allocated to core mission (i.e., the number of days FAMS are flying on aircraft versus training and other activity days).	2003	80%	
	2004	80%	
	2005	80%	
	2006	80%	
Annual Measure: Number of successful terrorist and other criminal attacks initiated from commercial passenger aircraft cabins with FAM coverage.	2003	0	
	2004	0	
	2005	0	
	2006	0	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The DHS Federal Air Marshal Service (FAMS) program provides an on-board security presence on U.S. commercial passenger aircraft.

The assessment found:

- FAMS is a new program and does not yet have measurable results, but has established a useful set of short and long-term performance measures with targets;
- FAMS has a clear purpose and currently addresses a specific need;
- Given that FAMS program performance is likely to be assessed more on its output performance measures than those relating to security outcomes, it is imperative that the program obtain an independent, objective assessment of its output performance measures and the proposed input elements influencing output performance.

In response to these findings, the Administration:

1. Recommends that the program conduct an independent evaluation seeking to validate program structural elements and related performance targets. Specifically, the evaluation should assess and validate FAMS program performance related to flight coverage risk categories, the distribution of covered flights, and target levels of coverage. The evaluation would also look at number of FAMS per flight, seating protocols, and the planned number of annual training and field office days.
2. Recommends level funding (after adjusting for congressional earmarks) given current uncertainty over actual needed output performance.

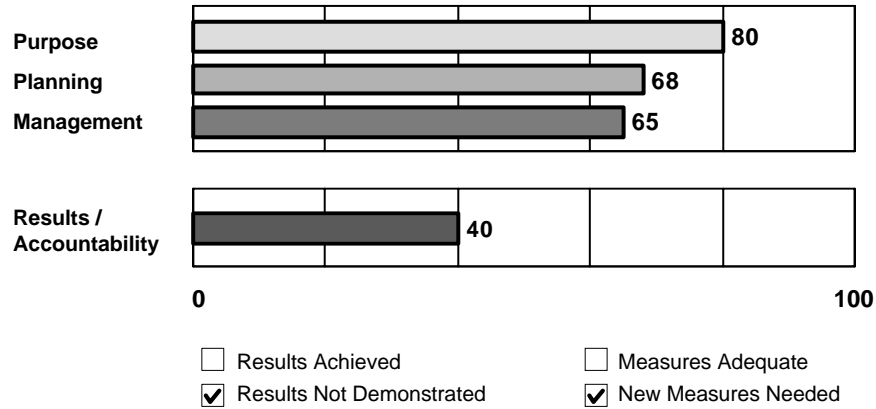
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
537	640	613

**Program:** *Federal Law Enforcement Training Center*

**Agency:** *Department of Homeland Security*

**Bureau:** *Federal Law Enforcement Training Center*



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Partner organization satisfaction rate of law enforcement training (New measure, targets under development)			
Annual Measure: Student satisfaction rate of law enforcement training (New measure, targets under development)			

**\*Rating:** *Results Not Demonstrated*

**Program Type** *Direct Federal*

**Program Summary:**

The Federal Law Enforcement Training Center (FLETC) trains Federal law enforcement officers for over 74 Federal agencies. FLETC also conducts numerous training programs for State, local and international officials and organizations. FLETC is transferring from Treasury to the Department of Homeland Security.

The assessment indicates the overall purpose of the program is clear, but coordination between FLETC and other training providers needs improvement. Additional findings include:

1. The program's long-term performance goals lack specific targets to determine whether or not outcome goals are being achieved.
2. FLETC's budget is not structured in a way to assess the impact of funding and policy changes on program performance.
3. The program's annual performance goals are not directly tied to achieving the long-term performance goals.

To address some of these findings, FLETC recently hired a private firm to conduct a capacity assessment and it will submit the results to OMB by March. In addition, the program is implementing a series of reforms designed to address these findings, including:

1. Developing clear long-term performance goals with specific timeframes and measures;
2. Working with other training providers to establish uniform measures and unit costs of training personnel; and
3. Refining existing annual performance goals and align them with the long-term performance goals.

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

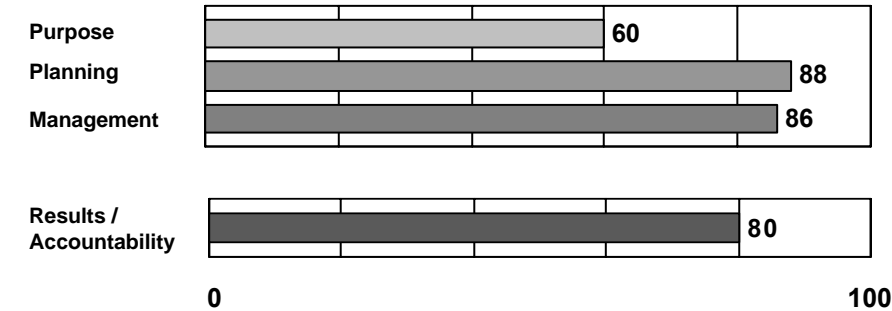
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** *Federal Protective Service*

**Agency:** *Department of Homeland Security*

**Bureau:** *Bureau of Immigration and Customs Enforcement*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Reduction of Risk Factor for Federal Facilities - The Federal Protective Service's long term goal is to achieve a 40% overall measurable reduction to the threat of Federal facilities.	2001	>40%	27.46
	2002	>40%	30.26
	2003	>40%	
	2004	>40%	
Annual Measure: Biannual Customer Satisfaction Survey of Federal tenants	97/*98	0	0.81
	99/*00	>85%	0.85
	01/*02	>85%	0.87
	02/*03	>85%	
Annual Measure: Annual Reduction of Risk Factors for Federal facilities. (Measures progress toward long-term outcome goal of reducing threat levels at Federal facilities by measuring outputs of different security efforts)	2001	>2.5%	27.46
	2002	>20%	38.57
	2003	>20%	
	2004	>20%	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Federal Protective Service (FPS) provides law enforcement and security services to federally owned and leased facilities nationwide.

The assessment found that, in recent years, the program has improved security planning and execution at federal buildings. The program's performance measures focus on achieving the needed outcome of reducing threat vulnerability at federally owned and leased facilities. FPS' role in security for federal buildings has expanded since its transition to the Department of Homeland Security. As a result, FPS needs to develop the appropriate strategy and targets for this larger role.

In response to these findings:

1. The Department will work to develop updated strategic and performance goals for the program.
2. The Department will ensure collection of critical performance data for the program's new measures.

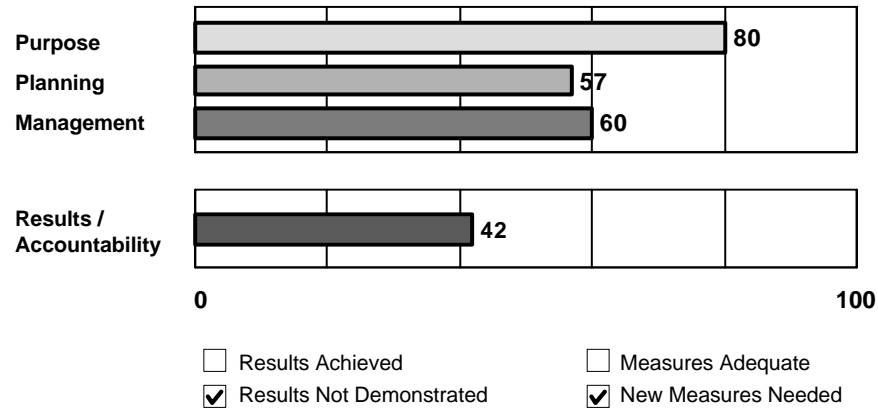
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
448	424	478

**Program: Hazard Mitigation Grant**

**Agency:** Department of Homeland Security

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Value of avoided property damage (Interim targets under development)	2008	\$2.45 B	
Annual Measure: Community resistance to natural hazards- as measured by reduction in lives at risk (Targets under development)	2001	5,000	11,274

**\*Rating: Results Not Demonstrated**

**Program Type** Block / Formula Grants

**Program Summary:**

The Hazard Mitigation Grant Program provides grants to States for projects designed to reduce losses to public and private property from future disasters.

Although the program has a relatively clear purpose, it suffers from planning and management weaknesses that limit results. Chief among these are that performance measurement and reporting are lacking, and grant oversight is inadequate. As the PART revealed, the program also suffers from a number of design flaws. Key findings of the assessment include:

1. The program allocates funds to States based on a formula rather than on need. Thus the program is reactive and lacking in targeting funding for areas of greatest risk.
2. The program sets a low hurdle for project eligibility determinations by requiring that mitigation projects require no more than \$1 in benefits for every \$1 spent.
3. The program reserves a significant portion of funds for projects for which FEMA requires no benefit-cost determination so that a project could result in less than \$1 in benefits for every \$1 spent.

The budget proposes a major restructuring of the program to increase its effectiveness.

1. The program will be replaced with a pre-disaster competitive grant program, funded at \$300 million, that will allocate limited Federal funding to high risk mitigation priorities.
2. The new program will operate independently of the Disaster Relief programs, assuring that funding remains stable and is not subject to spikes in disaster activity.
3. Awarding grants on a pre-disaster, competitive basis would ensure that the most worthwhile, cost-beneficial projects receive funding. No further funding is recommended for the existing program.

Note--Funding identified below is estimated percentage of spending from the Disaster Relief Fund for the Hazard Mitigation Grant program in each year.

(For more information on this program, please see the Department of Homeland Security chapter in the Budget volume.)

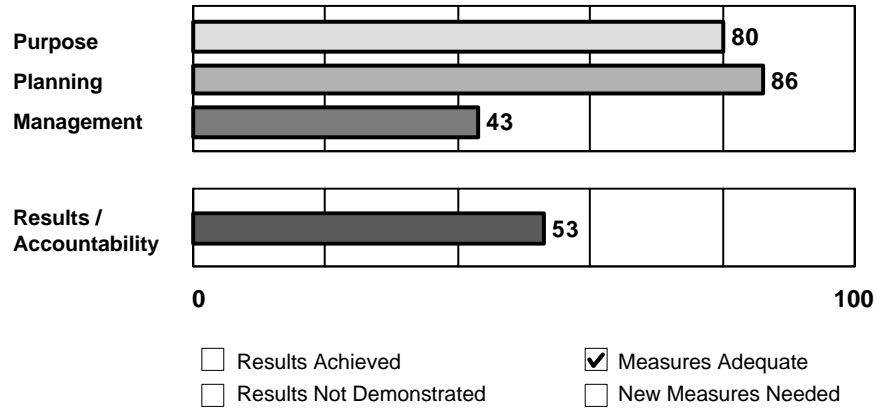
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Immigration Services**

**Agency:** Department of Homeland Security

**Bureau:** Bureau of Citizenship and Immigration Services



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Average number of months to process benefit applications (data in months; 2001-2002 data for naturalization applications only; 2003-2004 data for all benefit applications; 2003 target under development)	2001	9	8
	2002	8	10
	2003		
	2004	6	
Annual Quality Measure: Percentage compliance with naturalization quality procedures (2001-2002 data for naturalization applications only; 2003-2004 data for expanded application types) (New quality measure under development)	2001	99%	99%
	2002	99%	99%
	2003		
	2004		
Efficiency measure: Specific measure and targets under development	2001		
	2002		
	2003		
	2004		

**\*Rating:** Adequate

**Program Type** Direct Federal

**Program Summary:**

Immigration Services provides immigration information and benefits to the public. Immigration Services makes decisions about who receives different benefits for both temporary and permanent legal status in the U.S. These benefits range from alien registration cards and asylum applications, to the ultimate benefit of citizenship.

Findings from the PART assessment include the following:

1. Immigration Services has engaged in extensive strategic planning with both long and short term goals.
2. Significant progress has been made towards achieving key performance goals such as reducing the application backlog and maintaining processing times.
3. The program has a plan to reduce backlogs of applications. It tracks the processing times of its applications and reports to Congress on a monthly basis on its progress towards achieving goals.
4. Although Immigration Services has made a number of improvements in the last several years, it is not yet designed to quickly respond to unforeseen events. In the past year, events such as September 11, expansion of national security checks, and new legislation/policies implemented to meet the needs of special populations have diverted resources and caused sudden increases in its workload.
5. Immigration Services also has significant financial management challenges such as not making timely deposits of application fees pursuant to Treasury guidelines and audit problems concerning the inability to compute "deferred revenue" through automated systems for case processing. The program is implementing a series of reforms designed to address these findings.

(For more information on this program, please see the Department of Homeland Security chapter in the Budget volume.)

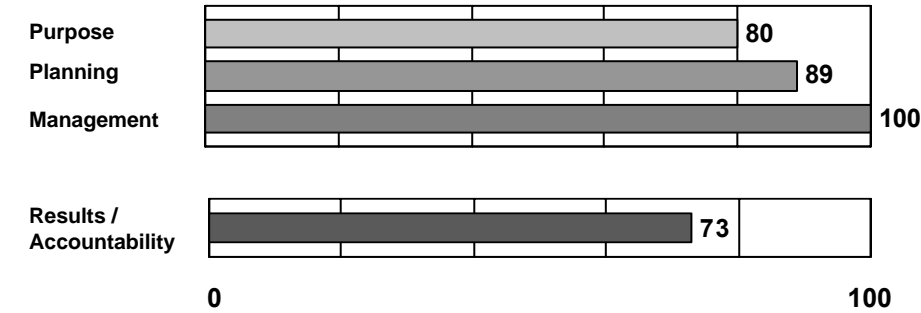
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Marine Environmental Protection*

**Agency:** *Department of Homeland Security*

**Bureau:** *Coast Guard*



**Rating:** *Moderately Effective*

**Program Type:** *Regulatory Based*

**Program Summary:**

The Coast Guard Marine Environmental Protection program prevents oil and hazardous materials from entering navigable waters. If oil or hazardous materials do enter the water, the program seeks to remove them.

The assessment found that the program is strong overall and is meeting its annual and long-term goals. It also found that the program lacked comprehensive evaluations of its effectiveness.

In response to this finding and to the findings of 2004 PARTs, Coast Guard will continue its work with the Center for Naval Analyses to complete performance evaluations for all its programs.

**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Gallons of oil spilled per million gallons shipped	2001	4	3.4
	2002	2.5	0.6
	2003	2.4	
	2004	2.3	
Annual Measure: Number of vessel-generated marine debris items per mile of shoreline surveyed	2001	44	31
	2002	43	
	2003	41	
	2004	40	
Long-term Measure: Average number of chemical discharge incidents and oil spills greater than 100 gallons per 100 million tons shipped	2005	39.6	
	2006	39.6	
	2007	38.1	
	2008	36.6	

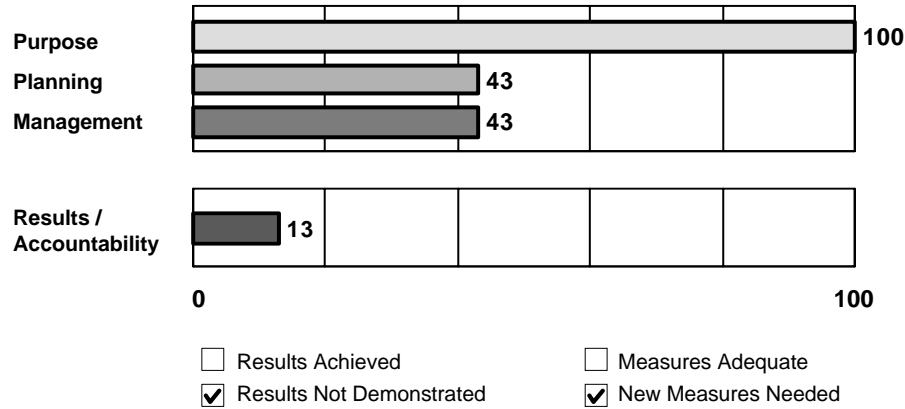
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
290	308	0

**Program:** Metropolitan Medical Response System

**Agency:** Department of Homeland Security

**Bureau:** Departmental Management



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Measures under development			

**\*Rating:** Results Not Demonstrated

**Program Type** Block / Formula Grants

**Program Summary:**

The MMRS program helps local health personnel respond to a mass casualty incident, including a terrorist use of a weapon of mass destruction.

Findings from the PART assessment include the following:

1. The purpose of MMRS is clear. The program was designed to provide 122 cities with funding to establish a base level of preparedness.
2. The program has not developed any long-term or short-term outcome goals by which to measure results.
3. Evidence of proper management demonstrated mixed results. No financial audit information was available for this program.
4. Due to the fact that this program is administered through contracts rather than grants, contractors are in many ways automatically aligned with and accountable to the goals of the program. However, goals are not well established across contracts, nor is performance information used to change contract funding amounts, or purposes.

The Budget recommendation reflects:

1. Discontinuation of this program in 2004 since the large increase in the 2003 Budget completes the mission of providing 122 cities with necessary funding to establish a base level of preparedness.

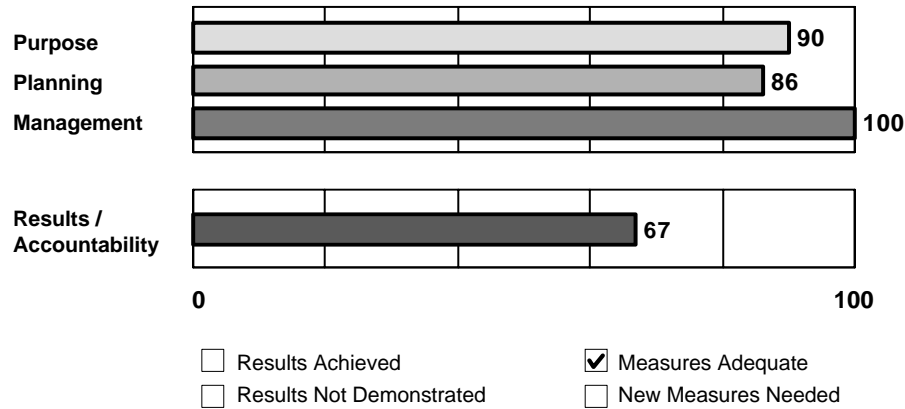
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: National Flood Insurance**

**Agency:** Department of Homeland Security

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Estimated value of disaster and property loss avoided	2002	\$1.000B	\$1.102B
	2003	\$1.200B	
	2008	\$10B total	
Long-term Measure: Percentage of flood claims processed according to program standards (New measure)	2004	90%	
	2008	100%	
Annual Measure: The income to expense ratio of the flood insurance program	2000		112.4%
	2001	114.0%	
	2003	116.0%	
	2004	117.0%	

**\*Rating:** Moderately Effective

**Program Type** Direct Federal

**Program Summary:**

The National Flood Insurance Program offers basic flood insurance coverage for homes and businesses in the United States.

The PART revealed that the program purpose and design, strategic planning, and program management are basically sound. The program receives some criticism concerning its low participation rate and the inclusion of some properties which are only a burden on the taxpayer. Currently, less than half of the eligible properties in identified flood plains participate in this program. In comparison, the participation rate for private wind and hurricane insurance is near 90 percent in at-risk areas. Additionally, FEMA is not currently targeting the proper properties, allowing repetitive loss properties to be insured under this program. Some modifications could improve program results. Examples include:

1. Phasing out repetitive loss properties.
2. Ending taxpayer subsidies for second homes and vacation properties.

These reforms depend on enactment of legislation, which Congress has previously declined to do.

In response to these findings, the Administration will develop outcome based performance measures. Additional program reforms are being deferred until establishment and incorporation of the program into the Department of Homeland Security.

Note--Funding identified below is estimate of gross spending for this program. There are fees and premiums which offset the program costs.

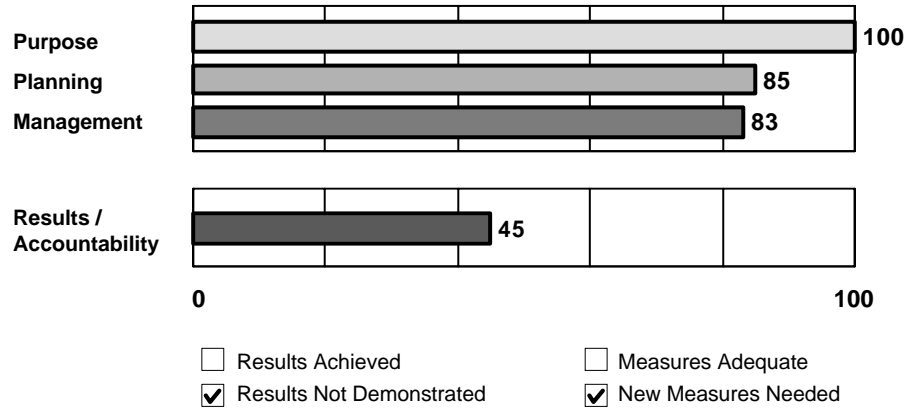
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Search and Rescue

**Agency:** Department of Homeland Security

**Bureau:** Coast Guard



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percent of all mariners in imminent danger rescued	1999		87.5%
	2000		82.7%
	2001	85%	84.2%
	2002	85%	

**\*Rating:** Results Not Demonstrated

**Program Type** Direct Federal

**Program Summary:**

The Search and Rescue (SAR) program saves people in distress in or on the water.

While the program is well-managed, it faces strategic planning and performance challenges.

1. The program has a clear purpose and is well-managed.
2. While the Coast Guard has a useful performance measure to assess its annual progress, more work is needed to develop long-term goals for the program.
3. Coast Guard has reached or very nearly reached its ambitious annual goal of saving 85% of all mariners in imminent danger. However, the program did not receive high scores in "Results" because it lacks long-term performance measures and because an audit found readiness problems.
4. A recent audit by the Inspector General identified "serious staffing, training, and equipment problems in the SAR program." These findings are supported by a few high-profile SAR cases that have been mishandled in the past decade.

To address these findings:

1. The Budget will provide funding in 2004 for two Coast Guard initiatives to improve SAR station readiness. These initiatives, totaling \$20 million, will enable the Coast Guard to increase SAR staffing. With additional personnel available at small boat stations and command centers, individuals' workweeks will be reduced to 68 hours and watch standards will be capped at 12 hours per shift. These changes will ensure that SAR operations are not hampered by personnel who are overworked and exhausted.
2. Coast Guard will work to develop useful long-term performance measures for the SAR program.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

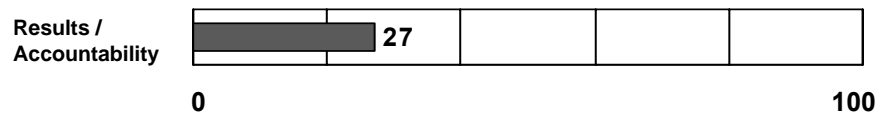
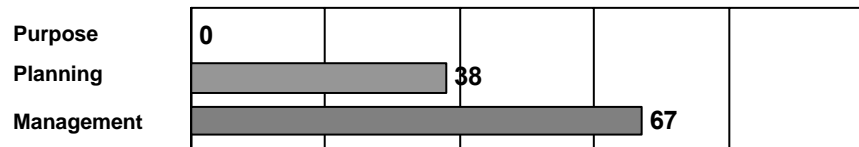


# **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Program:** *Community Development Block Grant (Formula)*

**Agency:** *Department of Housing and Urban Development*

**Bureau:** *Community Planning and Development*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term Measure: Percent of neighborhoods improving as a result of concentrated CDBG Investment. Measure not yet quantified.			
Long-term Measure: Number of jobs created or retained through CDBG	2002	90,263	90,263
	2003	87,555	108,684
	2004	84,000	

**Rating:** *Ineffective*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Community Development Block Grant program (CDBG) provides annual grants totaling \$4.3 billion to over 1,100 eligible cities, counties and States to fund a broad set of activities aimed at the “development of viable urban communities” (e.g., housing rehabilitation, public facility improvement, economic development, public services, administration/planning).

While the funding provides a flexible source of funding for localities, the assessment identified several areas of weakness:

- Lack of clarity in the program’s purpose and design;
- Weak targeting of funds by CDBG formula and by grantees to areas of greatest need;
- Lack of transparent program and performance information; and
- Lack of annual output or long-term outcome performance measures.

In response to these findings, the Administration plans to work with stakeholders to identify reforms, including legislative, which will allow CDBG dollars to better address its purpose – developing viable urban communities.

Recommendations include:

- Further define purpose of the program by identifying and tracking neighborhood improvement indicators that correspond to a “viable urban community.”
- Encourage cities to concentrate a minimum percentage of their annual grants in a few locally defined strategic neighborhoods, to improve ability of funds to make an impact.
- Leverage private sector and other State and local dollars to ensure a commitment by key actors and sustainability after investment.
- Involve Faith-Based and Community-Based Development Organizations to improve effectiveness, transparency of local grant-making process, and citizen participation.
- Implementing system that measures results and ensures accountability by working with stakeholders to develop local and national outcome measures.

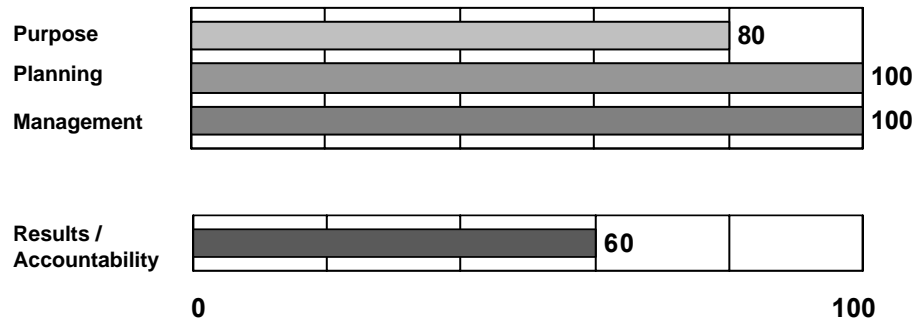
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
4,340	4,331	4,331

**Program:** HOME Investment Partnerships Program

**Agency:** Department of Housing and Urban Development

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term Measure: Total number of years of affordability provided for low-income households residing in units produced from the investment of HOME funds	2002		418,595
	2003	500,000	
	2004	500,000	
	2005	500,000	
Long-term Measure: The median home loan amounts (from Home Mortgage Disclosure Act) of census tracts that receive HOME Program funds. Baseline is under development.			
Long-term Measure: Additional minority households becoming homeowners by 2010 through HOME and American Dream Downpayment assistance	2002	16,500	17,869
	2003	18,000	17,695
	2004	33,000	

**Rating:** Moderately Effective

**Program Type:** Block / Formula Grant

**Program Summary:**

The HOME Investment Partnerships Program provides grants to over 600 state and local governments to expand the supply of affordable housing for low income families. Grantees may assist renters, new homebuyers or existing homeowners through a variety of activities such as rehabilitation, new construction, buying property, or tenant-based assistance.

HOME is re-assessed in 2005 because it developed long-term outcome measures in response to a 2004 PART recommendation. The 2004 PART assessment found that HOME has a clear public purpose and a strong management practice is in place, but current performance measures did not measure outcomes.

Specifically, the 2004 summary noted, “The primary shortcoming of the program is its lack of long-term outcome goals, which limits HOME’s ability to demonstrate its impact on communities or the lives of low-income persons assisted. For instance, the current measures focus on the number of people assisted, not on the long-term impact on the community or recipients.”

In response, HOME staff developed two long-term measures to better capture the effect funds have on communities:

1. The first indicator will track trends in neighborhood quality that accompany the investment of HOME Program funds. Initially, HUD will use the changes in median home loan amounts (from Home Mortgage Disclosure Act data) as an indicator of trends in neighborhood quality of life.
2. The second measure is the total number of years of affordability provided for low-income households residing in units produced from the investment of HOME funds. (NOTE: Housing units produced with HOME funds must remain affordable for a minimum number of years depending upon the amount of the HOME investment. The greater the number of years a unit remains affordable, the greater the rent-stability for low-income families and the greater their disposable income for non-rent expenses.)

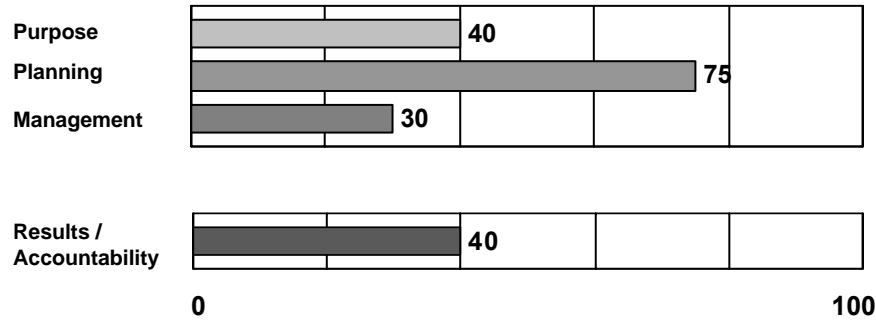
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,987	2,006	2,084

**Program: HOPE VI**

**Agency:** Department of Housing and Urban Development

**Bureau:** Public and Indian Housing



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Demolish 100,000 severely distressed public housing units by 2003. (Cumulative totals include non-HOPE VI demolitions.)	2001		73,857
	2002		88,922
	2003	100,000	
Annual Measure: Number of severely distressed public housing units demolished. (Annual totals include non-HOPE VI demolitions.)	2001	12,000	14,144
	2002	13,000	15,065
	2003	13,000	
	2004	10,000	
Annual Measure: Number of public housing units constructed or rehabilitated under HOPE VI.	2001	12,000	4,044
	2002	5,485	6,583
	2003	6,821	8,611
	2004	6,900	

**Rating: Ineffective**

**Program Type:** Competitive Grant

**Program Summary:**

The HOPE VI program was designed to address the most severely distressed public housing in the worst neighborhoods of the nation's cities by replacing it with mixed-income communities that provide opportunities for residents to achieve self-sufficiency. Through competitive grants, HOPE VI awarded public housing authorities over \$5.5 billion to demolish, rehabilitate, and replace obsolete public housing as well as provide social services to residents.

The assessment found that HOPE VI has achieved its primary goal to demolish 100,000 of the nation's severely distressed public housing units. However, while the program has achieved success in removing dangerous public housing, the assessment showed the program is slow at completing the job. Only 15 of 193 grants awarded through 2002 have completed the redevelopment process. In addition, the program has been shown to be more costly than other programs that serve the same population.

Given its delays in implementation, high per-unit costs, and unexpended Federal dollars, HOPE VI is not the most responsive and productive way to address capital needs in the public housing program. In response to these findings, the Administration recommends terminating the HOPE VI program.

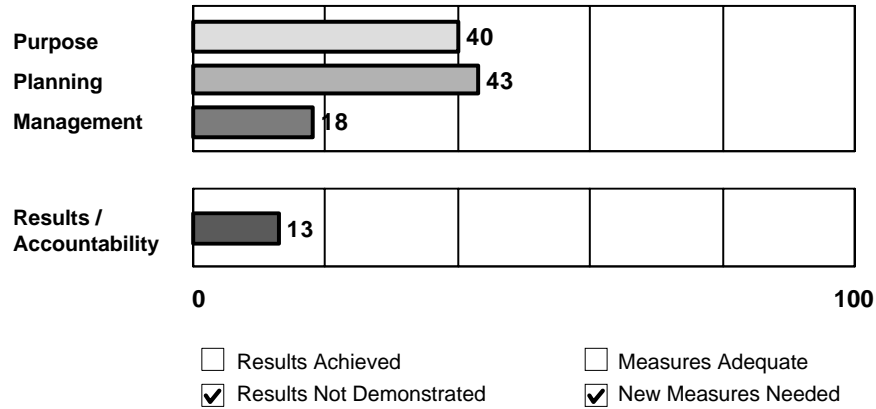
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
570	149	0

**Program:** *Housing for Persons with Disabilities*

**Agency:** *Department of Housing and Urban Development*

**Bureau:** *Housing Programs*



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of households including a disabled person with worst-case housing needs (in thousands) These households do not receive Federal assistance but have incomes below 50 percent of the local median, and pay more than half of their income on rent or live in poor quality housing.	1995		1,050
	1997		1,100
	1999		1,100
	2003	1,070	

**\*Rating:** *Results Not Demonstrated*

**Program Type** *Competitive Grants*

**Program Summary:**

The Housing for Persons with Disabilities program (also known as "Section 811" program) provides construction grants, on-going operating subsidies, and housing vouchers for very low-income persons with disabilities. It is limited to non-profit organizations who own and operate the housing. Federal grants finance the acquisition, construction, or rehabilitation of multifamily or group homes. Funds for project operation are provided when projects are occupied. HUD designates up to 25 percent of annual funding for housing vouchers, which gives assistance directly to recipients so that they can afford to rent apartments on their own in the private market.

Major findings are:

1. Development delays and cost increases are common for the housing production program. Overall, the program does not monitor cost-effectiveness or efficiency in delivery of housing assistance.
2. Long-term measures are inadequate to determine what impact the program has on poor disabled individuals. HUD has been focused on inputs in funding and program management, including reducing the backlog of unexpended funds, but the program needs to track the extent to which recipients find and stay in their housing. This problem is the major reason the program received a low "Accountability" score.
3. An estimated 1.1 to 1.4 million very low-income disabled households have severe housing needs, but the program only provides about 3,000 new housing units a year. While the number of households with severe housing needs is one measure of whether this program is working, it is difficult to isolate the effect of this program on this number. It is only one factor among many affecting the level of need.

As a result of the analysis, HUD will take the following actions.

1. Develop performance measures that attempt to measure outcomes and the efficiency of the program.
2. Propose amendments to streamline the delivery of new housing assistance to provide more housing units for very low-income disabled persons. Amendments to the current program would allow non-profit organizations more flexibility in using grant funds to respond to local needs.
3. Give priority to local projects that are part of the strategy to end chronic homelessness by housing those disabled who are at high risk of homelessness.

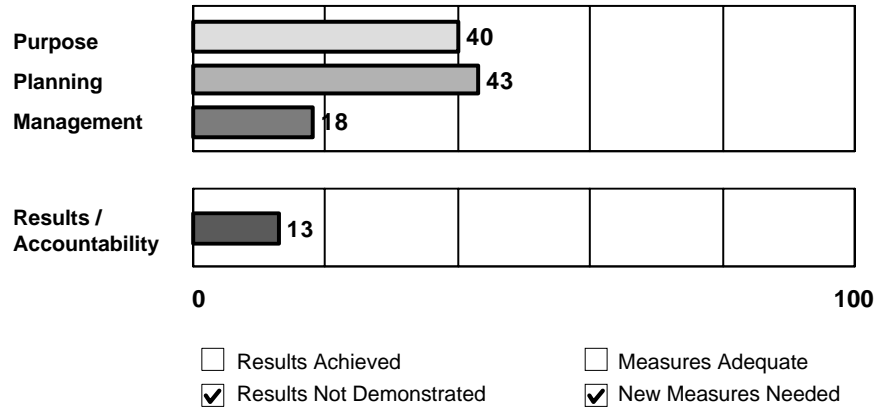
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Housing for the Elderly**

**Agency:** Department of Housing and Urban Development

**Bureau:** Housing Programs



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Number of elderly households (in thousands) in the United States with worst-case housing needs These households are renters that do not receive Federal assistance but have incomes below 50 percent of the local median and pay more than half of their income on rent or live in poor quality housing.	1995		1,051
	1997		1,180
	1999		1,028
	2003	970	

**\*Rating: Results Not Demonstrated**

**Program Type** Competitive Grants

**Program Summary:**

The Housing for the Elderly grants program (also known as "Section 202" program) provides construction grants and on-going operating subsidies for very low-income elderly persons. The grants go to nonprofit organizations who own and operate the housing. Grants to these organizations provide the money to finance the acquisition, construction, or rehabilitation of homes for poor elderly persons. Funds for operating the housing are provided when projects are occupied.

The analysis resulted in low performance scores due, largely, to unclear long-term outcome goals, insufficient performance measures, the small numbers of units produced relative to need, higher costs compared to alternative housing programs for this population, and long lead times to produce units for occupancy. Additional findings include:

1. Although most elderly households who eventually receive housing under the program are satisfied with their units, the program lacks evidence indicating the overall level of impact it is having on poor elderly individuals. HUD has been focused on inputs in funding and program management, including reducing the backlog of unexpended funds. Little attention has been given to long-term outcomes.
2. Over one million very low-income elderly households have severe housing needs, but the program provides fewer than 6,000 new housing units a year. While severe housing needs are one measure of housing outcomes, it is difficult to isolate the effect of this program on this measure as it is only one factor among many affecting the level of need.
3. Development delays and cost increases are common. Causes for delay include inexperience of non-profit sponsors in housing development and need for additional funding to complete projects.

In response to these findings, HUD will produce a plan to improve the program's performance within a year, which will include the development of meaningful performance measures. HUD will examine possible policy changes or reforms (statutory, administrative, regulatory) within the program's current design to strengthen performance.

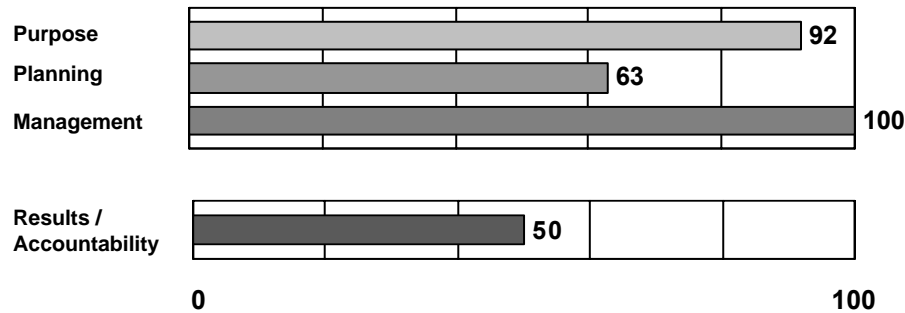
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Housing Opportunities for Persons with AIDS*

**Agency:** *Department of Housing and Urban Development*

**Bureau:** *Community Planning and Development*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Percentage of HOPWA clients who maintain housing stability and access care. The goal is to reach 74% by 2008.	2000		62%
	2003	64%	
	2004	66%	
	2008	74%	
Annual Measure: Increase in the number of households receiving HOPWA housing assistance during the operating year.	2001	48,000	81,211
	2002	68,000	84,059
	2003	72,525	86,600
	2004	73,700	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Housing for Persons with AIDS (HOPWA) program provides permanent housing assistance and related supportive services to very low income persons living with symptomatic HIV or AIDS and their families. The program allocates 90 percent of its funding to grantees through a formula based on AIDS surveillance information from the Centers for Disease Control and Prevention (CDC), for cumulative AIDS cases and area incidence. The remaining 10 percent is allocated to grantees through annual competitive grants.

HOPWA received high scores for program purpose and design and program management and grantees have demonstrated the use of funds to address housing needs. However, the assessment found that the program lacks clear long term performance goals, especially outcome goals. Additional findings include:

- Funds are provided mainly by a formula that focuses on the cumulative number of AIDS cases rather than more relevant measures of current housing needs of the eligible population.
- Program needs to establish long-term outcome-based performance measures that reflect the program’s purpose and client outcomes, such as housing stability.
- The output targets set for the annual measures of households assisted and resources leveraged are not sufficiently ambitious.

In response to the PART findings, HOPWA is pursuing reform in the areas identified in the PART as needing further attention. This includes:

1. Development of long-term outcome goals by spring 2004.
2. Updating annual reporting requirements to require grantee reporting around the program’s long-term outcome measures.
3. Meeting with grantees to clarify reporting on how grants increase housing stability for clients, including reduced risk of homelessness and improved access to HIV treatment and other health care.
4. Recommending a statutory update to the formula to use local housing costs and CDC estimates of persons living with AIDS to better allocate resources based on need.

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

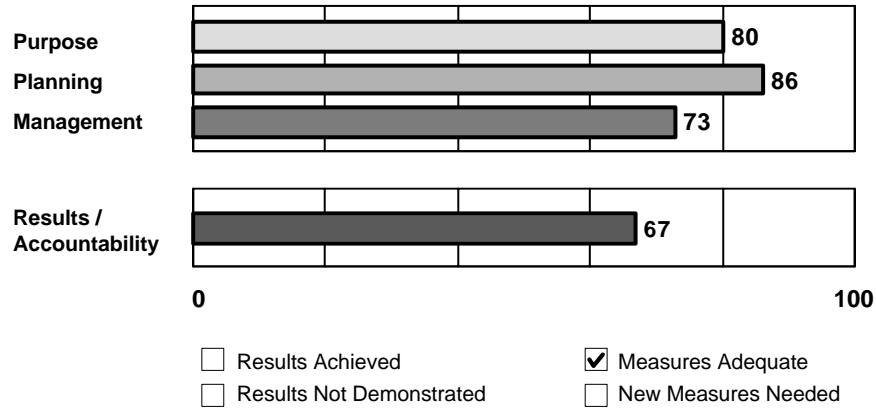
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
290	295	295



## Program: Housing Vouchers

Agency: Department of Housing and Urban Development

Bureau: Public and Indian Housing Programs



### Key Performance Measures

Year Target Actual

Long-term Measure: Number of worst-case needs households in the US (households with incomes below 50 percent of the local median income, who pay more than half of their income in rent or live in poor quality units) (In thousands)	1997	NA	4,331
	1999	NA	3,921
	2001	3,807	
	2003	3,730	
Annual Measure: Share of the Housing Choice Voucher program administered by housing agencies with poor records of using their allocation of program funds (Targets under development)	2000		53.9%
	2001	43.9%	43.3%
	2003	33.3%	
Long-term Measure: Number of Housing Choice Voucher households that have accumulated financial savings through the Family Self-Sufficiency program	2001		15,603
	2002	16,383	
	2003	17,202	

**\*Rating: Moderately Effective**

Program Type Competitive Grants

### Program Summary:

The Housing Voucher program provides assistance directly to extremely low income households so they can afford to go out on their own and rent apartments in the private market.

This program received a relatively high score in comparison to the other HUD programs because it is a cost-effective alternative to other forms of housing assistance. The specific findings are:

1. It provides greater benefits (choice in housing, portability) at a lower cost than alternatives such as public housing.
2. While focusing on the goal of providing housing, the program also incorporates goals of tenant mobility and movement toward self-sufficiency.
3. Some of the 2,700 local public housing authorities (PHAs) that administer the vouchers are poor managers. For instance, more than \$1.7 billion in available federal aid was not used by the PHA's last year. This additional assistance could have housed 200,000 families.
4. The program is not coordinated effectively with related programs such as TANF.
5. A rating system has been implemented to help measure the success of long-term goals, but HUD has not taken effective action to sanction poorly performing PHAs nor do they appear confident in the data received from them.

In support of the President's Management Agenda item to improve the performance of housing intermediaries, the Budget proposes replacing the Housing Voucher program now administered by 2,700 PHAs with a new block grant, Housing Assistance for Needy Families (HANF), administered by states. This would improve the utilization of vouchers, enable and encourage strong coordination with TANF while allowing greater flexibility in the uses of funds and lessen HUD's administrative burden.

(For more information on this program, please see the Department of Housing and Urban Development chapter in the Budget volume.)

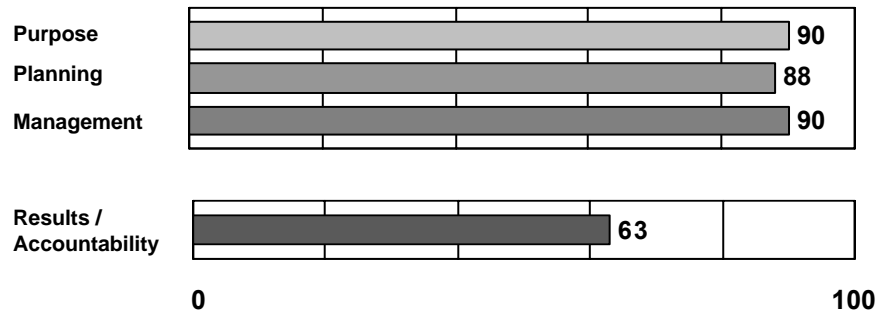
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Lead Hazard Grants*

**Agency:** *Department of Housing and Urban Development*

**Bureau:** *Lead Hazard Control*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Number of children under age 6 with elevated blood lead levels.	1994		890,000
	2000		434,000
	2004	260,000	
Annual Measure: Number of housing units made lead-safe with program grant funds.	2002	7,200	8,040
	2003	7,600	9,098
	2004	8,390	
	2005	9,500	

**Rating:** *Moderately Effective*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Lead Hazard Control program provides competitive grants to States and localities to reduce lead paint in low-income housing. These grants are used to remove lead paint hazards, which can lead to neurological and developmental disorders in children, through renovation and control technologies.

The assessment found:

- The program addresses a serious need—over 400,000 children have elevated levels of lead in their blood and funds are provided to grantees that demonstrate need.
- The program has an aggressive outcome goal—elimination of childhood lead poisoning by 2010—and there has been significant progress made toward achievement of this goal. The program has made a significant contribution toward the goal although external factors in the housing market (e.g., normal rates of renovation) appear to have had the most impact.
- The program has become more efficient and meets its annual targets but it needs to set more aggressive production targets in order to achieve its long-term outcome goals.
- The program has efficient management and fund allocation systems that are threatened by new programs added in recent years by the Congress that depend on indirect measure of needs and fracture program administration.

In response to these findings, the Administration proposes to revise the rating factors for grant applicants to target funds toward more cost-beneficial technology so that more units can be made lead-free for the same dollars.

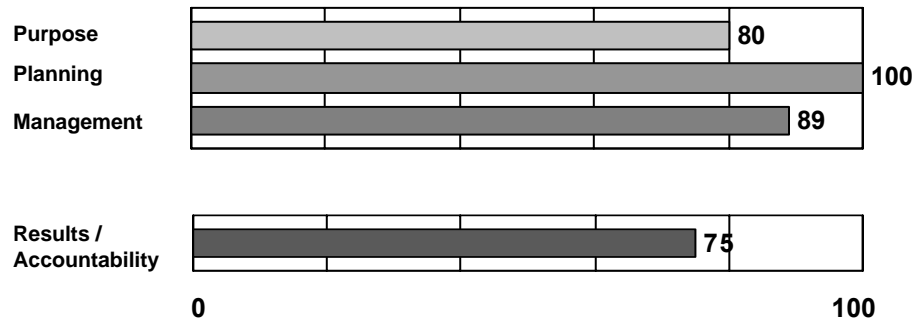
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
165	164	129

**Program:** *National Community Development Initiative*

**Agency:** *Department of Housing and Urban Development*

**Bureau:** *Community Planning and Development*



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Number of homes renovated, preserved or newly constructed	2002	2,867	4,429
	2003	3,627	
	2004	3,978	
Annual Measure: Number of trainings created and provided to CDCs	2002	18	35
	2003	21	
	2004	22	
Long-term Measure: Total development cost estimate of community development projects funded by CDCs in millions of dollars (shows increased capacity of CDC industry).	2002	300	457
	2003	439	
	2004	462	

**Rating:** *Moderately Effective*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The National Community Development Initiative (NCDI) was formed in 1991 by eight private foundations and financial institutions with the following goals: 1) build local systems that support housing, economic, and community development and 2) increase long term financing available for Community Development Corporation (CDC) projects. Local Initiatives Support Corporation (LISC) & the Enterprise Foundation use NCDI funds to provide operating support, training, technical assistance and project financing to CDCs. In 1994, HUD began funding the initiative. In 2001, 16 foundations, corporations and financial institutions began a new 10-year phase, entitled "Living Cities."

The PART assessment found that the NCDI mission and program design are clear, HUD oversight is sound, and performance measures focus on increasing the capacity of CDCs. Additional findings include:

- NCDI mobilized private sector involvement, leveraging private resources at a ratio exceeding its three to one mandate.
- Seventy-five percent of all NCDI funds are passed through to CDCs to help them strengthen their organizational capacity.
- Program partners established useful and meaningful performance measures through grantee work plans and long-term studies.

Recommendations to follow-up on these PART findings include:

1. HUD will work with the intermediaries to develop indicators that measure the change in the condition of neighborhoods in which the CDCs operate.
2. HUD, LISC, and Enterprise will make information on individual CDC performance more readily available to the public.
3. HUD will include at least one long-term performance measure for NCDI as part of its Annual Performance Plan and Reports.

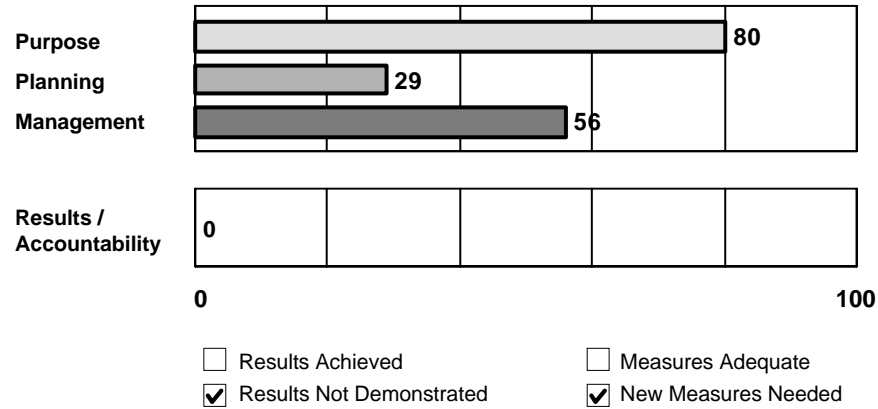
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
32	35	30

**Program:** Native American Housing Block Grants

**Agency:** Department of Housing and Urban Development

**Bureau:** Public and Indian Housing Programs



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Percent of overcrowded houses on tribal lands (New measure, targets under development)			
Annual Measure: Percent of overcrowded houses on tribal lands (New measure, targets under development)			
Annual Measure: Number of households receiving assistance	2003	19,967	
	2004	23,960	

**\*Rating:** Results Not Demonstrated

**Program Type** Block / Formula Grants

**Program Summary:**

The Native American Housing Block grant provides funding to tribes which they use to provide rental assistance, rehabilitation, new construction, homeownership counseling, and other housing-related activities.

The assessment indicates that the overall purpose and design of the program is clear. However, the program receives poor performance scores primarily because the program does not have a history of establishing quantifiable performance goals, targets, and timelines. It, therefore, cannot currently demonstrate what level of impact it has on providing housing to those who need it. Furthermore, the program does not have information systems in place to monitor whether grantees are in compliance with reporting requirements.

To address these findings, HUD will:

1. Look to the HOME program, which received a management score of 100 percent, for ways to effectively run a housing block grant.
2. Develop short- and long-term, outcome-oriented performance measures that track reductions in overcrowded housing.
3. Complete the development and implementation of performance tracking systems. HUD has scheduled and funded the development of information technology systems for the block grant in 2003.
4. Simplify reporting requirements for grantees. HUD should re-examine the essential data needed to evaluate grantee performance and compliance with federal regulations and also give consideration to how administratively burdensome reporting requirements are on smaller tribes.
5. Propose legislative language to strengthen and expedite enforcement actions. HUD should develop language that will expedite enforcement action in cases of fraud or non-compliance.

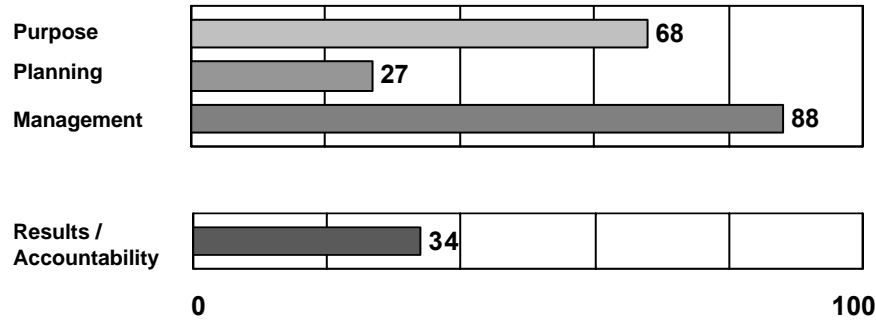
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Partnership for Advancing Technology in Housing (PATH)*

**Agency:** *Department of Housing and Urban Development*

**Bureau:** *Policy Development & Research*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year		Actual
	Target	Actual	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Research and Development*

**Program Summary:**

The Partnership for Advancing Technology in Housing (PATH) provides research grants to facilitate the development of new technology and advance the adaptation of technology to improve U.S. housing. The program is less focused on technology per se than with the process for development and dissemination.

The assessment found:

- The program has lacked a consistent focus, with poorly defined objectives and with too broad of a research agenda to have a significant impact on technology.
- Recently, however, the program has reached out to industry and research partners to develop a more tightly defined mission that centers on the process of technology adoption within housing industries.
- The program lacks any short or long-term performance goals or measures.

The Administration proposes reduced funding for PATH. This is consistent with narrowing the focus of the program to technology adoption. Also, the lack of results demonstrated by the program does not support continuing past levels of funding.

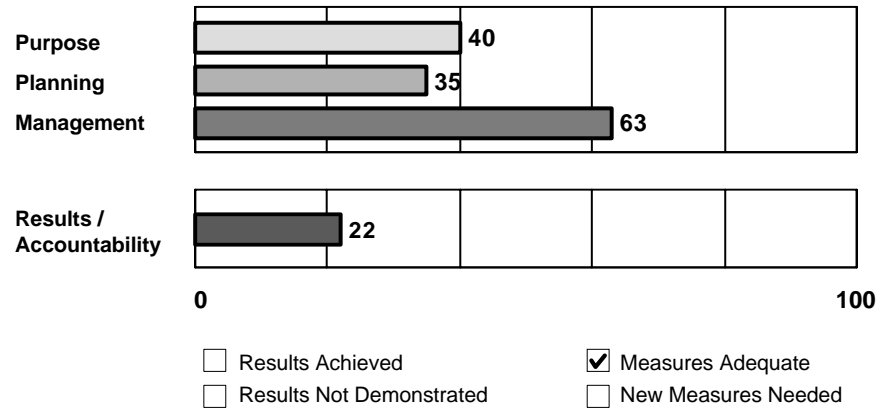
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
8	8	2

## Program: Project-Based Rental Assistance

Agency: Department of Housing and Urban Development

Bureau: Housing Programs



### Key Performance Measures

Year Target Actual

Long-term Measure: Thousands of households with worst-case housing needs (households not receiving federal assistance with incomes below 50 percent of the local median, who pay more than half of their income on rent or live in poor quality housing)	1997		4,331
	1999		3,921
	2001	3,807	
	2003	3,730	
Annual Measure: Percent of units meeting physical standards	1999		77.3%
	2000		86.2%
	2001	86.5%	93.1%
	2003	97.6%	
Long-term Measure: Self-Sufficiency: Average earnings among non-elderly, non disabled households (Target under development)			

**\*Rating: Ineffective**

Program Type Capital Assets

### Program Summary:

Project-based rental assistance provides funding to landlords who rent a certain number of affordable apartments to low-income families or individuals. Assistance is tied directly to the properties; tenants can generally not move without losing their assistance.

This program receives low performance scores because it has a poor focus on program outcomes and produces poor results relative to alternative forms of housing assistance. The specific findings are:

1. There is confusion over the objectives of the program and incomplete performance targets. For example, while HUD has committed to increasing the self-sufficiency of assisted households, it has not set specific performance targets for the project-based program.
2. There is a lack of strong financial accountability. For example, there is poor control of rents paid to landlords.
3. While worst-case needs are one measure of housing outcomes, it is difficult to isolate the effect of this program on this measure as it is only one factor among many affecting the level of need.
4. Assisted households lack the ability to move to better housing. Although the physical quality of project-based housing has improved significantly in recent years, those households in substandard properties are often trapped without the option of moving. Similar programs such as the Housing Vouchers Program don't have this problem.
5. The program costs more than other forms of rental assistance.

In light of this assessment HUD will make management improvements, including stepped-up enforcement against properties in poor condition. These actions will increase the number of units meeting acceptable physical quality standards. Performance measures for self-sufficiency will also be developed. No expansion of the program is proposed in 2004. Funding increases in 2004 only because more properties are renewing assistance contracts than in 2003; the total number of properties assisted does not increase.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

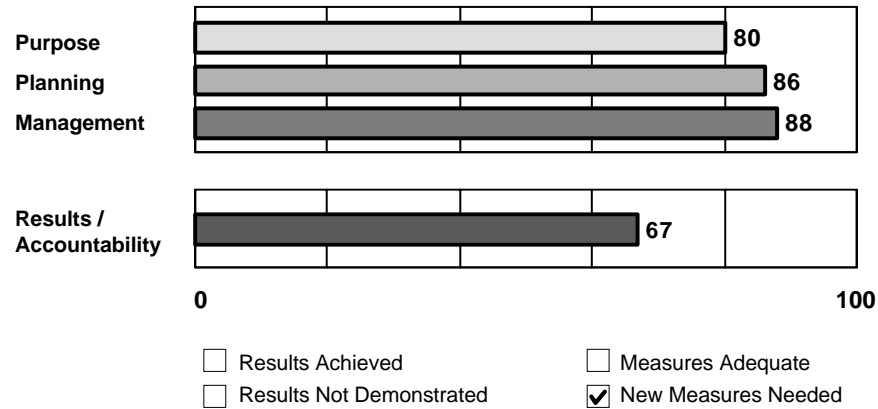
## **DEPARTMENT OF THE INTERIOR**



## Program: Abandoned Mine Land Reclamation

Agency: Department of the Interior

Bureau: Office of Surface Mining Reclamation and Enforcement



### Key Performance Measures

Year Target Actual

Measure	Year	Target	Actual
Long-term Measure: Outcome measures under development, such as measuring reduction of health and safety problems of abandoned coal mine sites near communities			
Annual Measure: Equivalent acres of abandoned coal mine land with health and safety problems remaining to be reclaimed. (Base is 1998 - 129,000 acres held constant) NOTE: States identify additional equivalent acres at the rate of about 22,000 annually.	1999	119,900	118,051
	2000	111,800	105,875
	2001	103,200	92,067
	2002	96,200	
Efficiency Measure: Measure under development			

**\*Rating: Results Not Demonstrated**

Program Type Block / Formula Grants

### Program Summary:

The Abandoned Mine Land program reclaims and restores land and water degraded by abandoned coal mining activities. Fees on coal production fund the program and a portion of the fees collected are appropriated annually. Twenty-three states and three Indian Tribes carry out the program with grants and program oversight from the Office of Surface Mining (OSM).

The assessment found that the program is well managed and implemented with considerable coordination among program stakeholders -- coal states and Indian Tribes. Over the past 25 years, the program has restored only one-third of the identified abandoned coal mine sites. Some states and Tribes have restored all of their abandoned coal mine sites and are using their grants for other purposes, as allowed by the program's authorizing legislation. The law requires about one-half of the fees collected within a state to be returned to the state for restoration or other purposes. The increased use of this funding by states for other uses is slowing the reclamation in states with large numbers of sites. Consequently, it will take over 50 years to restore all the sites. The coal fee, which funds this program, will expire on September 30, 2004.

While this assessment was based largely on existing measures, these measures do not adequately demonstrate results and will not be used in the next assessment. The Office of Surface Mining needs to develop measures that are outcome oriented, such as measuring how well the program is reducing health and safety problems related to abandoned coal mine sites near communities. In addition, OSM needs to develop an efficiency measure.

In response to these findings, the Administration will:

1. Propose legislative changes to the program's authorization to increase the rate of pre-1977 abandoned coal mine land reclaimed.
2. Extend the coal fee, which expires on September 30, 2004, to fund the remaining work.
3. Develop long-term measures that are more outcomes oriented and develop at least one efficiency measure.

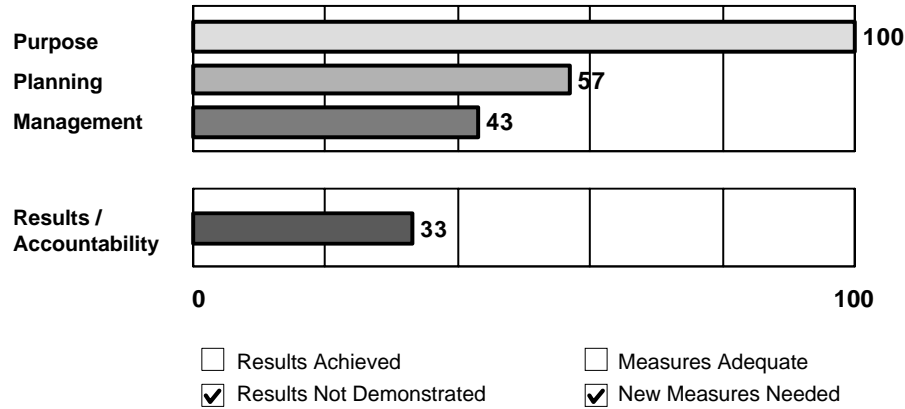
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

# Program: DOI Wildland Fire Management

Agency: Department of the Interior

Bureau: Bureau of Land Management



## Key Performance Measures

## Year Target Actual

Measure Description	Year	Target	Actual
Long-Term Measure: Number of high priority acres moved to a better condition class Measures the extent to which excessive fuel loads (small trees and brush that exacerbate risks of catastrophic fire) are reduced and forest health is improved (New measure, targets under development)			
Annual Measure: Number of high priority acres treated in (1) the wildland urban interface (WUI) or (2) in condition classes 2 or 3...outside the WUI Measures acres treated to reduce fire risk in areas adjacent to communities and in other high-priority areas. (New measure, targets under development)			
Efficiency Measure: Number of high priority acres treated in (1) the wildland urban interface (WUI) or (2) in condition classes 2 or 3...outside the WUI per million dollars of gross investment (New measure, targets under development)			

**\*Rating: Results Not Demonstrated**

Program Type Direct Federal

## Program Summary:

DOI is responsible for managing and, if necessary, extinguishing fires on the lands it owns. The program consists of five major activities: (1) fire preparedness, (2) fire suppression, (3) hazardous fuels reduction, (4) burned area rehabilitation, and (5) rural fire district assistance.

The assessment found that the program faces significant obstacles in meeting its long-term goals, most of which appear to be management challenges. A number of management changes are currently underway at the Department to address these issues. Specific findings include:

1. The purpose and design of the program is clear and well-focused.
2. The cost of responding to fires is rapidly rising and no systematic cost containment strategy is in place to track and control firefighting efficiency.
3. The program cannot demonstrate that fuels reduction (removal of excess wood) activities are adequately targeted and efficiently managed. For instance, a significant amount of fuels reduction funding (\$56 million) remains unused from prior years.
4. The long-term goals developed as part of the 10-Year Fire Strategy still require baseline data, annual and long-term targets, and clear prioritization among the 4 goals and 18 measures.

Based on the identified problems in the program, the Administration will implement management improvements in the fire program, including:

1. Improving accountability for firefighting costs and ensuring that states are paying their fair share of such costs.
2. Developing a new fire preparedness model that focuses on efficient allocation of available resources.
3. Establishing project criteria to ensure that hazardous fuels reduction funds are targeted as effectively as possible to reduce risks to communities in the wildland-urban interface.

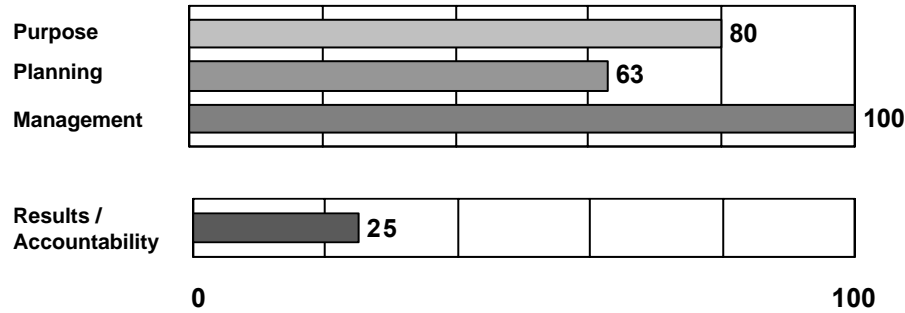
## Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Energy and Minerals Management

**Agency:** Department of the Interior

**Bureau:** Bureau of Land Management



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Percent of permits and lease applications processed. (Measures reduction in backlog; fluid, solid, and non-energy minerals tracked separately.)			
Annual Measure: Percent of permit violations corrected on first notice (fluid minerals).			
Annual Efficiency Measure: Average cost per permit (APD) processed (fluid minerals).			

**Rating:** Adequate

**Program Type:** Direct Federal

**Program Summary:**

The Bureau of Land Management’s (BLM) Energy and Minerals program represents one part of BLM’s broader mission to manage the public lands for multiple uses. Through this program, BLM: 1) analyzes the environmental impacts of minerals development, 2) leases areas and provides permits for specific actions, 3) conducts inspections to ensure operators are meeting the obligations of their permits, and 4) takes enforcement actions when they are not. BLM manages approximately 700 million acres of subsurface minerals underlying public, private, and state ownerships. BLM-managed lands provide 35% of the nation’s coal, 11% of natural gas production, 5% of oil production, and 48% of our geothermal energy.

The assessment found that the Energy and Minerals Program has a clear purpose, but lacks good long-term performance goals and does not properly charge users for identifiable costs.

Specific findings include:

1. BLM does not adequately charge users for the costs of permitting energy and minerals activities. As a result, the burden of permitting these activities is disproportionately transferred to the general taxpaying public. This also results in less BLM flexibility to meet changing industry demand because BLM resources rely on the lengthy budget and appropriations process.
2. BLM lacked adequate performance goals to measure program performance over time. Through the assessment process, new performance measures were drafted, including an efficiency measure for the oil and gas leasing program component.

In response to these findings, the Administration will:

1. Revise BLM regulations to increase cost recovery in the energy and minerals program. This will better ensure that public land users, rather than the general public, pay for the costs of permitting these activities. It should also improve BLM’s ability to respond to changing industry demand by providing additional BLM resources when demand is high.
2. Develop baseline data and targets for the newly-developed performance measures.
3. Seek to identify additional measures of efficiency for other components of the program, including coal and mineral materials activities.

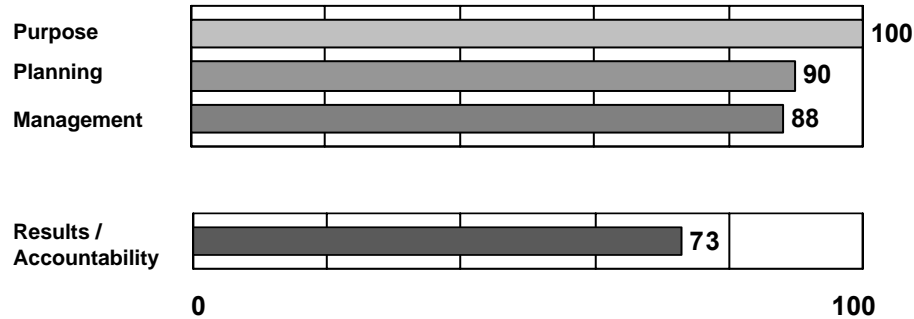
**Program Funding Level (in millions of dollars)**

2003 Actual	2004 Estimate	2005 Estimate
106	108	108

**Program:** *Energy Resource Assessments*

**Agency:** *Department of the Interior*

**Bureau:** *U.S. Geological Survey*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: % of targeted analyses delivered which are cited by identified partners within 3 years after analysis is delivered.	2004	80%	
	2005	80%	
	2006	0.8	
Annual Measure: # of targeted basins with oil and gas resource assessments available to support management decisions.	2003	7	7
	2004	5	
	2005	6	
Annual Efficiency Measure: Average cost of a systematic analysis or investigation (dollars in millions)	2003		2.75
	2004	2.75	
	2005	2.75	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The Energy Resource Assessments Program (ERP) conducts research and assessments to determine the location and quantity of oil, gas and coal on a regional level in the United States and the world to inform national energy policy and support Federal land use decisions.

Application of the PART found:

1. The mission of the ERP is clear, but ERP lacks long-term performance measures that can be used to measure progress. Further, the measures are not clearly linked to the program's five year plan or budget requests.
2. ERP employs regularly scheduled National Research Council reviews and convenes program review panels of internal and external scientists to provide peer review.
3. When appropriate, research is coordinated effectively with federal, state and local governments, industry and academia.
4. It is important that the ERP takes steps to ensure that its data and research products are easily accessible to federal agencies.

In response to these findings, the ERP will:

1. Refine performance measures drafted during the PART process and develop a five year program plan that is consistent with these measures.
2. Work with ERP to continue to make reports, and data more accessible and user friendly.

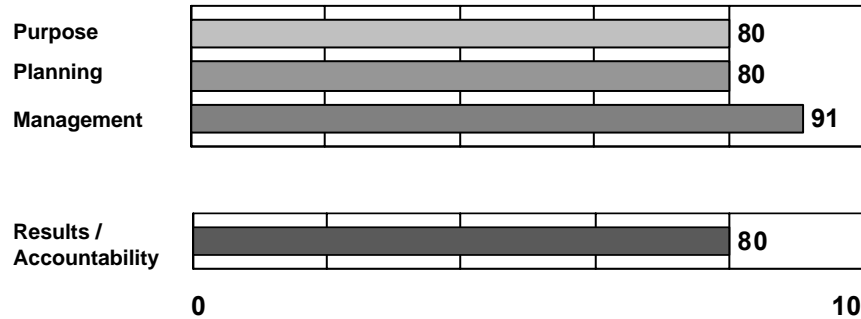
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
24	25	25

**Program:** *Geologic Hazard Assessments*

**Agency:** *Department of the Interior*

**Bureau:** *U.S. Geological Survey*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Reduced loss of life and property from geologic hazards (New Measure, Targets under Development)			
Annual Measure: The number of counties, or comparable jurisdictions, that have adopted improved building codes, land-use plans, emergency response plans, or other hazard mitigation measures based on USGS geologic hazard information	2003		833
	2004	860	
	2005	886	
Long-term Efficiency Measure: Data processing and notification costs per unit volume of input data from geophysical sensors in monitoring networks (in cost per gigabyte)	2003		1007
	2004	997	
	2005	990	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The Geologic Hazard Assessments Program (GHP) provides earth science data and information needed to reduce the loss of life, property, and economic impact of geologic hazards. Geologic hazards include earthquake, volcano, landslides, and geomagnetism.

Application of the PART found:

1. The GHP utilizes competitive grants and partnership efforts with other Federal agencies, State and local government and academia to achieve program goals.
2. GHP demonstrates progress toward some long term goals for individual hazard areas, particularly for earthquake activities. But these measures fail to reflect reduced loss of life, property and economic impact of geologic hazards due to GHP investments.
3. There is insufficient analysis of data to determine the proper allocation of investments across the geologic hazards.
4. To ensure high quality science, GHP employs regularly scheduled National Research Council reviews, utilizes independent advisory committees and convenes program review panels of internal and external scientists to provide peer review.

In response to these findings, GHP will:

1. Work with partners from hazard programs across the federal government to develop a common outcome measure of reduced loss of life and property due geologic hazards.
2. Update five year plans with performance measures developed during the PART process.
3. Identify opportunities to coordinate hazards investments across landslide, earthquake and volcano activities.

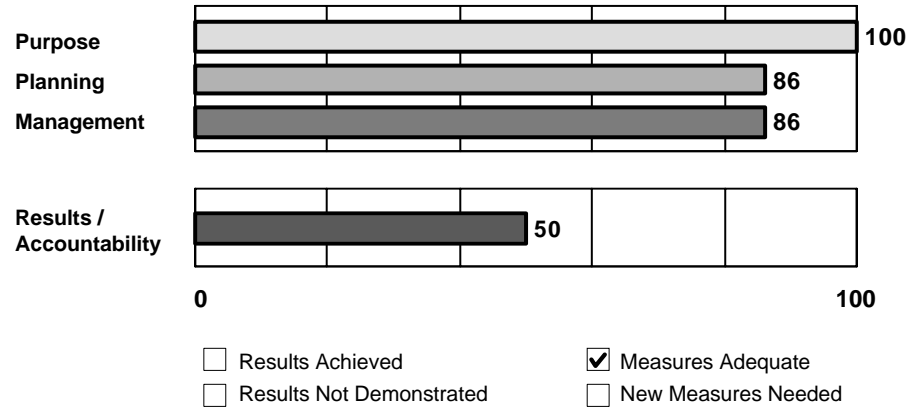
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
75	75	74

## Program: Habitat Restoration Activities

Agency: Department of the Interior

Bureau: Bureau of Land Management



### Key Performance Measures

Year Target Actual

Measure Description	Year	Target	Actual
Long-Term Measure: Percent of plant and animal species listed or proposed for listing pursuant to the Endangered Species Act with a stable or increasing trend in the resident populations (New measure)	2001	17.5%	28%
	2002	35%	34%
	2003	43.5%	
Long-Term Measure: Percent of watersheds within priority sub-basins achieving proper functioning condition or an upward trend (New measure)	2001	10%	14%
	2002	24%	23%
	2003	34%	
Efficiency measure: Measures under development			

**\*Rating:** Moderately Effective

Program Type Direct Federal

### Program Summary:

This Bureau of Land Management (BLM) program restores natural habitats. Work may include invasive weed treatments, reintroduction of native plants, or enhancements to riverbanks.

The assessment found that BLM's restoration activities are well-managed and include leveraging of significant funding from non-federal partners to get necessary work done. The agency's Challenge Cost Share program leveraged approximately \$16.4 million in 2002 with Federal funding of \$9.1 million, and BLM maintains an extensive network of volunteers for its restoration activities. BLM also emphasizes the use of performance-based contracts, conducts regular internal program evaluations, and uses funds in a timely manner. However, some weaknesses were identified in the assessment. These include:

1. Gaps in monitoring of resource conditions to support management decisions and to assess the impacts of restoration activities.
2. A lack of program performance measures that focus on efficiency.
3. Insufficient data on existing performance measures to ensure that baseline data is accurate and performance targets are aggressive.
4. Significant similarities and potential overlaps between activities conducted in BLM's restoration programs and in the Department's wildland fire management program for rehabilitation and fuels reduction.

Based on these findings, the Administration will:

1. Provide an additional \$2 million in 2004 for BLM monitoring activities to improve baseline data and track trends over time.
2. Refine existing performance measures and develop consistent efficiency measures across the Department for similar restoration activities.
3. Evaluate options for more clearly distinguishing between restoration activities funded within the Department's wildland fire program and BLM's operating programs.

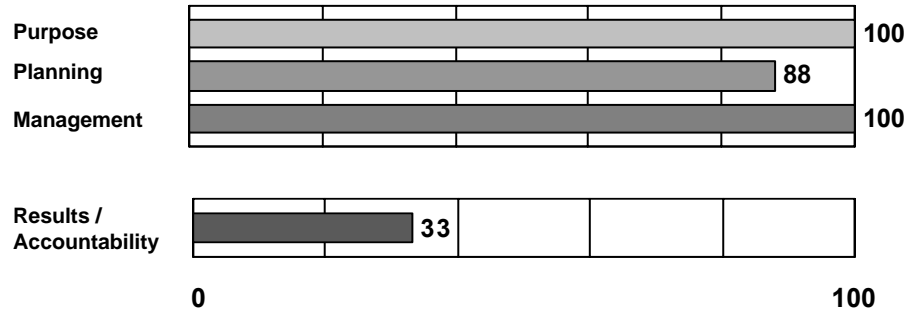
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Indian Forestry Program

**Agency:** Department of the Interior

**Bureau:** Bureau of Indian Affairs



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Percentage of acres on forested reservations that have a forest management plan.	2004	73%	
	2005	76%	
	2015	100%	
Annual Measure: Percentage of current allowable annual harvest taken.	2003		73%
	2004	74%	
	2005	76%	
	2006	78%	
Annual Efficiency Measure: Measure under development			

**Rating:** Adequate

**Program Type:** Direct Federal

**Program Summary:**

The Indian Forestry Program provides technical assistance to Tribes for the improvement and management of Indian forests consistent with Tribal goals and objectives. Indian forests cover over 17 million acres in 26 States and have a commercial timber volume of approximately 42 billion board feet with an annual allowable harvest of 779 million board feet.

The PART found that the forestry program has a clear purpose to ensure the sustainability of Indian forests; however, improvement is still needed. Among the data used by the PART was a 2003 independent Indian Forest Management Assessment Team (IFMAT) Intertribal Timber Council report. The IFMAT found BIA has made progress in several key areas since a 1993 assessment including narrowing the gap between Tribal and BIA forestry program visions due to greater Tribal participation in management and planning. However, only 40% of the 275 forested reservations have management plans to guide in these efforts.

In response to these findings, the Administration will:

1. Provide for additional forest management plans.
2. Develop a long-term goal to ensure 100% of forested reservations have forest management plans.
3. Develop baseline data and targets for performance.
4. Ensure that the forest management plans are consistent with Tribal goals and objectives for economic and cultural purposes.

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

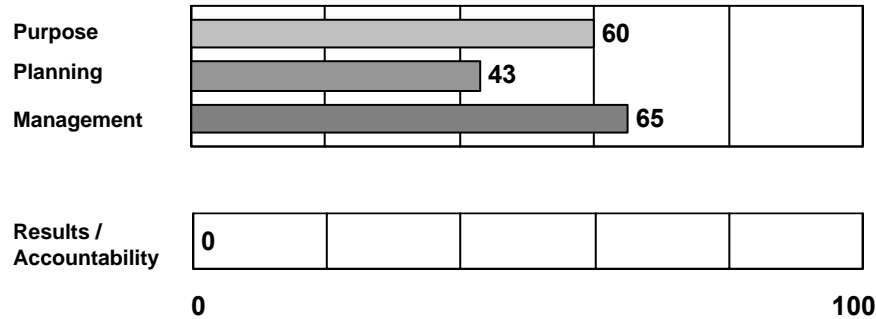
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
49	52	53



**Program:** Indian Law Enforcement

**Agency:** Department of the Interior

**Bureau:** Bureau of Indian Affairs



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term Measure: Violent crime reported in Indian Country per 100,000 inhabitants.	2002	13,500	
	2003	12,000	
	2004	10,500	
	2005	10,500	

**Rating:** Results Not Demonstrated

**Program Type:** Direct Federal

**Program Summary:**

The Indian Law Enforcement program enforces federal and tribal laws, investigates criminal offenses, protects life and property, provides detention and correctional services, provides training, and prevention and outreach programs. Both the Bureau of Indian Affairs and Indian Tribal governments operate Tribal Law Enforcement programs. In addition to funding from the Bureau of Indian Affairs' the Department of Justice supplements Bureau funding by providing direct Community Oriented Policing Services (COPS) grants to Tribal Governments. The Department of Justice also provides tribal grants for construction of detention facilities. Statistics show that Indian reservations have violent crime rates higher than national average (657 per 100,000 residents vs. 506 per 100,000 residents) and higher aggravated assault rates (600 vs. 324).

The assessment found that the program has a clear purpose but program design flaws limit its effectiveness and the program lacked adequate strategic planning, specifically goals and measures to guide the future management and improvement of the program. Specific findings include:

1. The purpose of the program is clear, as articulated in the Indian Law Enforcement Reform Act.
2. The Bureau's strategic plan lacks specificity and prioritization needed to focus management of programs.
3. Measurable outcome based performance goals are needed to effectively and efficiently guide management of the program. Through the assessment process, some new performance measures were drafted.
4. The Department of Justice and the Bureau have no formal coordination on the Tribal COPS grants.
5. The program lacks credible independent program evaluations.

In response to these findings, the Administration will:

1. Reevaluate program capabilities, goals, and targets for the Bureau's strategic plan.
2. Develop baseline data and targets for performance measures.
3. Develop a process for and schedule independent program evaluations.
4. Develop a Memorandum of Understanding with the Department of Justice on the COPS program.

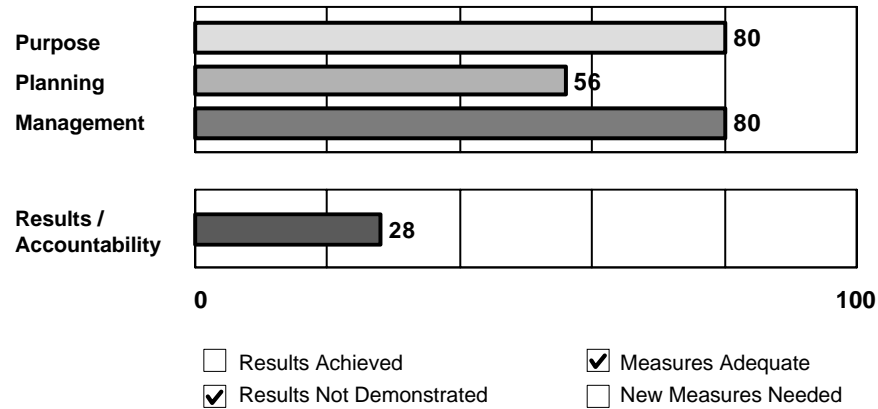
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
162	172	182

**Program: Indian School Construction**

**Agency:** Department of the Interior

**Bureau:** Bureau of Indian Affairs



**Key Performance Measures**

**Year Target Actual**

Measure Description	Year	Target	Actual
Long-term Measure: The average Facility Condition Index (FCI) (FCI is a measure commonly used by private firms to monitor the condition of facilities. This is a new measure with the baseline established using 2001 data)	2001		.265
	2002		.21
	2007	.10	
Annual Measure: Percentage of BIA's building square footage identified as excess. (New measure)			
Efficiency Measure: Measure and targets under development			

**\*Rating: Results Not Demonstrated**

**Program Type** Capital Assets

**Program Summary:**

This program is responsible for the repair and construction of the Bureau of Indian Affairs' (BIA) schools and dormitories. BIA operates 185 elementary and secondary schools, including dormitories, serving approximately 48,000 Indian students in 23 states. The President has committed to eliminate the 2001 repair/maintenance backlog over 5 years.

The assessment found that public laws are fairly prescriptive for guidelines governing what the BIA can regulate as far as the terms and conditions being negotiated between the tribes and the bureau. Additional findings include:

1. The program had limited flexibility to adjust funds appropriated to a specific project cost when there are delays or changes due to planning or design for the original project.
2. Recent designs for replacement schools and major improvement and repair projects do not reflect trends, such as a declining student population.
3. No comparison exists for costs of similar state schools.
4. There is insufficient planning to ensure the President's commitment to eliminate the backlog will be met. The program has established new measures, so data is not yet available. The rating is based on new measures. The program will continue to develop additional measures.

To address the PART findings, BIA will:

1. Refrain from identifying construction cost estimates until final project designs have been completed. This will avoid project "earmarks" in the program's budget and appropriations reports.
2. Establish an efficiency measure, such as reducing the time lag from receipt of funding to completion of project, or the cost per square foot of the project.
3. Complete an independent study comparing the cost of recently constructed BIA schools to schools built by states in similar locations.

The Budget proposes to fund 7 or more replacement schools and 8 major improvement and repair projects.

(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

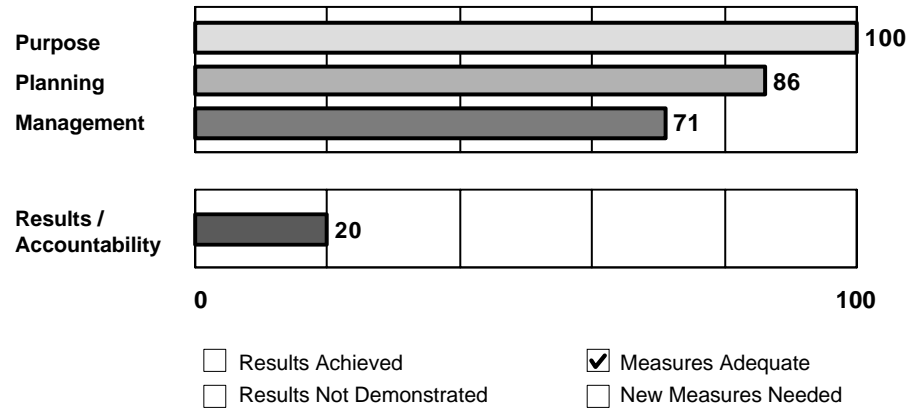
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

## Program: Indian School Operations

Agency: Department of the Interior

Bureau: Bureau of Indian Affairs



### Key Performance Measures

### Year Target Actual

Measure	Year	Target	Actual
Long-term Measure: Percentage of students achieving standardized proficiency ratings in math and language arts	2012	70	
Annual Measure: Percentage of students achieving standardized proficiency ratings in math	1999	45	43
	2000	47	50
	2001	54	50
	2002	58	
Efficiency Measure: Measure and targets under development			

**\*Rating: Adequate**

Program Type Direct Federal

### Program Summary:

The Bureau of Indian Affairs (BIA) supports 185 elementary and secondary schools serving approximately 48,000 Indian children in 23 states. Tribes operate 121 of these schools under Indian self-determination grants/contracts. The 64 remaining schools are BIA operated.

The assessment identified a need for more independent review of the effectiveness of the program. Additional findings include:

1. BIA schools meet the cultural needs of American Indians, and serve children in remote and isolated communities often not accessible to public schools. Its system also includes boarding schools and dormitories, which is unique to other state and local school systems.
2. BIA changed the target year for reaching its long term goal of a score of 70% in math and language arts proficiency for students from 2005 to 2012. The program's annual target was adjusted, as well, to realign with actual figures.
3. In 2002, 43 schools needed corrective action plans, as defined under the Department of Education guidelines, for raising student achievement scores.
4. The program does not have adequate academic performance and cost-efficiency measures that provide valid comparisons with public schools in rural areas with high concentrations of Indian students.
5. In 2002, BIA instituted a pilot program, focused on the 5 lowest performing schools, aimed at helping the faculty improve student achievement test scores. Initial findings indicate that at least 4 of the schools have shown improvement.

In response to these findings:

1. BIA will establish a measure to report on schools (number and %) that are below, near, meet or exceed academic proficiency performance goals.
2. BIA will develop academic performance and cost-efficiency measures that are comparable to similarly located public schools.

(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

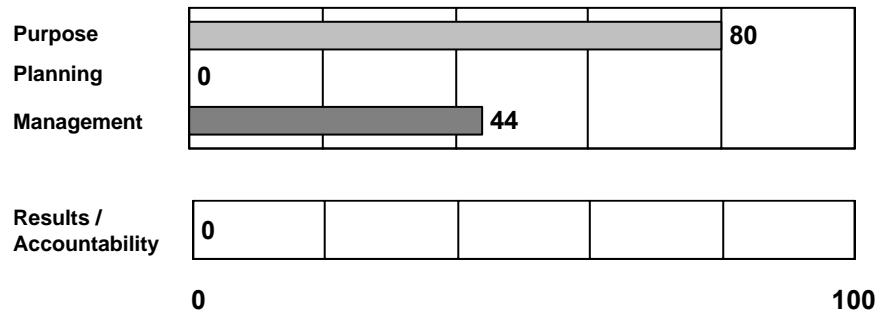
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Land & Water Conservation Fund (LWCF)  
State Grants

**Agency:** Department of the Interior

**Bureau:** National Park Service



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure Under Development			
Annual Measure: Measure Under Development			
Annual Efficiency Measure: Measure Under Development			

**Rating:** Results Not Demonstrated

**Program Type:** Block / Formula Grant

**Program Summary:**

The Land and Water Conservation Fund (LWCF) State program provides matching grants for States and local governments to acquire and develop lands and facilities for public outdoor recreation. The National Park Service (NPS) issues these grants to support a nationwide system of recreation areas and stimulate non-federal investments in outdoor recreation.

The LWCF State program does not have an adequate process for measuring performance and accomplishments in restoring and acquiring local parks. Specific findings include:

1. Program purpose is clearly articulated in the LWCF Act of 1965.
2. Strategic planning is weak, with no long-term or annual performance measures. States do not provide performance information, even though NPS has the statutory authority to require such data.
3. Program management has an adequate process for allocating grants to States, but does not systematically collect information on accomplishments, cost effectiveness, or best practices.
4. Program results have not been demonstrated. NPS will have to coordinate with States to establish appropriate performance measures and reporting requirements.

In response to these findings, the Administration will:

1. Coordinate with State partners to identify appropriate performance measures, consistent with the DOI strategic plan.
2. Work with States to establish baselines and set targets for performance measures.
3. Implement new procedures to measure and achieve efficiencies in workload performance.
4. Determine a process and schedule for an independent evaluation of this program.
5. Establish an effective reporting process to show national results. States would still be responsible for setting their own targets and priorities.
6. Prepare an annual report that uses performance measures to show program results nationally and by state.

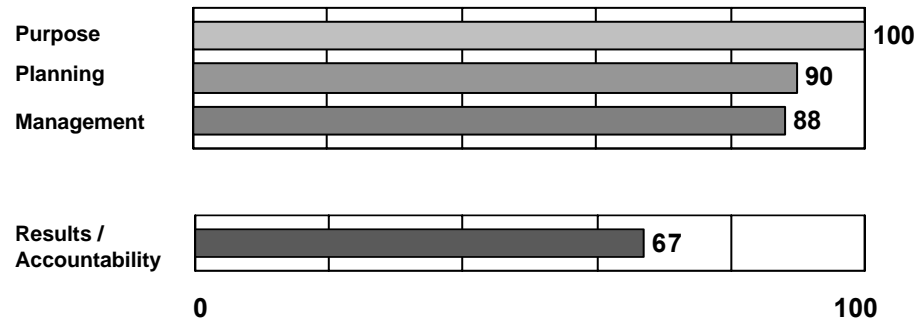
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
97	94	94

**Program:** *Mineral Resource Assessments*

**Agency:** *Department of the Interior*

**Bureau:** *U.S. Geological Survey*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: % of targeted analyses/investigations delivered which are cited by identified partners within three years of delivery	2004	80%	
	2005	80%	
	2006	80%	
Annual Measure: Average square miles (in millions) of the US with non-energy mineral information available to support management decisions	2003		2.37
	2004	2.54	
	2005	2.76	
Long-term Efficiency Measure: Average cost of a systematic analysis or investigation (dollars in millions)	2003		\$4.125m
	2004	\$4.125m	
	2005	\$4.125m	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The Mineral Resource Assessment Program (MRP) conducts research and assessments on mineral potential, production, consumption to support management of minerals on federal lands and to provide information for long-term land use and economic planning.

Application of the PART found:

1. MRP has a clear purpose, but lacks long-term performance measures that are clearly linked to the program's five year plan and can be used to measure progress. Through the PART process, new performance measures were drafted.
2. MRP has taken steps to improve strategic planning including developing a five year plan with a mission statement and program goals, though the goals are still somewhat broad and not clearly linked to performance measures.
3. To ensure good science MRP convenes project review panels of internal and external scientists to provide peer review.
4. MRP has improved the ease of use of their information products and databases, but there is room for further improvement.

In response to these findings, the MRP will:

1. Refine performance measures drafted during the PART process and develop a five year program plan that is consistent with these measures.
2. Target program funds on activities that support long term land use and economic policy decisions and improve accessibility and application of MRP information.

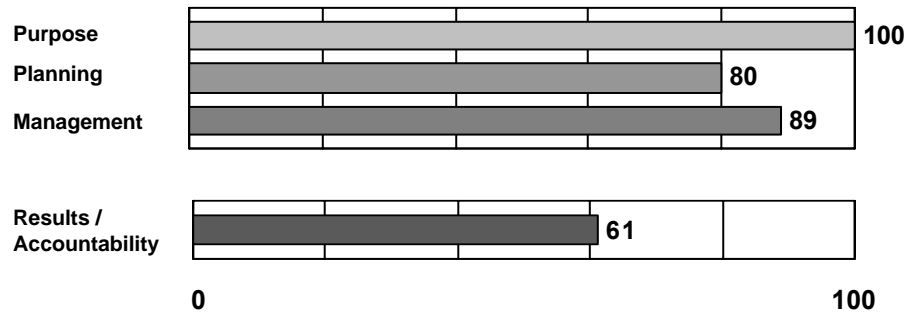
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
56	55	49

**Program:** Minerals Revenue Management

**Agency:** Department of the Interior

**Bureau:** Minerals Management Service



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Measure Under Development			
Annual Measure: Proper royalty value received from mineral lease operators on their initial royalty submission, reported as a percentage of the total submissions received.	2001		98%
	2002		99%
	2003	98%	
	2004	98%	
Long-term Efficiency Measure: Rate of timely disbursement of mineral revenues to recipients, reported in percent.	2001		98%
	2002		80%
	2003	92%	
	2004	94%	

**Rating:** Results Not Demonstrated

**Program Type:** Direct Federal, Regulatory Based

**Program Summary:**

The Minerals Revenue Management Program manages all the revenue generated by Federal offshore and onshore and American Indian mineral leases. These revenues go to the Federal government, states, and Indian Tribes that receive all the revenues generated on Tribal lands. Revenues from Federal leases represent one of the government's greatest sources of non-income tax revenue. The program uses a broad range of financial services and pursues a comprehensive compliance and audit strategy staffed by Federal, state and tribal auditors. The program currently administers the rental, royalty, and other financial terms of over 84,000 leases and collects on average \$6 billion annually – 63% to Treasury, 23% to special funds, 11% to states, and 3% to Indian Tribes.

The assessment found that the program has a clear purpose and many output measures that collectively can demonstrate program value, but lacked outcome based measures that could clearly define the results achieved by the program. Specific findings include:

1. The purpose of the minerals collection program is clear, as articulated in the Mineral Leasing Act, Outer Continental Shelf Lands Act, and other acts.
2. In 2003, the Department of the Interior's Inspector General found that the program lacked internal quality control sufficient to ensure that all of its audits follow Government Auditing Standards.
3. Measurable outcome-based performance goals are needed to better document the effectiveness of the program.

In response to these findings, the Administration will:

1. Develop appropriate program performance measures.
2. Develop baseline data and targets for performance measures.
3. Implement the Inspector General's recommendations, and after corrective actions have been implemented, conduct an external quality control peer review to ensure audit activities follow Government Auditing Standards.

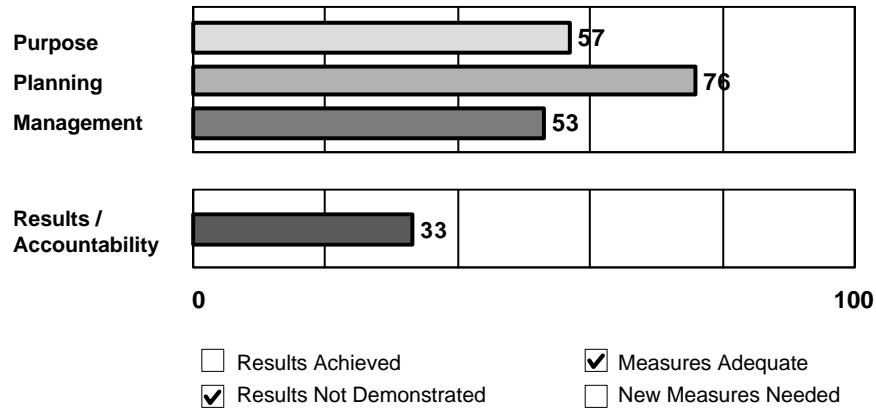
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
83	80	82

**Program:** National Fish Hatchery System

**Agency:** Department of the Interior

**Bureau:** United States Fish and Wildlife Service



**Key Performance Measures**

**Year Target Actual**

Long-term Goal: Percent of National Fish Hatchery System priority recovery tasks implemented as prescribed in approved Recovery Plans to recover listed species. (New measure)	2008	48%	
Annual Goal: Percent of National Fish Hatchery System priority restoration tasks implemented as prescribed in approved Fishery Management Plans to restore depleted native fish populations. (New measure)	2004	72%	
	2005	73%	
	2006	74%	
	2007	75%	
Efficiency Measure: Pounds of healthy rainbow trout produced per dollar spent. (New measure)	2004	0.37	
	2008	0.41	

**\*Rating:** Results Not Demonstrated

**Program Type** Mixed

**Program Summary:**

The National Fish Hatchery System (NFHS) produces and distributes a variety of fish for the recovery of threatened or endangered species, mitigation of fish losses due to federal water development actions, restoration of depleted native fish stocks, and the enhancement of tribal fisheries. The program was rated "ineffective" in the 2003 President's Budget and funds were reallocated to higher priority, more effective programs.

The assessment reflects a focusing of the role of the NFHS from historically providing sport fish to a more diversified and balanced mission of conserving and managing aquatic resources including restoring native species and recovering threatened and endangered species and supporting Federal water project mitigation programs. Efforts over the past year to address concerns with the direction of the NFHS helped focus the program. However, the program still needs to address issues concerning its mission, design, and performance measures. The assessment rating is based largely on previous measures that were revised during the assessment process. Through the assessment process, a draft mission statement and performance measures were crafted. Additional findings include:

1. The program does not have complete flexibility to open, close, change, move, or consolidate hatcheries to emphasize priorities and seek reimbursement for mitigation production programs.
2. The program does not have regularly scheduled objective, independent and quality evaluations of program strategic planning efforts and program results.
3. Field managers are generally held accountable for their performance but not held directly accountable for achieving program goal-related performance targets.
4. The Fish and Wildlife Service does not do full cost accounting to help allocate costs and associate them with specific performance measures.

In response to these findings, the Administration will:

1. Adopt the mission statement and goals developed during assessment process.
2. Schedule periodic strategic planning and program result evaluations.
3. Link individual employee performance plans with goal-related performance targets for each fiscal year.
4. The FWS will begin implementing Activity Based Costing in 2004 to help allocate and associate program costs with specific performance measures.

(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

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

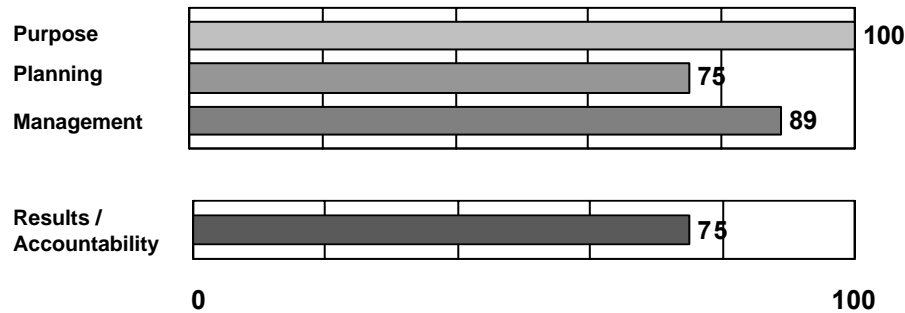
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** National Historic Preservation Programs

**Agency:** Department of the Interior

**Bureau:** National Park Service



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Percent of historic properties (i.e., potentially eligible for the National Register) that are currently protected by historic preservation programs.	2000	2.8%	3.0%
	2001	2.7%	3.0%
	2002	2.8%	3.0%
	2003	2.9%	
Annual Measure: Number of historic properties inventoried, evaluated, or officially designated by States, Tribes, and local partners per year.	2000	162,400	163,900
	2001	185,400	260,600
	2002	291,200	216,800
	2003	212,800	
Annual Efficiency Measure: Cost of giving an historic property a new designation or other level of protection.	2000		\$15,800
	2001		\$13,200
	2002		\$16,500
	2003	\$16,500	

**Rating:** Moderately Effective

**Program Type:** Block / Formula Grant, Direct Federal

**Program Summary:**

The National Park Service (NPS) coordinates with State Historic Preservation Officers (SHPOs), Tribes and other groups on historic preservation programs. This inter-governmental partnership was authorized in the National Historic Preservation Act of 1966 to encourage property owners to preserve historic structures without infringing on property rights. Activities include technical assistance, historic preservation standards, financial assistance through preservation grants and tax credits, and recognition through a National Register of Historic Places and other designations.

The NPS historic preservation program is well designed, with SHPOs performing tasks under a Federal statute in return for partial Federal funding. Under this partnership design, SHPOs have always had to report on various performance measures, so that Federal managers could compile and compare program results.

Specific findings include:

1. Program design is complicated, but is functioning well.
2. Strategic planning is well established. NPS is working to better integrate budget and performance.
3. Program management collects credible performance information from SHPOs and other partners. NPS is working to improve efficiencies.
4. Program is accountable. Actual results sometimes vary from targets (see annual measure), but that has been due to changes in funding.
5. An independent evaluation is overdue and could help determine if any program changes are needed.

In response to these findings, the Administration will:

1. Continue to work with SHPOs to collect and report performance information.
2. Use more performance data in budget requests.
3. Examine ways to measure and improve program cost-effectiveness.
4. Determine a process and schedule for an independent evaluation of the program overall.

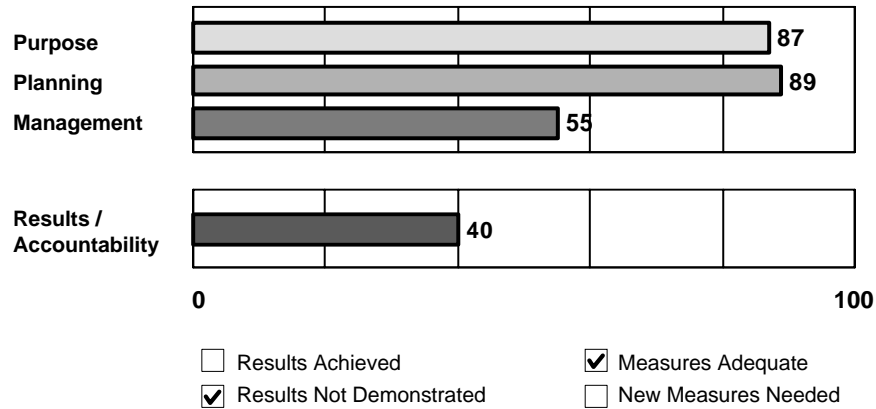
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
88	93	97

**Program:** National Mapping

**Agency:** Department of the Interior

**Bureau:** United States Geological Survey



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent of the nation's surface for which hydrography, elevation, and orthoimagery data are available through the National Spatial Data Infrastructure Clearinghouse and supported through partnerships (This measure indicates whether basic information needed to make maps is easily accessible to the public.) (New measure)	2002	1%	.8%
	2003	15%	
	2012	80%	
Annual Measure: Produce draft standard to fill gaps in data integration capabilities and standards to accomplish long term data integration goals. (New measure)			
Efficiency Measure: Cost per scene of delivery of Landsat type data (currently \$600) A scene is one snapshot of a part of the earth by a satellite. (New measure)	2003	\$595	

**\*Rating:** Results Not Demonstrated

**Program Type** Research and Development

**Program Summary:**

This program in the United States Geological Survey enables the public to access and use geospatial data such as maps. It is in transition from a program that collects and distributes such data, to a program that enables others to access, integrate and apply geospatial data. The program no longer concentrates on collecting and disseminating because this is done by the private sector and at the state and local levels.

The analysis found that USGS is moving very slow on making the transition.

Other PART findings included the following:

1. The purpose of the program is clear, and while the program is designed to have a unique impact, it is not optimally designed.
2. The program has new long term goals but lacks the data to demonstrate results. The program has been successful at partnering with other organizations, but has not demonstrated how these partnerships help contribute to progress on long-term goals.
3. The program is not effective at identifying termination or decision points to ensure achievement of strategic outcomes.
4. The program does not have the appropriate workforce necessary to move USGS mapping forward. USGS currently has a work force better suited for producing paper map products or providing technical advice on remote sensing.
5. Most employees are located at three mapping centers which concentrate on the collection and dissemination of geographic information, rather than more dispersed organization that facilitates others to find, integrate and apply geographic information.

In response to these findings:

1. To speed the transition, the budget proposes to reduce data collection and acquisition efforts by \$5 million and increase support for activities that promote geospatial data standards, ensure data quality, promote interoperable web applications, and align geospatial data requirements and investments across federal, state and local governments.
2. USGS will work with the Federal Geographic Data Committee to collect data requirements across federal, state and local governments, and explore options for coordinating the update and integration of data.
3. USGS will develop a realistic implementation plan that is consistent with the agency's new role by April 2003.

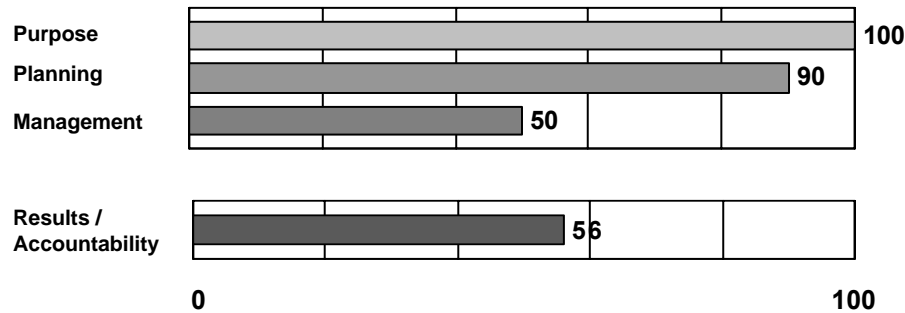
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** National Park Service Facility Management

**Agency:** Department of the Interior

**Bureau:** National Park Service



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Condition of priority NPS buildings as measured by a Facility Condition Index (score of 0.05 or lower means portfolio is in good condition on average)	2003		0.13
	2004	0.12	
	2005	0.08	
	2006	0.05	
Annual Measure: Percent of assets with comprehensive condition assessments (96% of initial assessments are already done)	2003	16%	16%
	2004	40%	
	2005	70%	
	2006	100%	
Annual Efficiency Measure: Measure Under Development			

**Rating:** Adequate

**Program Type:** Capital Assets and Service Acquisition, Direct Federal

**Program Summary:**

The National Park Service (NPS) maintains over 40,000 buildings, roads, water treatment facilities and other assets in 388 national park units. As the number of parks has grown and the infrastructure has aged, facilities conditions have worsened. To stop this trend, NPS has begun many reforms.

Last year, the PART found that the NPS reforms held promise, but had not yet demonstrated results. This year, a PART reassessment found the program has made significant progress, even though much work remains to be done.

NPS has accomplished three major steps. It has (1) assessed the condition of 96% of assets; (2) built a maintenance management system to track changes in conditions; and (3) set performance targets using a Facility Condition Index (FCI). NPS still needs to verify initial assessments, validate FCI targets, and confirm priorities using an Asset Priority Index, or API. Yet, NPS has built a solid foundation for performance-based management of park facilities.

To follow-up on the PART reassessment, the Administration will:

1. Meet the funding commitment to provide at least \$4.9 billion in maintenance and construction funding over five years. This includes a proposed increase for park roads in the Surface Transportation Reauthorization bill, which is still pending congressional action.
2. Make two new performance-based commitments:
  - Improve priority park buildings to good condition, as measured by the FCI average, with the funding provided through FY 2006.
  - Improve all regular park assets to acceptable condition, as measured by the FCI average, with the funding provided through FY 2009.
3. Allocate funds to meet these FCI goals.
4. Use FCI and API measures when deciding to repair, replace, or remove park facilities.
5. Update the 5-year priority lists to emphasize deferred maintenance.
6. Better use efficiency measures, benchmarks, and other management tools.
7. Accelerate efforts to obligate funds, improve financial management, and streamline environmental reviews.

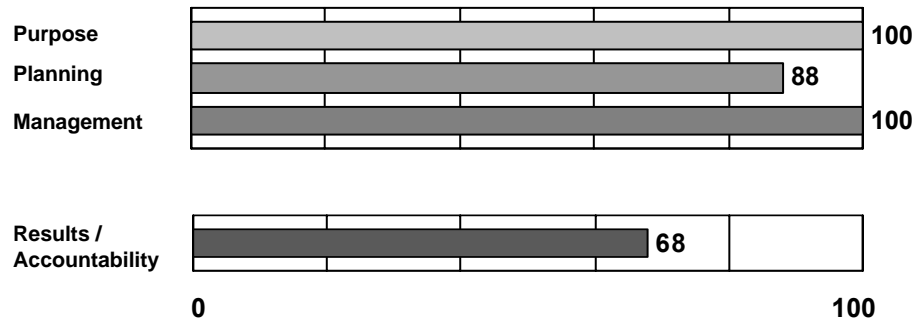
**Program Funding Level (in millions of dollars)**

2003 Actual	2004 Estimate	2005 Estimate
657	700	725

**Program:** *National Park Service Natural Resource Stewardship*

**Agency:** *Department of the Interior*

**Bureau:** *National Park Service*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Acres of disturbed park lands treated per year. (A slightly revised measure will be used after 2004.)	2001	6,798	5,768
	2002	1,824	2,696
	2003	2,964	
	2004	3,028	
Long-term Measure: Percent of parks that have identified their vital signs for natural resource monitoring	2001	13%	13%
	2002	17%	17%
	2003	40%	
	2004	56%	
Annual Efficiency Measure: Average cost of treating an acre of park land disturbed with exotic plants.	2001	\$400	\$312
	2002	\$400	\$451
	2003	\$400	
	2004	\$400	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The National Park Service (NPS) has 270 national park units with significant natural resources and wildlife habitat. The Natural Resource Challenge was started five years ago to monitor the condition of these natural resources. President Bush supported this program by noting that “park managers must have access to the best scientific research about the ecosystems they manage.”

Last year’s PART review found the Natural Resource Challenge to be moderately effective. Because the focus on the Challenge was too narrow, a PART reassessment was done this year to cover all NPS activities for natural resource stewardship, including the Natural Resource Challenge.

This year’s PART reassessment found the broader program to be moderately effective as well. This was expected, since the Natural Resource Challenge is essentially the strategic planning and performance measurement part of natural resource stewardship. The new activities examined in the PART reassessment (e.g., land restoration, wildlife management) are what implement the plans and measures established under the Challenge. Specific findings include:

1. Program purpose is well defined.
2. Strategic planning is focused on filling long-standing gaps in information.
3. Management has improved significantly as a result of the Challenge.
4. Results are still coming in, as many measures are new. NPS has focused most of its effort to date on establishing baseline data.

In response to these findings, the Administration will:

1. Continue the commitment to gradual funding increases for the Natural Resource Challenge.
2. Report on the first group of parks that have identified vital signs to show how each park can use these measures to provide an overview on the health of its ecosystem.
3. Refine efficiency measures and use them to identify best practices, such as the most cost-effective ways to treat lands disturbed with exotic plants.
4. Integrate existing performance measures into the Department of Interior’s overall strategic plan.

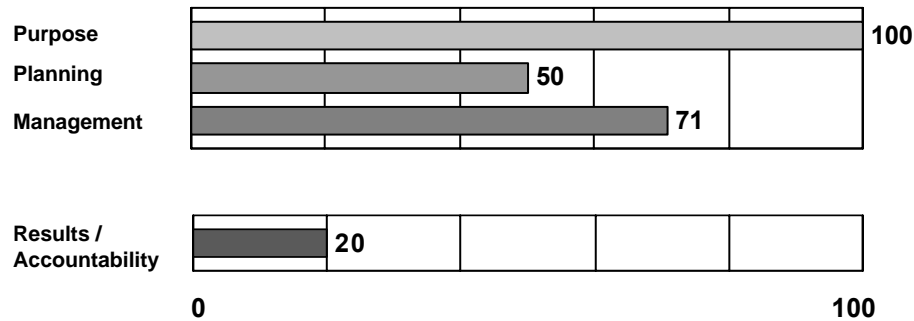
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
191	198	205

**Program:** *National Wildlife Refuge Operations and Maintenance*

**Agency:** *Department of the Interior*

**Bureau:** *Fish and Wildlife Service*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term and Annual Measure: Percent of acres of NWRS lands and waters with habitat in good or better condition (based on classification to be developed).			
Long-term and Annual Measure: Percent of populations of indicator species with improved or stable numbers.			
Annual Measure: Percent of NWRS recovery tasks in approved Recovery Plans that are completed.			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The National Wildlife Refuge System (NWRS) is a national network of lands and water set aside for the express purpose of conserving fish, wildlife, and plants. The NWRS includes over 540 refuges and 37 wetland management districts that cover over 95 million acres of land. The system's mission places "wildlife first" but allows for a wide diversity of compatible natural resource and associated wildlife-dependent recreational uses and programs.

The assessment found that the NWRS has a clear purpose but lacked adequate strategic planning, specifically goals and measures to guide the future management and improvement of the NWRS. Additional findings include:

1. The 1999 "Fulfilling the Promise" document provides a vision for the System but lacks specificity and prioritization needed to focus management and improvement of program.
2. Measurable outcome based performance goals are needed to effectively and efficiently guide management of the program. Through the PART assessment process, new performance measures were drafted. Baselines and targets need to be developed.
3. The program does not conduct independent program performance evaluations on a regular basis.

In response to these findings, the Administration will:

1. Develop a five year strategic plan for the NWRS.
2. Develop baseline data and targets for performance measures.
3. Develop a process for and schedule of independent program evaluations.
4. Link individual employee performance plans with goal-related performance targets for each fiscal year.

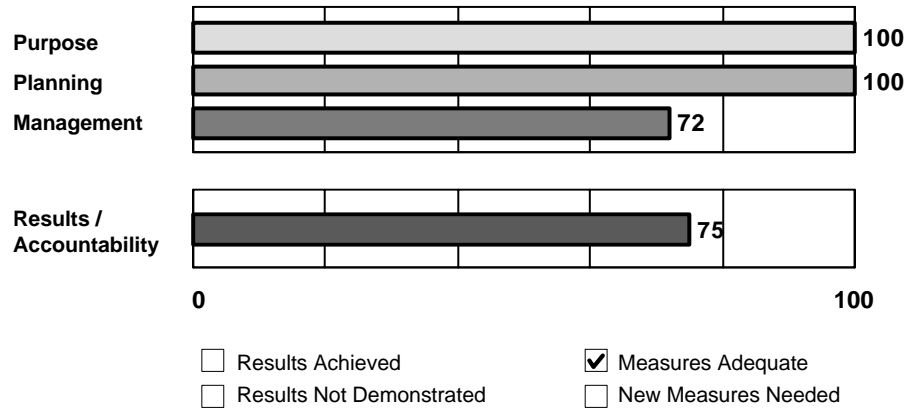
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
368	391	388

**Program: Outer Continental Shelf Environmental Studies**

**Agency:** Department of the Interior

**Bureau:** Minerals Management Service



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Acquire the environmental information needed for agency NEPA documentation completion for the next five-year OCS leasing program in accordance with the program's five-year study strategic plan (The quantification of this measure is under development.)			
Annual Measure: Timely design and execution of individual research projects reflecting the priorities in the annual National Studies List (The quantification of this measure is under development.)			
Efficiency Measure: Measures under development			

**\*Rating:** Moderately Effective

**Program Type** Research and Development

**Program Summary:**

The environmental studies program provides environmental information for Interior decision makers, states, local governments, and public to use to ensure that proposed Outer Continental Shelf (OCS) -- oil, gas, and minerals extraction -- is conducted in an environmentally safe manner.

- The assessment found that the program is very effective in providing timely and peer reviewed environmental research to decision makers. The assessment found:
1. An independent OCS Scientific Committee, consisting of OCS stakeholders, was established to advise on the feasibility, appropriateness, and scientific value of the Environmental Studies program.
  2. The program uses a planning process that develops five-year study strategic plans in consultation with the Scientific Committee and other stakeholders. The five year plans are used to determine which studies are conducted annually.
  3. To implement the annual studies, research is conducted externally through competitive contracts, cooperative agreements, and interagency agreements.
  4. To avoid duplication and maximization of opportunities for collaboration and cost sharing, the program coordinates extensively with other research programs -- Federal, state, industry, and universities and colleges.
  5. To ensure good science, the program uses the Scientific Committee and other venues to provide peer review and to recommend changes in study scope, direction or emphasis.

Because program activities are largely process-oriented, developing meaningful outcome measures is particularly challenging. This assessment was based largely on existing measure; however these measures are being revised to reflect meaningful program outcomes. The assessment also found that individual study performance information is compiled manually. This reporting process could cause time delays for management to take appropriate action on individual studies with emerging problems.

In response to these findings:

1. The 2004 Budget provides funding at the 2003 Budget level.
2. The Administration will work to quantify the measures, while being sensitive to the difficulties that research programs face in attempting to predict progress.

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

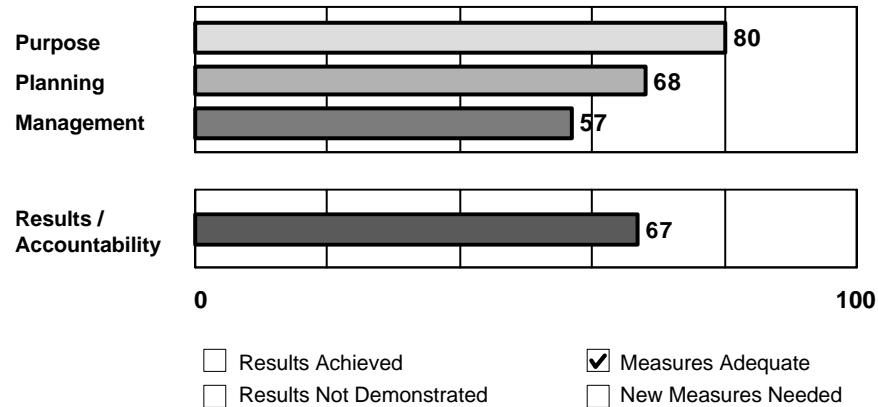
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



## Program: Partners for Fish and Wildlife

Agency: Department of the Interior

Bureau: United States Fish and Wildlife Service



### Key Performance Measures

Year Target Actual

Long-term Goal: Acres of wetlands enhanced or restored through voluntary agreements to help improve fish and wildlife populations	2005	330,000	
Annual Goal: Acres of wetlands enhanced or restored through voluntary agreements to help improve fish and wildlife populations	2001	39,700	45,787
	2002	33,395	57,522
	2003	39,074	
	2004	41,158	
Annual Goal: Acres of upland habitat enhanced or restored through voluntary agreements to help improve fish and wildlife populations	2001	65,979	283,606
	2002	179,467	158,176
	2003	160,979	
	2004	197,457	

**\*Rating:** Adequate

Program Type Direct Federal

### Program Summary:

The Partners for Fish and Wildlife program provides technical and financial assistance to private landowners who wish to restore fish and wildlife habitat on their lands.

The assessment indicates that while the program is performing well annually by hitting targets, the long-term goal will not likely be achieved by the target date. This is because the long-term targets are overly ambitious and not tied to any baseline. Through the assessment, it became obvious that the program's current process to address strategic planning flaws did not identify or correct this problem. Additional findings include:

1. The program purpose is clear and the program is optimally designed to encourage habitat restoration and conservation on private lands.
2. The program does not have regularly scheduled objective, independent and quality evaluations of program strategic planning efforts and program results.
3. While senior level managers and landowners are held directly accountable for achieving program goals, field managers are not.
4. The Fish and Wildlife Service (FWS) does not do full cost accounting to help allocate costs and associate them with specific performance measures.

In response to these findings, the Administration will:

1. Develop a schedule to evaluate strategic planning efforts and program results on a regular basis.
2. Link individual employee performance plans with goal-related performance targets for each fiscal year.
3. Propose additional funding in the President's 2004 Budget to fund activities supporting annual goals which the assessment showed were being met or exceeded.
4. Continue to develop efficiency measures as part of the common measures exercise.
5. The FWS will begin implementing Activity Based Costing in 2004 to help allocate program costs and associate those costs with specific performance measures.

(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

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

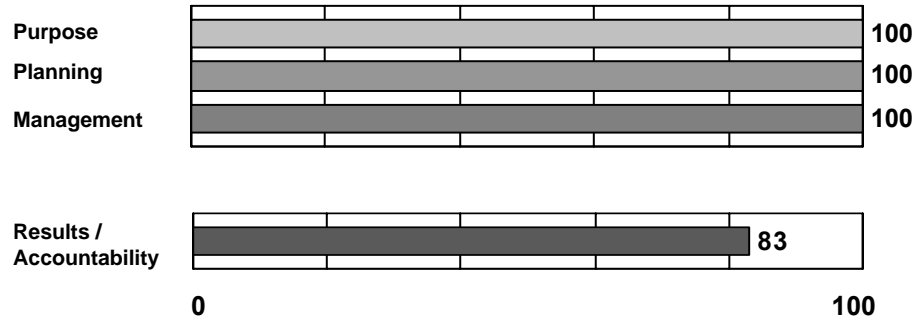
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** Reclamation Hydropower

**Agency:** Department of the Interior

**Bureau:** Bureau of Reclamation



**Key Performance Measures**

	Year	Target	Actual
<b>Long-term Efficiency Measure:</b> Percentage of time Reclamation hydroelectric generating units are available to the interconnected Western electrical system during daily peak summer demand periods. Long term goal is to increase from the present baseline average of 92 percent to 94 percent over the next 10 years.	2002	92	92
	2003	92.2	91
	2004	92.4	
	2005	92.6	
<b>Long-term Measure:</b> Improve the overall condition and long-term reliability of Reclamation powerplants by reducing the total amount of generating capacity that has a major generator/turbine related component rated in poor condition from the present 46 percent to 40 percent over the next ten years.	2002	46	46
	2003	45.8	45.4
	2004	45.4	
	2005	44.8	
<b>Annual Efficiency Measure:</b> Reclamation power production costs will be kept in the cheapest quartile of the industry for comparable hydroelectric plants (above 75%).	2001	75	86
	2002	75	84
	2003	75	77
	2004	75	

**Rating:** Effective

**Program Type:** Capital Assets and Service Acquisition

**Program Summary:**

The Bureau of Reclamation’s hydropower program provides electricity and ancillary services for the 17 Western States. It operates 58 hydropower generating dams, which generate about 10 percent of the electrical capacity in the Western United States. The dams and resulting reservoirs also provide water for irrigation, drinking water supply and recreation. Financing of Reclamation’s hydropower program is complex, including a combination of appropriations and direct funding, most of which is reimbursable through power sale revenues or direct reimbursement from power customers.

The assessment for the 2004 Budget found that the program overall was strong (moderately effective) but needed to improve its long-term planning, especially its performance measures. Follow-up actions for the 2005 Budget have resulted in much-improved, robust long-term performance measures that will focus Reclamation on ensuring the long-term viability of its hydropower facilities. Specific findings include:

- Although Reclamation competently manages its hydropower program, continuing investment in the aging hydropower infrastructure will be necessary to maintain the reliability of these facilities.
- New performance measures should help focus resources on upgrading the aging hydropower infrastructure.
- It is still not clear how to capture the value of ancillary services (such as black start capacity) that Reclamation facilities provide to the Western power grid. Neither the public nor private sector has adequately addressed the issue of how to value these services.
- Strong oversight by power customers helps ensure the effectiveness and efficiency of Reclamation’s hydropower program.

In response to these findings, the Administration will:

1. Give funding priority to dam safety and maintenance of aging facilities, above non-core activities.
2. Continue to develop methods of capturing the value of ancillary services that provide flexibility and stability to the power grid.

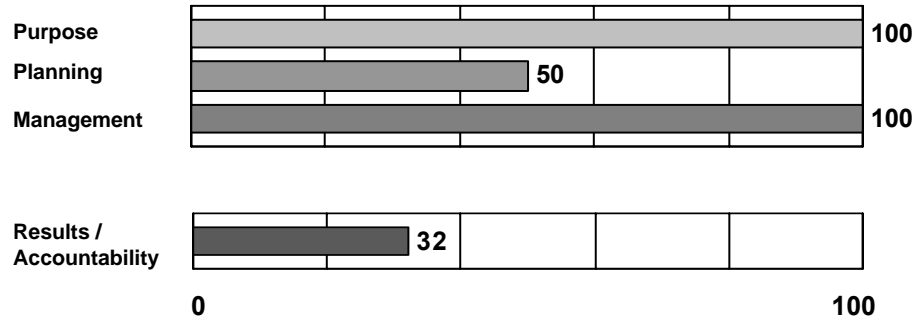
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
145	148	159

**Program:** *Recreation Management*

**Agency:** *Department of the Interior*

**Bureau:** *Bureau of Land Management*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent of recreation users satisfied with the quality of their recreation experience.	2001	94%	90%
	2002	92%	
	2003	92%	
	2004	94%	
Annual Measure: Percent of physical facilities in Special Recreation Management Areas (SMRAs) that are universally accessible.	2001	10%	3%
	2002	5%	5.1%
	2003	7%	
	2004	9%	
Annual Measure: Percent of physical facilities in Special Recreation Management Areas (SRMAs) in good or fair condition.	2001	81%	84%
	2002	81%	87%
	2003	82%	
	2004	84%	

**Rating:** *Adequate*

**Program Type:** *Direct Federal*

**Program Summary:**

The Bureau of Land Management's (BLM) Recreation Program represents one part of BLM's broader mission to manage the public lands for multiple uses. BLM public lands attract over 55 million visitors annually. The program emphasizes resource-dependent activities such as hiking, biking, camping, boating, and natural resource education and interpretation. The program provides visitor services with a wide range of facilities from visitor centers at heavily-used sites to primitive campsites in more remote areas. BLM also provides special recreation permits for rafting, large events, and other managed group activities.

The assessment found that the Recreation Program has a clear purpose and reasonably good long-term performance measures, but the program has been unable to provide reliable data on its achievement of long-term performance goals.

Specific findings include:

1. BLM's collection of performance data has been spotty (e.g., no visitor satisfaction data was collected in 2002), resulting in a lack of good information about long-term trends in program performance. This has also made it difficult for the program to set meaningful annual and long-term performance targets.
2. The program currently lacks an efficiency measure.
3. BLM user fee practices can vary significantly by location and type of activity. While some inconsistency is inherent given the nature of dispersed recreation on many BLM lands, there is still significant room for improvement.

In response to these findings, the Administration will:

1. Work to improve consistency of baseline data and develop ambitious targets for BLM's recreation performance goals.
2. Develop an efficiency measure for the program.
3. Continue to emphasize greater consistency in establishing user fees so that fees better reflect the relative costs to BLM of permitting various types of recreation. Emphasis will also continue to be placed on greater coordination with other land management agencies to improve efficiencies and customer service through joint permitting processes, interagency pass programs, and the Recreation.gov customer website.

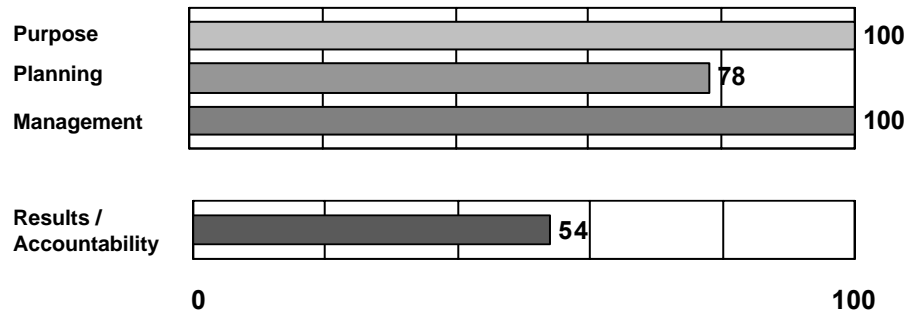
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
58	61	59

**Program:** Regulation of Surface Coal Mining Activities

**Agency:** Department of the Interior

**Bureau:** Office of Surface Mining



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Outcome measures under development			
Annual Measure: Percentage of coalmining sites that are free of off-site impacts, such as damage caused by blasting, landslides, water quality effects on streams, etc.	2000	94%	94%
	2001	94%	94%
	2002	94%	93%
	2003	94%	
Annual Efficiency Measure: Measures under development			

**Rating:** Results Not Demonstrated

**Program Type:** Regulatory Based, Block / Formula Grant

**Program Summary:**

The regulation of surface coal mining activities is nationwide and carried out in collaboration with coal-mining states and Indian Tribes. The regulatory program protects the public from the adverse effects of surface coal mining activities. The program assists coal-mining states and Indian Tribes, through cost-shared grants, to develop, administer and enforce the provisions of the Surface Mining Control and Reclamation Act. Currently, twenty-four States (92% of the 26 States with active coal mining) have chosen to take “primacy”, i.e., responsibility for regulating surface coal mining operations within their borders. No Indian Tribes have yet assumed primacy.

The assessment found that the regulatory program has a clear purpose and many output measures that collectively can demonstrate program value, but lacked outcome based measures that could clearly define the results achieved by the program. Specific findings include:

1. The purpose of the regulatory program is clear, as articulated in the Surface Mining Control and Reclamation Act.
2. An independent auditor has not reviewed the regulatory program. However, states and Indian Tribes assess the program annually through meetings and conferences held throughout the year.
3. Measurable outcome-based performance goals are needed to better document the effectiveness of the program.

In response to these findings, the Administration will:

1. Collaborate with the regulated states and Indian Tribes to review the performance of the program and agree on appropriate program measures and data collection and reporting.
2. Develop baseline data and targets for performance measures.
3. Develop a process for and schedule independent program evaluations.

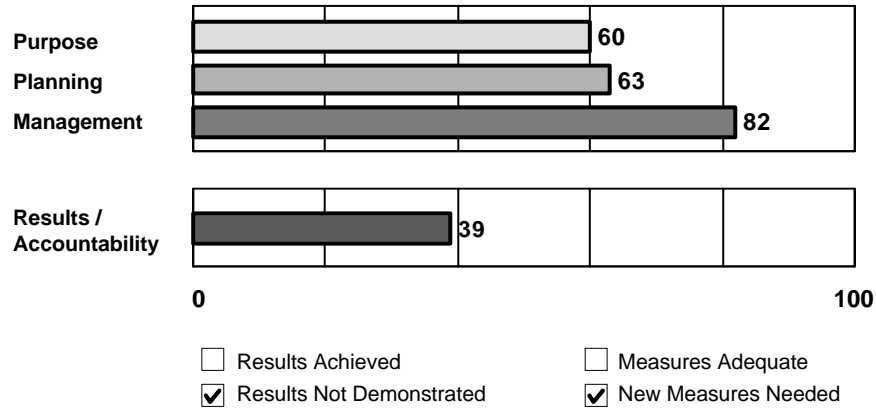
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
105	105	109

**Program: Rural Water Supply Projects**

**Agency:** Department of the Interior

**Bureau:** Bureau of Reclamation



**Key Performance Measures**

**Year Target Actual**

Measure Description	Year	Target	Actual
Long-term Measure: Percent of targeted population served with reliable, safe drinking water This measure is being considered for inclusion in Interior's Strategic Plan, and Reclamation's Performance Plan, and is not finalized. (Measure under development)			
Annual Measure: Percent of acre-feet of water delivered on time as defined in contracts This measure is currently being considered for inclusion in Interior's Strategic Plan, and Reclamation's Performance Plan, and is not finalized. (Measure under development)			
Annual Measure: Efficiency measure under development			

**\*Rating: Results Not Demonstrated**

**Program Type** Capital Assets

**Program Summary:**

The Bureau of Reclamation's Rural Water Supply Projects are an amalgamation of water development projects that serve large, sparsely populated areas, and focus on developing municipal, industrial, and residential water supplies.

The PART evaluation of Reclamation's rural water program suggests:

1. Reclamation does a competent job of managing its rural water projects. The program needs stronger controls for project development. Many projects are currently developed by local project sponsors without agency involvement and submitted to Congress for authorization. Agency involvement is necessary to ensure that all options to efficiently and effectively meet local needs are considered. The lack of agency involvement during project development may result in a project that is not in the federal interest.
2. Local cost sharing is insufficient and varies between programs.
3. There is significant overlap with other federal rural water programs, including those in the Rural Utilities Service, Indian Health Service, and the Environmental Protection Agency.
4. Reclamation is developing performance measures for these projects. These measures are not yet finalized and are being evaluated as part of DOI's Strategic Plan.

In response to these findings, the Administration will:

1. Submit legislation this Spring establishing a Reclamation rural water program with adequate controls and guidelines, instead of an amalgamation of individually-authorized and developed projects that are based on different standards and rules.
2. Scale back funding for Reclamation's rural water projects unless and until systemic program weaknesses are addressed, such as non-existent guidelines for eligibility, local cost share, and program planning.

(For more information on this program, please see the Department of the Interior chapter in the Budget volume.)

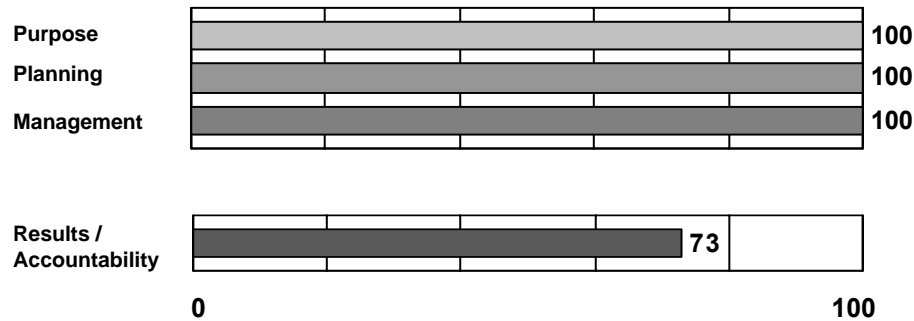
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Science & Technology Program (S&T)*

**Agency:** *Department of the Interior*

**Bureau:** *Bureau of Reclamation*



**Key Performance Measures**

**Year Target Actual**

<b>Annual Measure:</b> Quantity of water liberated (expressed in acre-feet). The net present value of the water liberated will be 10 times greater than the initial R&D investment.	2004	baseline	
	2005	41,500	
	2006	41,500	
	2007	41,500	
<b>Long-term Measure:</b> Cumulative quantity of water liberated (expressed in acre-feet). The net present value of the water liberated will be 10 times greater than the initial R&D investment, over a 6-year period.	2010	871,500	
<b>Annual Efficiency Measure:</b> Increase technology transfer to end-users by increasing the production rate of S&T Bulletins per program dollar by 5% each year.	2004	baseline	
	2005	5% over FY04	
	2006	5% over FY05	
	2007	5% over FY06	

**Rating:** *Effective*

**Program Type:** *Research and Development, Competitive Grant, Capital Assets and Service Acquisition*

**Program Summary:**

The Science & Technology Program coordinates the Bureau of Reclamation's technical and scientific research on western water issues. This research includes technology that will help to better manage scarce western water, and improve the performance of Reclamation's existing water & power infrastructure. Specifically, the research focuses on liberating water, avoiding operational costs, and generating power more efficiently and effectively.

The assessment found that the program overall is very strong, and since 2000 has undergone a dramatic transformation, resulting in a program that is streamlined, focused on applied research, and responsive to the research needs of water and power users. Specific findings include:

- Determination of research priorities and project selection is competitive and has significant oversight from a variety of stakeholders, internal and external reviewers, and peers in the research community.
- Several new performance measures, both annual and long-term, innovatively track the usefulness and impact of research results.
- The program uses its funds to leverage significant cost-sharing from non-federal partners.
- The program coordinates closely with other researchers to ensure no duplication of effort.
- Although long-term performance measures are new, previously-tracked annual measures show some progress toward the new long-term goals.
- The program sets a positive example for other agencies in its proactive implementation of electronic management and documentation.

In response to these findings, the Administration will:

1. Work with the Western Area Power Administration and the Bonneville Power Administration to develop and submit any necessary legislation and enter into a Memorandum of Understanding with Reclamation to help fund, on a direct financing basis, hydropower research that directly benefits power customers.
2. Submit legislation establishing overarching authority to enter into cooperative agreements for Research & Development. Such authority would facilitate easier, stronger collaborative efforts with researchers at other institutions, and further increase competition for research funding.

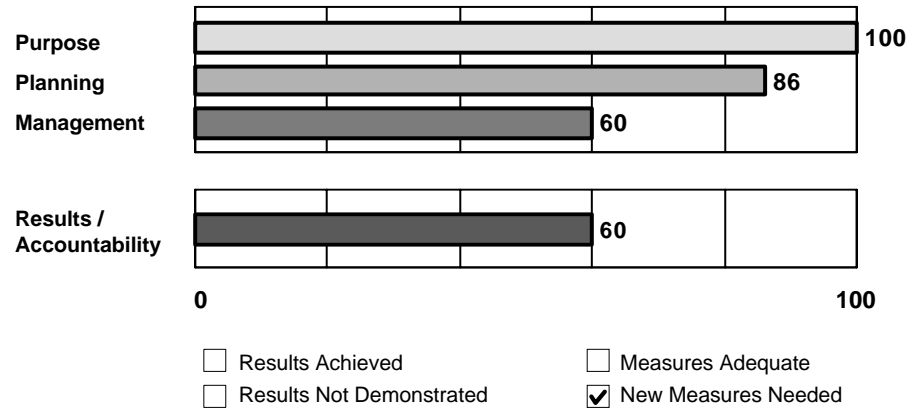
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
13	16	10

**Program:** Title XVI Water Reuse and Recycling

**Agency:** Department of the Interior

**Bureau:** Bureau of Reclamation



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Attain 500 thousand acre feet (taf) per year of recycled and reused water The Administration has determined that this is an inadequate goal because it has no time frame for reaching this benchmark of annual use. (New measure under development)	2002	none	98
Annual Measure: Execute all necessary cooperative agreements and obligation of appropriated funds An inadequate goal, because it measures outputs, not outcomes. (New measure under development)	2000	100%	97.3%
	2001	100%	97.7%
	2002	100%	98% (est)
Long-term Measure: Increase affordability and public acceptance of water reuse projects through research Aim for 10% reduction in wastewater treatment cost Inadequate because no time frame. (New measure under development)			

**\*Rating:** Moderately Effective

**Program Type** Competitive Grants

**Program Summary:**

Reclamation's Title XVI Water Reuse and Recycling Program is an earmark-driven grant program for local projects encouraging the reuse and recycling of wastewater. Additionally, a small component of the Title XVI program is dedicated to water reuse and recycling research, although this aspect of the program is only in its second year. The federal share of project funding is up to 100% for appraisal studies, up to 50% for feasibility studies, and up to 25% for project construction.

The assessment resulted in the following findings:

1. While water reuse and recycling is important to meeting the west's future water needs, this activity is not one of Reclamation's core functions.
2. There is no clear linkage between federal funding and progress toward outcomes. Performance measures need to be revised to better address the linkage between federal funding and performance. It is not clear what role Reclamation should play in pursuing water reuse and recycling research.
3. The program is moderately well-managed, although Reclamation's oversight of individual projects is limited by the strong degree of local control.
4. These water reuse and recycling projects help expand water supplies in areas that routinely face severe water shortages, and are especially important in helping to shift California from its dependence on Colorado River water.
5. Reclamation staff generally work very closely and effectively with local sponsors in project development and planning and are efficient in supplying grant funds and technical assistance to the projects.
6. The program's main weakness is its lack of long-term planning. Reclamation is reluctant to set any long-term goals within clear timeframes that would commit resources to this program that is tangential to its core mission.

To address these findings:

1. The Administration will consider reclamation's water research functions in the context of any re-alignment of federal water research priorities, and based on that analysis either expand or transfer those functions to another agency.
2. Because this program serves a function that is a local responsibility, the 2004 Budget scales back funding.

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

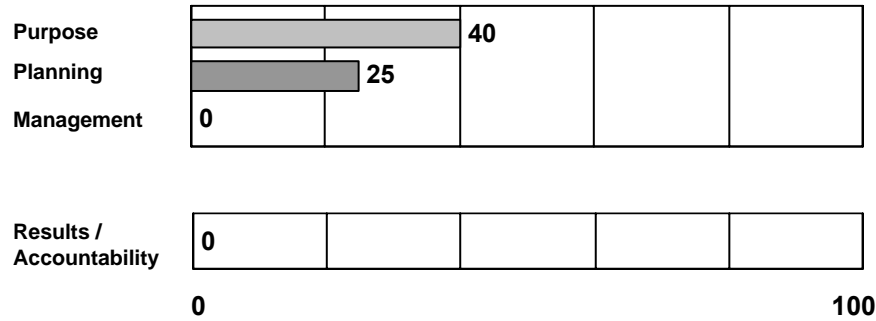
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** Tribal Courts

**Agency:** Department of the Interior

**Bureau:** Bureau of Indian Affairs



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measure Under Development			
Annual Measure: Measure Under Development			
Annual Efficiency Measure: Measure Under Development			

**Rating:** Results Not Demonstrated

**Program Type:** Direct Federal

**Program Summary:**

The Indian Tribal Courts program provides funds to Tribes to establish and maintain their own civil and criminal codes in accordance with local Tribal customs, traditions, and Tribal law and order codes. Having effective Tribal courts could contribute to reduced crime in Indian reservations. In addition to the funding from Bureau of Indian Affairs (BIA), the Department of Justice supplements Bureau funding by providing grant assistance to develop and improve tribal systems. Both the BIA and Tribes operate various courts. There are about 275 Tribal courts, some of which address Tribal laws only, while some also address Federal civil and criminal cases. Based on a 1998-99 survey, about 42% of tribal court cases were criminal with potential jail time; in addition, about 26% were traffic, 15%, juvenile, 7% family, 3% housing/land use, 3% commercial, and 10% other.

The assessment found that the program has no congressionally mandated goals or purposes, and lacked adequate strategic planning, including specific goals and measures to guide the future management and improvement of the court system. Specific findings include:

1. The program has no specific, statute-based goals or purposes.
2. The current strategic plan does not provide a vision for the court system and lacks specificity and prioritization needed to focus management of the program.
3. Measurable outcome based performance goals are needed to effectively and efficiently guide management of the program.
4. The Tribal Courts do not report on performance indicators.
5. The program lacks credible independent program evaluations.

In response to these findings, the Administration will:

1. Reevaluate program capabilities, goals, and targets for the Bureau's strategic plan.
2. Work with the Tribal courts to clarify program goals and measures.
3. Develop baseline data and targets for performance measures.
4. Encourage Tribal courts to participate in the collection of data in support of the performance measures.
5. Develop a process for and schedule independent program evaluations.

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

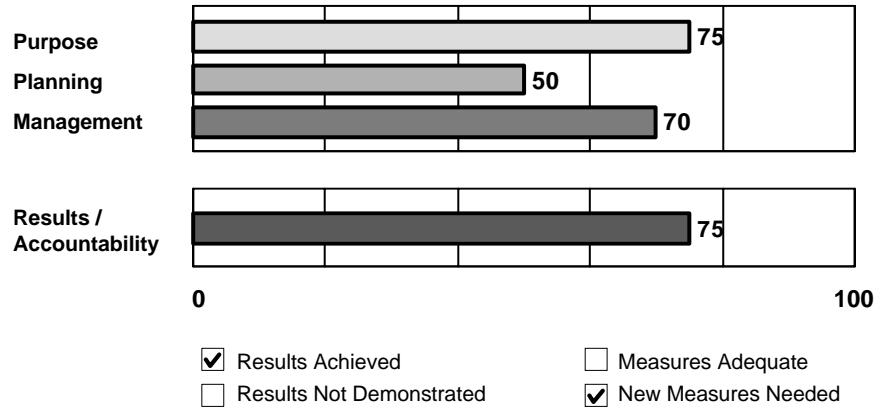
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
17	18	18



**Program:** Tribal Land Consolidation

**Agency:** Department of the Interior

**Bureau:** Bureau of Indian Affairs



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Number of ownership interests acquired	1999		8,178
	2000		17,523
	2001		10,788
	2002		10,699
Annual Measure: Number of Individual Indian Money accounts inactivated/closed (Targets under development)	2001		310
	2002		479
Effectiveness Measure: Average purchase price of ownership interests acquired	1999		\$231
	2000		\$215
	2001		\$283
	2002		\$632

**\*Rating:** Moderately Effective

**Program Type** Capital Assets

**Program Summary:**

The Tribal Land Consolidation pilot program purchases small ownership interests (2% or less) in Indian land allotments. There are 4 million ownership interests in 10 million acres of Indian lands that were originally transferred to individual tribal members in the 1800s. The federal program is intended to prevent further fractionation among individual owners, enable tribal economic development, and reduce future federal trust administration expenses.

The assessment concluded the pilot projects need to be better targeted to statutory purposes and objectives, such as reducing federal trust management operations and coordinating federal purchases with tribal development plans, before the program is made permanent. Additional findings include:

1. There is a high level of interest and voluntary participation by willing sellers.
2. The rate of fractionation has been reduced, but the total number of ownership interests remained about the same due to additional inheritance transfers during 1999-2002.
3. The federal purchase cost averages \$328 per interest acquired. Federal acquisition costs could be recovered sooner if targeted on landowners with Individual Indian Money (IIM) trust accounts. Closing IIM accounts would save about \$143 per account annually.
4. Significant federal probate costs can be avoided in the future by acquiring all ownership interests from willing sellers. Probate administration costs about \$3,200 per decedent.

In response to these findings, the Administration will:

1. Propose additional funding in the 2004 Budget to improve program management, standardize business processes, and develop a strategic plan to guide program expansion to other tribal reservations.
2. Target federal acquisitions to reduce future costs in trust management functions, such as managing land title records, administering land leases, distributing lease payments to IIM accounts, and processing probate actions.
3. Quantify federal program impacts, including new measures on net reductions in target ownership interests and federal benefit-cost ratios, for Report to Congress.
4. Develop legislative amendments to consolidate revenue accounts and guidelines for waiving full/partial repayment of purchase costs.

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

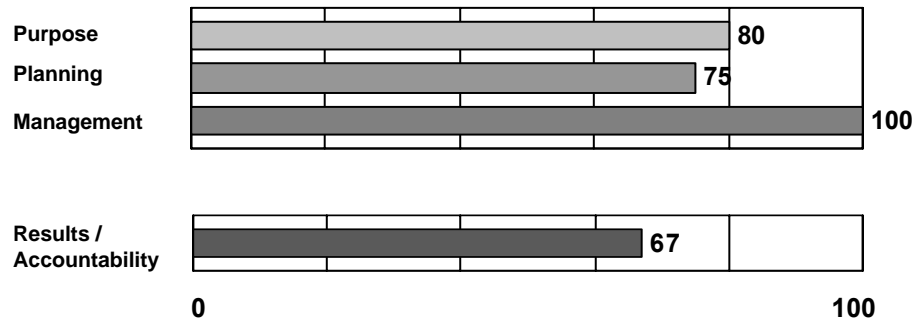
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

## **DEPARTMENT OF JUSTICE**

**Program:** *ATF Firearms Programs -- Integrated Violence Reduction Strategy*

**Agency:** *Department of Justice*

**Bureau:** *Bureau of Alcohol, Tobacco, Firearms and Explosives*



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Percent firearms crime reduction in metroarea w/ substantial ATF presence (yearly).	2000	3%	3.9%
	2001	3%	
	2002	3%	
	2003	3%	
Annual Measure: Percent reduction in instances of violations among firearms licensees recommended for recall inspections	2002		67%
	2003	10%	
	2004	15%	
	2005	20%	
Long-term Measure: Percent of high-crime cities nationwide with a reduction in violent firearms crime. (Top 50 cities with highest levels of violent crime in which ATF has a presence. Violent crime rates will be determined by Uniform Crime Report data.)	2008	80%	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) utilizes the firearms program to enforce Federal laws and regulations relating to firearms and gun crimes through an Integrated Violence Reduction Strategy (IVRS) for regulation and enforcement. Investigative priorities focus on armed violent offenders and career criminals, violent gangs, and arms traffickers. Regulatory activities include issuing firearms licenses and conducting firearms licensee qualification and compliance inspections to curb the illegal use of firearms.

The assessment found that IVRS addresses the specific problem of violent crime by using ATF's statutory jurisdiction and expertise to remove violent offenders from communities around the country and to prevent prohibited persons from possessing firearms. Additional findings include:

- ATF regularly collects and utilizes performance information and has taken multiple actions to improve program performance, including process streamlining and expansion of electronic filing systems.
- ATF has developed a new long-term outcome-based performance measure that targets areas with the largest firearms violence problems. However, ATF has had mixed results in achieving annual goals for violent firearms crime.
- In implementing Project Safe Neighborhoods, ATF actively collaborates with Federal, State and local law enforcement and community partners.
- Independent evaluations of programs within IVRS have indicated a lack of performance measures to assess effectiveness. ATF subsequently implemented an overall effectiveness measure, but program-specific measures are still needed.

In response to these findings, ATF will:

1. Determine the optimal frequency for firearms dealer inspections.
2. Utilize a performance-based approach to determine optimal prioritization and resource allocation among various IVRS programs.
3. Increase implementation of the Project Safe Neighborhoods and Youth Crime Gun Interdiction Initiatives. ATF will perform data-driven analysis to target cities for program enhancement. Locating programs in areas with high firearms violence rates and historical cooperation with crime gun tracing and ballistics imaging programs will allow the most effective use of federal resources.

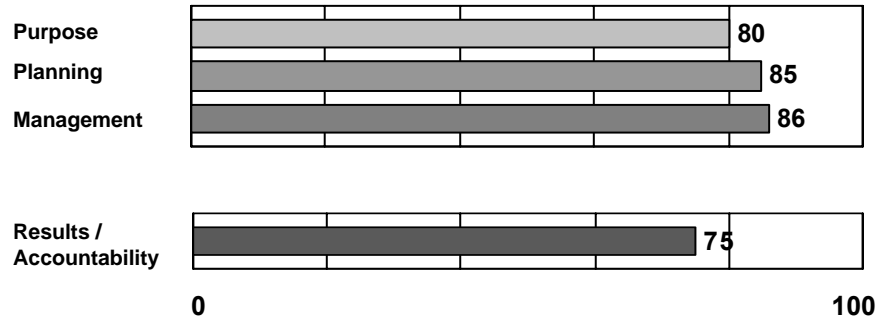
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
601	615	632

**Program:** Bureau of Prisons

**Agency:** Department of Justice

**Bureau:** Federal Prison System



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Systemwide crowding in Federal Prisons as measured by rated capacity: 100% double bunking in low and minimum security, 50% double bunking in medium security and 25% double bunking in high security prisons.	2010	30%	
Annual Efficiency Measure: Systemwide crowding rates. The number of inmates as a percentage of overall rated capacity.	2002	34%	33%
	2003	37%	
	2004	36%	
	2005	35%	
Annual Efficiency Measure: Escapes from secure BOP facilities	2003	0	
	2004	0	
	2005	0	

**Rating:** Moderately Effective

**Program Type:** Direct Federal

**Program Summary:**

The Federal Bureau of Prisons (BOP) incarcerates federally sentenced offenders in 103 secure and humane prisons nationwide. At present, BOP houses approximately 146,200 prisoners in federal correctional institutions and another 27,000 in privately managed prison facilities.

The assessment found that the BOP is strong overall, but needs to improve its long term goal setting and outcome orientation. Additional findings include:

- The program has a well defined federal role and is relatively results oriented.
- The program has yet to make significant progress in certain key areas, including comparing its operations with the private sector.

In response to these findings, the program will:

1. establish a moratorium on new prison construction until the program is able to demonstrate through studies or other documentation what it considers to be an acceptable level of inmate crowding (inmates as a percentage of facility rated capacity);
2. complete the Taft study comparing private vs. public prison management, operations and costs and make the study available for independent review and analysis;
3. take greater advantage of state and local and private sector bedspace to meet its space requirements;
4. develop a plan to modify and/or upgrade existing low and minimum security prisons to accommodate higher level security inmates;
5. conduct an independent evaluation of best practices to determine appropriate prison facility crowding levels at all security levels; and
6. consider using unobligated balances and modernization and repair funds to modify and/or upgrade existing facilities to house higher security inmates and contract out for lower security inmates.

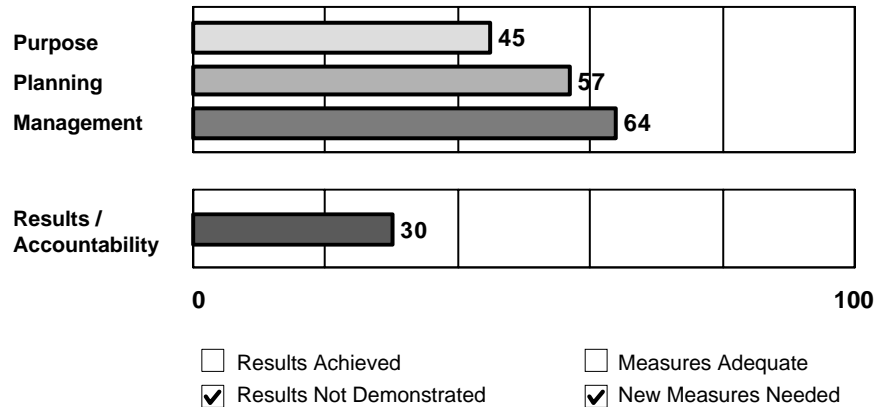
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
4,045	4,414	4,517

**Program:** Community Oriented Policing Services

**Agency:** Department of Justice

**Bureau:** Office of Justice Programs



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Measures under development			
Annual Measure: Number of training hours delivered	2002	12254	
	2003	12254	
	2004	12254	
Annual Measure: Total number of funded officers on the street (at present)	2001	91,000	83,024
	2002	100,000	88,028

**\*Rating:** Results Not Demonstrated

**Program Type** Competitive Grants

**Program Summary:**

The Community Oriented Policing Programs (COPS) provides grants, training and technical assistance to local law enforcement agencies. Its centerpiece has been a hiring grant program (authorized in the 1994 Crime Act) to advance community policing.

The assessment indicates that the COPS program's long-term goals have no timelines or specific targets. These objectives, such as reducing local crime and increasing trust in police, are to replace the existing goals focusing on hiring grants, that are no longer funded. Additional findings include:

1. The program has good financial oversight procedures in place and there are no financial material weaknesses.
2. The sheer number of grantees makes it difficult for the COPS Office to sustain detailed oversight of how grant funds are being used. For instance, COPS appears to have surpassed its original goal of advancing the community policing concept by funding 100,000 officers by 2000. However, while funding sufficient for almost 117,000 officers was awarded through 2002, less than 90,000 officers have actually been hired or redeployed to street duty. This variance is primarily due to over-optimistic projections of "efficiency savings" from grants supporting technology-based redeployments.
3. COPS has used evaluation studies to assess whether its efforts have had an impact on crime, though the resulting findings are inconclusive.

In response to these findings, the agency will:

1. Increase local accountability by making information on grantee activities more available to the public.
2. Better define its long-term goals to specify when they will be achieved.
3. Take additional steps to guarantee the independence of external evaluations.
4. Increase the level of grantee oversight as the number of active grants declines.
5. Realign COPS funding structure to include only those activities administered by the COPS Office.

(For more information on this program, please see the Department of Justice chapter in the Budget volume.)

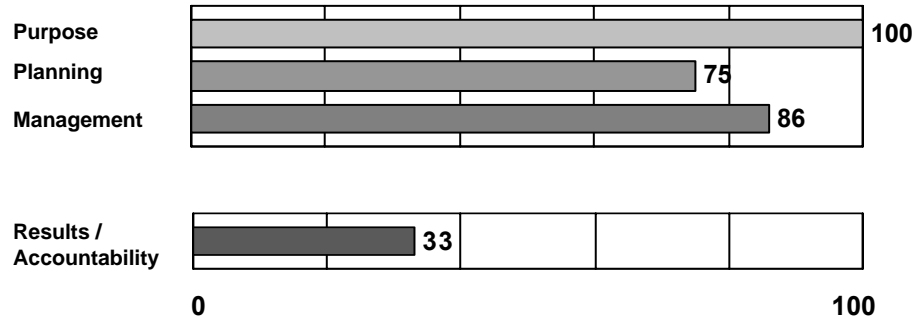
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Cybercrime*

**Agency:** *Department of Justice*

**Bureau:** *Federal Bureau of Investigation*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Cumulative number of top-ten Internet Fraud targets neutralized over 6 years	2008	35	
Annual Measure: Value of stolen intellectual property (constant dollars in billions)	2002		30
	2003	32	32
	2004	34	
	2005	34	
Annual Measure: Number of Child pornography websites or web hosts shut down.	2002		18
	2003	100	201
	2004	150	
	2005	250	

**Rating:** *Adequate*

**Program Type:** *Direct Federal*

**Program Summary:**

The FBI's Cybercrime Program prevents, deters, and investigates cybercrimes – violations of law facilitated by or involving computers, including the Internet. The most serious of these acts involve terrorist organizations and foreign government-sponsored intelligence operations.

The assessment for the Cybercrime Program is an update to a review conducted for the 2004 Budget. It shows that the Cybercrime Program continues to have a clear purpose and addresses a specific problem. It is designed to make a unique contribution and to have a significant impact on the problem. Additional findings include:

- To address a deficiency identified in the 2004 review, the FBI has developed long-term, outcome-oriented goals, as well as annual performance targets. However, additional measures may be warranted.
- The FBI has made limited progress in addressing other deficiencies, such as holding managers responsible for results through formal personnel contracts or having regular evaluations of the program conducted by independent organizations.

In response to these findings, the FBI will:

1. Monitor success against the new long-term and annual performance goals, while investigating opportunities for additional measures.
2. Develop a capacity for program evaluation either by re-focusing internal organizations or contracting for independent assessments.

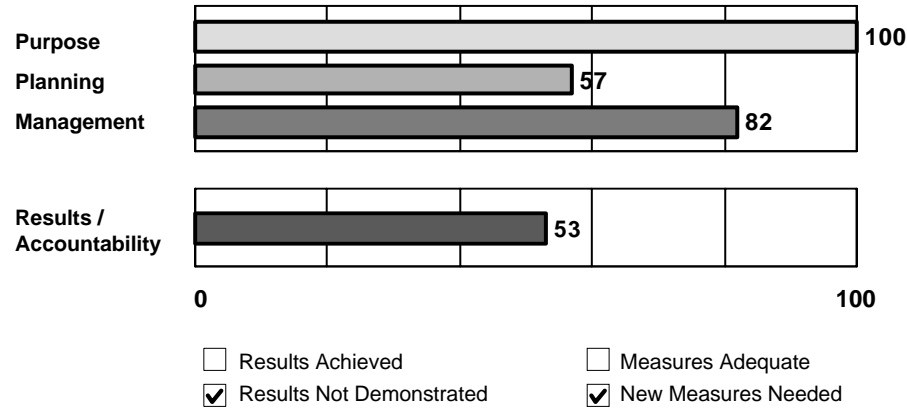
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
157	206	265

## Program: Drug Courts

Agency: Department of Justice

Bureau: Office of Justice Programs



### Key Performance Measures

### Year Target Actual

Measure	Year	Target	Actual
Long-term Measures: Measures under development			
Number of drug courts that become operational	2001	56	49
	2002	50	46
	2003	50	
	2004	55	
Percentage of drug-court participants who remain arrest-free	2001	80%	80%
	2002	80%	80%
	2003	80%	
	2004	80%	

**\*Rating: Results Not Demonstrated**

Program Type Competitive Grants

### Program Summary:

Drug Court provides grants and technical assistance to state, local, and tribal governments to implement "drug courts." These courts break the cycle of substance abuse and crime by providing non-violent offenders with substance abuse treatment while keeping them under court supervision, including drug testing.

The assessment indicates that the Drug Court program has identified good long-term objectives: improving public safety and reducing recidivism in drug court communities. However it has not specified measures or timelines for these objectives. Additional findings include:

1. Annual performance measures are focused on outputs, i.e. the number of active courts, instead of grantees' effectiveness or quality.
2. From a financial management standpoint, Drug Courts is one of the better managed programs in the Office of Justice Programs (OJP), with few obvious weaknesses. Like other OJP programs, a fair number of grantees fail to submit required status reports or performance data. However, the limited number of grantees makes it possible to correct this problem by taking such actions as withholding funds from grantees who are non-compliant.
3. The program appears to have achieved its target recidivism rate over the last few years, though this only tracks offenders currently in the program. Independent studies of drug courts indicate that they provide an effective intervention to substance abusers who might not otherwise receive treatment, and generally result in lower recidivism rates. Still, more attention is needed to track how participants fare after they complete the program.

In response to these findings, the agency will:

1. Develop measures for the long-term goals of improving public safety and reducing recidivism.
2. Determine how many additional drug court programs are needed to reach these goals enough, which could be based on the optimal number of jurisdictions covered or the total offender capacity.
3. Improve grantees' performance reporting.

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

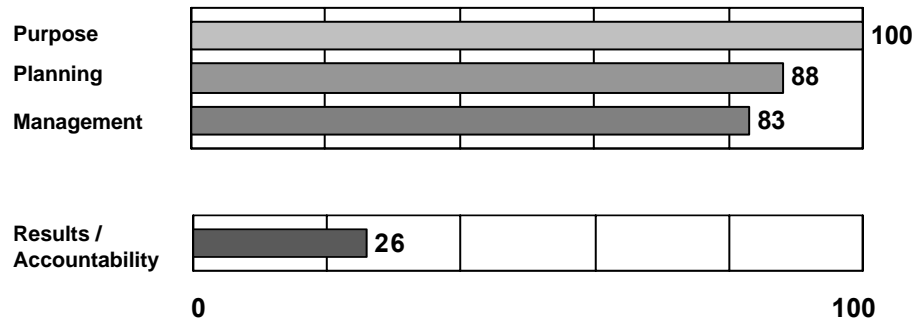
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** Drug Enforcement Administration

**Agency:** Department of Justice

**Bureau:** Drug Enforcement Administration



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Contribute to DOJ's Goal to Reduce the Availability of Drugs in America. The FY 2008 target is to reduce drug availability by 10 percent from the FY 2002 baseline as published by the Drug Availability Steering Committee in December 2002.	2002	Establish baseline	Done
	2008	-10%	
Long-term Measure: Number of drug trafficking organizations (Foreign and Domestic) linked to the AG's Consolidated Priority Target (CPOT) List that are dismantled. The CPOT list identifies the major organizations responsible for distributing drugs in the United States.	2004	18	
	2005	36	
	2008	90	
Long-term Measure: Number of drug trafficking organizations (Foreign and Domestic) linked to the AG's Consolidated Priority Target (CPOT) List that are disrupted. The CPOT list identifies the major organizations responsible for distributing drugs in the United States.	2004	19	
	2005	38	

**Rating:** Adequate

**Program Type:** Direct Federal

**Program Summary:**

The Drug Enforcement Administration (DEA) is the principal agency responsible for enforcing the Nation's drug laws. This includes preventing, deterring, and investigating the illegal growing, manufacture, or distribution of controlled substances in, or destined for, the United States.

The 2004 assessment found that DEA was unable to demonstrate progress in reducing the availability of illegal drugs in the United States. Other findings included:

- The targets and timeframes of DEA's strategic goals and objectives lacked specificity.
- DEA's annual performance measures to assess its impact needed further refinement to establish links to an impact on drug availability, baseline data, and ambitious targets.
- DEA managers were not held accountable for achieving results.

The 2005 review found that DEA has made progress achieving its performance goals and has made other significant gains, including:

- revising budget submissions to track performance,
- developing appropriate long term and annual measures;
- revising the strategic plan to encompass all of DEA's programs; and
- implementing targeting and reporting systems to enable DEA HQs to review the allocation of investigative resources

The review also found, however:

- There are no plans yet for an independent evaluation of the program; and
- Although efforts are underway, DEA does not yet have a formalized system of accountability for program performance in individual performance appraisals.

In response to these findings, DEA will:

1. Validate the process to establish annual and long-term performance goals; and
2. Seek funding to conduct an independent evaluation of DEA's drug enforcement responsibilities.

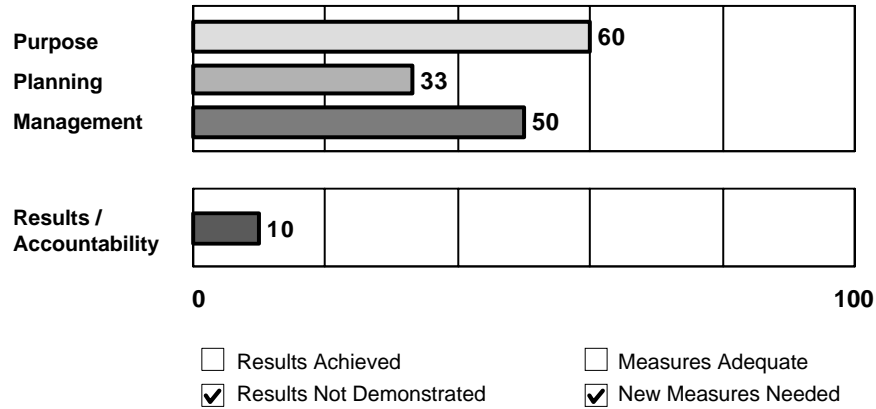
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,802	1,677	1,797

**Program:** *Juvenile Accountability Block Grants*

**Agency:** *Department of Justice*

**Bureau:** *Office of Justice Programs*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term Measures: None			
Annual Measures: None			

**\*Rating:** *Ineffective*

**Program Type** *Block / Formula Grants*

**Program Summary:**

Juvenile Accountability Incentive Block Grants (JAIBG) provide states with funds to support improvements in state and local juvenile justice systems.

Grants can support up to 16 different purpose areas, including innovative sentencing programs, hiring court personnel, and building or renovating youth correction facilities. The ultimate purpose of the grants is to make juvenile offenders more accountable for their actions and to make the justice system more accountable for juveniles' safety. These disparate goals and the lack of a consistent definition of "accountability" have made it difficult for DOJ to develop clear, outcome-based performance measures. Several funding areas have only a tangential relationship to juvenile crime. Instead, DOJ has opted to track the "Number of formula grant awards made", which does little to illustrate the program's effectiveness. Additional findings include:

1. Because the funding criteria are extremely broad and the reporting criteria are minimal, OJP has little power to redirect funds to higher priority areas or from poorly-performing grantees to successful grantees.
2. Other than anecdotal evidence, the program has not demonstrated any measurable impact on either juvenile crime or the juvenile justice system to date.

In response to these findings, the Budget requests no funding for this program in 2004.

(For more information on this program, please see the Department of Justice chapter in the Budget volume.)

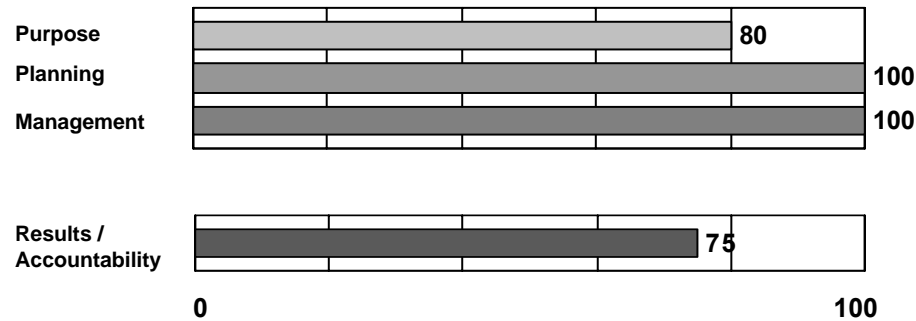
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *National Criminal History Improvement Program*

**Agency:** *Department of Justice*

**Bureau:** *Office of Justice Programs / Bureau of Justice Assistance*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Number of States in Interstate Identification Index (III) System	2001	43	43
	2002	43	43
	2003	45	45
	2004	46	
Long-term Measure: Percentage of records accessible through III	2001	60.7%	63.0%
	2003	65.5%	
	2005	67.6%	
Long-term Measure: Percentage of applications for firearms transfers rejected primarily for the presence of a prior felony conviction history	2001		1.9%
	2002		1.7%
	2003	1.6%	
	2004	1.5%	

**Rating:** *Moderately Effective*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The National Criminal History Improvement Program (NCHIP) funds improvements in criminal history records used by Federal, State and local law enforcement to identify ineligible gun purchasers, those convicted of domestic violence, and child sexual predators. An example of the practical impact of the program—in 2002, 1.7 percent of those attempting to purchase firearms (133,000 of 7.8 million transactions) were found to have a prior criminal history that made them ineligible for such purchases.

The assessment found that the program is fairly strong overall, but some improvements would be helpful:

- Additional leveraging of State resources would help make more substantial and faster improvements in criminal history records.
- Enhanced performance metrics could help provide for better targeting of Federal investments.

In response to these findings, the Administration will:

1. Recommend additional resources for criminal history records improvements, but also raise the State matching requirement from 10 percent to 20 percent, with a special provision for cases of hardship in order to guarantee continued criminal history improvement progress in all States.
2. Develop a criminal history records data quality measure to better track State records improvements and target Federal resources more effectively.
3. Make improvements in data collection to support faster, more useful reporting of performance results.

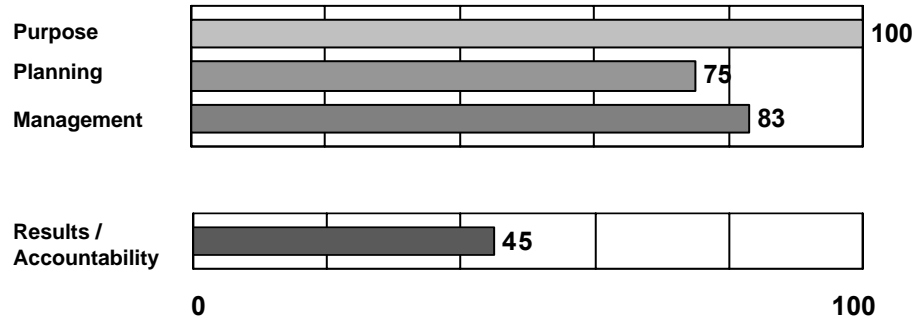
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
40	30	58

**Program:** Organized Crime / Drug Enforcement

**Agency:** Department of Justice

**Bureau:** Federal Bureau of Investigation



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Number of organized criminal enterprises dismantled (cumulative since FY 2002)	2002	baseline	
	2008	139	
Long-term Measure: Number of drug trafficking criminal enterprises dismantled (cumulative since FY 2002)	2002	baseline	
	2008	586	

**Rating:** Adequate

**Program Type:** Direct Federal

**Program Summary:**

The Organized Crime and Drug Enforcement programs focus on disrupting and dismantling criminal organizations that pose the greatest risk to the country. These criminal organizations engage in serious criminal activity including murder, corruption, drug trafficking, racketeering, weapons smuggling and human trafficking.

The assessment found that the program is performing adequately and provides a unique contribution to law enforcement, especially long-term, large-scale investigations.

Additional findings include:

- The program has a rigorous management review process, but needs to focus on independent evaluations of program performance.
- The FBI has made a significant effort to develop long-term and annual measures, with annual progress leading directly to long-term measures.
- The budget requests lack a clear focus that demonstrates the connection between resource needs and budget requests.
- The FBI lacks a mechanism for holding managers accountable for their performance through formal personnel contracts.

In response to these findings:

1. The FBI will develop a capacity for program review either internally or externally.
2. The FBI will institute performance contracts for managers and performance-based evaluations for other employees.
3. The Budget maintains the current funding level in 2005, with increases only for inflation.

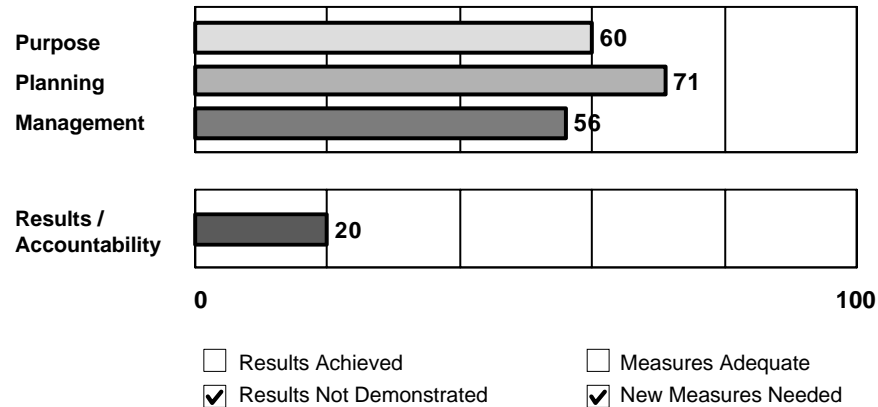
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
478	495	512

**Program:** Residential Substance Abuse Treatment

**Agency:** Department of Justice

**Bureau:** Office of Justice Programs



**Key Performance Measures**

**Year Target Actual**

Long-term Measures: Percentage of treated offenders arrested within one year of release (target and actual data under development)			
Annual Measure: Average treatment cost per inmate	2001	N/A	4317
	2002	4665	
	2003	4665	
	2004	4665	
Annual Measure: Number of state and local offenders treated annually by RSAT-funded programs	2001	7,293	10,546
	2002	4,375	38,639
	2003	40,000	
	2004	40,000	

**\*Rating:** Results Not Demonstrated

**Program Type** Block / Formula Grants

**Program Summary:**

The Residential Substance Abuse Treatment (RSAT) grant program assists state and local governments in developing, implementing, and providing residential substance abuse treatment programs within their correctional systems. The ultimate goal of prison drug treatment is to reduce recidivism among participating inmates and facilities.

The assessment indicates that actually measuring recidivism has been hindered by the failure of nearly half of grantees to provide consistent, reliable program data. The generally poor quality of RSAT grantee performance data makes it difficult to ascertain how many prisoners are treated annually, not to mention the outcomes of such treatment. Additional findings include:

1. Establishing a clear linkage between funding and performance has been complicated by highly variable treatment costs among grantees, so that a given level of funding will have different impact in each state. This is in contrast to treatment programs in the Federal Bureau of Prisons, which have a much lower per inmate cost.
2. There have been few independent evaluations of either RSAT grantees or the overall program.

In response to these findings, the agency will:

1. Institute changes to improve the quality of grantee performance data.
2. Develop a simplified model for estimating grantees' enrollment and treatment costs.
3. Develop long-term goals for reducing recidivism among funded programs.

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

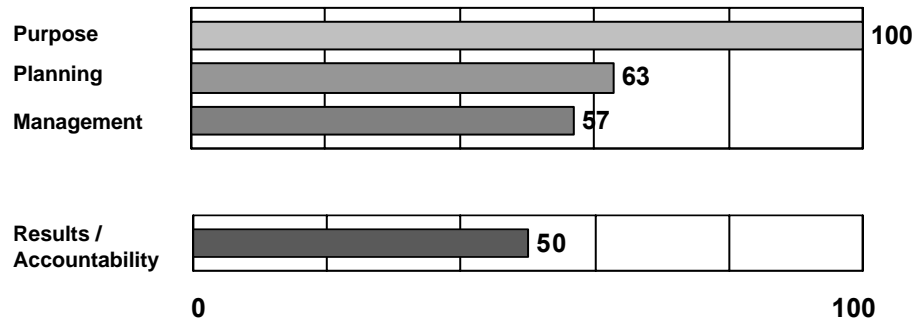
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** USMS Apprehension of Fugitives

**Agency:** Department of Justice

**Bureau:** United States Marshals Service



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent of total Federal fugitives apprehended or cleared.	2002	46%	46%
	2003	48%	
	2005	50%	
	2008	51%	
Annual Measure: Percent of Class I Federal fugitives apprehended or cleared.	2002	52%	52%
	2003	55%	
	2005	57%	
	2008	60%	
Annual Measure: Percent of Class II Federal felony fugitives apprehended or cleared.	2002	48%	48%
	2003	51%	
	2005	51%	
	2008	51%	

**Rating:** Adequate

**Program Type:** Direct Federal

**Program Summary:**

The United States Marshals Service (USMS) Fugitive Apprehensive program apprehends approximately 30,000 federal fugitives from justice every year. Federal fugitives include bail jumpers, parole, probation and supervised release violators and others wanted as a result of judicial complaints and indictments.

The assessment found that the program is well-defined, but lacks independent program evaluation and the means to incorporate recommendations and findings to achieve program and performance improvement. Additional findings include:

- Contractors and program partners are not held accountable for the achievement of long term goals, annual performance measures, cost schedules and performance results.
- The USMS has not fully developed an ongoing or periodic strategic planning process at the program level to formulate overall strategies and tactics for fugitive apprehension.
- A system to identify and improve management deficiencies has not yet been developed.

In response to these findings,

1. USMS will conduct routine and periodic independent evaluation of the fugitive apprehension program;
2. USMS will incorporate findings and recommendations from evaluations and periodic program evaluations into a revised strategic plan and mission statement;
3. USMS will require that all program partners that delegate primary apprehension responsibility to the USMS commit to the fugitive apprehension program performance goals, targets, cost and schedules; and
4. The 2005 Budget provides a funding level that maintains a current services level of warrants cleared and federal fugitives apprehended.

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

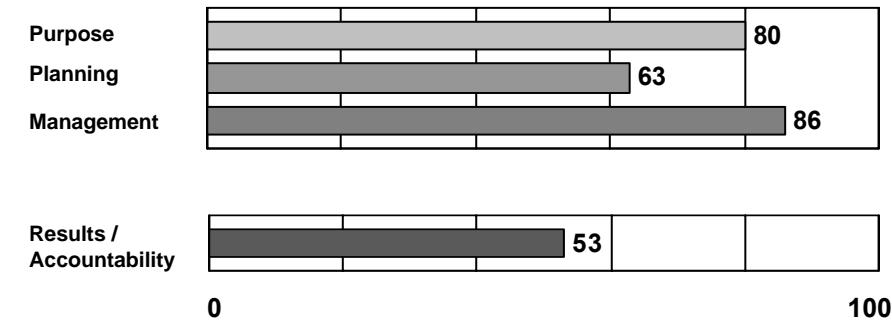
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
180	180	184



**Program:** *USMS Protection of the Judicial Process*

**Agency:** *Department of Justice*

**Bureau:** *United States Marshals Service*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Percent of uninterrupted judicial proceedings due to adequate security	2002	100%	100%
	2003	100%	
	2005	100%	
	2008	100%	
Annual Measure: Assaults against Federal judges	2002	0	0
	2003	0	
	2005	0	
	2008	0	
Annual Measure: Number of court productions/escapes	2002	514,949/ 0	514,949/ 0
	2003	530,397/ 0	
	2005	546,309/ 0	

**Rating:** *Adequate*

**Program Type:** *Direct Federal*

**Program Summary:**

The United States Marshals Service (USMS) Protection of the Judicial Process program operates to protect Federal judges, government witnesses, and other court officials while ensuring the safe and efficient operation of the Federal judicial process. The program also ensures that Federal detainees are produced safely and securely and in a timely manner for participation in Federal court proceedings.

The assessment found that the program is strong overall, but lacks independent review and nexus between budget requests and accomplishment of long term performance goals. Additional findings include:

- Law enforcement and other program partners do not commit to program performance goals and annual targets;
- Program is not subjected to routine, periodic evaluations on program effectiveness, efficiencies, and design; and
- The program should improve coordination with other agencies that have compatible security responsibilities.

In response to these findings:

1. USMS will develop a comprehensive Memorandum of Understanding (MOU) between the USMS and the General Services Administration (GSA) regarding appropriate division of responsibilities and protection procedures at Federal buildings and courthouses;
2. USMS will develop a forward looking court security resource needs assessment plan in conjunction with the courts; and,
3. the budget provides a level of funding that maintains a current services level of judicial protection and additional funds for protection for high threat, high security terrorist trials.

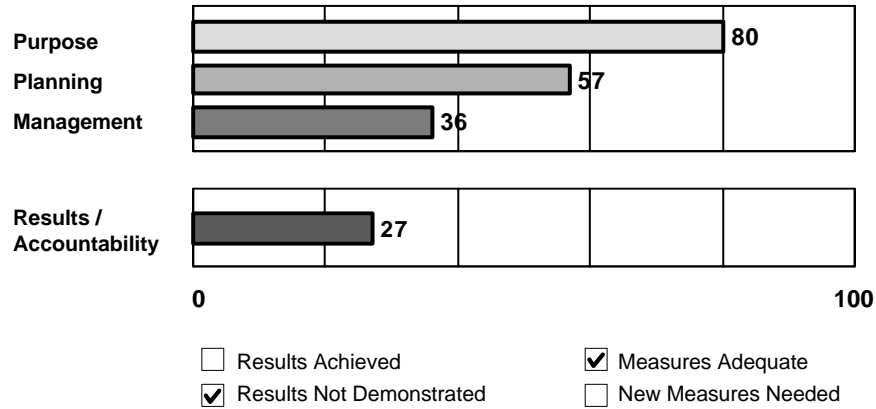
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
514	540	554

**Program: Weed and Seed**

**Agency:** Department of Justice

**Bureau:** Office of Justice Programs



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long term Measure: Measures under development			
Annual Measure: Percentage of Weed & Seed sites implementing community policing	2001	100%	99%
	2002	100%	99%
Annual Measure: Number of homicides per Weed and Seed site	2000	0	5.5
	2001	0	4.1

**\*Rating: Results Not Demonstrated**

**Program Type** Competitive Grants

**Program Summary:**

Weed and Seed aims to reduce violent and drug-related crime in high-crime areas. Grants fund locally devised crime reduction plans which include such activities as targeting specific drug markets and providing after-school activities for at-risk youth.

The assessment indicates that many jurisdictions have actively sought DOJ's assistance in developing local Weed and Seed strategies, but the large number of active projects has led to inconsistent oversight and results. Additional findings include:

1. While Weed and Seed had selected good performance objectives, such as lower homicide rates, it lacks the data to specify a 'baseline' against which improvements can be measured. Furthermore, DOJ has been averse to setting goals implying that any level of crime is "successful."
2. Despite the program's 11-year history, only a limited number of Weed and Seed sites have been independently evaluated. Those results have been promising, but difficult to generalize given the wide variation in local strategies and effectiveness.

In response to these findings, the agency will:

1. Establish performance baselines and targets.
2. Toughen reporting requirements to require annual reports from all sites, and withhold from grantees that fail to submit performance data.

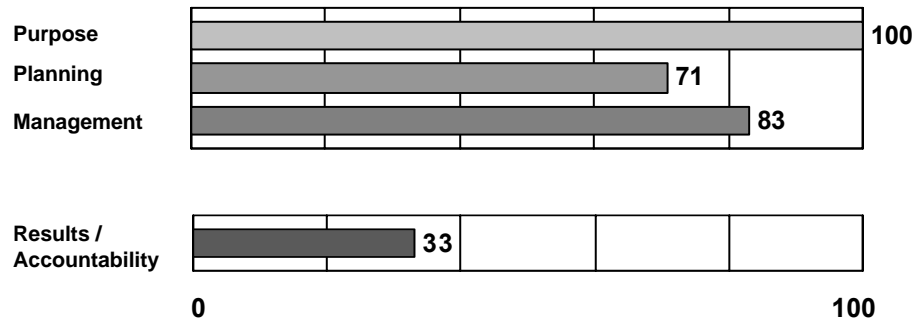
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *White Collar Crime*

**Agency:** *Department of Justice*

**Bureau:** *Federal Bureau of Investigation*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Number of criminal enterprises engaging in white collar crime dismantled over 6 years.	2002		30
	2008	85	
Annual Measure: Number of criminal enterprises engaging in white collar crimes dismantled.	2002		17
	2003	10	
	2004	15	
	2005	15	
Annual Measure: Number of major corporate fraud cases successfully investigated .	2002		18
	2003	25	
	2004	30	
	2005	25	

**Rating:** *Adequate*

**Program Type:** *Direct Federal*

**Program Summary:**

The Federal Bureau of Investigation's (FBI's) White Collar Crime Program prevents and investigates fraud. This includes financial institution fraud, insurance fraud, governmental fraud, money laundering, telemarketing fraud, and Internet fraud.

The assessment for the White Collar Crime Program is an update to a review conducted for the 2004 Budget. It shows that the White Collar Crime Program continues to have a clear purpose and addresses a specific problem. It is designed to make a unique contribution and to have a significant impact on the problem.

Additional findings include:

- To address a deficiency identified in the 2004 review, the FBI has developed long-term, outcome-oriented goals, as well as annual performance targets.
- The FBI has made limited progress in addressing other deficiencies, such as holding managers responsible for results through formal personnel contracts or having regular evaluations of the program conducted by independent organizations.

In response to these findings, the Administration:

1. Recommends that the FBI monitor success against the new long-term and annual performance goals to demonstrate the contribution of the White Collar Crime Program, and to justify continued investment in the program.
2. Proposes to maintain the current level of funding in 2005, with increases only for inflation and corporate fraud.
3. Recommends that the FBI develop a capacity for program evaluation either by re-focusing internal organizations or contracting for independent assessments.

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

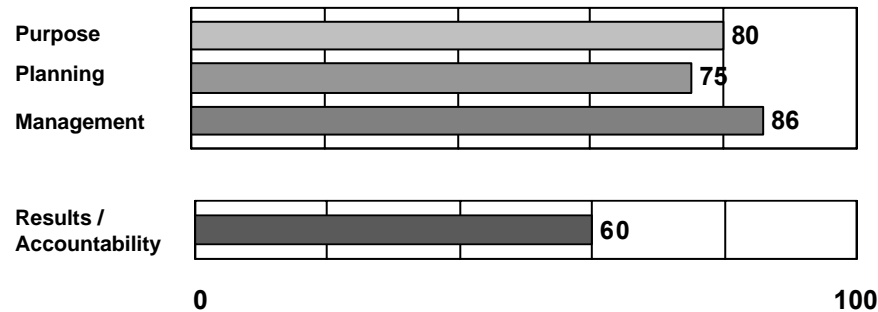
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
474	512	509

## **DEPARTMENT OF LABOR**

**Program:** *Black Lung Benefits Program*

**Agency:** *Department of Labor*

**Bureau:** *Employment Standards Administration*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Percentage of Black Lung benefit claims decided under the revised regulations where there are no requests for further action from any party pending one year after receipt of claim.	2002	68.5	89.9
	2003	70.5	86.6
	2004	72.5	
	2005	73.5	
Long-term Efficiency Measure: Average number of days for the Office of Workers' Compensation Programs to render a decision on a claim for Black Lung benefits.	2004	320	
	2005	315	
	2006	310	
	2007	305	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Black Lung Benefits program provides wage-replacement and medical benefits to coal miners who are totally disabled due to pneumoconiosis (black lung disease) and to eligible survivors.

The assessment found:

- The program purpose is clear.
- The Department of Labor (DOL) has achieved a relatively low erroneous payment rate for the program (less than 2%).
- The Black Lung Disability Trust Fund has a large and growing debt. Excise tax revenue is now sufficient to cover the cost of benefits and administration, but the Trust Fund must borrow more each year to service its debt.
- The program has one goal focused on averting appeals. In 2002 and 2003, performance exceeded the targets by a large margin (although the PART found that the 2002 and 2003 levels are anomalous and that performance will likely drop in 2004 and future years). Case processing time and medical cost containment goals are being added in 2004 and 2005, respectively. While claims processing goals are output goals, they reflect the core purpose of the program: to provide benefits to minimize the hardship imposed by black lung disease.
- DOL's Office of the Administrative Law Judge (OALJ), Benefits Review Board (BRB), and Solicitor play critical roles in Black Lung claims processing, but only BRB has established performance goals for the adjudication of these claims.
- No data are available to compare the Black Lung program's outputs, outcomes, cost-effectiveness, or efficiency with those of similar compensation programs.

Based on these findings, the Administration will:

1. Re-propose legislation to refinance and ultimately retire the Trust Fund debt.
2. Periodically review actual performance vis-à-vis targets and modify targets to ensure that they remain challenging.
3. Determine what comparable medical cost trend should be used to evaluate medical cost containment performance.
4. Establish performance goals for the OALJ, BRB, and Solicitor that are ambitious and contribute to efficient adjudication of Black Lung claims.
5. Track and report on productivity (output per full-time-equivalent employee) in order to gauge efficiency and year-to-year changes.
6. Conduct an independent evaluation of the Black Lung program that includes a comparison of program outcomes and efficiency to other similar programs.

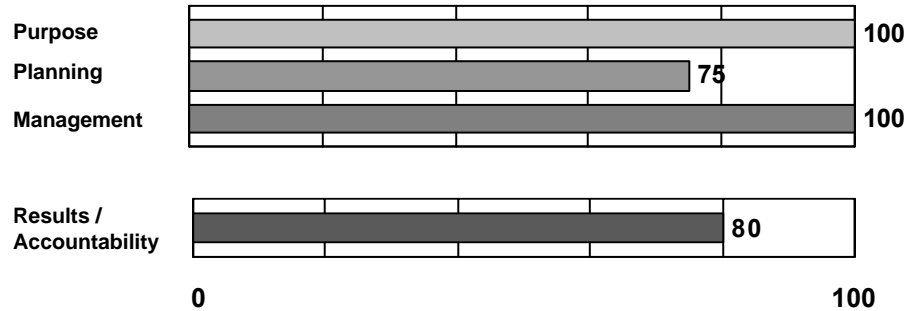
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,461	1,452	1,423

**Program:** Bureau of Labor Statistics

**Agency:** Department of Labor

**Bureau:** Bureau of Labor Statistics (BLS)



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Number of data series converted from outdated to up-to-date current industrial classification system, for better comparability with other data sources. (Baseline is zero for 2001, out of a total of 12 data series.)	2002	1	1
	2003	4	4
	2004	8	
	2005	9	
Long-term Measure: Customer satisfaction with BLS data and assistance. (Baseline is 74 for 2001. Scale is 0-100, using the American Customer Satisfaction Index, which was 70.9 for 2003 for the whole federal government at 12/15/03. Auto industry average was 80 at 8/20/03.)	2001	new	74
	2003	75+	74
	2004	75+	
	2005	75+	
Long-term Efficiency Measure: Number of months elapsing between collection and publication of detailed employee-benefits data, with no increase in production spending. (Extensive staff editing precedes publication. Three-year publication cycle. Number of months elapsed is shown. Baseline is 24 months for 2002.)	2003	6	6
	2006	5	

**Rating:** Effective

**Program Type:** Direct Federal

**Program Summary:**

The BLS collects and disseminates data on employment and unemployment, price change, compensation, productivity, safety and health, and associated labor-related statistics.

The assessment found:

- Design for data collection and reporting is sound; BLS fills a unique role in the development and dissemination of national labor-related statistics.
- BLS was the first Dept. of Labor agency to practice performance budgeting. The program carefully monitors its operations.
- In response to recommendations in the 2004 Budget assessment, BLS reduced its approximately 364 performance measures (listed in a 56-page table) to nine measures.
- Independent, quality evaluations have demonstrated program effectiveness and have been used by BLS to improve its practices.
- BLS has adopted an efficiency goal pertaining to one of its surveys.
- Despite improvements to its performance measures, BLS should improve the transparency of aspects of program performance for the general data user.

In response to these findings, BLS will:

1. Show more clearly to the general user aspects of program performance such as outcome-based, quantitative measures of data accuracy.
2. Develop efficiency measures to cover more of the program.
3. Maintain program-monitoring and operational successes.

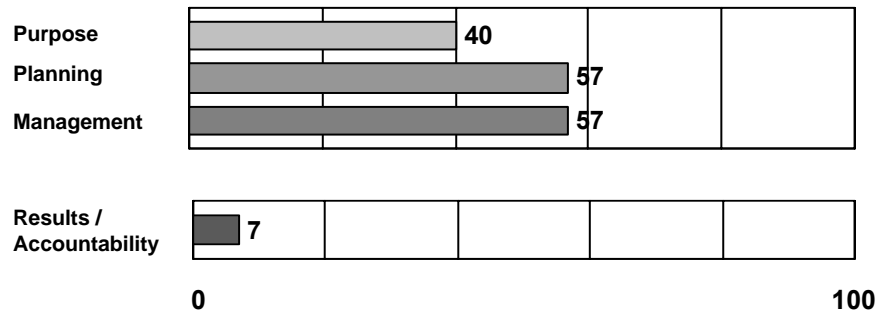
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
492	519	532

**Program:** *Community Service Employment for Older Americans*

**Agency:** *Department of Labor*

**Bureau:** *Employment and Training Administration*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Entered Employment: Percentage of program participants employed in 1st quarter after program exit (Note: New measure; Targets to be determined. 2002 shows performance against a similar previous measure.)	2002	37	35.2
Annual Measure: Retention in Employment: Percentage of program participants employed in 1st quarter after program exit who remained employed in the 2nd and 3rd quarters after exit (Note: New Measure; Targets to be determined.)			
Annual Measure: Earnings: Percentage change in earnings for program participants: (1) pre-enrollment to program exit; and (2) 1st quarter after exit to 3rd quarter after exit. (Note: New measure; Targets to be determined.)			

**Rating:** *Ineffective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Community Service Employment for Older Americans (CSEOA) program provides competitive grants to public and private non-profit national organizations, and to states for part-time community service jobs for low-income individuals age 55 or older.

The assessment found:

- CSEOA has adopted four new performance measures as part of the common measures initiative for job training programs.
- DOL has yet to publish regulations to implement the Older Americans Act (OAA) Amendments of 2000. The rule will strengthen accountability by establishing outcome-based performance standards.
- In response to recommendations in the 2004 Budget assessment, CSEOA introduced competition for national grant awards.
- DOL has not conducted a comprehensive study of CSEOA since 1986. However, DOL has developed a revised evaluation plan that will establish a regular cycle of evaluation for all major job training programs, including CSEOA.

In response to these findings, DOL will:

1. Continue to strengthen program accountability through common performance measures, including developing a new measure to gauge cost-effectiveness.
2. Publish a proposed rule to implement the 2000 OAA amendments.
3. Continue to award national grants competitively to strengthen program design and service delivery.
4. Ensure that the annual and long-term performance goals established for CSEOA under the new common measures are sufficiently challenging.

This program is implementing the new common performance measures for job training programs. Performance targets for these measures will be established in 2004 after baseline data are gathered. The "Key Performance Measures" table in the PART worksheet shows performance in 2002 against similar previous measures.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
442	439	440



**Program:** *Davis-Bacon Wage Determination Program*

**Agency:** *Department of Labor*

**Bureau:** *Employment Standards Administration, Wage and Hour Division*

**Rating:** *Results Not Demonstrated*

**Program Type:** *Regulatory Based*

**Program Summary:**

The Davis-Bacon Wage Determination program publishes wage-rate data for hundreds of jobs in the construction industry. The Davis-Bacon Act requires companies doing construction for the federal government to pay their employees the wage and benefit rates prevailing in the jurisdiction where the work is being performed. Employers use the DOL data to comply with the law.

Key PART findings include:

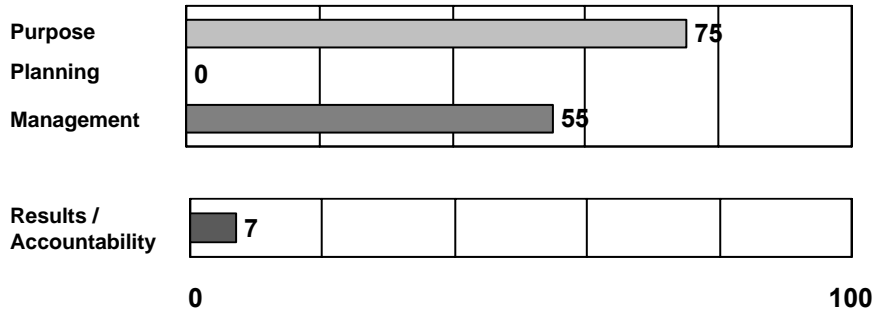
- In recent years, the program has implemented process redesign and technological improvements to remedy longstanding weaknesses.
- Measuring effectiveness or progress toward long-term goals is difficult. Performance indicators are still evolving and may lack numerical targets.
- The achievement of key qualitative goals (like completion of major reform projects), though critical to long-term success, cannot be linked to program outcomes.
- Recent program evaluations have been limited in scope.
- Program management is generally strong, but the absence of specific performance measures and targets hampers managerial accountability.
- Program design flaws may undermine effectiveness and legislative intent. For instance, the voluntary nature of wage surveys may introduce reporting bias. Also, the Davis-Bacon Act's outdated jurisdictional threshold of \$2,000 has remained unchanged since 1935.

In response to these findings, the Administration:

1. Plans to launch an external review of the program in 2004.
2. Has convened a work group to develop quantitative and (where appropriate) qualitative indicators and targets that are clear, ambitious, and reflected in managers' performance appraisals.
3. Will modify the wage survey or outreach strategies to boost survey response rates.
4. Will work closely with stakeholders to identify, recommend, and implement appropriate regulatory, administrative, or statutory reforms.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
10	10	10



**Key Performance Measures**

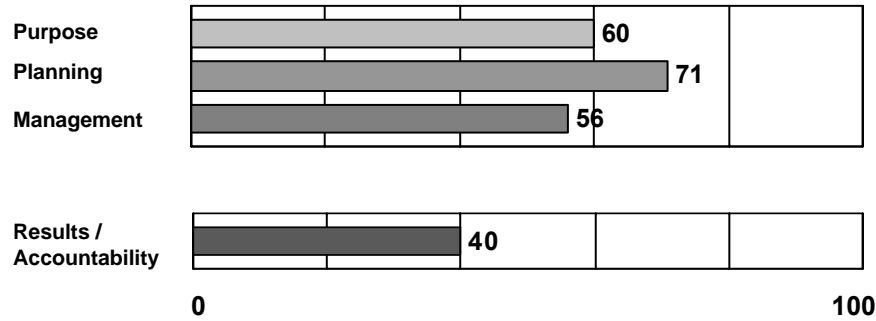
**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Complete wage surveys: (1) covering all four types of construction, (2) in each area of the country, (3) every three years. From these surveys, issue wage determinations that represent locally prevailing wages and benefits. Measure under development.			
Long-term Efficiency Measure: Percentage of Davis-Bacon wage determinations that program issues or updates within 60 days of receiving underlying survey data.	2004	80%	
	2005	80%	

**Program:** *Dislocated Worker Assistance*

**Agency:** *Department of Labor*

**Bureau:** *Employment and Training Administration*



**Key Performance Measures**

**Year Target Actual**

Measure Description	Year	Target	Actual
Annual Measure: Entered Employment: Percentage of program participants employed in 1st quarter after program exit (Note: New measure; Targets to be determined. 2002 shows performance against a similar previous measure.)	2002	78	82
Annual Measure: Retention in Employment: Percentage of program participants employed in 1st quarter after program exit who remained employed in the 2nd and 3rd quarters after exit (Note: New measure; Targets to be determined. 2002 shows performance against a similar previous measure.)	2002	88	90
Annual Measure: Earnings: Percentage change in earnings for program participants: (1) pre-enrollment to program exit; and (2) 1st quarter after exit to 3rd quarter after exit (Note: New measure; Targets to be determined. 2002 shows performance against a previous measure--percentage wage replacement.)	2002	98	90

**Rating:** *Adequate*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Dislocated Worker Assistance program provides formula grants to States and localities for retraining and reemployment services for workers who have permanently lost their jobs.

The assessment found:

- There is duplication among this and other Federal efforts. The purpose, funding, services, administration, and target population are similar to other Workforce Investment Act programs and Trade Adjustment Assistance (TAA).
- Too few resources are available to the Secretary and Governors to target large local layoff situations because too much funding is distributed by formula.
- Tracking of State and local spending is inadequate. As a result, the program cannot show how much funding is available to serve workers.
- Performance information is incomplete. The only program evaluation was canceled in 1998 before completion. A new multi-year evaluation is scheduled to begin in 2004. However, current data suggest the program helps workers find new jobs at wages close to previous earnings, and at a lower unit cost than TAA.

In response to these findings, the Administration will:

1. Re-propose consolidating the program with two other State grant programs for adults, to improve services and eliminate unnecessary duplication.
2. Re-propose increasing the Secretary's and Governors' flexibility to target resources to address special, local layoff situations in a timely manner.
3. Re-propose changing the basis for financial reports and reallocations from obligations to actual spending. Additionally, in 2003, ETA improved its grants monitoring and accounting procedures.
4. Strengthen accountability for employment and earnings outcomes. In 2003, ETA made performance data on its Web site easier to find and understand.

This program is implementing the new common performance measures for job training programs. Performance targets for these measures will be established in 2004 after baseline data are gathered. The accompanying "Key Performance Measures" table shows performance in 2002 against similar previous measures.

[Note: Below, the 2005 estimate is shown comparable to 2003 and 2004. However, the Administration proposes consolidation with two other programs.]

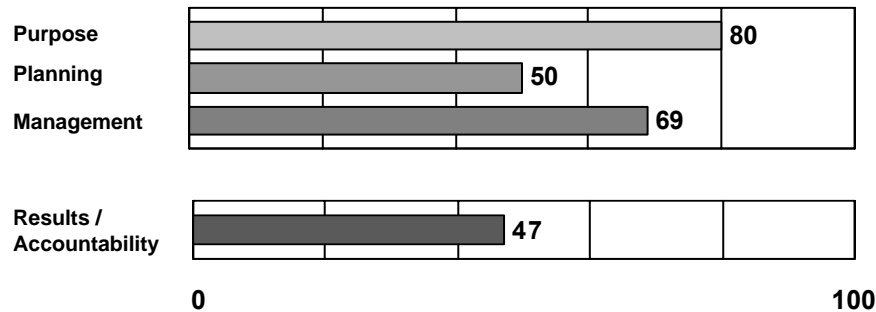
**Program Funding Level (in millions of dollars)**

2003 Actual	2004 Estimate	2005 Estimate
1,150	1,173	1,106

**Program:** *Employee Benefits Security Administration (EBSA)*

**Agency:** *Department of Labor*

**Bureau:** *Employee Benefits Security Administration (EBSA)*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Measures enhancement of employee pension and health benefits security. Index of customer satisfaction for individuals who have contacted EBSA for assistance. (Scale is 0-100. Baseline is 53 for 2001.)	2002	56	
	2003	59	59
	2004	62	
	2005	65	
Long-term Measure: Measures enhancement of employee pension and health benefits security. The ratio of the number of criminal cases referred for prosecution to all criminal cases (Baseline is 0.235 for 1999-2001.)	2002	0.235	0.325
	2003	0.250	0.400
	2004	0.250	
	2005	0.250	
Long-term Measure: Measures enhancement of employee pension and health benefits security. The ratio of the number of civil cases closed with corrected violations to all civil cases (Baseline of 0.508 averages 2000 and 2001.)	2002	0.518	0.532
	2003	0.500	0.690
	2004	0.500	
	2005	0.500	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Regulatory Based*

**Program Summary:**

EBSA promotes retirement security by safeguarding private-sector pension and health plans against embezzlement and other illegal activities, using enforcement, compliance assistance, education, and outreach. (Note: In the 2004 Budget, this program was assessed under its former name, the Pension and Welfare Benefits Administration.)

The assessment found:

- Although program design is sound, EBSA's impact on protecting pension and health benefits is unknown.
- The long-term performance goals are not as outcome-oriented as possible. For instance, the long-term measure shown does not indicate EBSA's contribution to protecting benefits.
- Despite progress, program evaluations have been irregular and of limited scope. They do not build a solid foundation to improve effectiveness.
- In spite of good rulemaking and economic analysis, cumulative burdens are not accounted for. Past regulations have rarely been updated. However, in response to recommendations in the 2004 Budget assessment, an update is now scheduled.
- EBSA generally meets its performance targets, but they are not ambitious. There is no efficiency measure.

In response to these findings, the Administration will:

1. Develop more outcome-oriented performance measures to quantify program impacts on protecting pension and health benefits.
2. Develop more ambitious performance targets.
3. Expand existing efforts for more comprehensive and regular program evaluation.
4. Review selected existing regulations in 2004-2005. As allowed under the law, reviewed rules will be modified or eliminated as appropriate, if their costs and administrative burdens exceed their benefits.

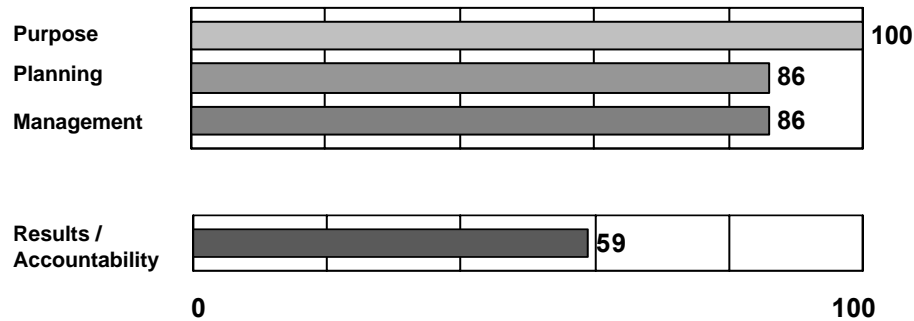
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
116	124	132

**Program:** *Federal Employees Compensation Act (FECA)*

**Agency:** *Department of Labor*

**Bureau:** *Employment Standards Administration*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Average lost production days (LPDs) per 100 non-Postal employees resulting from work-related injury and illness, compared to 2001 baseline of 53.8 days.	2002	52.7	53.8
	2003	52.1	55.2
	2004	51.6	
	2005	51.1	
Long-term Measure: Average lost production days (LPDs) per 100 Postal employees resulting from work-related injury and illness, compared to 2002 baseline of 131 days.	2003	129.7	143.3
	2004	128.4	
	2005	127	
	2006	125.8	
Long-term Efficiency Measure: First-year benefit savings realized as a result of periodic beneficiary roll review (in millions of dollars).	2002	27	25.6
	2003	20	24.6
	2004	38	
	2005	55	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Federal Employees' Compensation Act (FECA) provides wage-replacement and medical benefits to federal employees who suffer work-related injury or illness.

The PART found that:

- FECA's purpose is clear and its design is rational. Its non-adversarial design constrains administrative overhead (which averages 4% of total costs).
- Performance goals are clear, outcome-oriented, and aligned with the agency's mission.
- Efforts to minimize erroneous benefit payments have reduced the overpayment rate to less than one percent.
- In the past, delays in the Department's development of federal agency FECA liability data have hampered the timely completion of government-wide financial statements.
- FECA's performance has generally been good, although in the most recent year it fell short of its lost production day targets.

To address these findings and improve FECA, the Department of Labor will:

1. Re-propose legislation to update the benefit structure, improve benefit equity, and adopt best practices of state workers' compensation systems. These reforms would produce 10-year government-wide benefit savings of approximately \$576 million without reducing benefits for current recipients.
2. Act upon the results of an independent evaluation of FECA's design and strategic goals, the success of various program strategies, and state and private industry best practices.
3. Continue its emphasis on timely estimates of federal agencies' FECA liability to support accelerated preparation of government-wide financial statements.
4. Develop a cost-effectiveness performance goal (e.g., cost per rehabilitation) to assess efficiency and year-to-year trends.
5. Continue to measure and improve the level of customer satisfaction.
6. Establish government-wide goals for reducing injuries and lost production days and improving timeliness of injury reporting, and report on agencies' performance against these goals.

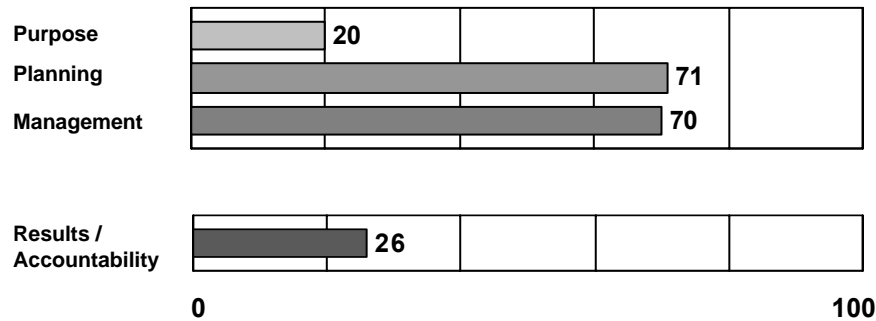
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
2,475	2,558	2,631

**Program:** *Migrant and Seasonal Farmworkers*

**Agency:** *Department of Labor*

**Bureau:** *Employment and Training Administration*



**Key Performance Measures**

**Year Target Actual**

Measure Description	Year	Target	Actual
Annual Measure: Entered Employment: Percentage of program participants employed in 1st quarter after program exit (Note: New measure; Targets to be determined. 2002 shows performance against a similar previous measure.)	2002	63	87
Annual Measure: Retention in Employment: Percentage of program participants employed in 1st quarter after program exit who remained employed in the 2nd and 3rd quarters after exit (Note: New measure; Targets to be determined. 2002 shows performance against a similar previous measure.)	2002	75	64
Annual Measure: Earnings: Percentage change in earnings for program participants: (1) pre-enrollment to program exit; and (2) 1st quarter after exit to 3rd quarter after exit (Note: New measure; Targets to be determined. 2002 shows performance against a previous measure--average earnings change in current dollars.)	2002	\$2,728	\$4,324

**Rating:** *Ineffective*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Migrant and Seasonal Farmworkers program provides competitive grants that are intended to help economically disadvantaged farmworkers and their families achieve economic self-sufficiency. Through training and employment and supportive services, it seeks to strengthen their ability to gain stable employment.

The assessment found:

- The program’s training and services duplicate other Federal efforts. For training and employment services, these workers can be served by the nationwide network of 1,900 comprehensive and 1,600 affiliate One-Stop Career Centers; and the Office of Migrant Education (Dept. of Education). For supportive services, other Federal programs include Women, Infants, and Children; Rural Housing Service; Community Development Block Grants; and Migrant Health Program.
- The focus on training and employment is insufficient. Each year, more than 60 percent of the approximately 36,000 participants receive only supportive services (like emergency cash assistance), which—though important—do not contribute significantly to participants’ gaining stable, year-round employment. So, the performance measures in the accompanying table do not account for them.
- A \$5 million congressional earmark for housing grants further distracts from the program’s primary purpose of improving employment and earnings.
- Performance accountability has been poor. The program is intended to award grants competitively, but competition to date has been limited. Further, all 1999 grantees received continuation grants in 2001 even though many of them consistently had performed very poorly.

In response to these findings, the Administration will:

1. Re-propose to end this ineffective program, and require the nation’s system of 3,500 One-Stop Career Centers to serve farmworkers instead.
2. In the meantime, require specific plans from grantees for how they will partner with local career centers and other Federal programs to improve services and reduce duplication.
3. Strengthen accountability for employment and earnings outcomes.

The 2005 Budget proposes to end this ineffective program. While the program continues, however, it is implementing the new common performance measures for job training programs. Performance targets for these measures will be established in 2004 after baseline data are gathered.

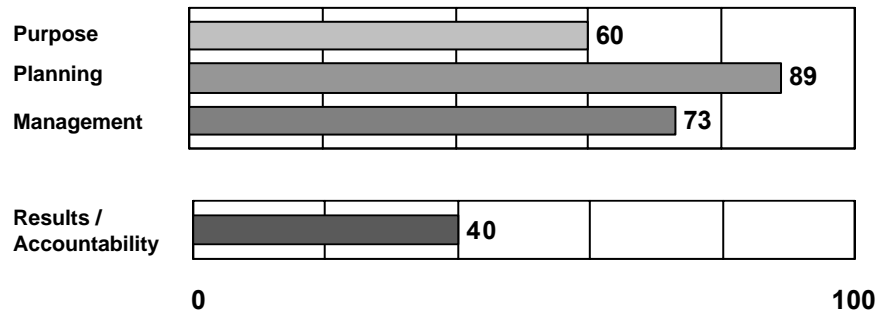
**Program Funding Level (in millions of dollars)**

2003 Actual	2004 Estimate	2005 Estimate
77	77	0

**Program:** Mine Safety and Health Administration

**Agency:** Department of Labor

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Fatal injury incidence rate. Baseline is FY 2003 rate of .0219 fatalities per per 200,000 hours worked by mine employees.	2003	0.0200	0.0219
	2004	0.0212	
	2005	0.0205	
	2006	0.0199	
Long-term Measure: All-injury incidence rate. Baseline is FY 2000 rate of 5.07 all-injuries per 200,000 hours worked by mine employees.	2003	3.79	4.27
	2004	3.85	
	2005	3.47	
	2006	3.13	
Annual Measure: Reduce respirable coal dust samples exceeding applicable standards by 5% for designated high risk occupations. Baseline = 15% of samples out of compliance in FY 2002. Future goals are being revised based on exceeding FY 2003 target.	2003	14.2%	11.7%
	2004	11.2%	

**Rating:** Adequate

**Program Type:** Regulatory Based

**Program Summary:**

MSHA develops and enforces regulations that protect the safety and health of the Nation's miners.

Key PART findings include:

- Since the passage of the Mine Act in 1977, mine fatalities have dropped by two-thirds and serious injures by half.
- MSHA actively seeks partnerships with industry, labor, the states, and other organizations with the goal of protecting the safety and health of miners.
- The Mine Act limits MSHA's ability to target resources specifically to high-risk mines. The Act requires MSHA to conduct four inspections of every underground mine and two inspections of surface mines. MSHA has developed compliance assistance approaches and web-based tools to target high risk mines and mining conditions.
- Due to the Mine Act and the Agency's interpretation of Supreme Court decisions, MSHA does not maximize net benefits and does not conduct cost-benefit analyses.
- Although MSHA has specific annual and long term performance measures, they do not have any efficiency measures.

To address these findings, DOL will:

1. Develop new operational efficiency and cost-effectiveness measures for MSHA.
2. Improve the quality of MSHA's Regulatory Impact Analyses (RIAs) for proposed regulations by including cost-benefit and cost-effectiveness analyses.

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

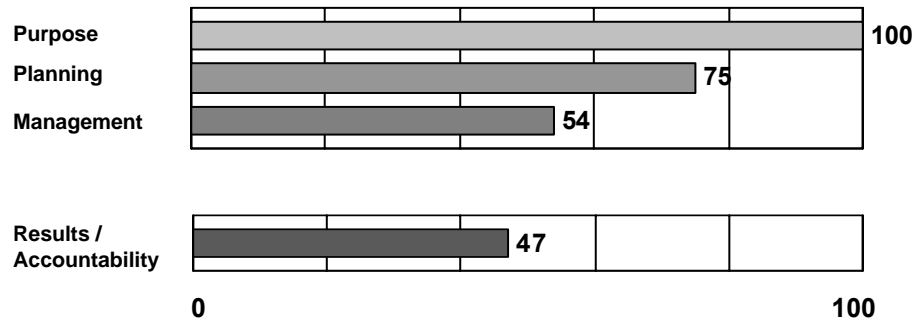
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
273	269	276



**Program:** *Occupational Safety and Health Administration*

**Agency:** *Department of Labor*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Work-related fatality rate. Baseline is FY2000 - FY2002 rate of 1.62 fatalities per 100,000 workers.	2003	1.59	1.61
	2004	1.57	
	2005	1.52	
	2006	1.47	
Long-term Measure: Days away from work case rate. Baseline is CY 2002 rate of 1.6 days away from work cases per 100 workers.	2003	1.6	
	2004	1.5	
	2005	1.5	
	2006	1.4	

**Rating:** *Adequate*

**Program Type:** *Regulatory Based*

**Program Summary:**

OSHA develops and enforces regulations to protect employee safety and health in the workplace.

Key PART findings include:

- Studies have shown some improvements in workplace safety following OSHA inspections, particularly those where penalties are imposed. Data on the effectiveness of compliance assistance and cooperative programs is limited, but these are considered to be important components in improving workplace safety and health. The extent to which declining national injury and illness rates can be directly attributable to OSHA remains difficult to quantify.
- While OSHA’s goals are generally meaningful and measurable, a lack of timely data continues to hinder timely performance assessments. Numerous OSHA performance measures rely on Bureau of Labor Statistics data, which are high-quality but entail a time lag of up to one year, limiting the usefulness of the measures as management tools.
- OSHA does not regularly conduct external peer reviews as a part of the agency’s regulatory development process.
- OSHA is unable to provide evidence of efficiency improvements from year-to-year or that the program maximized net benefits and programmatic goals were achieved at the least incremental cost to society.
- OSHA does not perform cost-benefit comparisons in its Regulatory Impact Analyses for proposed regulations, nor evaluate regulatory alternatives.

To address these findings, DOL will:

1. Continue to develop new performance measures and use fatality data from OSHA’s own system to complement the Bureau of Labor Statistics data and allow more timely performance assessments.
2. Implement peer reviews for all of OSHA’s scientific and technical data supporting new “significant regulatory information” as defined by OMB’s September 15, 2003 Peer Review and Information Quality Proposed Bulletin.
3. Implement the Assistant Secretary’s July 2003 directive to identify the monetary costs, benefits, and net benefits for all of OSHA’s significant, new proposed and final regulations, and include a summary of this information in its Regulatory Impact Analyses.

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

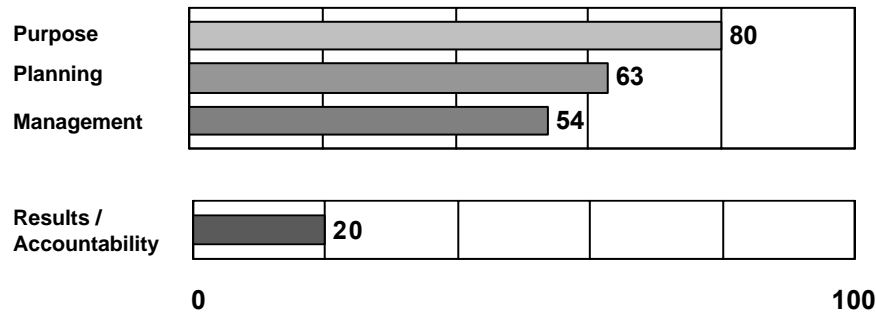
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
450	458	462



**Program:** Office of Federal Contract Compliance Programs (OFCCP)

**Agency:** Department of Labor

**Bureau:** Employment Standards Administration



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-Term Goal I: Federal contractors achieve equal opportunity workplaces: Reduce incidence of discrimination among federal contractors (as measured by percentage of findings of discrimination in OFCCP reviews). New targets under development.	2003	9%	1%
Long-Term Goal II: Federal contractors achieve equal opportunity workplaces: Increase compliance among federal contractors with other equal opportunity workplace standards (as measured by percentage of findings of technical compliance in OFCCP reviews). New targets under development.	2003	59%	72%

**Rating:** Results Not Demonstrated

**Program Type:** Regulatory Based

**Program Summary:**

OFCCP enforces Executive Order 11246 and laws requiring federal contractors to adopt and promote equal employment opportunity and affirmative action in their hiring, firing, and promotion practices. This includes practices related to race, color, gender, religion, national origin, disability, and veterans' rights.

Key PART findings include:

- OFCCP cannot quantify the impact of its civil rights enforcement. No data is available on its contribution to the overall reduction of employment discrimination.
- Lack of recent, comprehensive evaluation data prevents a detailed, accurate assessment of day-to-day operations and overall effectiveness.
- Strong quality controls and effective communication between national and regional offices give teeth to program management.
- OFCCP does not conduct look-back studies and has not adequately established the practical utility of particular reporting requirements. One major regulation, establishing an Equal Opportunity Survey, has been criticized as highly burdensome and not providing useful, reliable data.

In response to these findings, the Administration:

1. Has developed new performance goals to measure reduction in employment discrimination and contractors' compliance with equal opportunity requirements.
2. Will reevaluate initial performance targets for new performance goals to ensure that they are sufficiently ambitious.
3. Has completed an internal analysis of workforce diversity among federal contractors.
4. Has contracted for an external evaluation in 2004.
5. Has reduced the burden of its Equal Opportunity Survey by cutting the number of annual respondents (from 50,000 to 10,000), and is analyzing the survey data to determine whether it is useful in predicting discrimination by federal contractors.

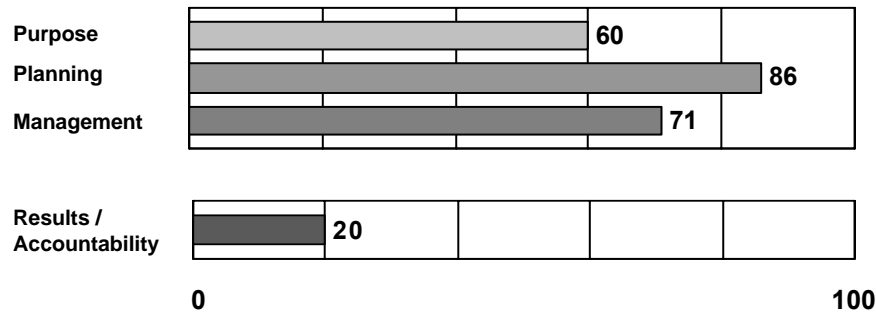
**Program Funding Level (in millions of dollars)**

2003 Actual	2004 Estimate	2005 Estimate
78	79	82

**Program:** Trade Adjustment Assistance

**Agency:** Department of Labor

**Bureau:** Employment and Training Administration



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Entered Employment: Percentage of program participants employed in 1st quarter after program exit. (Note: New measure; Targets to be determined. 2002 and 2003 show performance against a similar previous measure.)	2002	78	66
	2003	78	62
Annual Measure: Retention in Employment: Percentage of program participants employed in 1st quarter after program exit who remained employed in the 2nd and 3rd quarters after exit. (Note: New measure; Targets to be determined. 2002 and 2003 show performance against a similar previous measure.)	2002	90	80
	2003	90	86
Annual Measure: Earnings: Percentage change in earnings for program participants: (1) pre-enrollment to program exit; and (2) 1st quarter after exit to 3rd quarter after exit. (Note: New measure; Targets to be determined. 2002 and 2003 show performance against a previous measure -- percentage wage replacement.)	2002	90	89

**Rating:** Ineffective

**Program Type:** Direct Federal

**Program Summary:**

Trade Adjustment Assistance (TAA) provides training and cash benefits to workers who lose their jobs due to imports and other trade-related events. TAA eligibility and benefits were expanded in the 2002 Trade Act.

The assessment found:

- TAA serves a subset of all dislocated workers, many of whom also are eligible for the Workforce Investment Act (WIA) dislocated worker program.
- TAA provides a narrow set of expensive benefits (e.g., training, income support, and supportive services) and relies on other programs to provide the less costly job search assistance. TAA has been less effective than the WIA dislocated worker program in helping workers find new jobs at wages close to what they used to earn. TAA also costs more per participant than WIA.
- DOL has recently initiated a multi-year evaluation of TAA, which had its last impact evaluation completed in 1993.
- DOL has made progress in using performance information to manage TAA, which is run by the states for DOL.
- The program is adopting challenging new common performance measures.

In response to these findings, DOL will:

1. Publish TAA regulations to implement the 2002 Trade Act amendments, and use the rule to strengthen accountability.
2. Better link the TAA program to the WIA dislocated worker program to assure that TAA-eligible workers receive the full range of reemployment services needed to return to work.
3. Improve financial management practices to ensure that states operate within the annual cap on TAA training expenditures. DOL has instituted new financial reporting and issued planning estimates to states for TAA training.

This program is implementing the new common performance measures for job training programs to strengthen program accountability. Performance targets for these measures will be established in 2004 after baseline data are gathered. The "Key Performance Measures" table shows performance in 2002 against similar previous measures.

TAA is a mandatory program and funding is based on projected demand.

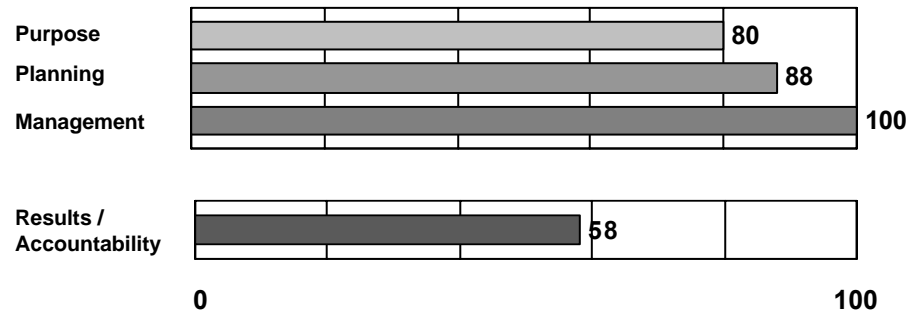
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
972	1,338	1,057

**Program:** *Unemployment Insurance Administration State Grants*

**Agency:** *Department of Labor*

**Bureau:** *Employment and Training Administration*



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Timely benefit payments: Percentage of intrastate UI first payments made within 14 days in states with a waiting week and 21 days if no waiting week	2001	89.1%	90.3%
	2002	91.0%	88.7%
	2003	91.0%	89.0%
	2004	89.2%	
Annual Measure: Prompt set-up of tax accounts: Percentage of determinations about UI tax liability of new employers made within 90 days of the end of the first quarter they became liable	2001		79.1%
	2002	80.0%	81.7%
	2003	80.0%	83.7%
	2004	82.2%	
Annual Measure: Overpayment recovery: The dollar amount of overpayments established for recovery as a percentage of estimated overpayments that states can detect and recover under state law	2003	59.0%	56.1%
	2004	59.0%	

**Rating:** *Moderately Effective*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Unemployment Insurance (UI) administration program provides grants to states to operate their UI programs, which provide temporary income support to unemployed workers. States determine eligibility for UI benefits, which are financed through state-levied taxes. The Department of Labor (DOL) is charged with financing the administrative expenses of these state programs.

The assessment found that DOL has systems in place to provide workload-based funding and to oversee state management of the UI system. However, effective oversight is hampered by DOL's inability to prescribe administrative procedures, control performance, or improve efficiency. The disconnect between federal administrative funding responsibility and state control is a design flaw, which the Administration has proposed to address through legislation. Additional findings include:

- UI workloads fluctuate over the business cycle, which affects the states' ability to make timely and accurate benefit payments.
- To reduce erroneous UI benefit payments, DOL is working to promote state access to employment databases.
- To improve the accuracy of UI payments, DOL has developed a new performance measure on benefits overpayments detection.
- To promote rapid reemployment, DOL has adopted a new performance measure on reemployment of UI claimants.

In response to these findings, DOL will:

1. Simplify the performance measurement system, to focus on a few key measures.
2. Complete actions needed to give states new tools to reduce fraud and benefit overpayments, including cross-matches with Social Security Administration records and employer-reported data on new hires.
3. Target resources on reviews of continued eligibility to help claimants find suitable employment.

The 2005 funding estimate is based on projected workloads, including UI claims and tax collection. It includes additional funding for reviews of continued eligibility.

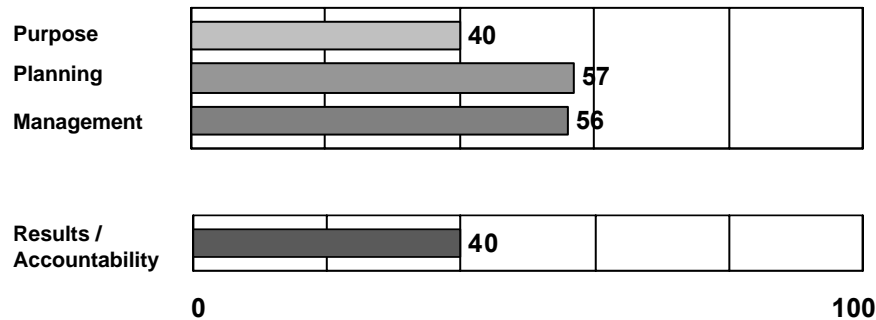
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
2,634	2,619	2,711

**Program:** Youth Activities

**Agency:** Department of Labor

**Bureau:** Employment and Training Administration



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Placement of participants in employment or education: Percentage entering employment or enrolling in post-secondary education, the military or advanced training/occupational skills training in the first quarter after exit. [2004 is the first year of measurement using the common measures. 2002 reflects performance against the previous placement measure for youth aged 14-18.]	2002	51	55
	2003		
	2004	60	
	2005	65	
Annual Measure: Attainment of a degree or certificate: percentage of participants that earn a diploma, GED, or certificate. [2004 is the first year of measurement using the common measures. ]	2004	40	
	2005	40	
Annual Measure: Literacy and numeracy gains: percentage of participants who increase one or more educational functioning levels. [2004 is the first year of measurement using the common measures. ]	2004	40	
	2005	40	

**Rating:** Ineffective

**Program Type:** Block / Formula Grant

**Program Summary:**

Youth Activities provides formula grants to States and local areas to provide training to low-income and other disadvantaged youth ages 14-21 to help them secure employment.

The assessment found:

- There is duplication and overlap between the program's purpose, services, and target population and Department of Education programs for in-school youth, such as Vocational Education and Tech Prep.
- There has been no evaluation of this program's outcomes. An impact evaluation was last conducted of the predecessor program in 1992.
- The current program does not have the authority to target or reallocate resources to areas of greatest need.
- DOL has improved its oversight but continues to have insufficient knowledge of grantees' activities, the amount of funds that are available to provide services, and whether funds are spent as intended.
- In response to the previous assessment's findings, in 2003 DOL made program performance data available and easier to find on its web site.

In response to these findings, the Administration will:

1. Re-propose to focus DOL resources entirely on out-of-school youth and non-school programs, thereby minimizing duplication between DOL and Department of Education programs and allowing DOL to target its resources on this large and underserved population.
2. Strengthen accountability for employment outcomes and skill attainment by adopting common performance measures and targets to allow for comparisons with other federal job training programs.
3. Propose giving the Secretary of Labor and States increased authority to reallocate resources to areas of need.
4. Plan and conduct an impact evaluation for this program.

This program is implementing the new common performance measures for job training programs. Performance targets have been established for these measures, but may be revisited in 2004 after baseline data have been gathered.

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

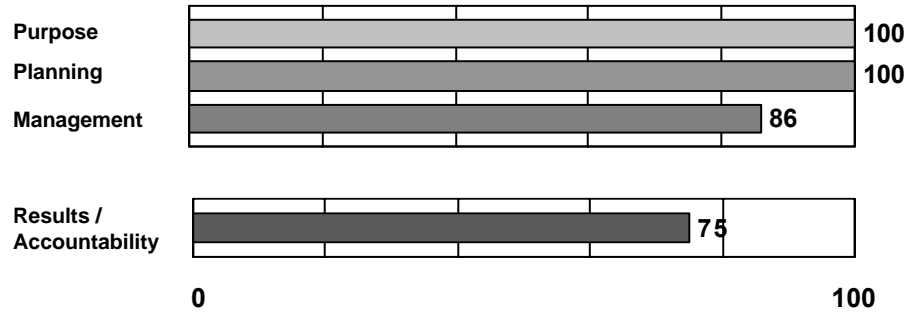
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
994	995	1,001

**DEPARTMENT OF STATE AND INTERNATIONAL ASSISTANCE PROGRAMS**

**Program:** *Anti-Terrorism Assistance*

**Agency:** *Department of State*

**Bureau:** *Diplomatic Security*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Number of participant countries that achieve a capability to effectively deter, detect and counter terrorist organizations and threats and sustain those capabilities.	2007	4	
	2008	8	
	2009	10	
Annual Measure: Percentage of United Nations (UN) member states implementing UN Security Council Resolution 1373 that requires all states to take sweeping measures to combat terrorism.	2002	82%	0.82
	2003	86%	
	2004	91%	
	2005		
Annual Measure: Number of planned anti-terrorism courses and number of course evaluations to ensure that skills taught continue to be retained and used after training is completed.	2002	135 / 14	135 / 14
	2003	238/14	
	2004	260/16	
	2005	280/18	

**Rating:** *Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Anti-Terrorism Assistance (ATA) program builds the capacity of key countries abroad to fight terrorism, establishes security relationships between U.S. and foreign officials to strengthen cooperative anti-terrorism efforts, and shares modern, humane and effective anti-terrorism techniques.

The assessment found that the ATA program does teach effective ways to counter terrorist threats and generally meets its annual and long-term performance goals. During fiscal year 2003, the Department of State developed long-term measures that are designed to rate the anti-terrorism capabilities of foreign governments participating in the program and document their progress. Additional findings include:

- ATA has developed a system for progressing participant countries through ascending levels of assistance beginning with basic training through achievement of an indigenous and sustained anti-terrorism capability.
- Each stage of training will be planned and tracked in individual Country Assistance Plans containing specific goals and objectives.
- Courses covering such areas as airport security, bomb-detection, hostage rescue, and crisis management have been expanded to cover new training needs including weapons of mass destruction (WMD) incident response.
- ATA program plans are constantly reviewed in the context of new priorities as outlined by the Secretary of State's Coordinator for Counter-Terrorism.

In response to these findings, the Administration will continue to expand the ATA program including additional proposals to complete and sustain in-country training capabilities in several key countries. The increased focus on in-country training programs and use of regional coordinators is part of a larger effort to increase the efficacy and efficiency of the program. ATA will also:

1. Fully implement the country rating system and use in development of FY 2006 budget,
2. Develop efficiency measures and incorporate into the PART for the FY 2006 budget.

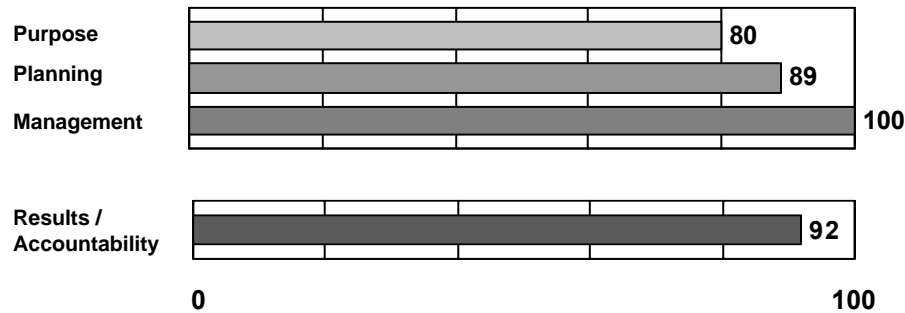
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
64	96	128

**Program:** Capital Security Construction Program

**Agency:** Department of State

**Bureau:** Overseas Building Operations



**Key Performance Measures**

	Year	Target	Actual
Key Goal I: Award new capital security construction projects in accordance with the Long-Range Overseas Buildings Plan (LROBP)	2003	7	9
	2002	3	9
Key Goal II: Acquire building sites that meet security setback requirements for construction of new capital security projects.	2003	7	1
	2002	1	4
Key Goal III: Complete capital security projects within the scheduled authorized in the construction contracts.	2003	100	99
	2002	100	0

**Rating:** Effective

**Program Type:** Capital Assets and Service Acquisition

**Program Summary:**

The Capital Security Construction program builds or purchases secure and functional facilities for United States Diplomatic and Consular missions overseas.

The assessment found that the program is successful at achieving or exceeding its annual goals. It is a well managed program with strong planning and evaluation processes and tools in place to track and monitor program progress and deficiencies in a timely fashion.

Given the success of this program, the Administration recommends that the Office of Overseas Building Operations take on additional management and administrative responsibility in 2005. The State Department, in coordination with OMB, plans to fully implement a new Capital Security Cost Sharing program in 2005. Each Federal agency with staff overseas under Chief of Mission (COM) authority, will contribute funds for the construction of new secure embassies and consulates overseas based on the number of employees each agency has overseas and the type of space that they occupy. 2005 will be the first year of a five year phase-in. The 2005 Budget request includes funding in each agencies budget for the first year of the program. This program is a key component in the President's Management Agenda initiative on Rightsizing the USG Presence Overseas.

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

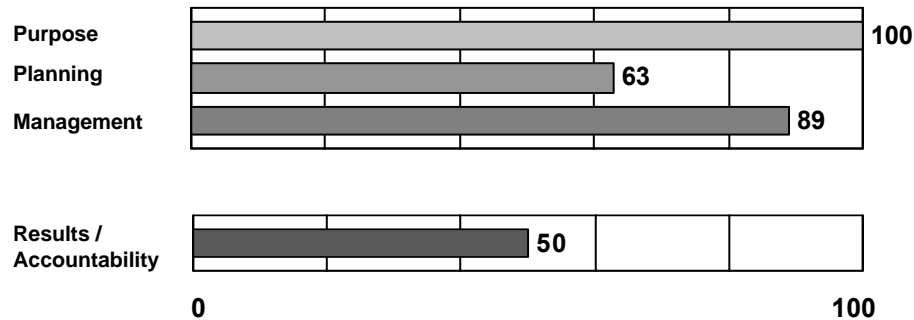
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
608	761	888



**Program:** *Contribution to the United Nations Development Programme (UNDP)*

**Agency:** *Department of State*

**Bureau:** *International Organizations (IO)*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Percent of UNDP program objectives achieved in eradicating extreme poverty.	2003	68.7%	
	2004	70%	
	2005	75%	
Long-term Measure: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day, and the people who suffer from hunger.	2015	0.5	
Long-term Measure: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.	2015	50%	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

UNDP's mandate is to provide central funding and coordination of UN activities that advance economic and social development and poverty eradication overseas. Its programs support U.S. strategic interests that include economic development, democracy and human rights, and growth and stability worldwide. UNDP has also taken on an increasing role in post-conflict situations and reconstruction responsibilities in areas such as East Timor and Afghanistan.

The assessment found that the State Department has set a limited number of long-term performance goals for UNDP with ambitious targets and timeframes. However, the performance plan does not set measurable annual targets, because it does not define what program objectives are being measured for each goal (it says "meet 69% of program objectives" but those objectives are not defined or explained). As a result, it is not possible to measure annual progress toward the long-term goals. In addition, the assessment found that the program is well managed. Additional findings include:

- Budget requests are not explicitly tied to accomplishment of the annual and long-term performance goals. So long as the annual goals are not measurable, it will be difficult to base budget decisions on performance.
- Federal managers and program partners do not appear to be held accountable for achieving key program results and explicit performance standards have not been set for those managers.
- The performance plan did not include any efficiency measures.

In response to these findings:

1. Measurable annual performance goals that evaluate progress toward the long-term performance goals will be developed.
2. A report of actual progress related to achieving performance goals will be included in the annual performance plan.
3. Measures to hold federal managers and program partners accountable for achieving key program results will be instituted.
4. An efficiency measure has since been created.
5. The budget request will be explicitly linked to accomplishment of performance goals as part of the 2006 performance plan and budget cycle.

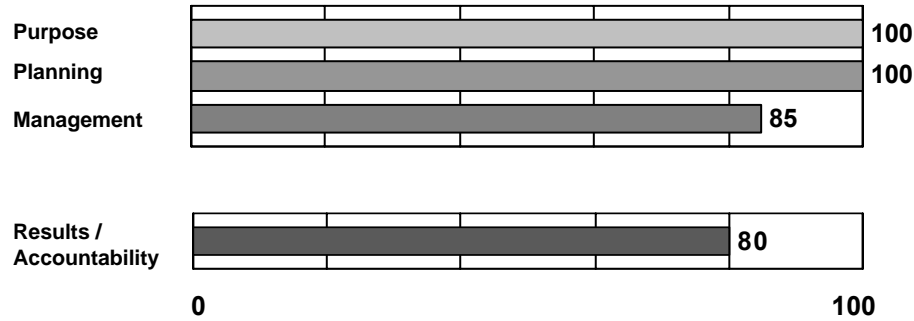
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
100	100	90

**Program: Demining**

**Agency: Department of State**

**Bureau: Political-Military Affairs**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Number of Countries receiving U.S. Humanitarian Demining assistance that eliminated the most pressing humanitarian impacts and are able to sustain future operations with indigenous capacity and little external funding.	2002	12	9
	2003	13	13
	2004	17	
	2005	23	
Annual Measure: Annual percentage reduction in number of reported landmine casualties from landmines and unexploded ordnance (UXO) in countries with humanitarian demining programs.	2001	5	5
	2002	5	5
	2003	5	
	2004	5	
Annual Measure: Square meters of land cleared and restored to productive use in sponsored programs (annual) out of a total of 719,536,000 sq. meters in countries receiving U.S. assistance.	2002	82,500	82,500
	2003	72,000	82,500
	2004	74,000	
	2005	88,000	

**Rating: Effective**

**Program Type: Direct Federal**

**Program Summary:**

The U.S. Humanitarian Demining Program (HDP) provides mine awareness and mine clearance training and assistance with a goal of helping foreign mine-affected nations develop indigenous mine action capabilities. Program objectives are to reduce civilian casualties, create conditions for the safe return of refugees and internally displaced persons to their homes, and reinforce an affected country's stability.

The assessment found that the HDP program addresses a continuing need to address the problem posed by an estimated 45 to 50 million buried landmines worldwide. The program's annual goals include a target for percentage reduction of landmine casualties and hectares of land returned to productive use in mine affected countries. While these goals are measurable and demonstrate progress, annual goals could be improved to tie more closely to the long-term target that measures the number of countries achieving an indigenous mine action capacity with little external funding support. Additional findings include:

- Individual country plans are developed and updated annually that specifically outline the landmine problem and mine actions goals and objectives. The country plans are used by the program manager to measure and assess progress.
- The HDP program office acted proactively to address allegations of mismanagement by hiring an independent contractor to review management practices and a follow-on review was conducted by the State Department Inspector General (OIG) in 2003. The OIG report stated that by and large the allegations of mismanagement were misleading and inaccurate.

In response to these findings, the Administration will continue to support an expanded humanitarian demining program and work to further refine performance measures. Program Recommendations:

1. Review the relationship between annual and long-term goals and develop revised goals as necessary for the 2006 Budget.
2. Demonstrate progress on newly developed efficiency measures and incorporate into the PART for the 2006 Budget.

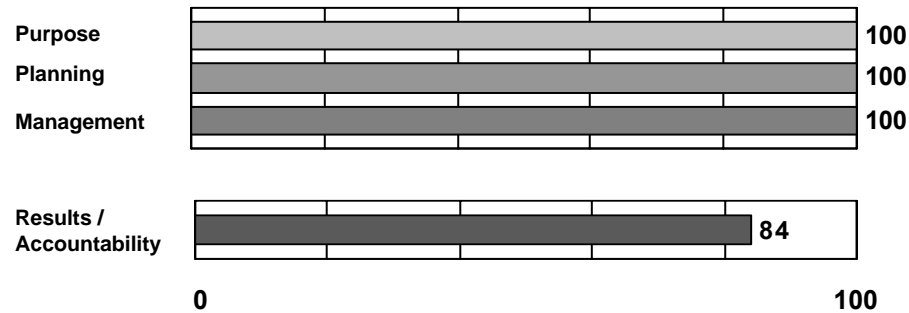
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
45	50	59

**Program:** *Educational and Cultural Exchange Programs in Near East Asia and*

**Agency:** *Department of State*

**Bureau:** *Educational and Cultural Exchanges*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-Term Goal I: SA: Improve US and South Asian democracy, education and development efforts by increasing engagement with important Muslim populations so that these populations better understand US society and values	2005	80	
	2004	78	
	2003	78	
	2002	76	81
Long-Term Goal II: NEA: Engender more positive attitudes toward and understanding of the United States and its democratic values and foster the healthy exchange of ideas through expanded exchanges with Arab youth	2005	80	
	2004	80	
	2003	78	
	2002	76	81
Long-Term Goal III: NEA: Provide Arab youth with the tools to compete in an information-based economy through fostering educational institutional reform	2005	80	0
	2004	78	0
	2003	75	0

**Rating:** *Effective*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Educational and Cultural Exchange Programs in the Near East and South Asia regions increase mutual understanding between the people of the United States and the people of Near East and South Asian countries by means of educational, professional and cultural exchanges. Exchange programs also help to build a corps of American intellectuals and opinion leaders who are well-informed about beliefs, values and events in other countries.

The assessment found that the program is successful at achieving or exceeding its annual goals. It is a well managed program with strong planning and evaluation processes and tools in place to track and monitor program progress and deficiencies in a timely fashion.

Given the success of this program, the Administration recommends that the bureau of Educational and Cultural Exchange programs take on additional management and administrative responsibility in 2005. The Administration supports the expansion of ECA's coordination and management of policy, planning and development of standardized performance and evaluation tools and methods for all Public Diplomacy programs, not just the educational and cultural exchange programs.

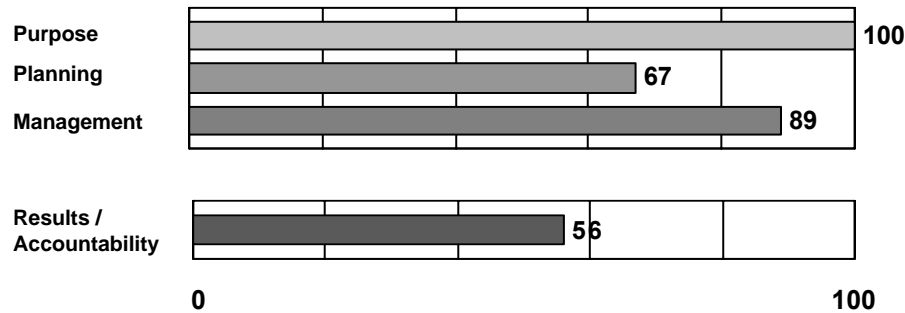
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
49	49	60

**Program:** Humanitarian Migrants to Israel

**Agency:** Department of State

**Bureau:** Bureau of Population, Refugees, and Migration



**Key Performance Measures**

	Year	Target	Actual
Humanitarian migrants become self-sufficient members of Israeli society within two years of grant support. (Measured by migrants receiving all three services that assist in reaching this goal)	2004	Under Dev.	
	2005	Under Dev.	
Provide courteous and timely transportation services.	2004	Under Dev.	
	2005	Under Dev.	
Enable Hebrew language participants to advance a full learning level. (Measured by percentage advancing a full grade level within 5 mos. for migrants from former Soviet Union and 10 mos. for migrants from Ethiopia)	2003	85%, 65%	
	2004	85%, 70%	
	2005	90%, 75%	

**Rating:** Moderately Effective

**Program Type:** Block / Formula Grant

**Program Summary:**

The Humanitarian Migrants to Israel program provides “assistance for the resettlement in Israel of humanitarian migrants from the former Soviet Union, countries in Eastern Europe, Africa and the Near East, and other countries of distress.” The program consists of a grant to the United Israel Appeal, which is renegotiated annually.

The assessment found:

- Overall, the program is well managed and has a clear purpose. While there is a decreasing need for the program, there is still a need for the program.
- Program managers have worked with the United Israel Appeal to improve performance measures since the first PART was completed for the 2004 budget. The program received credit for the improved measures, even though targets are still under development, given the fact that the program lacked any measurable goals before the PART was done for the 2004 budget and that the Congress specifically designates funding for the program every year. Both of these items make the creation of goals a big step forward for the program.
- The Department is collaborating with, and receiving support from its program partners, the United Israel Appeal and the Jewish Agency for Israel (the ultimate recipient of the funds), on performance measurement. The 2003 grant agreement, signed after the first PART evaluation was completed, even included mention of the PART.
- Steps taken to refine performance measures, working with the program partner, have resulted in a higher program rating from the 2004 assessment.
- The program should continue to improve measures and make them more ambitious. In addition, the program should create at least one efficiency measure.

In response to these findings:

1. The Administration will work to further strengthen long-term and annual measures for this program.
2. The State Department, working with its program partner, will create an efficiency measure for this program for inclusion in the next reassessment.
3. The budget request for this program for 2005 is the same as the likely enacted for 2004, prior to the rescission.

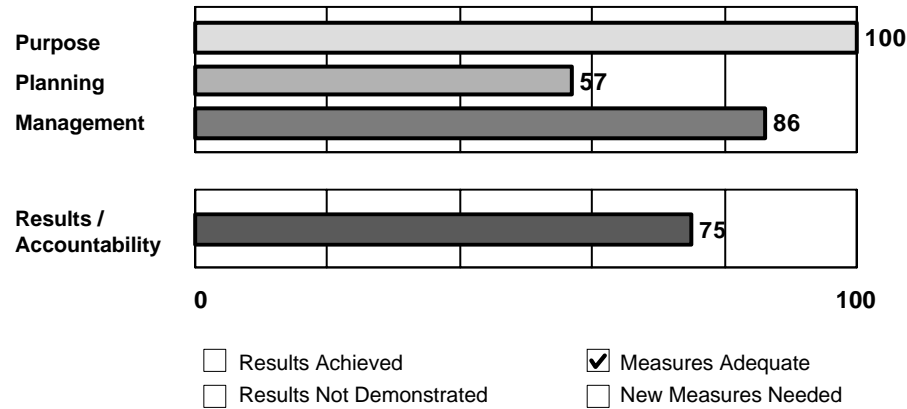
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
60	50	50

**Program:** *Military Assistance to new NATO and NATO Aspirant Nations*

**Agency:** *Department of State*

**Bureau:** *Department of State, activities*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: The proportion of allied nations that spend at least 2% of GDP on military budget	2002	100%	40%
	2003	100%	
	2004	100%	
	2005	100%	
Annual Measure: As new NATO military reforms continue, percentage of aspirants making progress achieving NATO-defined and measured, country-specific Membership Action Plans	2002	100%	60%
	2003	100%	
	2004	100%	
Annual Measure: Percentage of countries that contribute military capabilities (e.g., equipment, units, and forces) or infrastructure (e.g., airfields) for contingencies when requested by the U.S.	2002	100%	90%
	2003	100%	
	2004	100%	

**\*Rating:** *Moderately Effective*

**Program Type** *Direct Federal*

**Program Summary:**

The program provides US military equipment, services, and training to the governments of the ten new NATO countries and Eastern European nations recently offered NATO membership. These include the Czech Republic, Hungary, Poland, Estonia, Latvia, Lithuania, Bulgaria, Romania, Slovakia, and Slovenia.

Findings from the PART Assessment include the following:

1. The program purpose is very clear, to promote U.S. security by strengthening military and political reform, to promote ties between U.S. military forces and those of receiving nations and, to encourage these nations' support for U.S. security goals and activities.
2. Strategic goals for the program are established by the State Department, based on Presidential decisions and assistance from the National Security Council, the Defense Department, and other agencies. Formally, the State and Defense Departments annually review the annual and mid-term goals of the program in several highly structured processes.
3. A few management deficiencies have been noted. One is that there is no regularly scheduled evaluation of the program's effectiveness by independent and disinterested parties. Another is that the State and Defense Departments may differ on priorities for the programs which are proposed and defended in Congress by the State Department. State and Defense have budget development schedules which do not produce recommendations simultaneously; this is being addressed by both departments.
4. The review found that program results are positive in many of the ten countries. Most have adopted or plan to develop military force objectives, including force structure and professional development. An important result is the support shown for Balkans deployments, the war on terrorism, and Operation Enduring Freedom (OEF) in Afghanistan. Several of the countries have promised or shipped arms and equipment to help the U.S. build military forces in Georgia and Afghanistan. Others provide military units to assist in OEF and other contingencies.

In response to this review,

1. The budget proposes a funding level that, with estimated carryover balances, will allow the program to achieve its 2004 goals.
2. State and Defense will press nations that are lagging in their reform efforts.
3. Continued development of an e-government management tool will assist managers in determining program deficiencies.

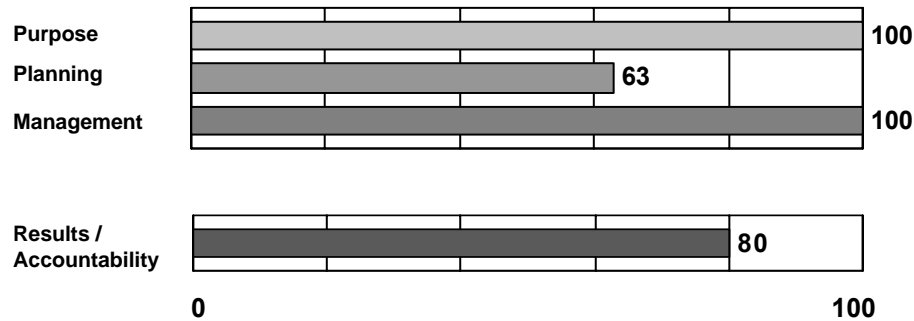
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Nonproliferation and Disarmament Fund*

**Agency:** *Department of State*

**Bureau:** *Bureau of Nonproliferation*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Percentage of NDF projects completed within budget and that meet outcome goals established when the project is approved.	2002	100	100
	2003	100	
	2004	100	
Annual Measure: Number of countries engaged in the U.S. information technology effort to develop and field export control and dangerous materials tracking systems. Total number of countries participating in system development and number of countries where system installed.	2002	12 : 8	12 : 8
	2003	13 : 9	
	2004	14 : 10	
	2005	15 : 11	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The Nonproliferation and Disarmament Fund (NDF) funds carefully selected projects to: 1) halt the proliferation of nuclear, radiological, biological and chemical weapons; 2) destroy or neutralize existing weapons of mass destruction, their delivery systems, and related sensitive materials; 3) limit the spread of advanced conventional weapons and technologies; and 4) track, control and secure dangerous materials.

The assessment found that the NDF has documented successes in achieving its program purpose and annual goals. However, development of long-term goals has proven difficult because determination on use of funds is made annually through an interagency review process led by the Department of State. A draft long-term measure is included in the PART reflecting the overall management goal of the program which is to achieve and maintain a capability to respond to unanticipated nonproliferation and disarmament priorities. The absence of a long-term goal is the reason for the rating of Results Not Demonstrated.

Additional findings include:

- Each NDF project, while not on an annual schedule, has specific performance measures that clearly support the purposes of the NDF.
- NDF tightly monitors ongoing projects, often using on-site NDF staff to provide day-to-day supervision of contractors, and verifies that work is being performed consistent with the approved project performance goals.

In response to these findings, the Administration will continue to support the NDF work to establish a long-term performance measure. Program recommendations:

1. Further develop long-term goals for the program for the 2006 Budget.
2. Demonstrate progress on newly developed efficiency measures and incorporate into the PART for the 2006 Budget.

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

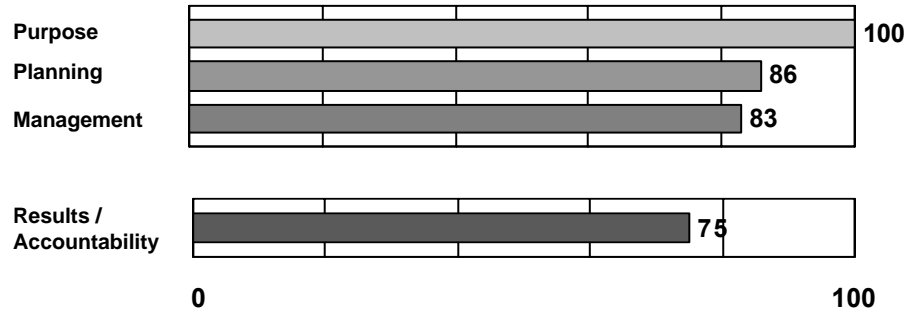
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
15	30	30



**Program:** PKO - OSCE Programs

**Agency:** Department of State

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Existing and emergent regional conflicts in Moldova and the Caucasus are contained and/or resolved. 2003 target - Government and separatist groups in Moldova accept formally the Kiev Document, detailed negotiations commence. 2006 target - Post-conflict resolution phase begins. Actual: 2003 target has been met & exceeded.			
Annual Measure: Comprehensive settlement of the Nagorno-Karabakh conflict between Armenia and Azerbaijan. 2003 Target: With presidential and parliamentary elections in both Armenia and Azerbaijan, Prague Mechanism continues. 2005 Target: Negotiations begin in earnest on a comprehensive political settlement document. Actual: Little progress achieved but the Prague Mechanism continues, no ground is lost			
Annual Measure: Implement system to ensure accountability for U.S. extra-budgetary contributions to OSCE. 2003 Target: USOSCE institutes quarterly assessment visits to OSCE institutions/missions and works to establish tracking system. 2005 Target: USOSCE clears all unexpended funds from 2003 or earlier.			

**Rating:** Moderately Effective

**Program Type:** Direct Federal

**Program Summary:**

The U.S. provides funding to the Organization for Security and Cooperation in Europe (OSCE) to support stability in the independent states of the former Soviet Union and the countries of southeastern Europe. Peacekeeping Operations (PKO) funds support a portion of the OSCE's overall operating budget and provide contributions for specific projects of interest to the U.S. The Administration is currently evaluating whether PKO remains the most appropriate funding source for these programs.

The 2005 assessment found that significant improvements had been achieved since the 2004 review in the areas of strategic planning and program results, but that the program continued to lack evidence that program managers are held accountable for program performance through the use of performance management contracts or some other means. Additional findings include:

- The performance plan was restructured, as recommended in the 2004 assessment, to include separate annual and long-term goals, targets and baseline information.
- The performance plan now includes a report on actual progress related to achieving performance goals.
- The performance goals include meaningful and measurable outcomes.
- The performance plan does not include efficiency measures.
- Budget requests are not explicitly tied to accomplishment of the annual and long-term performance goals.

In response to these findings, the Administration will:

1. Take steps to hold federal managers and program partners accountable for achieving key program results.
2. Develop at least one efficiency measure for these programs.
3. Continue to evaluate and refine the performance goals for these programs to ensure that they provide useful information to inform management, budget and policy decisions.
4. Explicitly link the budget request to accomplishment of performance goals as part of the 2006 performance plan and budget cycle.

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

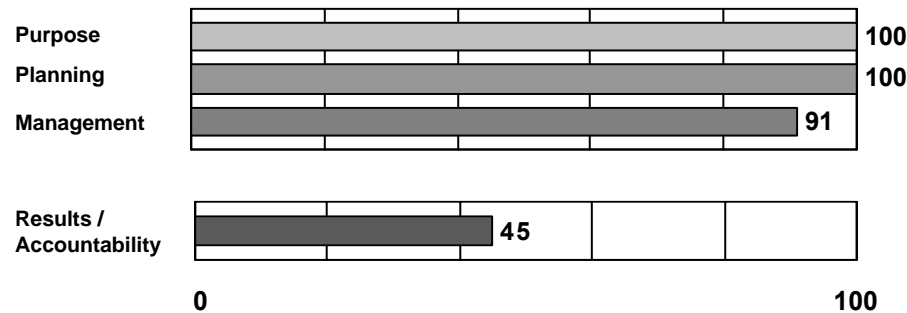
2003 Actual	2004 Estimate	2005 Estimate
18	32	3



**Program:** *Refugee Admissions to the U.S.*

**Agency:** *Department of State*

**Bureau:** *Population, Refugees, and Migration (PRM)*



**Key Performance Measures**

	Year	Target	Actual
Refugees are admitted to the U.S. within established ceilings based on an assessment of the number of refugees at risk overseas and U.S. capacity to respond. (Measured by the percentage of total ceiling included in Presidential Determination that is an unallocated reserve )	2005	0.05	
Assist the UN High Commissioner for Refugees (UNHCR) to strengthen its capacity to identify appropriate durable solutions, including third-country resettlement, for refugees. (Measured by number of referrals made by UNHCR to USG)	2003	10000	
	2004	11000	
Ensure that standardized essential services (incl. decent housing, employ. opportunities, and educ. for children) are provided by sponsoring agencies during period of refugees' initial resettlement in the U.S. (Measured by compliance rate to standards)	2002		0.75
	2003	0.85	
	2004	0.9	
	2005	0.95	

**Rating:** *Moderately Effective*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Refugee Admissions program provides refugees of “special humanitarian concern to the U.S.” the opportunity to resettle in the United States. The program is administered through cooperative agreements and grants to non-governmental organizations (NGOs) and international organizations to assist refugees through the overseas admittance process, as well as to help refugees acclimate to life in the U.S.

The assessment found:

- The program purpose is clear and the program is generally well managed.
- Program managers work closely with program partners, including NGOs, international organizations, and other government agencies, to ensure coordination.
- A number of steps have been taken since the first PART was done for the 2004 budget that has improved the program’s rating. Most notably, program managers continued to improve strategic planning efforts and have shown progress in meeting long-term and annual goals. However, the program did not have any efficiency measures at the time the PART evaluation was completed.
- The program must continue to work towards obligating funds for intended purposes, i.e. not reprogramming a large amount of funds for overseas assistance programs, understanding that external factors greatly affect this program’s performance.
- There continues to be an overlap between this program and another program run by the Department of Health and Human Services (Office of Refugee Resettlement).

In response to these findings:

1. The budget request for this program for 2005 is the same as the 2004 enacted level to ensure adequate funding for the program to meet its goals.
2. The State Department will include an efficiency measure in the next reassessment.
3. The Administration will review the relationship between this program and the Office of Refugee Resettlement at the Department of Health and Human Services.

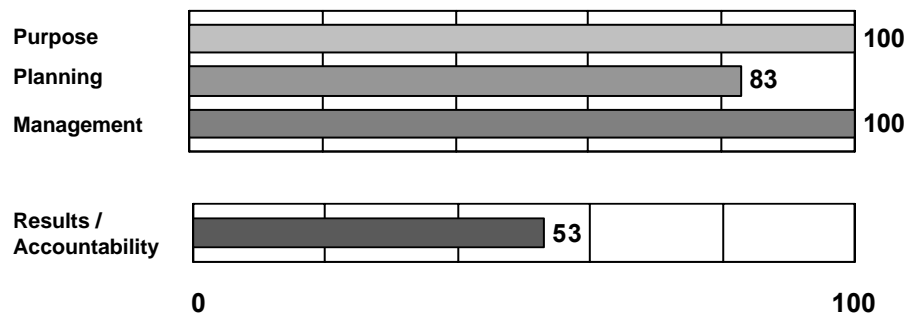
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
113	136	136

**Program:** *Security Assistance for the Western Hemisphere*

**Agency:** *Department of State*

**Bureau:** *Western Hemisphere Affairs*



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Number of terrorist attacks against the Cano Limon oil pipeline. This measures the ability of the Colombian Army to defend a high value target in difficult terrain distant from urban centers and normal support structure.	2001	170	1.7
	2003	< 170	41
	2004	< 50	
	2005	< 25	
Annual Measure: Percentage of FMF and IMET recipient countries that have civilians in senior defense leadership positions. This shows the impact of US programs supporting military subordination to civilian authority.	2001	> 75%	85%
	2002	> 75%	88%
	2003	> 85%	
Annual Measure: Percentage of FMF and IMET countries that are militarily stable.	2001	> 90 %	0.97
	2002	> 90 %	0.97
	2003	> 90 %	
	2004	> 90 %	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Foreign Military Financing (FMF) program provides grants to purchase US military equipment, services, and training to the governments of Western Hemisphere nations, and the International Military Education and Training (IMET) program provides grants for individual training and education to up to 26 countries. Strategically, these programs promote U.S. security by strengthening military and political reform, promoting ties between U.S. military forces and others of the Western Hemisphere, and encouraging these nations' support for U.S. security goals and activities.

The assessment found that the program purpose is clear--to reduce instability caused by illicit drug production and terrorism and to increase contributions by Western Hemisphere nations to peacekeeping and counterterror operations.

It also found that:

- Evaluation of performance is difficult as some programs with annual goals have recently been redesigned to better address specific problems (e.g., combining anti-terror and anti-drug efforts in Colombia).
- Long-term goals need more definition, with specific targets and timeframes.
- Annual resource needs and budget requests of the State and Defense Departments could be presented in a more complete and transparent manner.
- Management of this program is excellent.

In response to this review:

- The State and Defense Departments will work to coordinate annual budgets and develop more specific long-term goals with timeframes.
- Performance goals will be evaluated as newer programs are implemented, and
- The budget proposes FMF and IMET funding levels that will enable the counter-drug program in Colombia and regional personnel exchanges to achieve their annual goals.

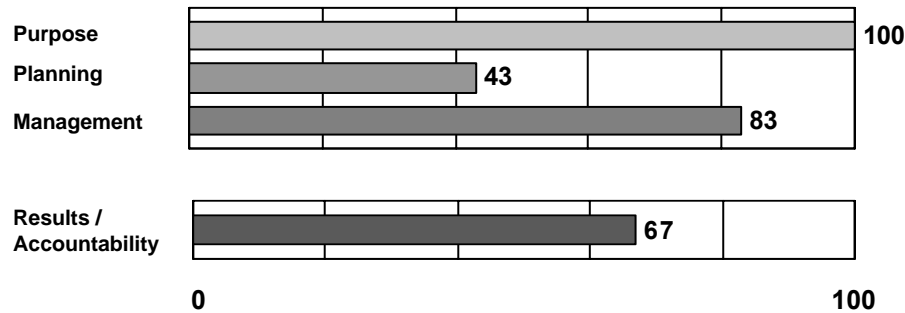
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
124	158	124

**Program:** Security Assistance to Sub-Saharan Africa

**Agency:** Department of State

**Bureau:** African Affairs



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: U.S. trained African military units are available to support peace keeping/humanitarian missions.	2003	55%	55%
	2008	>85%	
Long-term Measure: U.S. trained African military units are more professionally led and capable of operating with U.S. forces.	2002	1,971	1,971
Long-term Measure: African militaries are capable of sustained peace keeping and humanitarian operations.	2002	33%	33%
	2004	65%	

**Rating:** Moderately Effective

**Program Type:** Direct Federal

**Program Summary:**

The Foreign Military Financing (FMF) grant program provides equipment and services, and training to government militaries in select Sub-Saharan nations. The International Military Education and Training (IMET) program funds broader military education courses. Strategically, these programs promote peace and stability, develop indigenous African peacekeeping and humanitarian response capabilities and more professional African militaries, and strengthen relationships between U.S. and African militaries in support of US security goals and activities in sub-Saharan Africa.

The 2005 assessment found that significant improvements had been achieved since the 2004 review in the areas of strategic planning and program results, but the program continued to lack evidence that federal managers and program partners are held accountable for program performance. In addition:

- The performance plan was restructured, as recommended in the 2004 assessment, to include separate annual and long-term goals, targets and baseline information.
- The performance plan now includes a report on actual progress related to achieving performance goals.
- Whereas program goals reviewed in 2004 were overly broad, the goals have been narrowed to focus on outcomes that can be reasonably measured.
- Budget requests are not explicitly tied to accomplishment of the annual and long-term performance goals.

In response to these findings, the Administration will:

- Institute measures to hold federal managers and program partners accountable for achieving key program results.
- Develop at least one efficiency goal for these programs.
- Continue to evaluate and refine the performance measure for these programs to ensure that they provide useful information to inform management, budget and policy decisions.
- Explicitly link the budget request to accomplishment of performance goals as part of the 2006 performance plan and budget cycle.

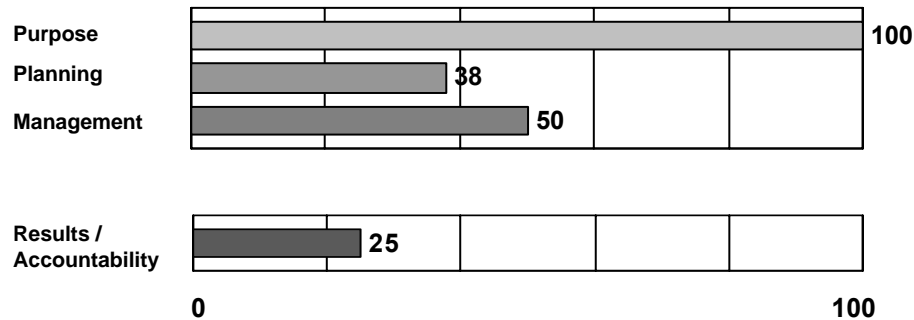
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
102	60	96

**Program:** *Support for Eastern European Democracy & Freedom Support Act*

**Agency:** *Department of State*

**Bureau:** *EUR/ACE*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: FSA/Improve Monitoring Country Progress (MCP) Democratization Index score. This index measures overall development of democratic institutions in the FSA region. The target numbers represent ratings on a 1-5 scale with 5 being the most advanced.	1997	2.2	
	2002	2	
	2008	2.8	
Long-term Measure: FSA/Improve MCP Economic Reform Aggregate Index score. This index measures the development of institutions that foster economic growth. The target numbers represent ratings on a 1-5 scale with 5 being the most advanced.	1992	1.31	
	2002	2.47	
	2008	3.5	
Long-term Measure: SEED/Improve MCP Economic Reform Aggregate Index score. This index measures the development of institutions that foster economic growth. The target numbers represent ratings on a 1-5 scale with 5 being the most advanced.	1997	1.64	
	2002	2.82	
	2008	3.5	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Competitive Grant*

**Program Summary:**

Two budget accounts provide most of the U.S. non-military assistance to Eastern Europe and the Former Soviet Union, Support for Eastern European Democracy (SEED) and Freedom Support Act (FSA). Both are managed by a State Department Coordinator responsible for determining assistance strategy and priorities in the regions. The Office of the Coordinator for Assistance to Europe and Eurasia (ACE) is the unit of analysis for this assessment.

The assessment found that while the ACE has taken numerous steps to overcome management deficiencies, it is difficult to evaluate the overall performance of the program because of a lack of annual and long-term performance goals and measures at the Coordinator's level. The Coordinator's office has committed to develop such measures, and, once in place, the Administration expects considerable improvement in strategic planning and program results, including a corresponding improvement in the PART rating. Additional findings are:

- In recent years, the ACE has implemented a more structured and consistent budgeting process for agencies that implement FSA programs. A similar process is starting for SEED programs in 2004.
- Bureau-level or mission-level performance measures have not been specific or meaningful enough to assist in the management and allocation of funds.
- There is no strong evidence that regional accounts are the most effective means of delivering bilateral assistance. Because the transition period for many of the countries appears to be similar to other developing countries, it is reasonable to ask whether and how long special accounts will continue to be necessary.

In response to these findings, the Administration will:

1. Complete the process of developing long-term and annual goals, measures, baselines, and targets. These measures should be integrated into all planning and reporting documents, including annual reports and bureau and mission performance plans, and used by all implementers in order to streamline and rationalize the process of performance monitoring and funding allocations.
2. Continue to perform country assistance reviews in order to support a standard approach to performance measurement across all agencies that implement SEED and FSA programs, and to manage rational graduations or phase outs of assistance to countries in the region.

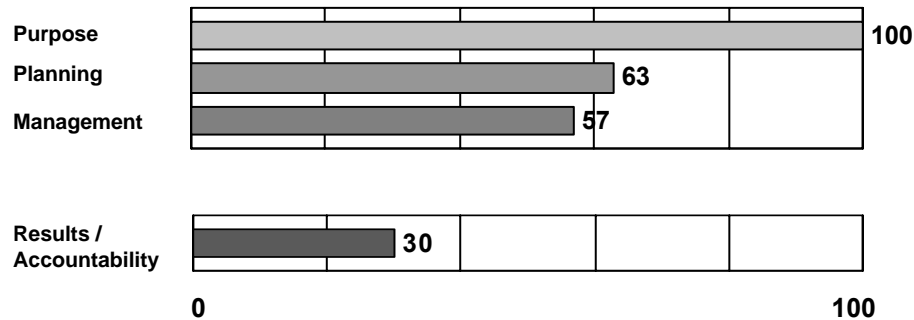
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,277	1,026	950

**Program:** *Terrorist Interdiction Program (TIP)*

**Agency:** *Department of State*

**Bureau:** *Office of the Coordinator for Counter-Terrorism*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Percentage use of the system at all TIP installations	2002	67.5%	67.5%
	2003	80%	
	2004	80%	
	2005	80%	
Annual Measure: Number of TIP countries receiving installations at immigration points and number of immigration officials trained to use TIP	2002	2	1
	2003	4	
	2004	6	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The Terrorist Interdiction Program (TIP) provides foreign governments with the Personal Identification Secure Comparison and Evaluation System (PISCES), information technology that enables border control officials to quickly identify and detain or track suspect persons seeking to cross their borders and collect, compare, and analyze traveler data.

The assessment found that the TIP program needs to improve its long-term performance measures and strengthen its program management staff. The Department of State's Office of the Coordinator for Counter-Terrorism has taken steps in both these areas while the program assessment was underway. However, because the TIP program is new, it did not meet several requirements in the program assessment. For example, no independent evaluations by the Department's Inspector General have yet taken place. Additional findings include:

- The TIP program tracks the number of border entry points in host countries where TIP has been installed and the number of border control officials that have been trained to correctly use the PISCES system. Program assessments and PISCES reporting data also track usage of the system by the host country.
- Coordination with other complementary U.S. Government programs is improving and could be better described in budget justifications and long-term performance goals to ensure that a comprehensive approach is presented to meet the outcome goal of improving a host nation's border control capabilities.

In response to these findings, the Administration will work to improve performance measures and program management. Program Recommendations:

1. Complete program management staff improvements.
2. Develop performance targets for long-term goal.
3. Seek to improve long-term outcome measure to capture qualitative improvements in host country capabilities
4. Demonstrate progress on newly developed efficiency measures and incorporate refined measures into the PART for the 2006 Budget.

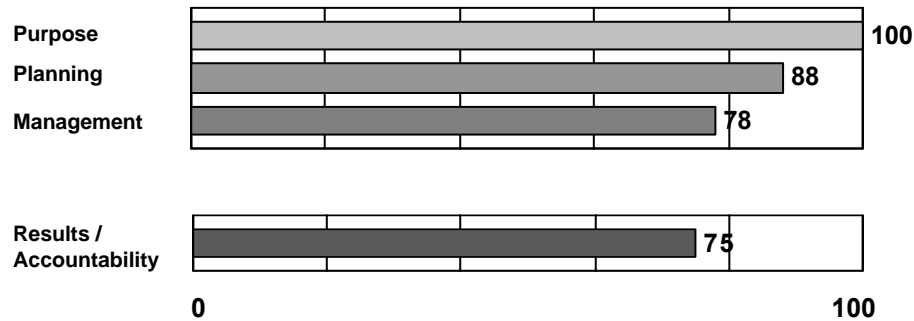
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
5	5	5

**Program:** *UN High Commissioner for Refugees (UNHCR)*

**Agency:** *Department of State*

**Bureau:** *Population, Refugees, and Migration (PRM)*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Number of fully funded permanent, international, professional posts in the "protection" area that exist within UNHCR.	2006	315 positions	
Long-term Measure: UNHCR provides assessment of all refugee needs in African countries with greater than 10,000 refugees, and donors fully fund UNHCR's Africa budget.	2006	100% funded	
Annual Measure: Number of UNHCR protection officers.	2002		237
	2003	240	
	2004	240	
	2005	278	

**Rating:** *Moderately Effective*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The U.S. contribution to the UN High Commissioner for Refugees (UNHCR) allows the agency to provide a comprehensive response to the protection and assistance needs of refugees.

The assessment found:

- The program purpose is clear and program managers work closely with UNHCR to ensure that U.S. goals are understood and included in the organization's planning.
- The long-term and annual measures for this program are ambitious and mission-related; however, the program does not have an efficiency measure.
- For several years the Department of State and UNHCR have agreed to goals in a signed "Framework for Cooperation," showing the degree to which UNHCR and the Department coordinated with regard to goals for the program.
- UNHCR needs a better integrated financial system to ensure that program funds are being used effectively.

In response to these findings:

1. The budget request includes a level of funding that will allow the U.S. to continue to contribute its traditional share of approximately 25% of UNHCR's regular budget.
2. The State Department is working closely with UNHCR to implement a better financial management system.
3. An efficiency measure has since been developed.

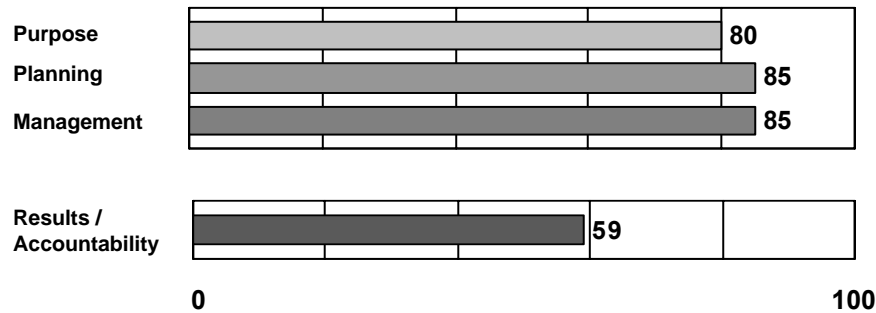
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
303	310	229

**Program:** *Visa and Consular Services*

**Agency:** *Department of State*

**Bureau:** *Consular Affairs*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-Term Goal I: Ensure that American Citizens who travel and live abroad have access to travel information and consular services	2004	1	0
	2003	1	0
	2002	1	0
Long-Term Goal II: Timely and Effective Passport Issuance with document integrity assured	2006	1	
	2005	1	
	2004	0	0
	2003	0	0
Key Goal III: Facilitate travel to the US by qualified foreign visitors, immigrants and refugees while preventing entry by those who abuse US immigration laws or threaten national security	2006	30	0
	2005	30	0
	2004	30	0
	2003	20	16

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Border Security program, comprised of visa, passport and American Citizen Services programs, at the Department of State administers laws, writes regulations, and implements policies to execute a broad range of consular services and activities provided to American Citizens abroad.

The managers of this program and the program itself have made great progress over the past two years (since 9/11) despite no significant change in the reassessment score in 2005. The reassessment found that:

- the program is cannot track its own progress adequately due to overly broad performance goals and measures;
- The Department of Homeland Security and Law Enforcement Agencies are not always including State in early stages of deliberation over new policies which would enhance coordination and collaboration over long term goals.

The Administration will work closely with the State Department to develop clear, concise long term and annual performance goals and targets for 2006. In addition, the Administration will foster, to the greatest extent possible, fora for all agencies with a border security role to meet and discuss policies on a regular basis.

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

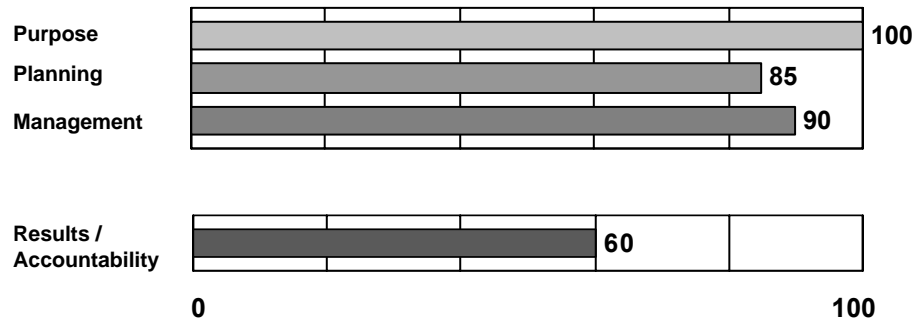
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
664	807	865



**Program:** *Worldwide Security Upgrades*

**Agency:** *Department of State*

**Bureau:** *Diplomatic Security*



**Key Performance Measures**

**Year Target Actual**

Long Term Measure: All employees receive an update investigation every five years. Annual measures include number of employees who receive update investigation.	2001	1200	1200
	2002	3600	1800
	2003	3600	4000 est.
Long-term Measure: All IT systems are protected from external technical compromise. Each year measure number of systems that are protected at a based level.	2000	69 uncl	69 uncl
	2001	175 uncl	170 uncl
	2002	0 uncl	5 uncl
	2002	3 class	3 class
Annual Measure: All posts worldwide and domestic facilities (241) will receive chemical/biological countermeasures equipment and training. There are two phases to this measure. Annual goals reflect number of posts each year.	2000	241 (1a)	241 (1a)
	2002	117 (1b)	55 (1b)
	2003	71 (2)	47 (2)
	2004	126 (2)	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Worldwide Security Upgrades (WSU) program was created in response to the 1998 embassy bombings in Africa (Nairobi and Dar es Salaam) when it became evident that certain posts, previously considered low to medium threat, were now vulnerable to the threat of transnational terrorism. The mission of the WSU program (including Diplomatic Security) is to enhance and sustain worldwide security operations and support homeland security and counterterrorism efforts.

The WSU program was designed as a five-year program, beginning in 1999 and ending in 2004 with continuing operations each year thereafter. Diplomatic Security staff assesses threats and threat levels of personnel and facilities both overseas and domestically and adjusts its security programs and responses accordingly. The long-term program goal is to reach and maintain a baseline level of security at all overseas facilities and ensure the safety of U.S. Government personnel overseas.

The managers of the Worldwide Security Upgrade program continually strive to attain clear well established long term goals; however, clear annual budget and performance targets are lacking. The WSU programs administered by the bureau of Diplomatic Security, and security programs in general, are frequently evaluated and monitored; however, due to the nature of these programs and the necessity to provide immediate security-related assistance to posts, cost effectiveness is not always assessed prior to the acquisition of goods or the provision services.

The Administration will work closely with the bureau of Diplomatic Security to develop effective annual goals and targets. In addition, DS will work to develop a cost benefit analyses for each project that clearly delineate the costs and timeliness associated with each option.

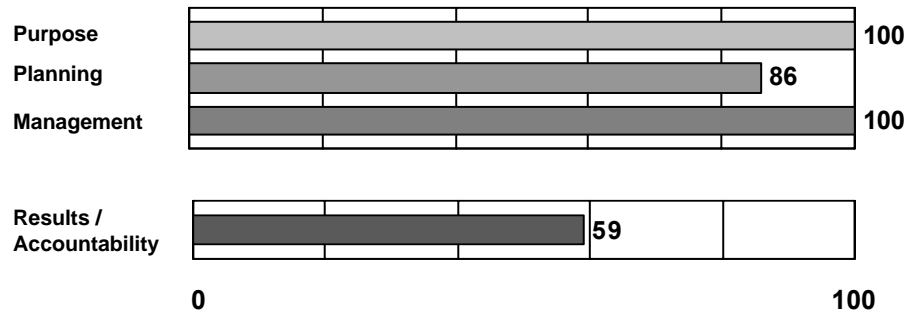
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
553	647	659

**Program:** *Broadcasting to Africa*

**Agency:** *Broadcasting Board of Governors*

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Audience size for the Africa Division (in millions)	2002	34	34
	2008	35.7	
Annual Measure: Program Quality Score (Range 0-4) - scores are determined through assessments of program content and presentation for each language service. This example is for the Central Africa Service.	2002	3.4	3.4
	2003	3.7	3.7
	2004	3.7	
	2005	3.7	
Annual Efficiency Measure: Cost Per Listener (\$ dollars) - tracks cost per listener for each Africa language service. This example is for the English to Africa (Ghana) Service.	2002	\$0.45	\$0.45
	2003	\$0.52	\$1.15
	2004	\$0.94	
	2005	\$0.79	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The purpose of the program is to promote and sustain freedom and democracy by broadcasting accurate and objective news and information about America and the world to audiences in Africa. Broadcasting also provides information on issues relevant to the region, including: war, poverty, political conflict, and numerous social concerns.

The assessment found that the program is well-received by listeners in Africa. The program uses four common performance measures for all of the Africa language services: weekly audience, program quality, signal strength, and cost-per-listener. Program managers can use these to compare the performance across language services. The program also has individual performance measures for each language service to target their needs. The assessment also found that the program is well-managed. The annual Language Service Review process provides a thorough, independent examination of the program. Managers use this information to make improvements, and are required to follow up on their progress, ensuring accountability. Additional findings include:

- 34 million people in Africa listen to the broadcasting weekly. Listeners think the broadcasts are a good source of information that they do not receive elsewhere. There is a very positive response to broadcasts on HIV/AIDS.
- The program performs regular and thorough reviews, enabling the managers to make necessary adjustments to improve broadcasting.
- The program does not link its budget requests to its performance goals or the overall agency strategic plan.
- The program does not tie the costs for related program delivery and construction projects to the performance goals for its language services.

In response to these findings, the Administration will:

1. Ensure that funding requests for the program are linked to relevant performance goals in all performance plans included in the next annual budget request.
2. Link program support costs to each language service in the program's next annual budget request.
3. Design additional performance measures that capture the quality of the programming, as well as the impact the broadcasting has on the views of listeners in Africa.

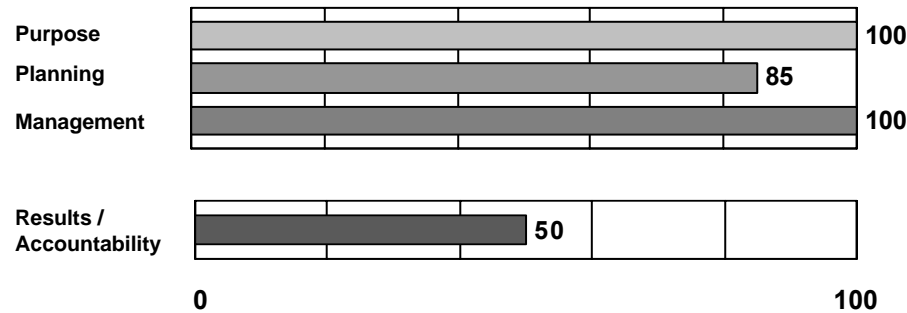
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
15	13	14

**Program:** *Broadcasting to Near East Asia and South Asia*

**Agency:** *Broadcasting Board of Governors*

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Audience reach for broadcasting to Iran (as a percentage of the total target population)	2002	4%	4%
	2003	6.5%	13%
	2004	13%	
	2008	13%	
Long-term Measure: Audience reach for Radio Sawa. (in millions)	2002	3.9	3.1
	2003	5.1	10.5
	2004	10.7	
	2005	11	
Annual Measure: Program Quality Score (Range 0-4) - scores are determined through assessments of program content and presentation for each language service. This example is for the Afghanistan Radio Network.	2002	3.5	3.5
	2003	3.6	3.6
	2004	3.8	
	2004	3.9	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The purpose of the program is to promote and sustain freedom and democracy by broadcasting accurate and objective news and information about America and the world to audiences in Near East and South Asia.

The assessment found that the program has improved its planning process over the past year. It revised its performance plans, incorporating four common measures for all of the language services: weekly audience, program quality, signal strength, and cost-per-listener. Program managers can use these to compare the performance across language services. The program also has individual performance measures for each language service to target their needs. The assessment also found the Broadcasting Board of Governors manages the program well. The annual Language Service process provides a thorough, independent examination of the program. Managers use the information generated from these reviews to make improvements, and are required to follow up on their progress, ensuring accountability. Additional findings include:

- The program dramatically increased its reach to Arab speaking countries through its Radio Sawa broadcasts. An estimated 10.5 million people listen each week.
- The program does not link its budget requests to its performance goals or the overall agency strategic plan.
- The program does not tie the costs for related program delivery and construction projects to the performance goals for its language services.

In response to these findings, the Administration will:

1. Ensure that funding requests for the program are linked to relevant performance goals in all performance plans included in the next annual budget request.
2. Link program support costs to each language service in the program's next annual budget request.
3. Design additional performance measures that capture the quality of the programming, as well as the impact the broadcasting has on the views of listeners in Near East and South Asia.

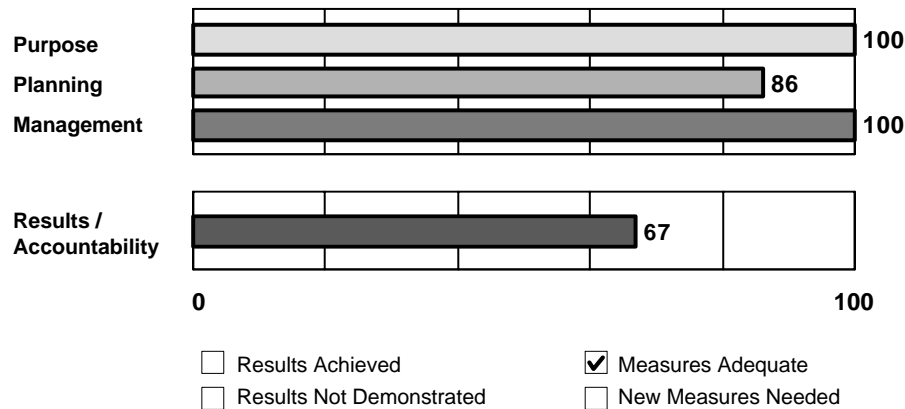
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
88	128	95

**Program: Export Import Bank - Long Term Guarantees**

**Agency: Export-Import Bank of the United States**

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Financing terms (interest rates and fees) competitive with those terms provided by foreign governments to their exporters (Compet. = Competitive)	2001	Compet.	Compet.
	2002	Compet.	Compet.
	2003	Compet.	
	2004	Compet.	
Annual Measure: Percentage of Long Term Guarantees that involve high-risk markets or high-risk customers (Annual measures under development)	2001	60%	64%
	2002	60%	66%
	2003	60%	
	2004	60%	

**\*Rating: Moderately Effective**

**Program Type Credit**

**Program Summary:**

The long-term guarantee program provides repayment protection for private sector loans to creditworthy buyers of U.S. exports to maximize support for US exports and contribute to the promotion and maintenance of U.S. jobs. The guarantee allows Ex-Im Bank to match financing offers from foreign competitors supported by their governments or to provide financing support for high risk countries/markets for which private financing is not available.

Findings from the PART assessment include the following:

1. The long-term guarantee program scored a perfect score for management evidenced in part by its ability to collect performance information, to use effective financial management practices, to have incentives and procedures to measure and achieve efficiencies and cost effectiveness, and to consistently meet the requirements of federal credit programs.
2. While the program analyzes guarantee applications to assess whether an exporter faces competition, it needs to strengthen its performance measure that assesses the availability of private financing for the export.
3. Overall, the program has demonstrated significant results in its ability to match financing offers from foreign competitors supported by their governments.
4. In 2001, 64% of the program's total long-term guarantee transactions involved high-risk markets or high-risk customers. Even though this rate exceeded the program's target of 60%, the program has not been able to justify the rationale for 60% as an adequate performance measure, nor has it been able to prove that private sector financing did not exist for all of these exports.

In response to these findings:

1. The President's Budget fully supports Ex-Im Bank's long-term guarantee lending levels and provides appropriate administrative resources. Due to sufficient carry-over resources, Ex-Im Bank does not require funding for credit subsidy in 2004. This lack of credit subsidy, in addition to the funding for administrative expenses and a large estimated increase in negative credit subsidy, produces the negative proposed funding level.
2. The Administration will work with the Bank to develop and implement more effective performance measures and to ensure that the Bank does not provide undue subsidies to exporters.

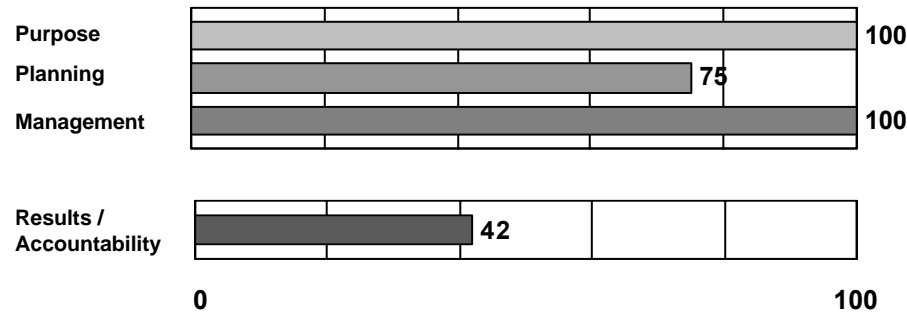
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Overseas Private Investment Corporation - Finance

**Agency:** International Assistance Programs

**Bureau:** Overseas Private Investment Corporation



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Number of jobs per \$1,000,000 invested	2003	>20	18.6
	2004	>20	
	2005	>20	
Annual Measure: Managerial and professional jobs as a proportion of total jobs created	2003	>40%	33%
	2004	>40%	
	2005	>40%	
Annual Efficiency Measure: Efficiency of small business projects as measured by application processing time	2003	105 days	102 days
	2004	90 days	
	2005	75 days	

**Rating:** Adequate

**Program Type:** Credit

**Program Summary:**

The Overseas Private Investment Corporation (OPIC) Finance program provides financing to eligible U.S. companies investing in emerging markets overseas.

The assessment found that OPIC is generally well-managed and has significantly improved its strategic planning by developing strong long-term goals and annual performance measures. Additional findings include:

- OPIC's credit function, including the Credit Committee, has not been sufficiently independent from the Finance program to ensure OPIC makes sound credit decisions on projects. Based on this finding, OPIC has taken steps to improve the independence of the Credit Committee and has agreed that further enhancements would help ensure sound credit decisions.
- The recent extension to OPIC of authority to guarantee in local currencies may create some uncertainty about the types of projects it supports versus the types of projects other federal programs support.
- Different agency priorities, such as supporting highly developmental projects versus supporting a high volume of small business projects, have the potential to conflict in certain instances, thereby resulting in support for a project with a lower developmental outcome than might otherwise be the case.
- The program should continue to improve its coordination and cooperation with other agencies that have complementary missions and an overseas presence.

In response to these findings, the Administration will:

1. Continue to improve the credit function by ensuring the independence of the Credit Committee and the credit review process from the deal originating departments.
2. Improve coordination and cooperation between OPIC and other government agencies, including by completing a Memorandum of Understanding between OPIC and USAID.
3. Improve public disclosure of the agency's projects and enhance the clarity and quality of reporting from the program staff to the OPIC Board.
4. Review and monitor the developmental standards applied to projects to ensure consistent treatment and high standards.

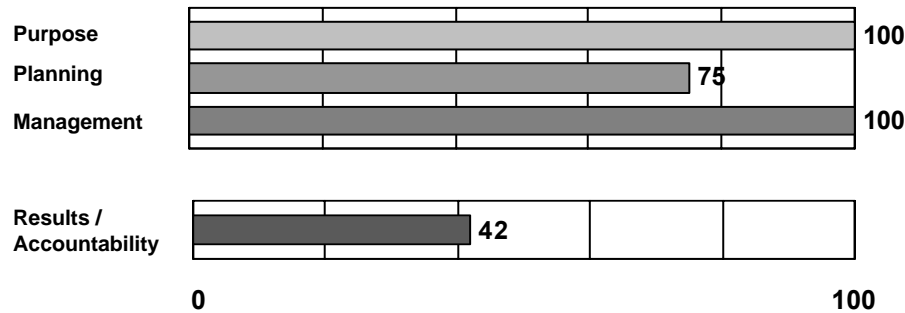
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
24	24	24

**Program:** Overseas Private Investment Corporation - Insurance

**Agency:** International Assistance Programs

**Bureau:** Overseas Private Investment Corporation



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Number of jobs created per \$1 million invested.	2003		
	2004	20	
	2005	20	
Annual Measure: Percentage of on-going OPIC projects monitored for compliance with OPIC's U.S. effects, environmental, and worker rights standards.	2003		95%
	2004	100%	
	2005	100%	
Annual Efficiency Measure: Efficiency of small business projects as measured by application processing time.	2003		77 days
	2004	90 days	
	2005	75 days	

**Rating:** Adequate

**Program Type:** Credit

**Program Summary:**

The Overseas Private Investment Corporation (OPIC) Insurance program provides political risk insurance against expropriation, currency inconvertibility, and political violence to eligible U.S. companies investing in emerging markets overseas.

The assessment found that OPIC is generally well-managed and has significantly improved its strategic planning by establishing strong long-term goals and annual performance measures. Additional findings include:

- The program has instituted a meaningful policy to ensure it does not compete with private insurance companies (called an “additionality” policy), but the program gives clients discretion in determining what private rates, terms, conditions, and tenors are unreasonable or insufficient.
- The program should continue to improve its coordination and cooperation with other agencies that have complementary missions and an overseas presence.
- OPIC is considering how best to integrate its budget with the agency’s performance goals.

In response to these findings, the Administration will:

1. Monitor the program’s implementation of its “additionality” policy to ensure the policy’s effectiveness is not being undermined by the discretion given to clients.
2. Improve coordination and cooperation between the program and other government agencies, including by completing a Memorandum of Understanding between OPIC and the United States Agency for International Development.
3. Work with OPIC to integrate its budget with its performance.

Program Funding Level below reflects estimated insurance issued, not budget authority.

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

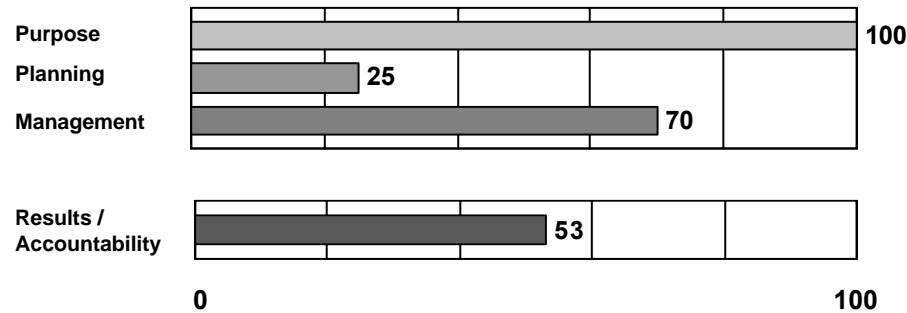
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,753	1,800	2,000



**Program:** *Child Survival and Health (LAC)*

**Agency:** *United States Agency for International Development*

**Bureau:** *Latin America and Caribbean (LAC) Bureau*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development.			
Annual Measure: Measures under development.			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Child Survival and Health (CSH) program in the Latin America and Caribbean Region (LAC) funds a broad menu of the United States Agency for International Development (USAID) assistance activities in fourteen countries and two “regional platforms” (operational platforms that provide administrative or programmatic assistance to the broader region) in the areas of child survival and maternal health, family planning/reproductive health, vulnerable children, HIV/AIDS, and infectious diseases (including tuberculosis, malaria and polio).

This PART assessment, due to USAID’s regional bureau structure, was conducted for the LAC region and included both CSH and Development Assistance (DA) programs. The assessments for both CSH and DA produced similar results. The PART assessment found that the decentralized organizational structure of USAID has resulted in effective processes for strategic planning and performance evaluation at the operating unit (USAID Mission) level, but that the program lacks quantifiable, long-term performance measures, or common indicators, for the LAC region. Additional findings include:

- The program is closely aligned with U.S. foreign policy priorities in the region.
- The program effectively incorporates input and feedback from key stakeholders (other relevant U.S. Government agencies, beneficiaries or “customers”, and implementing partners) into strategic and implementation planning.
- The program cannot adequately demonstrate progress in achieving results due to the lack of LAC regional performance measures and targets. At the country, or operating unit level, however, targets are, with few exceptions, being met or exceeded.
- Budget requests for the region cannot be explicitly tied to program accomplishments in the absence of regional performance data.
- Improvements in technology and consolidation of accounting functions have resulted in major savings to USAID.

In response to these findings, USAID, in LAC as well as all other regions, will implement a system of common performance indicators that will facilitate the setting of ambitious annual and long-term performance targets, the measurement of results, and an annual budgeting process that is directly integrated with performance.

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

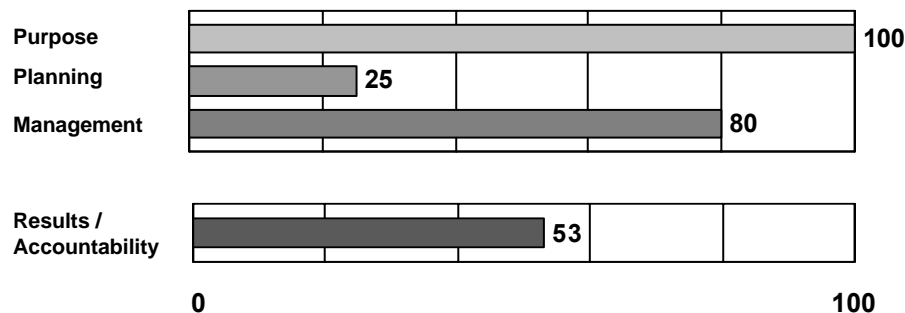
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
158	154	137



**Program:** *Development Assistance*

**Agency:** *United States Agency for International Development*

**Bureau:** *Latin America and Caribbean (LAC) Bureau*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures under development.			
Annual Measure: Measures under development.			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Development Assistance (DA) program in the Latin America and Caribbean Region (LAC) funds a broad menu of the United States Agency for International Development (USAID) assistance activities in fifteen countries in the areas of rural development, education, trade development, rule of law, environment, energy, science and technology, democratic governance, conflict prevention, and human rights.

This PART assessment, due to USAID’s regional bureau structure, was conducted for the LAC region, and included both DA and Child Survival and Health (CSH) accounts. The PART assessments for both DA and CSH received similar results. The PART assessment found that the decentralized organizational structure of USAID has resulted in effective processes for strategic planning and performance evaluation at the operating unit (USAID Mission) level, but that the program lacks quantifiable, long-term performance measures, or common indicators, for the LAC region. Additional findings include:

- The program is closely aligned with U.S. foreign policy priorities in the region.
- The program effectively incorporates input and feedback from key stakeholders (beneficiaries or “customers”, and implementing partners) into strategic and implementation planning.
- The program cannot adequately demonstrate progress in achieving results due to the lack of LAC regional performance measures and targets. At the country, or operating unit level, however, targets are, with few exceptions, being met or exceeded.
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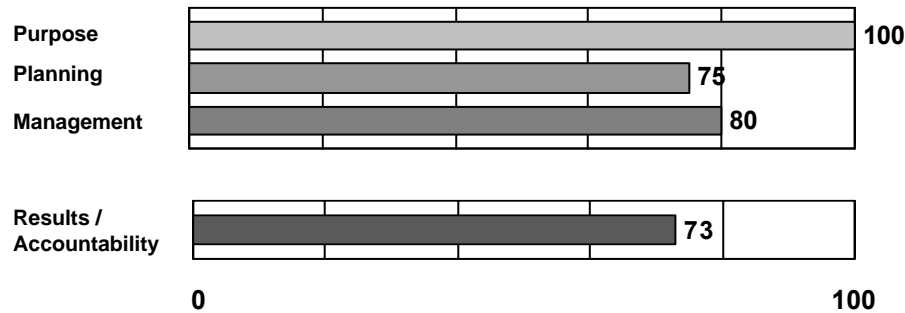
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
261	268	242

**Program:** Office of Transition Initiatives

**Agency:** United States Agency for International Development

**Bureau:** Democracy, Conflict and Humanitarian Assistance



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Percentage of OTI programs that demonstrate increased access to unbiased information by target population on key transition issues.			
Long-term Measure: Percentage of OTI programs that have a sustainable handoff strategy (either to USAID Mission or local civil society groups) in place after 18 months of starting up a new country program.			
Long-term Measure: Percentage of final evaluations that find that OTI made significant impact in strengthening democratic institutions/participatory processes or increasing momentum for peaceful resolution of conflict (depends on main objective of specific country program)			

**Rating:** Moderately Effective

**Program Type:** Competitive Grant

**Program Summary:**

The Office of Transition Initiatives (OTI) is part of the United States Agency for International Development (USAID). OTI provides fast, flexible, and short-term assistance to conflict-prone countries to bridge the gap (provide the transition) between traditional immediate-term relief and longer-term development assistance.

The assessment found that the program is strong overall. Additional findings include:

- OTI has been filling the niche between immediate-term relief efforts and longer-term development assistance, operating in post-conflict countries like Afghanistan and Iraq.
- OTI's performance measurement is strong at the individual program/country level, but there is no aggregate measurement of OTI's effectiveness across the board. While OTI has developed short-term and long-term performance measures, it has not yet developed baselines, timeframes, and targets for these measures.
- OTI has not yet developed a long-term outcome measure to demonstrate the sustainability of its transition initiative programs (to show that countries have remained conflict-free after OTI has concluded its program).

In response to these findings, the Administration will:

1. Closely monitor the development of OTI's short-term and long-term baselines, timeframes, and targets to ensure their completion by June 2004.
2. Continue to press OTI to develop a performance measure that better measures the sustainability of transition initiative outcomes by June 2004.
3. Continue to monitor OTI's coordination/cooperation with related offices and programs -- including the Bureau of Democracy, Human Rights, and Labor at the Department of State and the Office of Conflict Management and Mitigation at USAID -- to ensure that there is no duplication of effort or overlap.

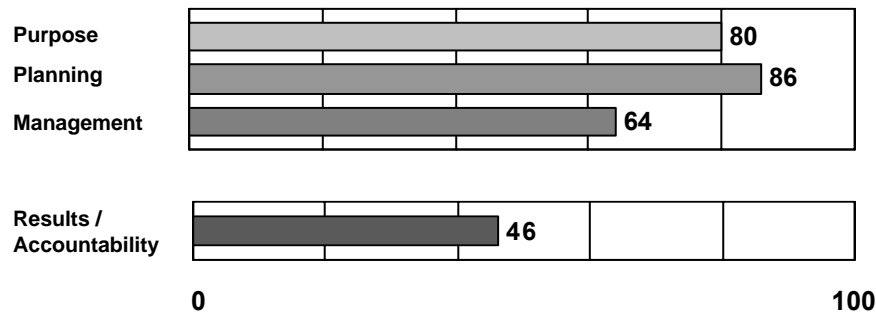
**Program Funding Level (in millions of dollars)**

2003 Actual	2004 Estimate	2005 Estimate
50	55	63

**Program:** Public Law 480 Title II Food Aid

**Agency:** United States Agency for International Development

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Emergency Food Aid: Meet Critical Food Needs of Targeted Groups	1996		67%
	2002	90%	78%
	2003	90%	
	2004	90%	
Annual Measure: Emergency Food Aid: % of programs reporting improved or maintained nutritional status	1996		37%
	2002	70%	93%
	2003	70%	
	2004	70%	
Annual Measure: Development Food Aid: % of nutritional and other targets achieved in reporting programs	2002	65%	50%
	2003	65%	
	2004	65%	

**Rating:** Adequate

**Program Type:** Competitive Grant

**Program Summary:**

The P.L. 480 Title II food aid program uses U.S. food to feed and improve the well-being of hungry populations in poor countries.

- The program feeds people who would otherwise be in need.
- Overall changes in the well-being of hungry people are difficult to measure.
- The impact of development food aid, which consists of direct feeding programs as well as programs to improve the health, well-being and farming practices of needy populations, is harder to measure than emergency food aid.
- Emergency food aid, which provides food to prevent or reduce discrete and protracted famines, has demonstrated adequate progress. The development program has made progress in implementing results-oriented programs and has met some of its objectives but needs to do more.
- The program would be more cost-effective if several congressional mandates were eliminated. For example, cargo preference requirements compel the use of U.S. flagged vessels which increases delivery cost and time. Requirements in the law that establish minimum amounts of food to be used for development food aid reduce flexibility to direct food to where it may be most needed, particularly for emergencies. Recent legislative changes such as preventing the U.S. from setting and recouping a minimum cost in those cases where food aid is sold for cash (called "monetization") make the program less cost effective.
- While the program has developed extensive performance indicators, certain measures need to be improved, particularly for development food aid. The program is currently revising its strategic plan and reviewing its outcome measures.
- Food aid needs to be more and better integrated with other United States Agency for International Development(USAID) resources in Washington and at USAID missions to ensure better results.

In response to these findings, the Administration will:

1. Implement changes to improve efficiency and continue others (such as for monetization).
2. Address flexibility by implementing better contingency planning for emergency needs that arise late in a fiscal year.
3. Improve performance measures that incorporate the implementation of programs by USAID's non-governmental partners, such as private voluntary organizations (PVOs).

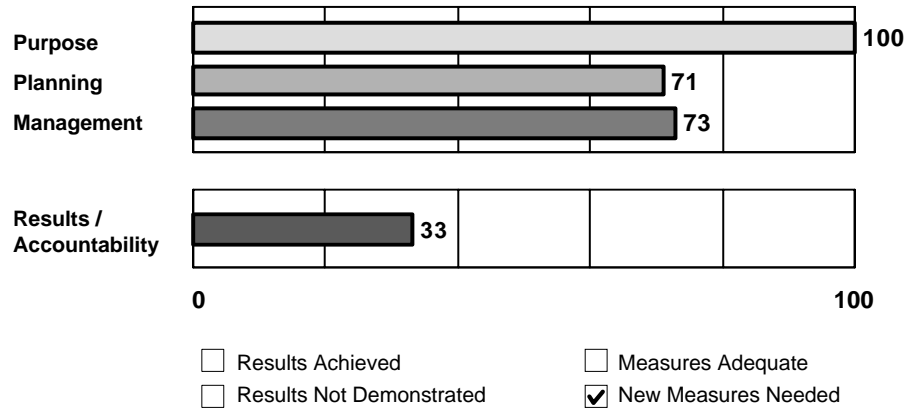
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,441	1,185	1,185

**Program: USAID Climate Change**

**Agency:** United States Agency for International Development

**Bureau:** Economic Growth, Agriculture, and Trade



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Cumulative area (hectares) where AID has acted to maintain or increase carbon stocks or reduce their rate of loss	1999	57	57.4
	2000	58	66
	2001	59.5	93
	2002	61	TBD
Annual Measure: Annual emissions of carbon dioxide equivalents (million metric tons) avoided due to AID assistance	1999	2.9	3.88
	2000	2.9	3.0
	2001	2.95	5.8
	2002	2.95	TBD

**\*Rating: Adequate**

**Program Type** Competitive Grants

**Program Summary:**

The climate change program promotes sustainable development that minimizes the associated growth in greenhouse gas emissions and reduces vulnerability to climate change. The program supports activities to decrease the rate of growth in net greenhouse gas (GHG) emissions by decreasing GHG sources and maintaining or increasing GHG sinks; increase developing and transition country participation in the UN Framework Convention on climate Change and decrease developing and transition country vulnerability to the threats posed by climate change.

1. The program is managed well. The real issue for the program is redefining its role in foreign policy.
2. AID programs sustainable development projects with corollary climate benefits based on annual funding targets. At the end of each year, AID counts the level of funding to all sustainable development programs with corollary climate benefits to meet its original funding target. AID comments that developing countries are not interested in assistance with climate as the primary purpose; therefore, AID is not able to plan ahead to meet specific direct climate outcomes.
3. Only one of the program's performance measures is measurable and has a cumulative target linked to an outcome (hectares where AID funding increased carbon stocks or reduced their rate of loss).
4. Existing, adequate measures were used for this assessment; however, the program would benefit from improved measures.

In response to these findings:

1. The Administration intends to provide guidance to AID on priority areas where funding should be targeted in the short term: specifically, the high priority geographic and programmatic areas that would support the Administration's climate negotiating team.
2. The reason for the decrease in funding from 2003 to 2004 is that \$20 million requested in AID last year is now being requested in the Dept. of Treasury.

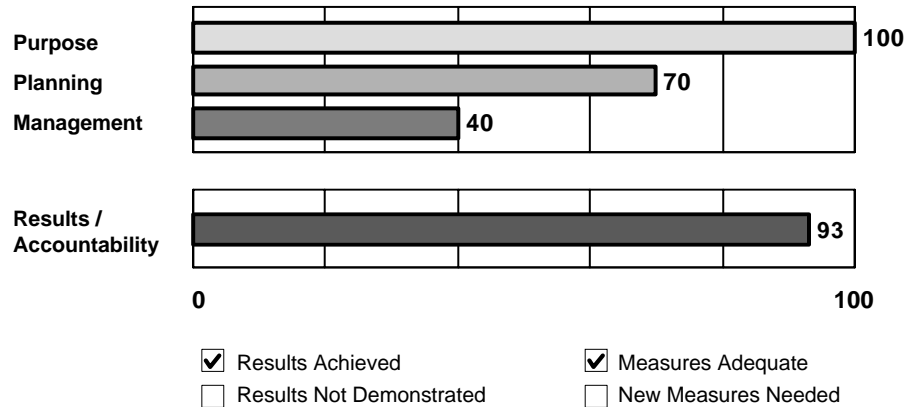
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** USAID Development Assistance - Population

**Agency:** United States Agency for International Development

**Bureau:** Global Health



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percentage of married women across 54 countries receiving population assistance who use modern contraceptives	1999		37.7
	2000		40.6
	2001		41.7
	2007	47.7	
Annual Measure: Percentage of total demand for family planning satisfied among married women across 34 countries receiving population assistance (New measure)	2000		68.9
	2001		70.5
	2002	72.0	
	2003	73.5	
Annual Measure: Percentage of first births to women under age 18 among Married women across 34 countries receiving population assistance (New measure)	2000		16.6
	2001		16.4
	2002	16.2	
	2003	16.0	

**\*Rating:** Moderately Effective

**Program Type** Competitive Grants

**Program Summary:**

The USAID Population program supports programs in over 60 developing countries that promote healthy reproductive behavior (e.g. abstinence, fewer partners, treatment for sexually transmitted diseases) and improve access to voluntary family planning services.

The assessment found that the program has been highly effective in increasing contraceptive use in assisted countries, has taken steps to better measure its contribution to improving maternal and child health, but does not allocate resources across regions and countries in an optimal way to respond to highest need. For example, countries in Africa, with high unmet needs, get fewer dollars than countries in Latin America, where the level of health and family planning services has become widespread. Additional findings include:

1. As program success has increased, the purpose has broadened to address other health risks such as HIV/AIDS. This has required the program to begin to integrate its activities with other federal programs that try to prevent the spread of HIV/AIDS.
2. The program is decentralized, placing most program design and funding decisions in the hands of technical experts in the field.
3. The program has been successful in preventing resources from being used for prohibited activities such as using abortion as a method of family planning.
4. The program collects useful performance and management information at both country and aggregate levels, although no comprehensive evaluations of the program by outside evaluators have been done in recent years.
5. The most efficient use of funds is not achieved because they are often appropriated for regions with high foreign policy priority but low need for family planning programs relative to other regions.
6. The program has recently adopted new long-term and annual performance measures that better reflect the full impacts of the program.

In response to these findings, the Administration will:

1. Continue to provide resources at the 2003 request level; and
2. Take steps to better align resource allocations with country needs through new performance budgeting efforts.

(For more information on this program, please see the Department of State and International Assistance Programs chapter in the Budget volume.)

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

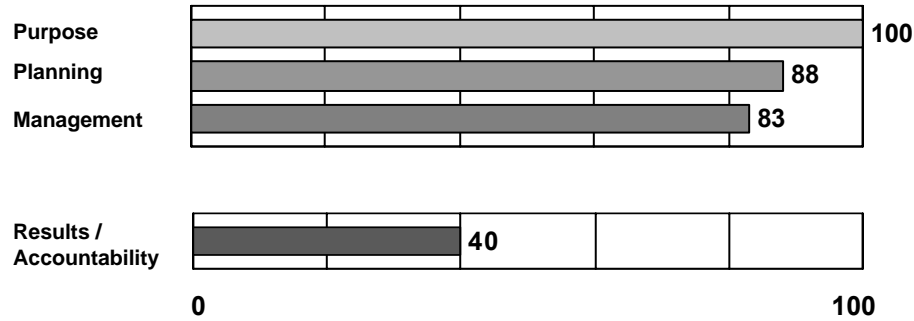
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

## **DEPARTMENT OF TRANSPORTATION**

**Program:** *FAA Air Traffic Services*

**Agency:** *Department of Transportation*

**Bureau:** *Federal Aviation Administration*



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Number of Operational Errors. (When air traffic controllers allow planes to come too close together in the air.)	2001		674
	2002	568	662
	2003	642	
	2005	610	
Annual Measure: Number of highest risk runway incursions (potential collisions on the ground).	2001		53
	2002	53	37
	2003	44	
	2005	32	
Annual Measure: Percent of flights arriving on-time	2002	77.2	82.3
	2003	78.2	
	2004	82.1	
	2005	82.2	

**Rating:** *Adequate*

**Program Type:** *Direct Federal*

**Program Summary:**

The Air Traffic Services (ATS) organization at the Federal Aviation Administration provides guidance and control to air traffic, both commercial and private, ensuring the safe operation of the national airspace. Funding provided in the 2005 Budget supports the PART rating.

The assessment indicates that the Air Traffic Services program has well defined short and long-term goals. Additional findings include:

- ATS has specific long-term performance measures that are tied to multi-year objectives that are linked to FAA's strategic plan.
- Program lacks efficiency measures and targets. Lacks cost effectiveness in program execution.
- Program is aware of management challenges and is slowly working to resolve them. Unfortunately, progress is slow.
- In 2004, the ATS budget did not link its budget to past or future performance.

In response to these findings, the Administration will:

1. Develop efficiency measures and targets for the 2006 President's Budget.
2. Continue to improve performance and contain costs.
3. Continue to resolve the concerns that have been raised by the Department of Transportation Inspector General and the General Accounting Office.
4. Work to meet long-term goals on a consistent basis.

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

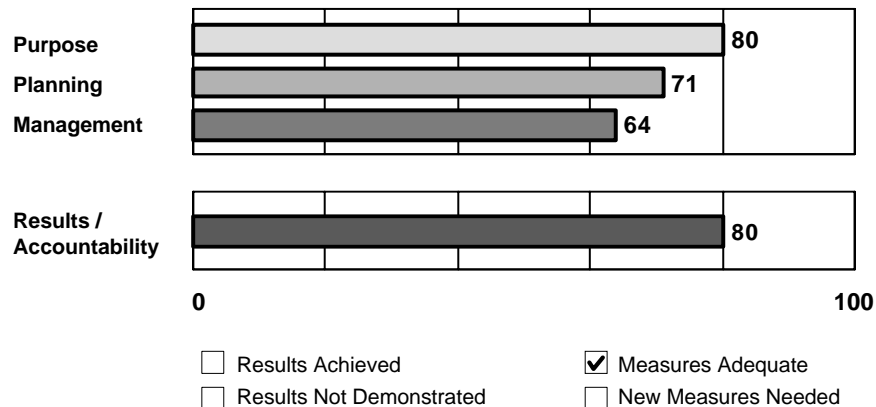
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
5,666	6,097	6,522



**Program:** *FAA Grants-in-Aid for Airports (Airport Improvement Program)*

**Agency:** *Department of Transportation*

**Bureau:** *Federal Aviation Administration*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Eliminate airport conditions that cause aircraft accidents and security breaches (Such conditions include safe runways and taxiways that meet standards. The long-term target is to bring all 520 runway safety areas to standard by 2007. The annual target is to bring 65 runway safety areas to standard each year.)	2000	65	71
	2001	65	68
	2002	65	
	2003	65	
Long-term Measure: Reduce the number of people exposed to high levels of noise by 50,000 over 5 years (The annual target is a reduction of 10,000 people exposed a year.)	2000	10,000	13,501
	2001	10,000	18,813
	2002	10,000	
	2003	10,000	
Long-term and Annual Measure: Maintain at least 93% of active airfield pavement in fair or better condition (The 93% figure was selected because 5-7% of all runways are undergoing major repairs each year.)	1999	93%	95 %
	2000	93%	94.5%
	2001	93%	
	2002	93%	

**\*Rating:** *Moderately Effective*

**Program Type** *Competitive Grants*

**Program Summary:**

The Airport Improvement program (AIP) provides funding to airports for infrastructure improvements such as safety, security and capacity projects.

The assessment indicates the overall purpose of the program is clear and performance goals are clearly defined and achievable. Additional findings include:

1. The program is working to improve its overall cost effectiveness and efficiencies through greater use of automated systems and greater delegation to the regions.
2. The structure of the program combined with the statute can limit the programs' ability to quickly respond to new situations and events.
3. The program has a number of long and short term goals that are intricately linked together. Headquarters and regional office staff take the goals very seriously. The Department's 2004 budget proposal has aligned spending with goals to create linkages within the AIP program.
4. Dependence on the Federal government's assistance varies based on the airports' location, size and financial resources. Large airports are less dependent on Federal funds because of their ability to access different revenue sources such as landing fees.

In response to these findings, the Administration will propose to review and possibly restructure the AIP program. To change the authorization formula so that funds will be primarily targeted to medium and small airports that are more dependent on Federal assistance. AIP will continue to support safety, security, and major capacity projects at airports that provide the greatest benefits to the national system.

(For more information on this program, please see the Department of Transportation chapter in the Budget volume.)

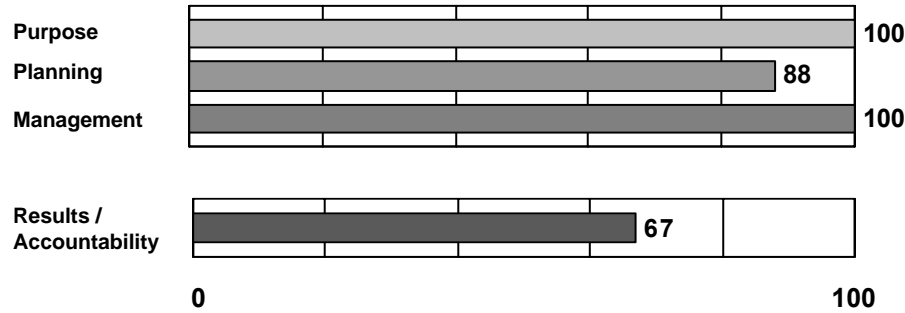
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Federal Lands*

**Agency:** *Department of Transportation*

**Bureau:** *Federal Highway Administration*



**Key Performance Measures**

	Year	Target	Actual
Long-term Efficiency Measure: Program Delivery Costs (measure/targets adjusted and redefined in FY 2002). This metric measures the percent of funds to deliver projects to construction.	2002	<28%	<29%
	2007	<25%	
Long-term Efficiency Measure: Percent of Funds Obligated (measure/targets adjusted and redefined in FY 2002). This metric measures the percent of obligations completed during a fiscal year.	2002	100%	98%
	2007	80-85%	
Annual Measure: Project Development Customer Satisfaction. This measure assesses customers' rating of performance by a score of 0 to 100.	2002	>85%	>85%
	2003	>85%	
	2004	>85%	
	2005	>85%	

**Rating:** *Moderately Effective*

**Program Type:** *Block / Formula Grant, Direct Federal*

**Program Summary:**

The Federal Highway Administration's Federal Lands Highway program: (1) ensures effective and efficient funding and administration for a coordinated program of public roads and bridges serving Federal and Indian lands; (2) provides needed transportation access for Native Americans; and (3) protects and enhances our Nation's resources.

The assessment indicated that the program has made adequate progress toward meeting its long-term and annual goals but could be improved by more clearly linking its goals and performance to those of the Federal Highway Administration. In addition, the assessment found that the program is not subject to regular, independent evaluations of sufficient scope and such evaluations could support program improvements.

In response to these findings, the Administration will:

1. Advocate increased funding for the Federal Lands Highway program, as proposed in the Administration's surface transportation reauthorization bill.
2. Consider revision of the Federal Lands Highway program business plan to more clearly link activities with goals and performance, including those of the Federal Highway Administration.
3. Develop a comprehensive evaluation plan and conduct a program evaluation in FY 2006.

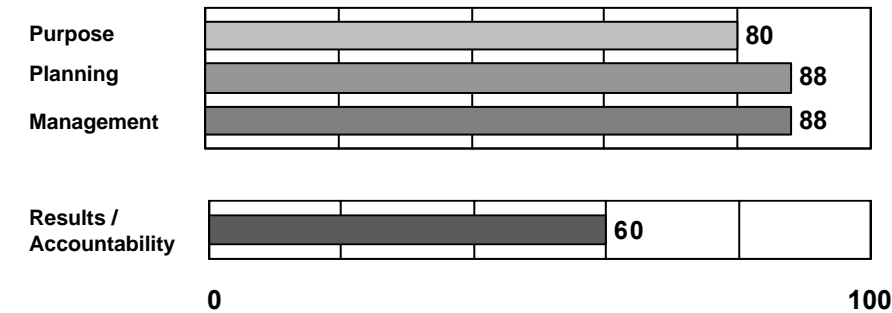
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
773	767	947

**Program:** *Federal Motor Carrier Safety Administration Grant Program*

**Agency:** *Department of Transportation*

**Bureau:** *Federal Motor Carrier Safety Administration*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Large Truck Fatalities per 100 Million Commercial Vehicle Miles Traveled (CVMT)	2008	<1.65	
Annual Measure: Large Truck Fatalities per 100 million per CVMT	2001	<2.45	2.45
	2002	<2.32	2.28
	2003	<2.19	
	2004	<2.07	

**Rating:** *Moderately Effective*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Federal Motor Carrier Safety Administration Grant program distributes Block Grants to States based on a formula. The Motor Carrier Safety Assistance Program reduces commercial motor vehicle (CMV)-involved crashes, fatalities, and injuries through consistent, uniform, and effective state CMV safety programs and is in close alignment with the agency mission of saving lives and reducing injuries by preventing truck and bus crashes.

The assessment found that the program is strong overall, but lacks state-wide commitment to work toward Federal annual or long-term goals of the program. Also, Federal managers and program partners are not held accountable for cost, schedule and performance results.

In response to these findings, the Administration recommends FMCSA:

1. Commit partners to working toward same long-term/annual goals and link State and Federal program goals.
2. Promote accountability of Federal managers by holding them accountable for cost schedule and performance results.
3. Utilize SAFETEA reauthorization proposals to effectively distribute \$227 million in grants to States to reward them for implementing CMV safety measures and reduce State fatalities rates.

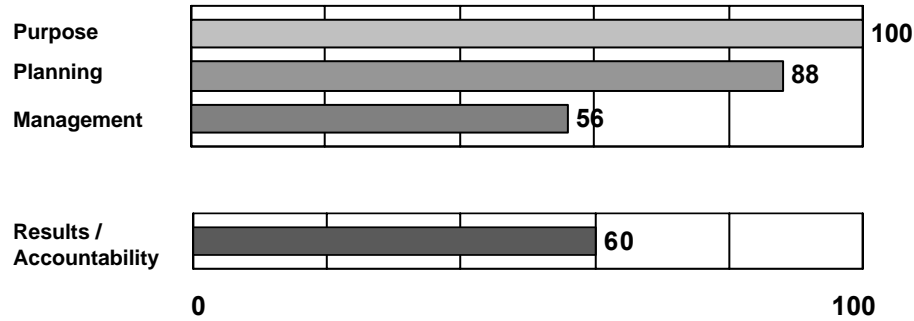
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
164	165	168

**Program:** FHWA Highway Infrastructure

**Agency:** Department of Transportation

**Bureau:** Federal Highway Administration



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Traffic related fatalities per 100 million vehicle miles traveled (VMT)	2002	1.4	1.51
	2003	1.4	
	2004	1.38	
	2005	1.38	
Long-term Measure: Percent of vehicle miles traveled on National Highway System (NHS) with acceptable pavement smoothness	2002	92	91.6
	2003	92.5	
	2004	93	
	2005	93.5	
Long-term Measure: Percent of travel under congested conditions	2002	30.9	31.1
	2003	31.6	
	2004	32.3	
	2005	32.5	

**Rating:** Moderately Effective

**Program Type:** Block / Formula Grant

**Program Summary:**

The Federal Highway Administration's (FHWA) Highway Infrastructure program provides Federal financial and technical assistance to States to construct and maintain a national system of roads and bridges.

The assessment found that the program has been generally successful in improving highway safety and maintaining mobility, but that it should also take steps to improve oversight of State management of Federal highway dollars. Additional findings include:

Additional findings include:

- The program has made progress in achieving its long-term performance goals.
- The program does not have adequate measures to demonstrate improved efficiency or cost effectiveness.
- The program does not hold program managers or States accountable for cost, schedule, or performance results.

In response to these findings, the Administration will:

1. Advocate amending the program's authorizing statute to establish an oversight program to monitor the effective and efficient use of funds.
2. Prepare a plan for improving program and project oversight of States.
3. Direct more resources to comprehensive evaluation activities, particularly at the State project level.
4. Devise efficiency measures to show that program delivery is cost-effective.

The 2005 Budget level is slightly less than the 2004 level largely because the President's request does not include funds for unrequested congressional projects included in the 2004 appropriations bill.

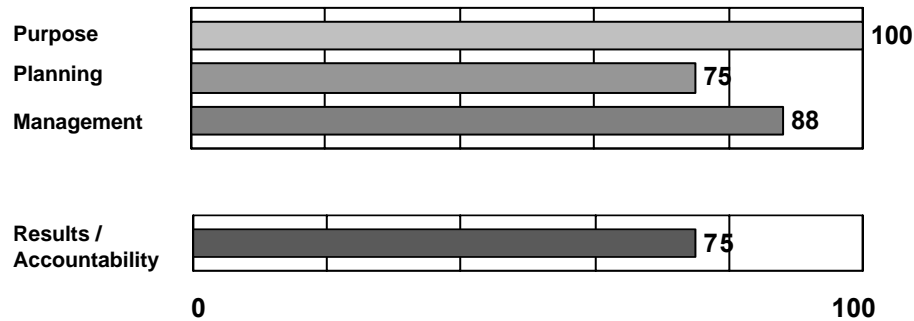
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
29,847	32,462	32,138

**Program:** *Hazardous Materials Transportation*

**Agency:** *Department of Transportation*

**Bureau:** *Research and Special Programs Administration*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Number of serious hazardous materials incidents.	2002	523	411 (prelim.)
	2008	488	
Annual Measure: Hazmat responders trained. This measure reflects one aspect of the universe of DOT activities conducted to achieve the DOT-wide goal of reducing serious hazardous materials incidents.	2002	184,000	209,035
	2003	184,000	
	2004	184,000	
	2005	184,000	
Annual Measure: Emergency plans completed. This measure reflects one aspect of the universe of DOT activities conducted to achieve the DOT-wide goal of reducing serious hazardous materials incidents.	2002	3,700	2,939
	2003	3,700	
	2004	3,700	
	2005	3,700	

**Rating:** *Moderately Effective*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Research and Special Programs Administration's (RSPA) Hazardous Materials Transportation, Emergency Preparedness Grants program makes grants to States and Indian tribes to develop, improve, and carry out emergency plans and to decide on the need for a regional hazardous materials emergency response team. The program also makes grants to States and Indian tribes to train public sector employees to respond to accidents and incidents involving hazardous materials.

The assessment found that the program has made adequate progress in meeting its long-term and annual goals. However, additional findings include:

- Grantees are not held accountable for cost, schedule, and performance results.
- The program is not subject to regular, independent evaluations of sufficient scope.

In response to these findings, the Administration will:

1. Develop a closer linkage between this program's performance goals and grantee's performance goals, either through legislative or administrative means.
2. Schedule a comprehensive program evaluation to be conducted in FY 2007.

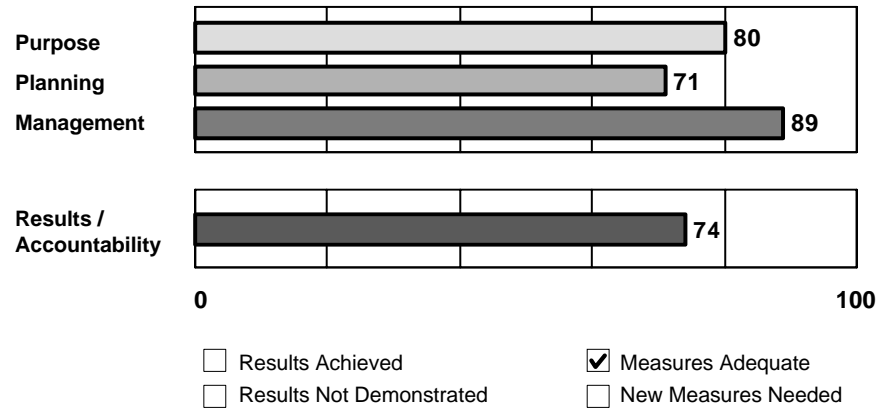
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
14	14	14

**Program:** *National Highway Traffic Safety Administration Grant Program*

**Agency:** *Department of Transportation*

**Bureau:** *National Highway Traffic Safety Administration*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Fatalities per 100 million vehicle-miles of travel (VMT)	1999	1.6	1.6
	2000	1.5	1.5
	2001	1.5	1.5
	2002	1.4	1.5
Annual Measure: Injured persons per 100 million vehicle-miles of travel	1999	127	120
	2000	116	116
	2001	113	109
	2002	111	N/A
Annual Measure: Percentage of front occupants using seat belts	1999	80%	67%
	2000	85%	71%
	2001	86%	73%
	2002	75%	75%

**\*Rating:** *Moderately Effective*

**Program Type** *Block / Formula Grants*

**Program Summary:**

The Highway Traffic Safety Grant program provides money to every State, territory and Indian nations to fund a wide range of highway safety programs. State highway safety programs are funded with Occupant Protection Incentive Grants, Safety Incentive grants for Primary Seat Belt Laws, State Safety Data Grants, Emergency Medical Services Grants, among others.

The assessment shows that the program is in close alignment with the agency mission of saving lives and reducing injuries by preventing vehicle crashes. The assessment also found that NHTSA was successful in meeting their performance goals to decrease the fatality rate and has a good relationship with states.

1. NHTSA manages the grant program through the Grants Tracking System and maintains funding efficiencies.
2. NHTSA has shown measurable progress toward achieving their performance goals. The rate of highway fatalities has been declining steadily since the inception of the state and community safety grant program in the mid 1960s. Continued success depends in large part on the progress of the agency's partners - states, local jurisdictions, private sector and safety organizations.

In response to these findings, the Administration will:  
Propose to streamline and focus grants to address state fatality rates, increase the direct appropriation of funds for the grant program, and establish criteria for receiving grants that creates links between performance of states and awarding incentive grants to states.

(For more information on this program, please see the Department of Transportation chapter in the Budget volume.)

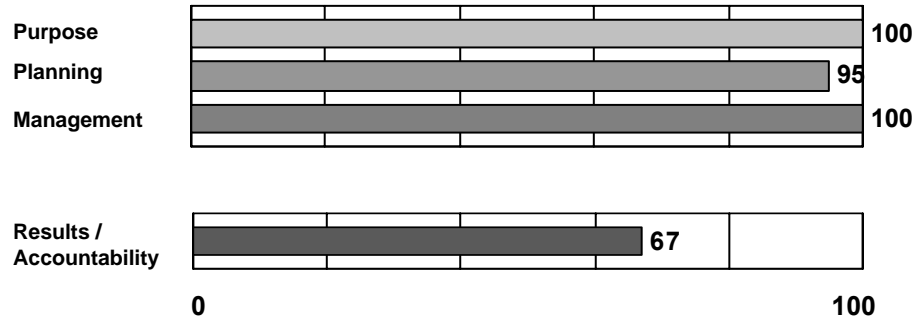
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *New Starts*

**Agency:** *Department of Transportation*

**Bureau:** *Federal Transit Administration*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Efficiency Measure: Percent of projects under Full Funding Grant Agreements that have current total cost estimates that do not exceed baseline cost by more than 5%. 25 projects are being tracked on a monthly basis. Historic data from 1997-2002 shows that of the 13 projects completed, two were over budget.	1997-2002	85%	85%
	2002	85%	85%
	2003	100%	100%
	2004	100%	
Long-term Measure: Ridership: To maintain continual increase of 2 percent in transit passenger-miles traveled per transit market, adjusted for employment levels (This new measure of ridership was established in FY 2003. In 2002, the measure was not adjusted for employment levels and in 2001 the measure was passenger miles traveled (in billions) ). In 2001, the measure was "total passenger miles traveled".	2001	44.8	46.3
	2002	3.5%	2.9%
	2003	2.0%	
	2004	2.0%	

**Rating:** *Moderately Effective*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Federal Transit Administration (FTA)'s New Starts program provides grants and technical assistance to local transit agencies for new transit construction projects.

The assessment found that New Starts program purpose and management are strong overall and that managers use efficiency measures to manage the program and oversee the grantees. However, because the program has only recently developed program-specific long-term outcome goals, New Starts lacks direct historical evidence of meeting agency-wide goals. FTA's new annual and long term outcome measures for New Starts were designed to address this shortcoming.

In response to these findings, the Administration will continue to work with FTA as they improve measurements such as rider-ship and transit user benefits.

1. FTA submits a budget justification to the Congress that is aligned with performance for 2005.
2. As FTA uses the new performance targets to measure performance, the 2006 budget submission will better reflect how funding impacts performance.

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

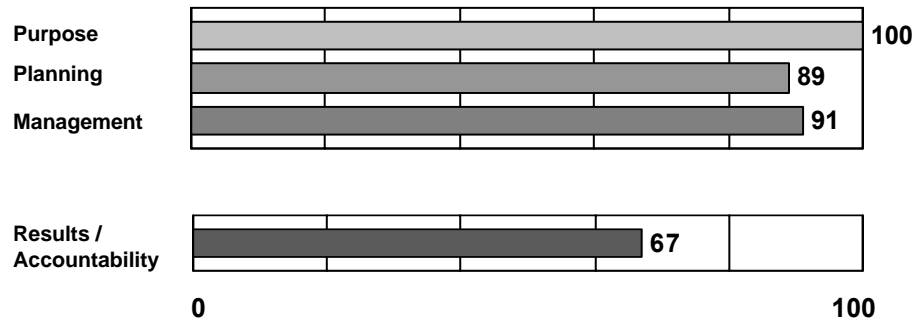
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,275	1,356	1,599



**Program:** *Railroad Safety Program (RSP)*

**Agency:** *Department of Transportation*

**Bureau:** *Federal Railroad Administration*



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Rail-related Fatalities Per Million Train Miles	2001	1.23	1.36
	2002	1.2	1.3
	2003	1.25	
	2004	1.22	
Annual Measure: Rail-related Injuries Per Million Train Miles	2001	13.92	15.44
	2002	13.04	14.99
	2003	14.8	
	2004	14.5	
Annual Measure: Train Accidents Per Million Train-Miles	2001	3.29	4.25
	2002	4.06	3.66
	2003	3.63	
	2004	3.6	

**Rating:** *Moderately Effective*

**Program Type:** *Regulatory Based*

**Program Summary:**

The Federal Railroad Administration's (FRA) Railroad Safety Program (RSP) promulgates, administers, and enforces the Federal laws and regulations designed to promote safety on the Nation's railroads. The program focuses on five safety "disciplines" -- track, equipment, operating practices, signals, and hazardous materials.

The assessment found that the program has been moderately effective in reducing rail related accidents, and that its success depends on the cooperation of railroads. Additional findings include:

- Since the late 1980s, FRA's five primary safety indicators have shown significant gains, despite increases in rail traffic.
- In recent years, performance gains have tapered off because railroads have taken obvious steps to improve safety, indicating that future improvements will be harder to achieve.
- Because of the vastness of the nation's rail system, FRA's few hundred rail safety inspectors cannot directly monitor all rail infrastructure and activities. Instead, FRA inspectors work with the railroads to ensure they follow proper safety guidelines.
- Further performance gains depend on increasing the effectiveness of these working relationships and increasing the productivity of FRA's inspectors.

In response to these findings, the Administration will:

1. Seek funding for tools, including a track geometry vehicle and a dedicated training facility, to make FRA safety inspectors more effective and efficient.
2. Develop an efficiency measure for the rail safety program.
3. Schedule an independently conducted evaluation of program effectiveness.

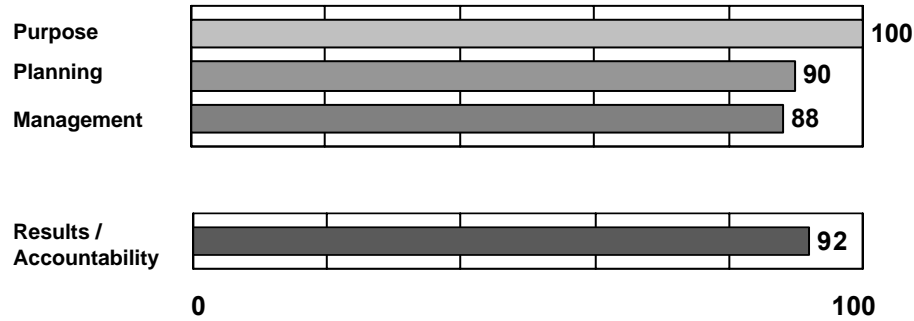
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
115	129	138

**Program:** *Research, Engineering & Development*

**Agency:** *Department of Transportation*

**Bureau:** *Federal Aviation Administration*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Turbulence forecast products developed that allow pilots to avoid hazardous flight conditions while improving safety and ensuring efficient airspace use.	2008	6	
Annual Measure: Turbulence-forecast products developed (linked to long-term target to develop five new turbulence forecast products by 2008)	2002	1	1
	2004	1	
	2006	1	
	2007	1	
Long-term Measure: In-flight icing and freezing precipitation aloft forecast products developed that allow pilots to avoid hazardous flight conditions while improving airspace use.	2008	6	

**Rating:** *Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The FAA's Research, Engineering and Development (R,E&D) program conducts aviation research used to develop standards in the aviation community.

The assessment indicates that the R,E&D program is well-managed and results-oriented. Additional findings include:

- R,E&D has specific long-term performance measures tied to multi-year objectives that support the accomplishment of FAA's strategic plan.
- The program's goals are developed in conjunction with sponsors and partners from industry, universities, other agencies, users, and associations.
- The program gains tremendous cost efficiencies through its Centers of Excellence program, which provides matching funds from non-federal sources.
- The program's performance plan does not include efficiency measures and targets.

In response to these findings, the Administration will:

1. Include efficiency measures and targets in the FY 2005 President's Budget.
2. In 2004, implement a new cost accounting system that will allow R,E&D to view financial plans at various reporting levels in real-time.
3. Continue to work with NASA to ensure there is no duplication of effort and that resources are focused on high-priority national research goals.

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

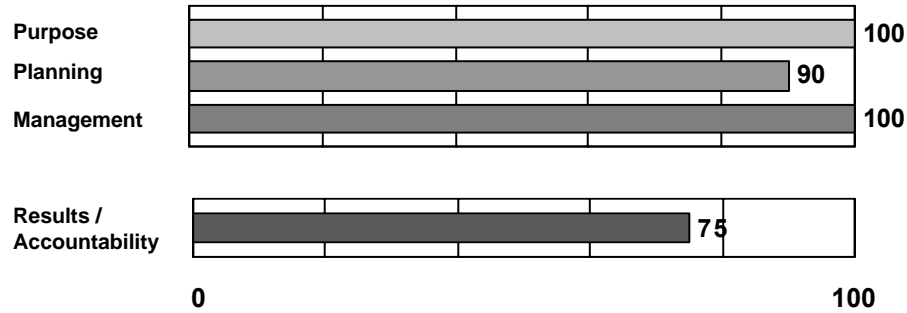
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
163	113	117

## **DEPARTMENT OF THE TREASURY**

**Program:** *Administering the Public Debt*

**Agency:** *Department of the Treasury*

**Bureau:** *Bureau of the Public Debt (BPD)*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Efficiency Measure: Hold 50% of retail debt in TreasuryDirect (electronic-based system) by FY 2011.	2005	5%	
Annual Measure: Percentage of retail customer service transactions completed within: 4 weeks in 2001; 3 weeks in 2002 and 2003; and 13 days in 2004 and 2005.	2001	90%	95.8%
	2002	90%	98.3%
	2003	90%	
	2004	90%	
Annual Measure: Percent of auction results released in: one hour in 2001; 25 minutes in 2002; six minutes in 2003; and four minutes in 2004 and 2005.	2001	95%	100%
	2002	95%	99.5%
	2003	80%	
	2004	95%	

**Rating:** *Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Bureau of Public Debt (BPD) is responsible for borrowing the money needed to operate the Federal government and accounting for the resulting debt. BPD is the only entity authorized to conduct borrowing to finance government agencies.

The assessment found that the program has a clear purpose and is well designed and managed. Additional preliminary findings suggest the program:

- Meets its annual performance goals and continues to improve targets for subsequent fiscal years; but
- Lacks long-term performance measures and targets.

In response to these findings, the BPD will:

1. Continue to improve annual performance targets;
2. Develop long-term performance measures and goals for inclusion in the 2005 budget; and
3. Set interim targets for long-term performance goals.

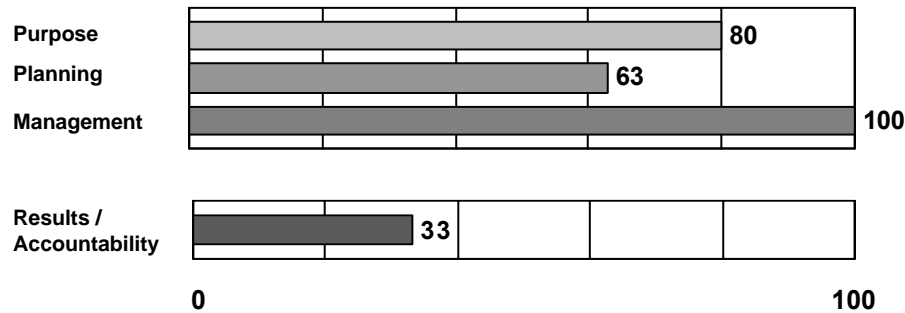
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
189	174	175

**Program:** African Development Fund

**Agency:** Department of the Treasury

**Bureau:** International Affairs



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Primary education enrollment rates (baseline and targets under development)			
Long-term Measure: Extreme poverty and malnutrition rates (baseline and targets under development)			

**Rating:** Results Not Demonstrated

**Program Type:** Block / Formula Grant

**Program Summary:**

The African Development Fund (AfDF) is part of the African Development Bank Group, which is one of the Multilateral Development Banks. AfDF provides both long-term zero-interest loans (so-called “concessional” lending) and grants to the poorest developing countries in Africa to finance investments in agriculture, health, education, sanitation, and infrastructure.

The assessment found that it is difficult to assess the Fund’s progress on specific goals because the program lacks any short-term performance measures, targets, and baseline data, as well as any targets and timeframes for its long-term performance measures.

- The African Development Bank Group agreed to implement a comprehensive results measurement and results-based management system as part of the recently-concluded agreement to replenish the resources of AfDF – the AfDF-IX replenishment agreement. However, the African Development Bank Group’s re-location from Cote d’Ivoire to Tunisia in February 2003 affected the Bank’s ability to implement the results measurement and results-based management systems.
- The AfDF is not the only provider of concessional lending in the region. The World Bank also has a very similar program.
- The poorest developing countries should not borrow more than they can afford to repay. AfDF should provide more grants than it currently does.

In response to these findings, the Administration will:

1. Closely monitor the Bank’s progress in implementing the results measurement and results-based management systems, particularly the development of short-term performance measures, targets, and baselines – and long-term targets and timeframes -- by September 2004.
2. Request \$118 million in 2005 for the third of three annual installments under the AfDF-IX replenishment agreement. By signing onto the agreement, the U.S. committed to provide \$118 million annually for three years (2003-2005).
3. Continue to press AfDF and other donors to increase the amount of grants that the AfDF provides.

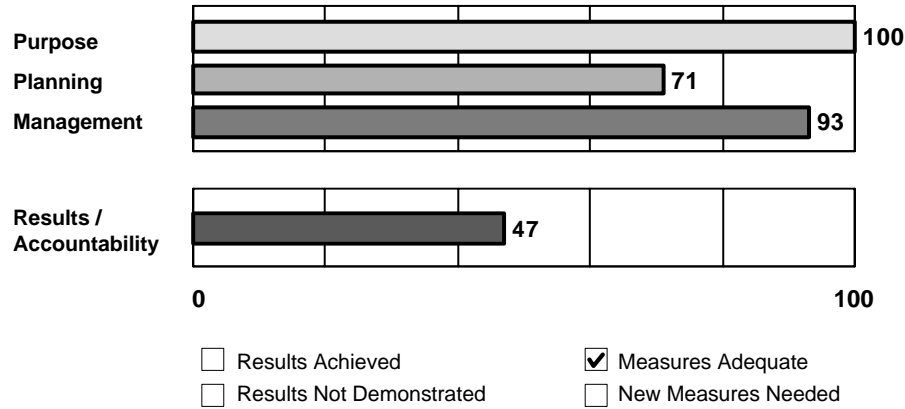
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
107	112	118

**Program: ATF Consumer Product Safety Activities**

**Agency:** Department of the Treasury

**Bureau:** Bureau of Alcohol, Tobacco and Firearms



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: The percentage of Certificate of Label Approvals issued, by initiating electronic application and approval procedures (New measure for 2004)	2003	10%	
	2008	75%	
Long-term Measure: Measures under development			
Annual Measure: Measures under development			

**\*Rating:** Adequate

**Program Type** Regulatory

**Program Summary:**

This program protects the public against contaminated alcohol products. It does this by verifying the content of alcohol products and evaluating the claims on the product labels. Under the provisions of the Homeland Security Act of 2002, the consumer product safety activities and alcohol and tobacco excise tax collections of the ATF are being removed from the ATF and established as the Alcohol and Tobacco Tax and Trade Bureau in the Department of the Treasury.

The program assessment indicates the overall purpose of the program is clear, and the program has demonstrated results based on its historical performance measures. However, the current measures do not sufficiently capture the impact of the program's performance on public safety.

In response to these findings the Alcohol and Tobacco Tax and Trade Bureau will:

1. Refine performance measures to more accurately reflect the goals and achievements of the program.
2. Establish clear guidelines and procedures to insure that goals are very specific. Establish written guidelines and supporting documentation for all aspects of the program.

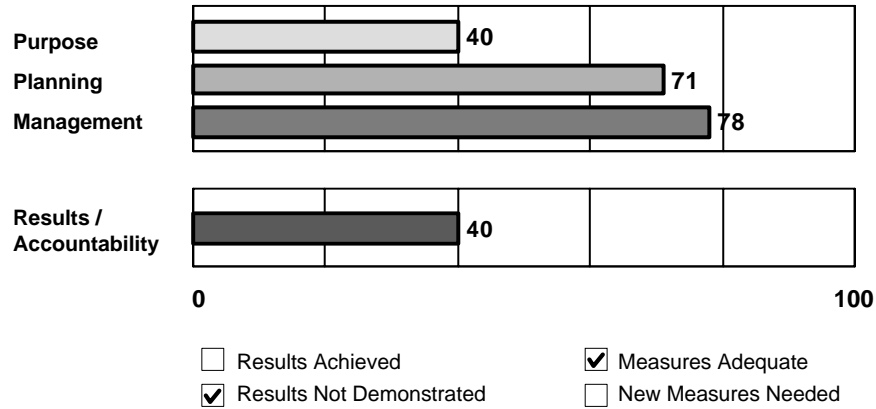
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Bank Enterprise Award**

**Agency:** Department of the Treasury

**Bureau:** Departmental Offices



**Key Performance Measures**

**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)**

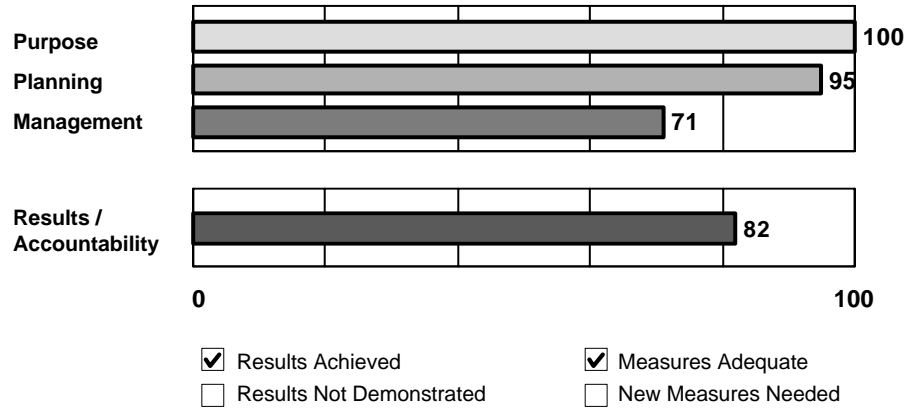
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program: Coin Production**

**Agency:** Department of the Treasury

**Bureau:** United States Mint



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Reduction in the controllable costs of circulating coinage from a 1997 baseline of \$10.27 per 1000 coins Controllable costs exclude the costs of metals which vary considerably with market conditions. (Targets being refined)	2001		19%
	2005	15%	
Long-term Measure: Federal Reserve Board Customer Satisfaction survey (Average rating out of one hundred, based on surveys of Federal Reserve officials)	2001	85%	
	2002	85%	
Long-term Measure: Conversion costs per 1,000 coin equivalents This measures production cost efficiency.	2002	\$11.00	\$8.69
	2003	\$10.25	
	2004	\$9.75	

**\*Rating:** Effective

**Program Type:** Direct Federal

**Program Summary:**

The United States Mint makes coins for use as legal tender.

This assessment of the Mint found that the Mint has established performance measures focused on customer satisfaction and improving cost efficiencies.

Additional findings include:

1. The Mint needs to improve customer satisfaction survey scores.
2. The Mint has shown some efficiency improvements in achieving reduced manufacturing costs (19 percent reduction since 1997).

The Mint is implementing a series of reforms to address these findings. These reforms include:

1. Reducing the maintenance down time of coin manufacturing machinery.
2. Competing customer service and order mailing staff to determine if contractors could handle these functions more efficiently.
3. Establishing a performance target to reduce the time required to process raw materials into finished goods.

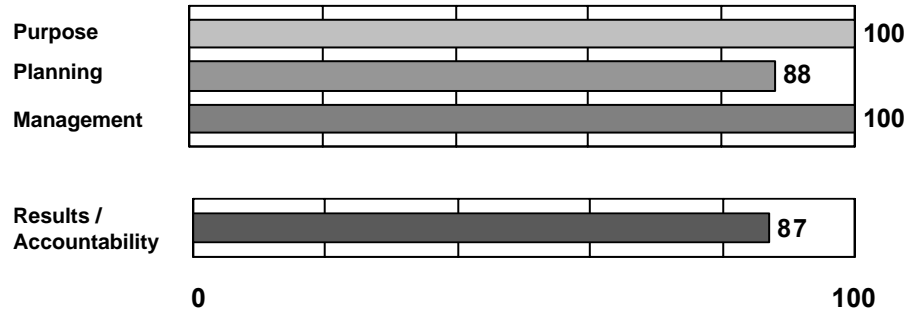
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Debt Collection

**Agency:** Department of the Treasury

**Bureau:** Financial Management Service (FMS)



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: By 2010, there will be \$3.5 billion collected annually from delinquent debt referrals.	2001	\$2.3 billion	\$2.7 billion
	2002	\$2.6 billion	\$2.84 billion
	2003	\$2.8 billion	\$3.10 billion
	2004	\$2.9 billion	
Annual Measure: Amount of delinquent debt collected through all available tools.	2001	\$2.3 billion	\$2.7 billion
	2002	\$2.6 billion	\$2.84 billion
	2003	\$2.8 billion	\$3.10 billion
	2004	\$2.9 billion	
Annual Efficiency Measure: Percentage of delinquent debt referred to FMS for collection compared to amount eligible for referral.	2001	75%	89%
	2002	75%	93%
	2003	85%	92%
	2004	90%	

**Rating:** Effective

**Program Type:** Direct Federal

**Program Summary:**

The Financial Management Service's Debt Collection program serves as the Government's central debt collection activity, managing the Government's non-tax delinquent debt portfolio. The program provides debt collection operation services to Federal agencies and States mainly through the Treasury Offset Program (matches Treasury payments against delinquent debtors and withholds or reduces payment to satisfy the debt) and the Cross-Servicing program (agencies refer 180-day old delinquent debt to Treasury for collection).

The assessment found that the program:

- Has a clear purpose, is well designed, and is well managed; and
- Meets and exceeds its annual performance targets.

However, the program also:

- Lacks a long-term performance measure that is ambitious; and
- Is in need of interim targets and planned actions to meet those targets for years beyond 2005.

In response to these findings, the Administration will:

1. Develop a more ambitious long-term performance measure;
2. Set interim targets and describe interim actions necessary to achieve the long-term performance measure;
3. Level fund the debt collection program for 2005; and
4. Propose legislation to increase and enhance debt collection opportunities.

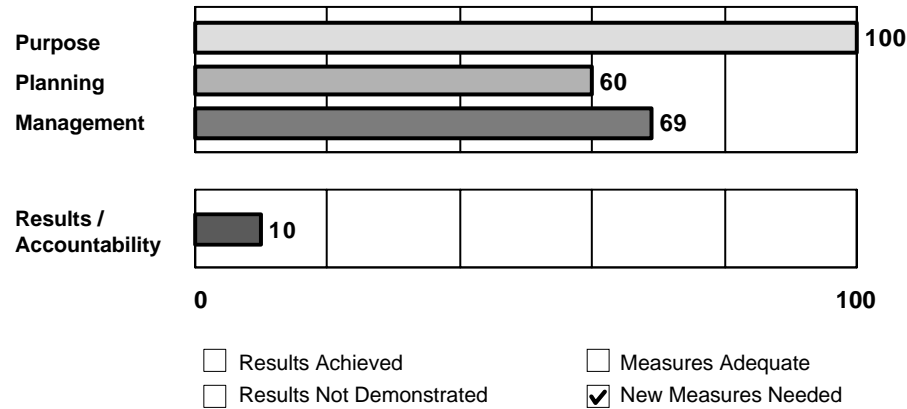
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
48	47	47

**Program: Earned Income Tax Credit (EITC) Compliance**

**Agency:** Department of the Treasury

**Bureau:** Internal Revenue Service



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent of EITC dollars paid that should not have been paid This means that more than one dollar in four paid under EITC should not have been paid. (Targets under development)	1997		24 to 26%
	1999		27 to 32%
Annual Measure: Revenue protected, i.e., dollars incorrectly claimed by taxpayers that IRS either did not pay or later recovered (\$ in billions) (Targets under development)	2001		\$1.169
Annual Measure: EITC returns audited	2001		453,947
	2002	413,331	437,799
	2003	349,000	
	2004	364,000	

**\*Rating:** Ineffective

**Program Type:** Direct Federal

**Program Summary:**

The Earned Income Tax Credit (EITC) Compliance Initiative is intended to reduce erroneous payments of the Earned Income Tax Credit. It is run by the Internal Revenue Service (IRS).

This assessment indicates the EITC compliance initiative has failed to reduce EITC erroneous payments to acceptable levels.

1. IRS has a strong planning process closely linked to its budget process, but it has not yet used this outcome information to set performance targets that allow it to demonstrate results.
2. While IRS prevents roughly \$1 billion in erroneous EITC payments per year, annual data reveals that 27 to 32 percent of all EITC payments were still made in error in tax year 1999. The magnitude of this error rate compels a rating of "ineffective."
3. IRS has made numerous management improvements in recent years. However, its financial management systems remain weak.

Treasury formed a Task Force in the spring of 2002 to recommend solutions to the EITC high error rate. The Budget provides a \$100 million increase for the following initiatives recommended by the Task Force to improve EITC compliance.

1. IRS will require high-risk EITC applicants to pre-certify that the children claimed on their return are really qualifying children under EITC. Incorrectly claimed qualifying children have been a major source of EITC error. High risk applicants will be identified through databases such as the Federal Case Registry (information on child custody) and by focusing on taxpayers with characteristics linked to high error rates in compliance studies (e.g., relatives other than parents who claim a child for EITC purposes).
2. IRS will delay refunds on returns deemed to be high risk for filing status or income errors while agents take action to resolve cases. High-risk returns will be identified by researching taxpayer historical compliance and by requiring new information on EITC returns.

Note these initiatives will reduce EITC audits as resources are focused on correcting errors earlier in the process.

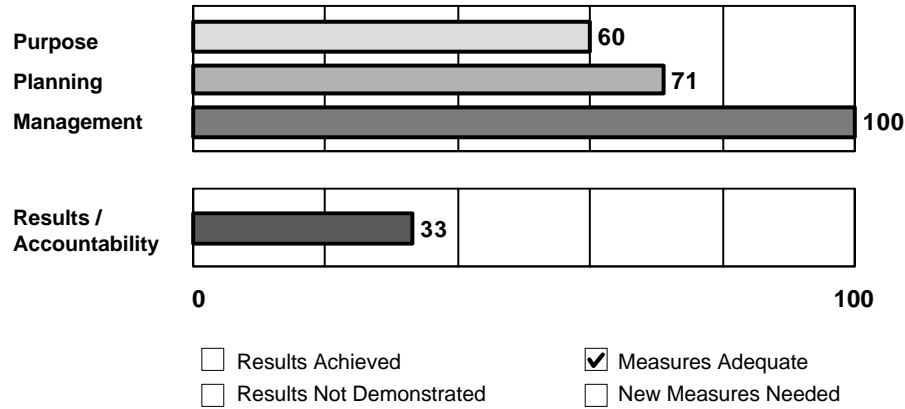
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** International Development Association

**Agency:** Department of the Treasury

**Bureau:** International Affairs



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Universal primary education (Ensure that by 2015 children everywhere will be able to complete a full course of primary schooling)	2015	100%	
Annual Performance Measure: Measles immunization rate (New measure) Indicator of progress in health	2002		58%
	2004	60%	
Annual Performance/Efficiency Measure: Reduction in number of days required for business start-up (New measure) Indicator of progress in private sector development	2002		81
	2004	75	

**\*Rating:** Adequate

**Program Type** Block / Formula Grants

**Program Summary:**

The International Development Association (IDA) is part of the World Bank. It provides both long-term zero-interest loans (so-called "concessional" lending) and grants to the poorest developing countries to finance investments in health, education, sanitation, and infrastructure.

The assessment primarily indicates that IDA lacks a system to measure, monitor, and evaluate overall results. Therefore, it is difficult to determine if IDA funding is having any measurable effect, and this difficulty is reflected in the Accountability/Results score. However, the recently concluded agreement to replenish the resources of IDA -- the IDA-13 replenishment agreement -- calls for the establishment of such a system. The agreement also identifies six pre-existing and widely-used indicators to serve as annual performance measures to track IDA's progress in health, education, and private sector development.

Additional findings include:

1. IDA is not the only provider of concessional lending. Other regional development banks have very similar programs.
2. The poorest developing countries should not borrow more money than they can afford to repay. IDA should provide more grants than it currently does.
3. The World Bank manages the IDA program well on a project-specific level. The successful establishment of the measurable results system will allow IDA to track its progress in meeting development objectives across the board.

In response to these findings:

1. By signing on to the IDA-13 replenishment agreement, the U.S. committed to provide \$850 million annually for the next three year (2003 through 2005). The Administration is also requesting \$27 million in 2004 to clear some of the \$73 million in arrears that the U.S. owes IDA.
2. The Administration will request an additional \$100 million for IDA in 2004 if IDA meets specific performance benchmarks and an additional \$200 million for IDA in 2005 if IDA makes satisfactory progress in the areas of health, education, and private sector development.
3. The Administration will continue to press IDA and other donors to increase the amount of grants that IDA provides.

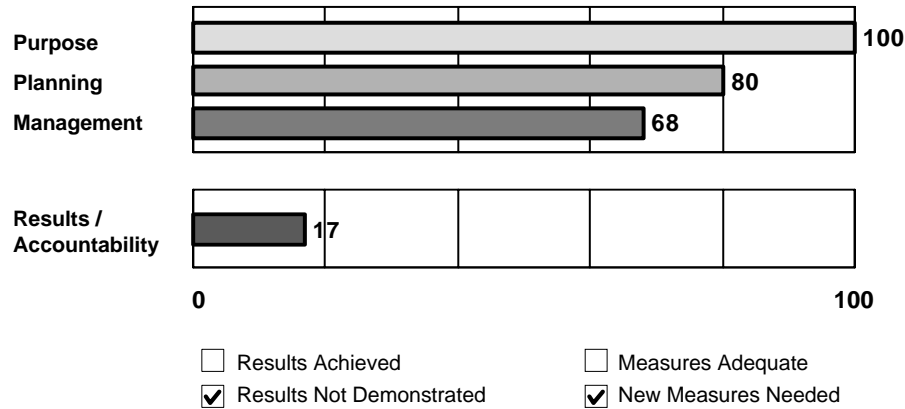
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: IRS Tax Collection**

**Agency:** Department of the Treasury

**Bureau:** Internal Revenue Service



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Taxpayer Delinquent Accounts case closures (field cases) These are cases where taxpayers have not paid known tax debts.	2001	846,800	757,392
	2002	804,085	724,430
	2003	714,000	
	2004	769,000	
Annual Measure: Field Collection Quality (Percent of cases meeting strict standards for process and treatment of taxpayers)	2001	86%	84%
	2002	85%	84%
	2003	87%	
	2004	89%	

**\*Rating: Results Not Demonstrated**

**Program Type** Direct Federal

**Program Summary:**

The Internal Revenue Service (IRS) Collection program collects known delinquent taxpayer liabilities (tax debts). This is distinct from IRS audits which determine how much a taxpayer owes. Collection agents contact taxpayers through notices, phone calls and personal visits to secure payments. If necessary, collection agents can use liens, levies or seizures, or refer taxpayers for criminal prosecution.

Tax revenue is necessary to finance government operations, and the Collection program is necessary to the success of tax enforcement. However, the assessment indicates that the Collection program needs improvements. Additional findings include:

1. Collection yields substantial revenue (\$18 billion in 2001). However, IRS does not work enough collection cases with its current resources, work processes and technology to ensure fair tax enforcement. Each year IRS fails to work billions of dollars worth of collection cases.
2. IRS has made numerous management improvements in the last several years, including implementing good output measures. However, it's financial management systems remain weak.
3. IRS has a strong planning process closely linked to its budget process. However, it has not yet developed collection outcome measures or goals.

The Administration is working on several efforts to improve collection performance.

1. The Budget includes a legislative proposal to allow IRS to hire private collection contractors to secure payment in some cases. The legislation includes strong taxpayer rights protections. The contractors will be paid from receipts based on actual collections.
2. The Budget includes funding for 537 new collection employees.
3. Reengineering and technology modernization efforts are ongoing to introduce risk-based approaches to target specific taxpayers with the most effective collection procedure (i.e., notice, phone call, or field visit).

(For more information on this program, please see the Department of the Treasury chapter in the Budget volume.)

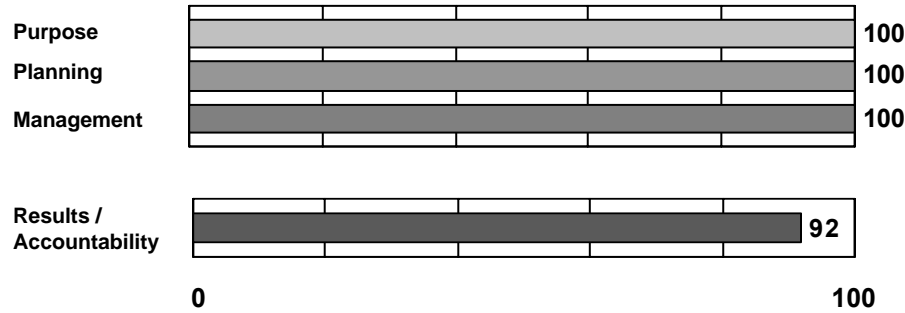
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *New Currency Manufacturing*

**Agency:** *Department of the Treasury*

**Bureau:** *Engraving & Printing*



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Currency shipment discrepancies per million notes. This measure refers to product overages or underages of as little as a single currency note in shipments of finished notes to the Federal Reserve Banks.	2001	0.01	0
	2002	0.01	0
	2003	0.01	0
	2004	0.01	
Annual Measure: Manufacturing cost per 1,000 new design currency notes delivered (in dollars).	2001	\$31.50	\$31.31
	2002	\$35.75	\$34.91
	2003	\$37.40	\$37.04
	2004	\$42.00	
Annual Measure: Maintain ISO Certification. ISO Certification signifies that the certified organization follows a rigorous quality control program under stringent international standards.	2001	certified	certified
	2002	certified	certified
	2003	certified	certified
	2004	certified	

**Rating:** *Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Bureau of Engraving and Printing's (BEP's) New Currency Manufacturing Program seeks to efficiently produce a safe and secure United States Currency.

The assessment found:

- BEP's New Currency program has a clear purpose, is well planned, and is managed effectively.
- BEP met the initial production and timeline goals of its New Currency program with the rollout of the new twenty dollar bill in 2003.
- BEP has adequate long-term targets and timeframes, including planned roll-outs of counterfeit deterrent features for use in future generation notes through the next 7 to 10 years.
- BEP met or exceeded its annual performance goals in 2002 and has sufficient internal financial and management controls.
- BEP needs to closely monitor efficiency measures during the rollout of new currencies in light of additional upfront capital and design costs.

In response to these findings:

1. BEP will closely monitor its design and overhead costs related to the manufacture of New Currency to ensure the most efficient production and distribution of future denominations.
2. BEP will continue working with Federal partners to assess the impact of New Currency on counterfeiting performance measures across government.

[BEP is a non-appropriated agency. The 2003 funding level for the New Currency program is significantly lower than 2004 and 2005 funding levels because the new twenty dollar bill was not in full production. The new twenty dollar bill was rolled out in October 2003.]

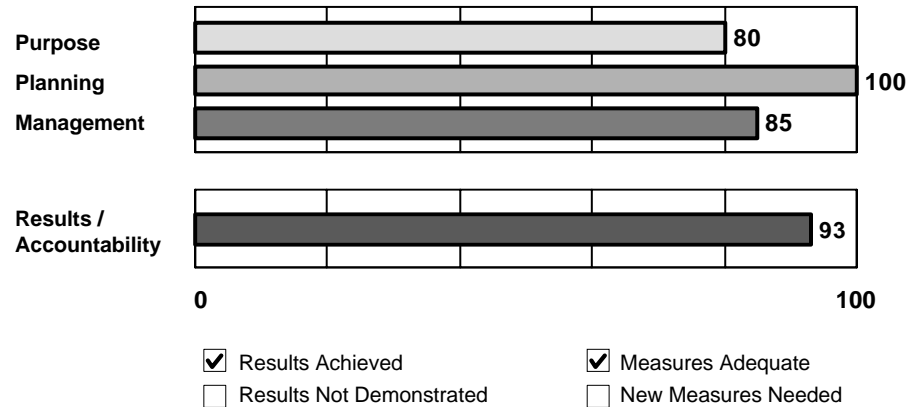
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
90	325	400

**Program: OCC Bank Supervision**

**Agency:** Department of the Treasury

**Bureau:** Comptroller of the Currency



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percentage of National banks with high ratings according to industry standards (composite CAMELS rating of 1 or 2) (Performance measure was adopted in 2002)	2001	90%	94%
	2002	90%	95%
	2003	90%	
	2004	90%	
Annual Measure: Percent of problem banks rehabilitated, as measured by industry standards (Performance measure was adopted in 2002)	2001	40%	44%
	2002	40%	47%
	2003	40%	
	2004	40%	
Annual Measure: Percent of national banks that are well capitalized (Performance measure was adopted in 2002)	2001	95%	98%
	2002	95%	99%
	2003	95%	
	2004	95%	

**\*Rating:** Effective

**Program Type** Regulatory

**Program Summary:**

The Office of the Comptroller of the Currency (OCC) mission is to ensure a safe and sound and competitive national banking system. OCC charters and is the primary federal regulator of national banks. It is responsible for examining the financial records of banks and for maintaining the integrity of the Bank Insurance Fund (FDIC deposit insurance).

The assessment indicates that the program contributes to the safety and soundness of the banking industry. For example, a key performance indicator shows that more than 95% of banks regulated by the OCC have strong ratings in 2002 which incorporate measures for: capital, asset quality, management competence, earnings, liquidity, and sensitivity to market risk, commonly known as CAMELS. Additional findings include:

1. The program purpose is clear.
2. The program goals are outcome-oriented and program measurements are clear.
3. The program is efficiently and effectively managed.
4. The program is not unique in that other agencies, including the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA) and the Federal Reserve Bank (FRB), perform similar types of regulatory functions in the banking industry.

In response to these findings:

1. Federal banking regulatory agencies, including the OCC, the OTS, the NCUA, the Federal Reserve, and the FDIC, will work together to align outcome goals and related measures to allow for greater comparison of program performance in the industry.

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

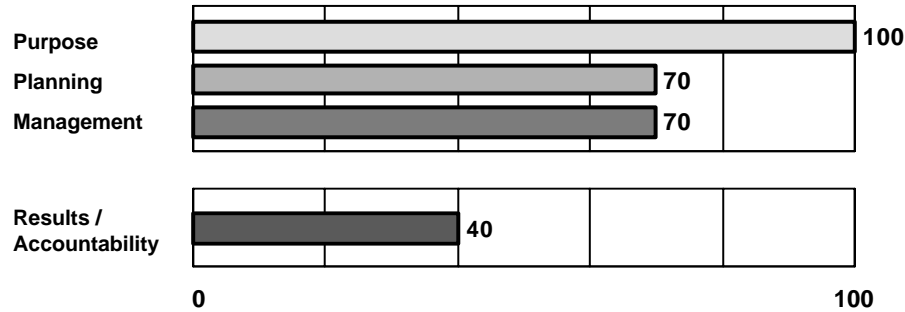
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** Office of Foreign Assets Control (OFAC)

**Agency:** Department of the Treasury

**Bureau:** Departmental Offices



- Results Achieved
- Results Not Demonstrated
- Measures Adequate
- New Measures Needed

**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Timely development of trade sanction programs (New measure, targets under development)			
Annual Measure: Compliance with US trade sanctions (New measure, targets under development)			

**\*Rating:** Results Not Demonstrated

**Program Type** Direct Federal

**Program Summary:**

Treasury's Office of Foreign Assets Control (OFAC) develops and enforces economic and trade sanctions against targeted foreign countries, terrorism sponsoring organizations and international narcotics traffickers. For instance, OFAC and our Allies were responsible for blocking over \$124 million in terrorist assets worldwide since September 2001.

The assessment indicates the overall purpose of the program is clear, but unit cost measures are lacking. Additional findings include:

1. OFAC lacks long-term performance goals with specific targets, which makes it difficult to determine whether or not outcome goals are achieved.
2. The program has not yet instituted annual performance goals to determine the effectiveness of OFAC sanctions.

The program is implementing a series of reforms designed to address these findings. These reforms include:

1. Developing long-term performance goals with specific timeframes and measures.
2. Adopting annual performance goals and aligning them with the long-term performance goals.

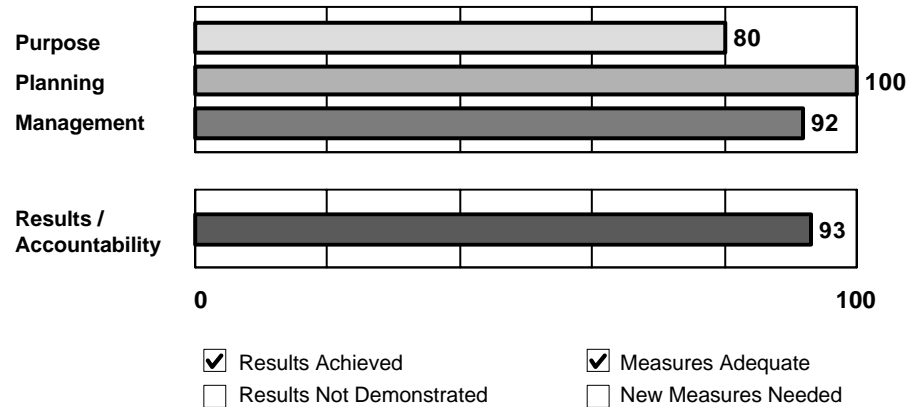
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: OTS Thrift Supervision**

**Agency:** Department of the Treasury

**Bureau:** Office of Thrift Supervision



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percentage of thrifts with high ratings according to industry standards (composite CAMELS ratings of 1 or 2) (Performance measure was adopted in 2003)	2002	90%	90%
	2003	90%	
	2004	90%	
Long-term Measure: Thrifts with consumer compliance ratings of 1 or 2 (Performance measure was adopted in 2003)	2002	90%	92%
	2003	90%	
	2004	90%	
Annual Measure: Percent of thrifts that are well capitalized (Performance measure was adopted in 2003)	2002	95%	98%
	2003	95%	
	2004	95%	

**\*Rating: Effective**

**Program Type** Regulatory

**Program Summary:**

The Office of Thrift Supervision (OTS) charters, examines, supervises and regulates thrift institutions and savings associations.

The assessment indicates that the program contributes to the safety and soundness of the banking industry. For example, a key performance indicator shows that more than 90% of banks regulated by the OTS have strong ratings in 2002 which incorporates measures for: capital, asset quality, management competence, earnings, liquidity, and sensitivity to market risk, commonly known as CAMELS. Additional findings include:

1. The program purpose is clear.
2. The program recently developed new goals that are outcome-oriented and program measurements which are clear.
3. The program is efficiently and effectively managed.
4. The program is not unique in that other agencies, including the Office of Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA) and the Federal Reserve Bank (FRB), perform similar types of regulatory functions in the banking industry.

In response to these findings:

1. Federal banking regulatory agencies, including the OTS, the OCC, the NCUA, the Federal Reserve, and the FDIC, will work together to align outcome goals and related measures to allow for greater comparison of program performance in the industry.
2. The OTS will evaluate the efficiency and effectiveness of a single examination for both Safety and Soundness and Compliance functions.
3. The OTS will take steps to examine long-term systemic risks in the industry.

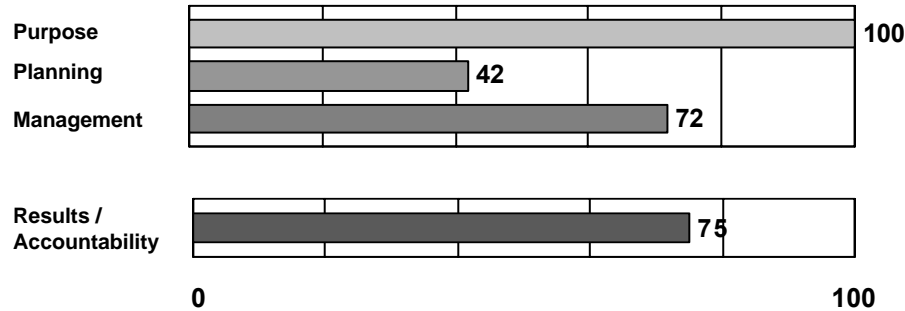
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Submission Processing (SP)*

**Agency:** *Department of the Treasury*

**Bureau:** *Internal Revenue Service*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Percent of Individual 1040 Series Returns Processed Electronically	2001	31	30.8
	2002	36	35.6
	2003	40	40
	2004	45	
Annual Efficiency Measure: Individual Masterfile (IMF) Refund Timeliness (paper, percent issued in 40 days)	2001	96.1	95.2
	2002	98.4	98.2
	2003	98.4	98.9
	2004	98.4	
Annual Efficiency Measure: IMF Deposit Timeliness (interest dollars (millions) lost due to processing delays)	2001	747	748
	2002	751	578
	2003	573	552
	2004	527	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The Internal Revenue Service's Submissions Processing program receives, processes, edits, and records the data received from taxpayers that is necessary to calculate each taxpayer's liability. These data are received on paper or electronically. They include individual and business taxpayer returns as well as information returns submitted by businesses and government entities.

The assessment found that the program:

1. Successfully processes the forms it receives on schedule and within planned budgets.
2. Work plans, with detailed output measures, are closely monitored.
3. Increased reliance on electronic filing is reflected in savings associated with fewer resources needed for paper filing.
4. Internal planning includes planning for improvements necessary to allow increasing levels of electronically-filed forms and the closing of some paper-processing locations.

However, because the Service lacks a financial system that accurately calculates the full costs of program activities and because it has not developed outcome goals, this program is rated, "Results Not Demonstrated."

In response to these findings, the Internal Revenue Service will:

1. Develop appropriate short and long-term outcome goals for Submissions Processing.
2. Complete a successful implementation of the Integrated Financial Systems project, which will provide Submissions Processing with the data necessary to calculate accurate, complete unit cost measures.
3. Implement the Modernized E-File IT project to facilitate further e-file growth.
4. Identify further legislative or administrative initiatives to encourage e-filing growth (e.g., the Administration's proposal to extend the e-file due date).

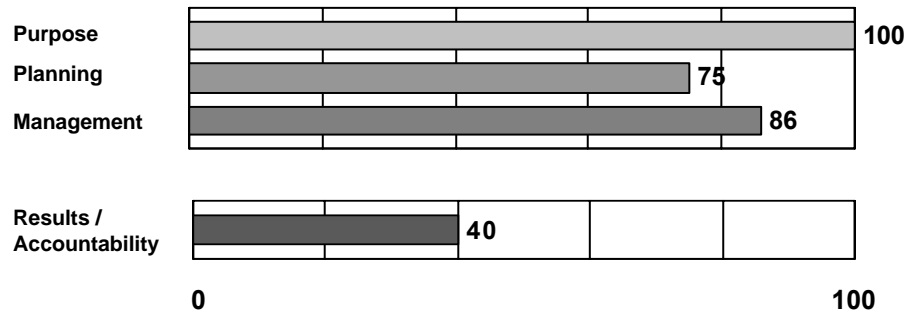
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
721	726	734

**Program:** Treasury Technical Assistance

**Agency:** Department of the Treasury

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Increase in GDP average of 15 representative countries in which OTA operates. Since OTA's long-term goal is to increase GDP, this measures OTA's impact in this area. The target number represents a percentage increase over the baseline.	2001	Baseline GDP	\$19.3 B
	2007	>2%	
Long-term Measure: Increase in Trade/GDP ratio. Since OTA's long-term goal is to increase trade as a percent of GDP, this measures OTA's impact in this area. The target number represents a percentage increase over the baseline.	2001	Baseline ratio	56.59%
	2007	>2%	
Annual Measure: Increase in total number of countries that publish Annual Budget in Brief (Citizen's Guide) each year. Publishing this document is a sign of a transparent budget process, which is one of OTA's short-term goals.	2003		3
	2004	4	
	2005	5	
	2006	6	

**Rating:** Adequate

**Program Type:** Direct Federal

**Program Summary:**

The Treasury Office of Technical Assistance (OTA) provides technical assistance to developing countries to help them reform the way they budget, tax, enforce financial laws, and manage government finances.

This second PART assessment of this program found that OTA has taken numerous steps to address strategic management deficiencies identified in last year's assessment. In particular, OTA has developed a new Project Management Tracking System (PMTS) that will require all of its teams to establish long-term and annual performance measures in support of OTA's goals. In addition, the PMTS will institute mid-year and annual reviews of programs to ensure progress on and adherence to OTA goals. These reviews will help determine whether OTA funding for specific projects will continue or be ended. Finally, for the 2005 Budget, OTA has established a few program-wide long-term measures.

Additional findings include:

- OTA continues to score well for program design and management. Program managers closely collaborate with advisors implementing programs and with countries receiving assistance to ensure well-designed projects and effective use of funds.
- OTA continues to score low in the area of Results/Accountability due to the fact that it has only recently adopted a few adequate long-term and annual measures. Once more measures and targets are developed, and once OTA has established a track record of performance on these measures, the Administration expects its score in this area to improve considerably.
- OTA still needs to develop long-term and annual measures and targets for each of its teams that will contribute towards achieving and measuring program-wide goals.

In response to these findings, the Administration will continue to work with OTA as they implement PMTS and develop long-term and annual measures and targets across OTA.

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

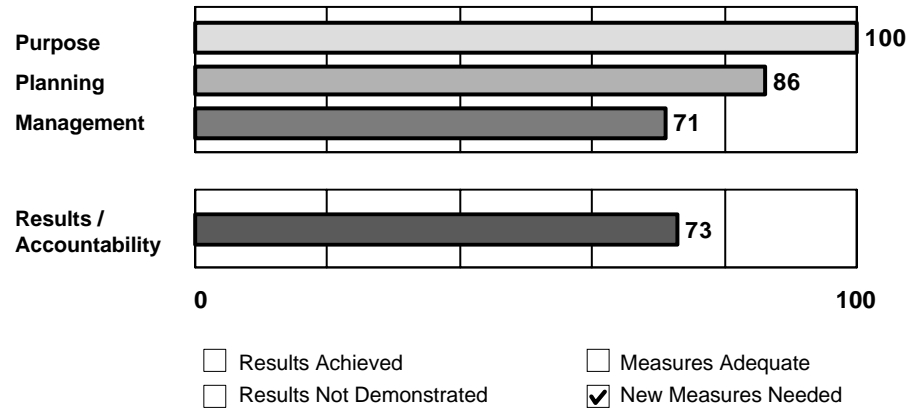
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
33	19	18

## **DEPARTMENT OF VETERANS AFFAIRS**

## Program: Burial Benefits

Agency: Department of Veterans Affairs

Bureau: Department of Veterans Affairs



### Key Performance Measures

Year Target Actual

	Year	Target	Actual
Long-term Measure: Percent of veterans served by a burial option within a reasonable distance (75 miles) of their residence	1999	76.3	67
	2000	75.1	72.6
	2001	75.8	72.6
	2002	73.9	73.9
Long-term and Annual Measure: Percent of respondents who rate the quality of service provided by the national cemeteries as excellent	1999	88	84
	2000	88	88
	2001	90	92
	2002	93	91
Long-term and Annual Measure: Percent of respondents who rate national cemetery appearance as excellent	1999	80	79
	2000	82	82
	2001	88	96
	2002	96	97

**\*Rating:** Moderately Effective

Program Type Direct Federal

### Program Summary:

The purpose of this program is to honor veterans with a final resting place and lasting memorials that commemorate their service to our Nation. The center piece of this program is the system of 124 national VA cemeteries. VA also provides headstones, markers, and monetary benefits to veterans' families to help defray burial costs; and awards grants to states to build veterans cemeteries.

The assessment indicates that the program provides a valuable service to veterans and eligible family members in an efficient manner. Additional findings:

1. The program purpose is very clear and commonly held by interested parties.
2. The program meets key long-term and annual performance goals. However, VA has received \$25 million in additional funding over the last three years to enhance the appearance of cemeteries to those befitting national shrines, yet lacks a way to define and measure national shrine commitment needs and performance. Measures also do not yet exist for state cemetery grants and monetary benefits.
3. The program uses performance information to improve cemetery operation and outcomes. Even so, the Department is working to strengthen the link between budget, performance, and accountability.
4. Recent evaluations by an independent contractor indicate that the cemetery program performs well. VA continues to improve service such as adding kiosks to help visitors locate grave sites.

In response to these findings, the Administration:

1. Proposes a 4.8 percent increase in discretionary funding;
2. Will adopt more performance measures to address all burial benefits and the national shrine commitment; and
3. Will strengthen methods to link performance, budget, and accountability.

(For more information on this program, please see the Department of Veterans Affairs chapter in the Budget volume.)

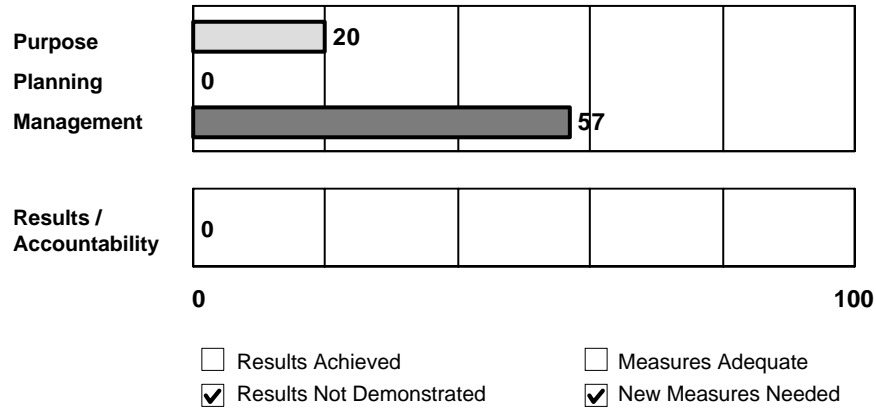
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Disability Compensation**

**Agency:** Department of Veterans Affairs

**Bureau:** Veterans Benefits Administration



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Targets under development			
Long-term Measure: Targets under development			
Long-term Measure: Targets under development			

**\*Rating: Results Not Demonstrated**

**Program Type** Direct Federal

**Program Summary:**

The VA disability compensation program provides monthly benefit payments to veterans who suffer diseases or disabilities related to their military service. Disabled veterans are assumed to earn less in civilian occupations than non-disabled veterans. The VA pays this difference in earnings to disabled veterans.

The assessment revealed that, while the program serves a unique role as the workers' compensation program for the military workforce, no study to measure the income loss associated with a specific disability has been conducted since 1945. As such, it is unclear whether the benefits payments are too high or too low and meeting their "purpose" -- the reason for the score of 20 in this area. Additional findings:

1. The list of covered disabilities has grown over the years. Many of the currently covered disabilities are usually not associated with loss of earnings. These include acne scars, hemorrhoids, high blood pressure, and diabetes.
2. The program has both goals and measures for productivity, but lacks long-term measures about how disability payments affect the quality of life of disabled veterans. The program also lacks cost-efficiency measures. It has been almost 60 years since a study has been done to determine whether the purpose of the program is being met. VA has not been able to develop long-term goals and measures related to its purpose. This is the reason that the program got a zero rating on both planning and results/accountability.
3. Program management has significantly improved. Claims examiners and their supervisors are subject to increasing accountability with real consequences. Resources are now distributed among offices based on productivity and performance.

In response to these findings, the Administration:

1. Will maintain current staffing level for the program;
2. Will initiate a program evaluation in 2004; and
3. Will develop long-term and cost-efficiency measures.

(For more information on this program, please see the Department of Veterans Affairs chapter in the Budget volume.)

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

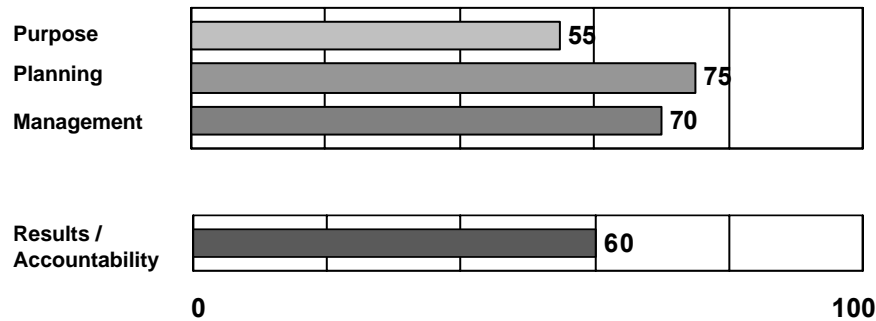
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program:** *Medical Care*

**Agency:** *Department of Veterans Affairs*

**Bureau:** *Veterans Health Administration*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Clinical Practice Guideline Index	2002	0.64	0.64
	2003	0.68	0.7
	2004	0.7	
	2005	0.71	
Annual Efficiency Measure: Average Waiting Time for New Patients Seeking Primary Care Clinic Appointment	2002	51	51
	2003	45	42
	2004	30	
	2005	30	
Annual Measure: Percent of Patients Rating VA Health Care Service as Very Good or Excellent (Outpatient)	2001	67%	65%
	2002	67%	71%
	2003	72%	73%
	2004	73%	

**Rating:** *Adequate*

**Program Type:** *Direct Federal*

**Program Summary:**

The VA medical care system provides needed health care services to an estimated 4.7 million veterans and other eligible beneficiaries (e.g., VA staff). The system includes 158 medical centers, 133 nursing homes, 840 community-based outpatient clinics, 206 community-based outpatient psychiatric clinics, and provides care through other sources.

The assessment found that VA has begun to focus resources on the core veteran population (i.e., disabled, poor, and those with special needs). Additional findings include:

- VA collects data and assesses activities through use of critical performance measures.
- Although VA has been collaborating with the Department of Defense (DoD) health system, significant work remains.
- VA budget requests are not linked to program performance.

In response to these findings, the VA will:

1. Continue the enrollment policy for non-enrolled priority level 8 veterans (higher income, non-disabled), and implement additional programmatic and cost-sharing policies aimed at focusing resources on core veteran populations.
2. Accelerate the collaborative activities with DoD and other Federal agencies, e.g., interoperable computerized patient health data, improved data on insurance coverage, and enrollment and eligibility information.
3. Work with Congressional staff to bring about approval for its improved budget structuring. In addition, VA will continue to develop performance-based budgeting.

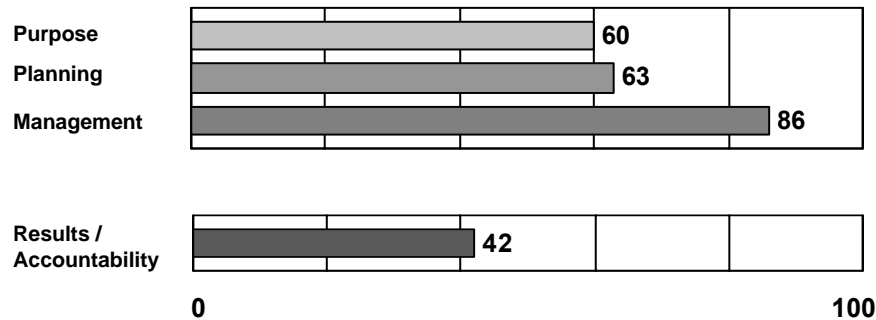
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
25,348	28,297	29,471

**Program:** *Montgomery GI Bill (MGIB) (Education Benefits)*

**Agency:** *Department of Veterans Affairs*

**Bureau:** *Veterans Benefits Administration*



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Efficiency Measure: Percentage of Payments made accurately	2001	95%	92%
	2002	96%	93%
	2003	95%	94%
	2004	97%	
Annual Efficiency Measure: Average number of days to complete original education claim	2001	20	50
	2002	30	34
	2003	30	23
	2004	27	
Long-term Measure: Percentage of eligible veterans and servicepersons that have used the MGIB	2001	60%	58%
	2002	60%	59%
	2003	61%	56%
	2004	60%	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The Montgomery GI Bill (MGIB) provides education benefits to veterans and reservists.

The assessment found that the program is well managed, but lacks strong outcome goals. Additional findings include:

- Congress, VA, and stakeholder organizations all have a clear understanding of the purpose of the Montgomery GI Bill.
- It is widely accepted that both the Active Duty and Reservist MGIB programs have a positive impact on recruitment.
- The most efficient levels of monthly educational assistance to support the program's purposes are unknown. Though these rates are established by legislation, and have increased approximately 78% (\$528 to \$985), it is unknown if a smaller rate increase would have also provided service members the incentive to enlist in the military and provide an adequate level of educational assistance.
- VA has a multitude of strong long-term output measures that focus on efficiency – but has no outcome or cost-effectiveness measures. DoD has long-term measures related to recruiting.
- VA has sufficient targets for its output measures and makes progress towards its annual and long term goals.
- A number of partners are involved with these benefits. VA works with DoD and the Department of Homeland Security (Coast Guard) to determine who is eligible. When benefits are paid out, VA works with State Approving Agencies to approve education programs. The Veterans Advisory Committee on Education is partner in all of these efforts.
- Budget requests are not tied explicitly to accomplishment of annual and long term goals.

In response to these findings, VA will:

1. Create an outcome measure on veterans' readjustment to civilian life due to the benefit received in this program.
2. Reinstate a cost-effectiveness measure before the 2006 Budget, such as the "Administrative Cost per Trainee" measure.
3. Determine the optimum level of monthly benefits required to accomplish the military recruitment and retention goals.

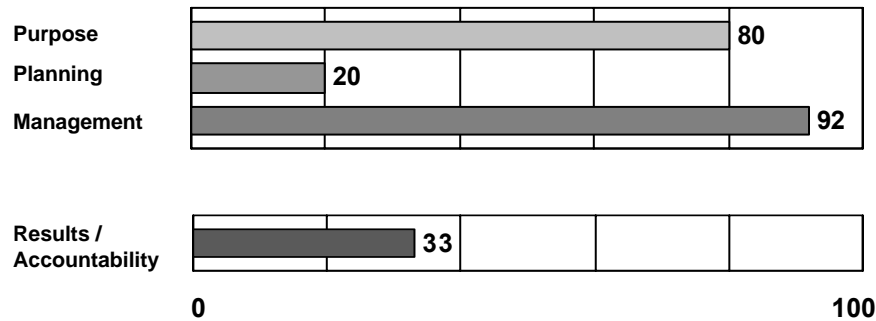
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,776	1,988	2,112

**Program:** VA Research and Development

**Agency:** Department of Veterans Affairs

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Design and implement a Career Development program for all of Research and Development measured by number of awardees each year	2001	193	193
	2002	209	209
	2003	216	210
	2004	237	
Long-term Measure: Sustain 2002 level of partnering opportunities with: Veterans Services Organization (VSO); other Federal Agencies; non-profit foundations , e.g., American Heart Association, American Cancer Society; and private industry, e.g. pharmaceutical companies. This is measured by number of funded partnerships.	2001	139	139
	2002	139	139
	2003	139	139
	2004	139	

**Rating:** Results Not Demonstrated

**Program Type:** Research and Development

**Program Summary:**

The VA Research and Development program supports clinical, health services, and prosthetics development research activities at VA facilities on health issues that affect veterans and the general population. In addition to VA appropriations, the program conducts research funded by other Federal agencies including the National Institutes of Health (e.g., NIH) and other entities (e.g., drug firms). VA conducted approximately 3,000 projects with an appropriation of about \$800 million and an equal amount of non-VA funding.

The assessment found that VA has a strong research program addressing health care problems that impact the veteran and general populations. Additional findings include:

- The program is strong overall but lacks ambitious goals and performance measures which accurately assess the strengths and weaknesses of the program.
- The program purpose is clear.
- Research projects, while relevant to veteran populations, do overlap with research conducted by other agencies and private bodies. However, there is benefit in an era of limited resources and demands in so many areas to having health issues studied from different perspectives with differing methodologies and data.
- Many research projects have resulted in significant findings that have been used by VA and other health programs.

In response to these findings, the Administration recommends:

1. The program develops meaningful and useful performance measures to assist VA in management.
2. VA should continue to emphasize the implementation of research findings by Veterans Health Administration and other Federal and private health systems.

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

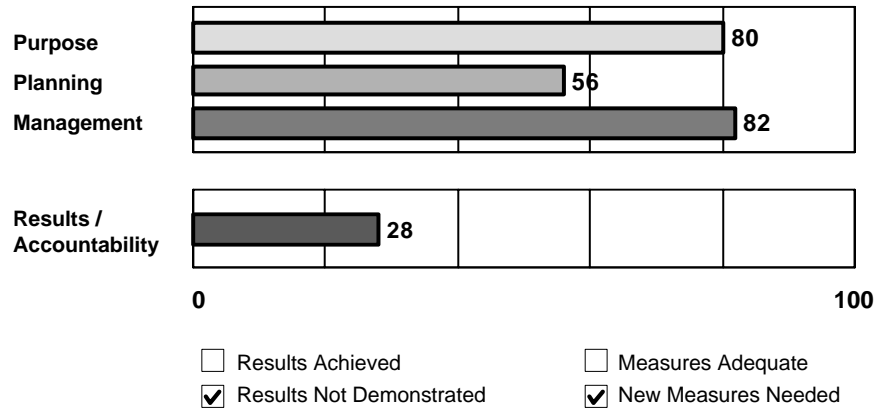
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
818	820	770

## **CORPS OF ENGINEERS**

# Program: Corps Hydropower

Agency: Army Corps of Engineers

Bureau: Civil Works



## Key Performance Measures

## Year Target Actual

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percent of time hydropower facilities are out of service due to forced outages	2000	2.3%	3.7%
	2001	2.3%	2.3%
	2002	2.3%	3.7%
Annual Measure: Other annual measures, including efficiency measures such as operating cost per megawatt of electricity generated, are under development.			

## \*Rating: Results Not Demonstrated

Program Type Capital Assets

### Program Summary:

The Corps generates power at 75 existing Federal dams, while meeting the other authorized purposes of these dams such as flood damage reduction or commercial navigation. It produces about two percent of the nation's electricity and is a significant source of peaking power in some regions.

The assessment shows the following:

1. Overall program performance is less than it was 15 years ago. Much of the power equipment is approaching the end of its design life. The Corps does not have an overall asset management strategy. Each regional office develops its own plan for the maintenance, major rehabilitation, and replacement of this equipment.
2. Generally, program management is strong. The Corps uses current data on the condition of its facilities to manage its hydropower program, and develops cost-effective solutions to equipment problems.
3. In the Pacific Northwest, under a direct financing arrangement with the Bonneville Power Administration, the Corps is making significant investments to improve power efficiency without evaluating whether these decisions are justified incrementally in national economic terms.
4. The Corps has not evaluated how power production role at the existing 75 dams might change in the future, or whether it should continue indefinitely.
5. The score on "results" reflects: the need to develop additional performance measures; the relatively high forced outage rate; the lack of a quality, systematic program evaluation; and the failure to complete major rehabilitations within the time frames established in project planning documents.

In response to these findings:

1. The Corps will set priorities among potential investments from a national perspective, and determine when it should propose to undertake them.
2. To reduce the amount of time that power facilities are out of service due to forced outages, and to better align user requirements with funding decisions, the Budget proposes that the Congress authorize the Southeastern, Southwestern, and Western Area Power Administrations to finance directly the full cost of operating and maintaining the Corps facilities that generate power for them.
3. The Corps periodically will seek public comment on and revise the basic operational rules that its project managers follow at each dam when making trade-offs between power production and other project purposes.

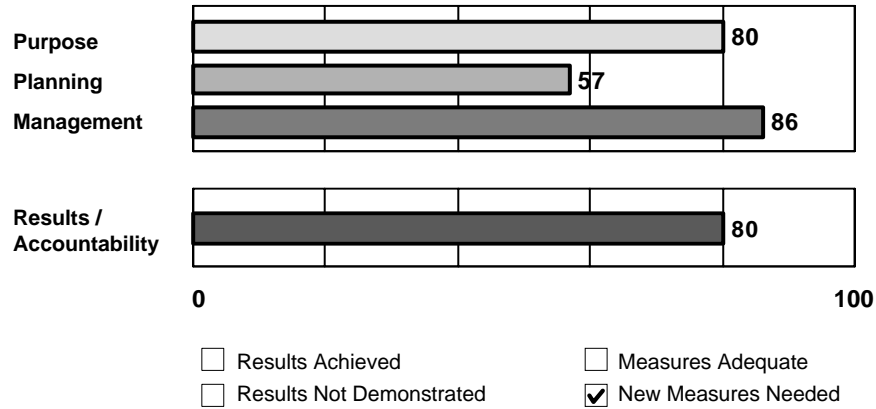
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

## Program: Emergency Management

Agency: Army Corps of Engineers

Bureau: Civil Works



### Key Performance Measures

### Year Target Actual

Measure	Year	Target	Actual
Long-term Measure: New long-term measures are under development.			
Annual Measure: Percent of identified levee deficiencies that are corrected prior to next flood season (New measure, 2002 data under development)	2002	90%	
Annual Measure: Outcome measure under development that will be based on an assessment of actual responses to emergencies			

**\*Rating: Moderately Effective**

Program Type Direct Federal

### Program Summary:

The Corps Flood Control and Coastal Emergencies program is the major component of its emergency management activity. The program trains and equips personnel for flood and storm damage disasters, takes advance measures (for instance, it contracts for emergency supplies and creates response plans), responds to impending floods and storms (sandbagging, for instance), provides immediate post-flood responses, repairs damaged flood control facilities and provides emergency water to communities due to drought or contaminated water sources.

The assessment shows the following:

1. The purpose of this program is very clear. The program assists state and local governments when they encounter emergency situations beyond their own response capability and assists with levee repairs and public works engineering.
2. Planning for flood and storm disasters is integral to the program. It has long-term and annual operational goals, but they are very similar and, for the most part, they do not emphasize quantitative measurement of outcomes. The goals emphasize readiness capability, inspecting facilities, and coordinating with other organizations, but they do not include measuring responses to disasters.
3. The program uses contracts for supplies and assistance in advance of disasters to improve time and cost efficiency.
4. During an emergency, the Flood Control and Coastal Emergencies program may have to borrow funds from other Corps programs, which disrupts the other programs and is not conducive to business-like operation of the emergency response program.
5. Program managers are constantly reviewing and reevaluating responses, but the program lacks an outcome measure tied to this review process.
6. Long-term and short-term measures need improvement. However, the Corps partners and clients were pleased with Corps performance in responding to the Midwest floods of 93 and 95; the California Floods of 97 and 98; and the Mississippi and Ohio River Floods of 97 and 02. For this reason, a "moderately effective" rating is appropriate.

As a result of these findings, the Administration:

1. Proposes funding this program at \$70 million, its ten-year average annual cost of doing business in order to reduce the risk of having to borrow from other Corps programs. (In 2002, Congress rescinded \$25 million of previously appropriated balances.)

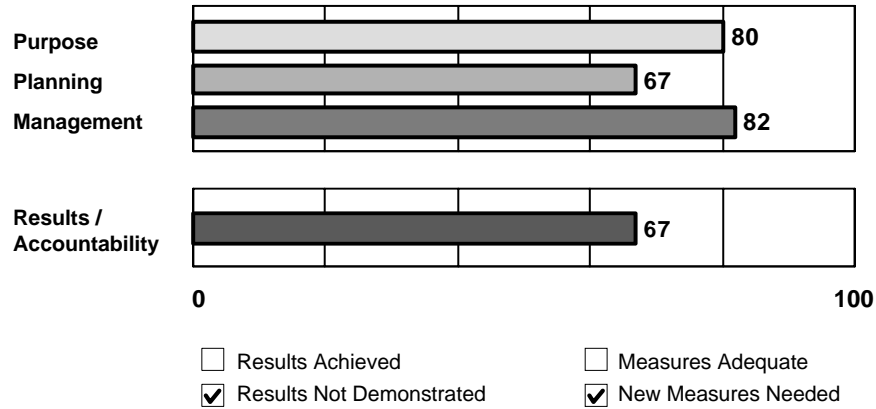
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: Flood Damage Reduction**

**Agency:** Army Corps of Engineers

**Bureau:** Civil Works



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percent of time that Corps owned flood protection infrastructure functioned properly	2001	95%	100%
	2002	95%	
	2003	95%	
Annual Measure: Additional measures are being modified or developed			

**\*Rating: Results Not Demonstrated**

**Program Type** Capital Assets

**Program Summary:**

The Corps Flood Damage Reduction Program is designed to reduce flood damage through structural projects (building levees and modifying channels) and non-structural projects, such as buying and removing buildings from flood plains and through technical assistance to states. Today, most projects are constructed by the Corps are owned and operated by local communities. The Corps maintains large federally owned projects that were built many years ago on major rivers.

The assessment shows the following:

1. The program's long-term goal is to reduce flood damages, but there is no overall flood reduction target. Also, the Corps is completing projects that reduce potential damages to specific areas, but annual flood damages to the nation are increasing.
2. There are annual measures and targets relating to project operations and construction. The Corps attempts to measure outcomes (e.g., percent of the time that Corps's owned levees carry out their designed purpose), but needs refine this measure to better reflect the occurrence and extent of flooding in particular locations each year. Other measures need improvement. An example of such a measure is the percent of time project construction costs are controlled sufficiently to maintain a projected benefit-cost ratio. This measure allows cost to rise as long as benefits are sufficient to cover the increment. Cost issues are addressed only when they exceed a fairly liberal authorization ceiling.
3. Although the program is generally well managed, it does not demonstrate results due to the lack of long-term outcome measures.

As a result of these findings, the Administration will:

1. Broaden the Corps approach flood damage reduction by more closely coordinating this program with the other Federal programs (e.g., Federal Emergency Management Agency Flood Mitigation program) and considering ways for the Corps to be more pro-active in preventing flood risks rather than reacting to them.
2. Develop additional outcome oriented performance measures.

(For more information on this program, please see the Corps of Engineers chapter in the Budget volume.)

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

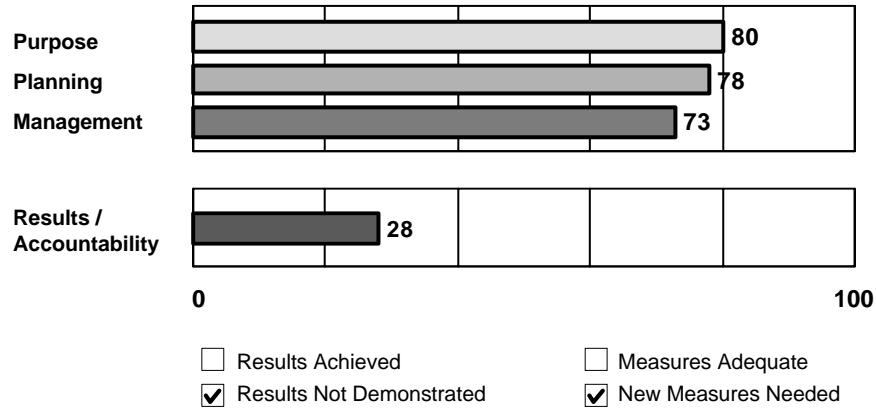
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



# Program: Inland Waterways Navigation

Agency: Army Corps of Engineers

Bureau: Civil Works



## Key Performance Measures

## Year Target Actual

Measure Description	Year	Target	Actual
Long- term Measure: Measures that reflect outcomes are under development.			
Annual Measure: Percent of the time the Inland Waterways segments (locks, dams and channels) with high commercial activity are available when customers want to use them	2000	90%	96%
	2001	90%	93.5%
Annual Measure: Additional annual measures are under development.			

## \*Rating: Results Not Demonstrated

Program Type Capital Assets

### Program Summary:

The Corps Inland Waterways Navigation program operates, maintains, and upgrades the 11,000 mile Inland Waterway Navigation System in order to provide water transportation.

The assessment shows the following:

1. The purpose of the program is clear. The program deals with congestion at navigation locks by proposing expansions, but does not emphasize management tools such as traffic scheduling, congestion fees, and lockage fees that could help operate its system more efficiently.
2. While the Corps has considerable experience in benefit-cost analysis, the National Academy of Sciences concluded that it is not using an appropriate economic model to evaluate the benefits of potential navigation improvements on the Upper Mississippi and Illinois Rivers.
3. The Corps, for the most part, employs modern financial and managerial tools.
4. The Corps made investments to upgrade/rehabilitate its aging infrastructure and has kept the entire system in running order. However, congestion exists at key facilities since current projects are delayed. Construction delays occurred because the Corps has had to spread its construction budget over an ever-increasing number of projects.
5. In recent years, it has become difficult for the Corps to maintain both high commercial use segments that provide national benefits, and low-use segments that provide primarily local benefits.
6. The score for program results is low because congestion is increasing at key facilities and because the program needs new outcome measures to drive it forward. For example, the Corps has proposed as a new measure minimizing the ratio of breakdown maintenance to preventative maintenance expenditures. This is not an outcome measure.

As a result of these findings,

1. The Corps will develop a new economic model so that it will be able to estimate properly the benefits of a range of possible improvements on the Upper Mississippi and Illinois Rivers.
2. The Budget places priority on maintaining high-commercial use segments and proposes that the Inland Waterways Trust Fund be used to finance a portion of operation and maintenance expenditures.
3. Well develop additional performance measures.

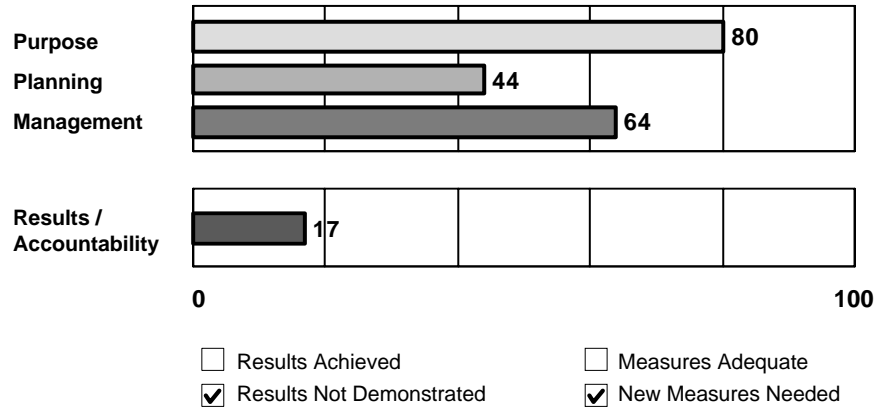
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Non-regulatory Wetlands Activities*

**Agency:** *Army Corps of Engineers*

**Bureau:** *Civil Works*



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measures: Measures under development			
Annual Measures: Measures under development			

**\*Rating:** *Results Not Demonstrated*

**Program Type** *Capital Assets*

**Program Summary:**

This assessment covers Corps efforts to establish, re-establish, rehabilitate, enhance, or protect/maintain wetlands through Corps projects. The Corps is working to improve the natural functions and values of existing wetlands or to create additional wetlands in: (1) projects whose principal purpose is ecosystem restoration, (2) projects that involve a requirement to mitigate for wetlands losses, (3) wetlands areas created by the formation and operation of Corps reservoirs, and (4) projects operated or maintained by the Corps that have naturally occurring wetlands within their boundaries.

The assessment shows the following:

1. While some Corps projects have led to large wetlands losses, the Corps increasingly is involved in projects whose purpose is to restore degraded wetlands. Neither the Corps nor any outside party has conducted a comprehensive evaluation of the long-term ecological success of these Corps wetlands restoration projects or of the other Corps wetlands efforts.
2. The cost to establish an acre of wetlands can vary greatly. On average, it appears to be higher for Corps ecosystem restoration projects than for wetlands projects undertaken by other Federal agencies.
3. The Corps often does not seek out the best opportunities nationwide for wetlands restoration. Instead, it tries to develop an engineering solution to a site-specific water resources problem in the area identified in a Congressional study authorization.
4. The score on "results" reflects: the need to develop performance measures; the absence of a process for tracking the cost-effectiveness and efficiency of wetlands actions over time; the high cost per acre for some projects; the lack of a quality, systematic program evaluation; and the failure to complete wetlands projects and mitigation work in the time frames established in project planning documents.

In response to the findings, the Administration will:

1. Develop ecological and cost criteria for determining when a proposed wetlands investment is justified.
2. Focus more broadly on identifying where, and how, the Corps can best contribute to the overall national wetlands effort.
3. Provide a high level of funding in the Budget for three Corps wetlands efforts that are nationally significant: restoring Florida's Everglades, revitalizing the side channel system of the Upper Mississippi, and re-creating a string of natural areas along the lower Missouri River.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** USACE Regulatory Program

**Agency:** Corps of Engineers-Civil Works

**Bureau:** Regulatory Program

**Rating:** Moderately Effective

**Program Type:** Regulatory Based

**Program Summary:**

The Corps of Engineers Regulatory Program is designed to protect our nation's aquatic resources (wetlands and water) in a way that also supports a prosperous economy. It does this by issuing regulations and permits that help ensure developers operate in an environmentally sound way.

The assessment found the program is generally productive and well managed.

- It processes more than 80,000 permits per year, dealing with the impacts of thousands of shopping centers, real estate developments, roads and bridges that could adversely affect the nation's rivers, streams, wetlands and other aquatic resources. It seeks to operate in a way so that adverse effects on the environment are avoided, minimized or mitigated.
- It produces positive, practical results. In 2003, for example, developers adversely affected 21,300 acres of wetlands nationwide, in return for which they were required to create or restore 43,400 acres. That's a ratio of two acres created or restored for each acre adversely affected. (43,400 acres is about equal in size to the District of Columbia.)
- It uses a set of performance indicators that it is improving: no net loss of aquatic resources and timely processing of permit applications. It is methodically addressing unresolved issues related to wetland science, wetland quality, and compliance with permit terms and conditions.

The assessment found the following areas in this program need improvement.

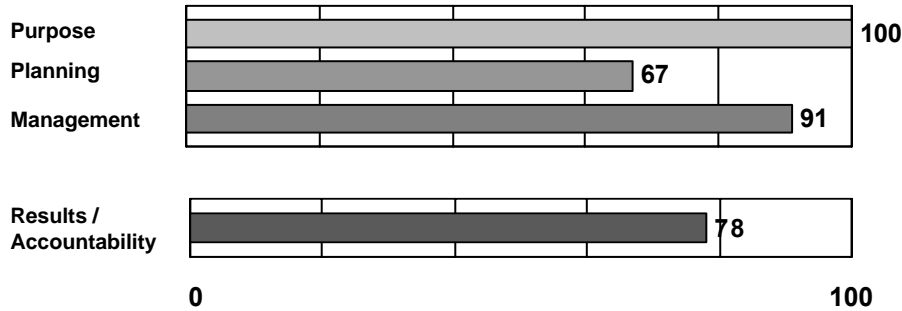
- It is not clear that developers comply with their permit terms in all cases.
- The National Research Council, GAO and others question whether man-made replacement wetlands are the same quality as natural wetlands. Coal mine run-off poses problems. Regulation discourages investment in some cases.
- Some landowners, farmers and small business people believe the Corps has been inflexible and overly aggressive in protecting wetlands of low value.

In response to these findings, the Administration will:

1. Work to achieve the performance standards that program managers have developed. E.g. complete compliance inspections on 20% of all permits issued the previous year. Resolve 30% of unresolved non-compliance cases annually.
2. Increase program flexibility where appropriate. Address unresolved wetland quality issues for permits and mitigation.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
138	139	150



**Key Performance Measures**

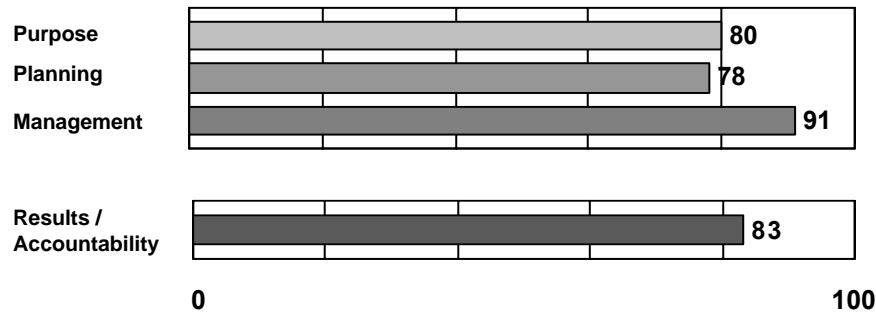
	Year	Target	Actual
Annual Measure: No net loss of aquatic resources. The measure compares the acres of aquatic resources lost to the acres restored, replaced or otherwise mitigated.	2002	1:1	1:2.3
	2003	1:1	1:2.0
	2004	1:1	
	2005	1:1	
Annual Measure: Percentage of active mitigation sites for which field inspections have been completed each fiscal year. This measure ensures developer has complied with the terms of his permit.	2004	5%	
	2005	10%	
Annual Measure: Percentage of Individual permits issued in 120 days or less of applicant's filing (excluding those with Endangered Species Act consultations lasting greater than 60 days). The program seeks to achieve its goals efficiently, at minimum feasible cost in terms of dollars, time and uncertainty.	2001	>70%	61%
	2002	>70%	60%
	2003	>70%	56%
	2004	>75%	

# **ENVIRONMENTAL PROTECTION AGENCY**

**Program:** Acid Rain

**Agency:** Environmental Protection Agency

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Percent reduction in number of chronically acidic waterbodies in acid-sensitive regions.	2030	-30%	
Annual Measure: Percent reduction in average nitrogen deposition and mean ambient nitrate concentrations	2004	-5%	
	2007	-10%	
	2010	-15%	
Annual Efficiency Measure: Measure Under Development			

**Rating:** Moderately Effective

**Program Type:** Regulatory Based

**Program Summary:**

The Acid Rain program implements Title IV of the Clean Air Act. The program uses a successful emissions trading scheme to cut the total sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) emissions as a means of reducing acid deposition and generally protecting human health and the environment.

The program is widely accepted as successful and the trading mechanism it employs has been acknowledged as a cost-effective means of reducing emissions by independent reviews. This PART analysis indicates that the program is significantly restricted in how much impact it can make on the persisting human health and environmental issues associated with SO<sub>2</sub> and NO<sub>x</sub> emissions because of existing statutory limitations. In addition, though the program has been reviewed periodically and said to be cost-effective, the program currently lacks efficiency measures to track progress over time.

**Recommendations:**

1. Remove statutory requirements that prevent program from having more impact including (but not limited to) barriers that; set maximum emissions reduction targets, exempt certain viable facilities from contributing, and limit the scope of emission reduction credit trading. The Administration's Clear Skies proposal adequately addresses these and other statutory impediments. Program should work as appropriate to promote the enactment of the Clear Skies legislation.
2. Program should develop efficiency measures to track and improve overall program efficiency. Measures should consider the full cost of the program, not just the federal contribution.

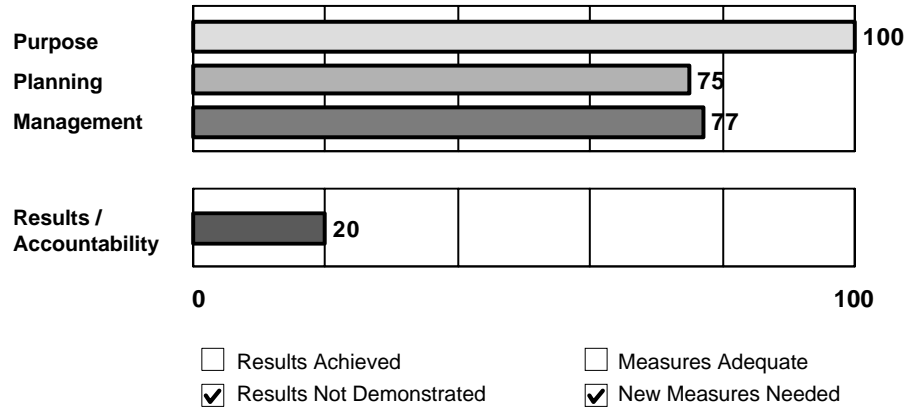
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
17	17	17

**Program: Air Toxics**

**Agency:** Environmental Protection Agency

**Bureau:** Environmental Protection Agency



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent of U.S. population free from unacceptable risks of cancer and other significant health problems from air toxic emissions	2020	95	
Annual Measure: Percentage reduction in nationwide air toxics emissions from stationary and mobile sources combined (actual data available later in 2003)	2002	5	
	2001	5	
	2000	3	
	1999	12	
Efficiency Measure: Measure under development			

**\*Rating:** Results Not Demonstrated

**Program Type** Direct Federal

**Program Summary:**

The Air Toxics program is designed to reduce emissions of hazardous air pollutants (HAPs), such as hexane and benzene, from stationary sources, such as factories, and from vehicles.

The program's purpose is clearly laid out in the statute -- to reduce HAP emissions and unacceptable health risk from HAPs. The assessment showed that management is generally good. However, EPA has not fully utilized statutory flexibilities when implementing parts of the program. Although the long-term cancer reduction goal is clearly outcome-related, "unacceptable risk" is not defined, the relation between emissions changes and actual health outcomes are not known, and there are no efficiency measures. Specific findings include:

1. There is a clear purpose and design for the program.
2. The program has not shown it is maximizing net benefits, and proposing the most cost effective regulations.
3. There are inadequate linkages between annual performance and long-term goals that prevent it from demonstrating its impact on human health.
4. There are large data gaps for toxicity and on actual population exposure.

In response to these findings, the Administration will:

1. Increase funding for toxic air pollutant programs by \$7 million in State grants for monitoring to help fill data gaps.
2. Focus on maximizing programmatic net benefits and minimizing the cost per deleterious health effect avoided.
3. Establish better performance measures (including an appropriate efficiency measure).

(For more information on this program, please see the Environmental Protection Agency chapter in the Budget volume.)

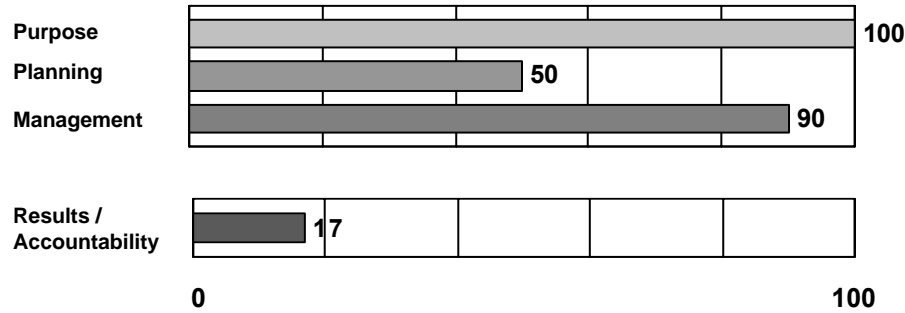
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Brownfields*

**Agency:** *Environmental Protection Agency*

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Brownfields Properties Assessed	2002	2,500	
	2008	9,200	
Annual Measure: Assessed Properties Redeveloped (new measure - targets under development)			

**Rating:** *Adequate*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Environmental Protection Agency's Brownfields program attempts to stimulate reuse of properties idled because of actual or perceived hazardous waste contamination. Once the property is cleaned and private developers no longer need to fear potential Superfund liability, they turn these abandoned parcels into housing, businesses, and parks.

The assessment found that the Brownfields program has a clear purpose but lacked adequate strategic planning, specifically setting goals that are adequately ambitious. Specific findings include:

1. The purpose of the Brownfields program is clearly articulated in the Small Business Liability Relief and Brownfields Revitalization Act.
2. The program is well managed, but would benefit from regular independent evaluations and a systematic process to review strategic planning.
3. The program has been popular and apparently successful in the last few years and has largely overtaken its current goals. Unfortunately, these goals can no longer be viewed as ambitious and need to be reestablished. The program also has no efficiency measures and lacks a process for regular independent review.
4. The program has grown dramatically since its authorization in 2002, but new goals, commensurate with its funding, have not yet been put into place. The current goals are not ambitious.

In response to these findings, the Administration will:

1. Consistent with program expansion, continue to assess and clean-up Brownfields sites at an accelerated rate.
2. Work to develop more ambitious long term assessment targets that focus on redevelopment, since the current targets are within easy reach.

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

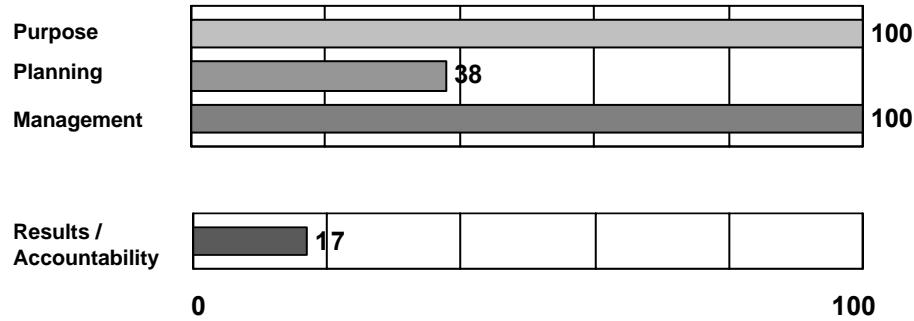
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
167	170	210



**Program:** *Civil Enforcement*

**Agency:** *Environmental Protection Agency*

**Bureau:** *Office of Enforcement and Compliance Assurance*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Pounds of pollutants reduced (characterized as to risk and exposure) (revised measure and targets under development).			
Annual Measure: Millions of pounds of pollutants reduced through concluded enforcement actions.	2002	300	261
	2003	300	600
	2004	350	
	2005	300	
Annual Measure: Pounds of pollutants (in thousands) reduced, treated, or removed per workyear (targets under development).	2000		617
	2001		760
	2002		245
	2003		2,577

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

EPA's civil enforcement program enforces federal environmental laws to protect human health and the environment by ensuring that regulated entities comply with these laws. EPA's management of their federal enforcement responsibility includes direct federal actions (inspections, investigations, compliance assistance and incentives) as well as assisting and overseeing state, tribal, and local partners in achieving compliance to protect human health and the environment.

The assessment found:

1. The program's outcome measure, pounds of pollutants reduced, needs further characterization as to risk and exposure.
2. The targets used for this measure are not meaningful, inasmuch as they fall within the normal range of variation.
3. The program shows strong management, because although past outside evaluations have raised concerns with lack of workload analysis to support resource allocations, EPA has undertaken a Workload Deployment review and is implementing it to address and correct these concerns.
4. EPA management is also addressing the lack of adequate non-compliance rates and data quality issues, which further complicate targeted enforcement, by conducting data audits to foster improvements.

In response to these findings, the Administration will:

1. Redirect funds to develop statistically valid non-compliance rates.
2. Continue to fund \$5M for an improved compliance data system.
3. Continue to develop efficiency and outcome oriented performance measures.
4. Develop programs and methodologies to determine which enforcement tools, inspections, compliance assistance centers, audit incentives, are the most efficient and result in the most significant reduction of pollutants.

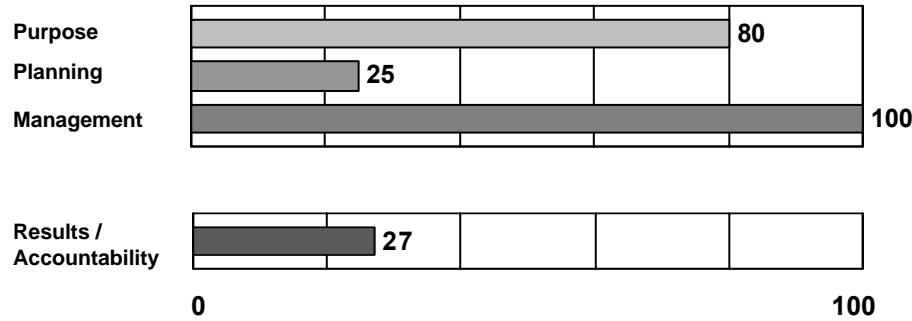
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
431	448	456

**Program:** Clean Water State Revolving Fund

**Agency:** Environmental Protection Agency

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Percent of stream miles/acres of water identified in 2000 as not attaining standards that fully attain water quality standards.	2006	5%	
	2012	25%	
Annual Measure: Percent of all major Publicly Operated Treatment Works (POTWs) that comply with their permitted wastewater discharge standards	2002	97.6%	97.6%
	2003	98%	
	2004	98%	
	2005	98.5%	
Long-term Efficiency Measure: Measure Under Development			

**Rating:** Results Not Demonstrated

**Program Type:** Block / Formula Grant

**Program Summary:**

The Clean Water State Revolving Fund (SRF) program capitalizes state revolving loan funds that finance infrastructure improvements for public wastewater treatment systems and other activities that mitigate or reduce sources of water quality impairment. Most of the money has gone to upgrade wastewater treatment plants.

A challenge facing the Clean Water SRF program is to develop performance measures that demonstrate more directly the impact of the program on water quality improvement. An acceptable outcome efficiency measure has not yet been developed.

Additional findings include:

1. The program purpose is clear and it is designed to have a significant impact on a well identified need.
2. The Clean Water SRF program is very competent as a national financial resource for state infrastructure projects targeted at compliance with water quality standards.
3. The program has not shown that states are operating their SRFs to ensure sustainability after federal capitalization ends, suggesting a possible flaw in program design.
4. Evaluation of public health impacts from infrastructure improvements is difficult, in part because states provide only aggregate data.

In response to these findings, the Administration will:

1. Develop an outcome efficiency measure that demonstrates the marginal benefit to environment per dollars expended for the program.
2. Develop/Improve annual performance measures to capture the full range of sources and contaminants that affect water quality and ecosystem health.

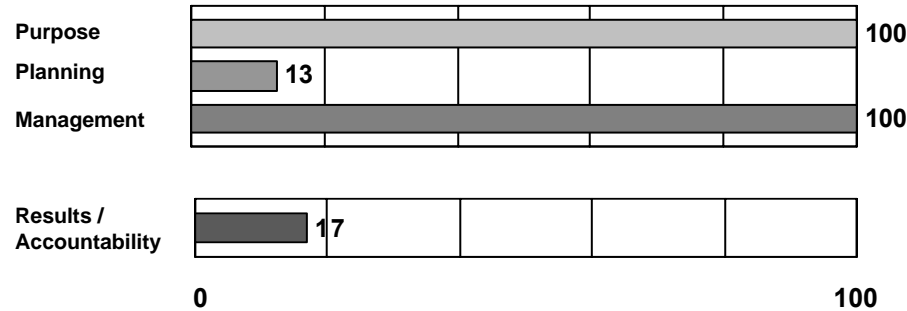
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,341	1,342	850

**Program:** *Criminal Enforcement*

**Agency:** *Environmental Protection Agency*

**Bureau:** *Office of Enforcement and Compliance Assurance*



**Key Performance Measures**

**Year Target Actual**

	Year	Target	Actual
Long-term Measure: Millions of pounds of pollution reduced, eliminated or curtailed (to be further developed as to risk and exposure).	2002		20.5
	2003		40.6
Annual Measure: Reduction from recidivism baseline (baseline and targets under development).			
Long-term Efficiency Measure: Pounds of pollution reduced per workyear (targets under development).			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

EPA's Criminal Enforcement Program investigates violations of laws, regulations, and permit conditions that cause or threaten significant harm to human health or the environment, and refers cases to the Department of Justice and to the States for prosecution.

The assessment found:

1. The program measures most results in outputs, i.e., number of criminal inspections, number of training classes, number of criminal enforcement actions, rather than outcome measures.
2. The outcome measure used, pounds of pollutants reduced, varies from year to year. The pollution reduced is also not characterized as to degree of risk or extent of exposure to human health.
3. There is no good data or methodology used by EPA to assess general deterrence.
4. The program suffers from a lack of statistically valid non-compliance rates.

In response to these findings, the Administration will:

1. Develop an outcome measure, pounds of pollutants reduced, that is characterized as to risk and exposure to ensure that the most harmful violations are being prosecuted.
2. Develop targets for the above outcome measure that quantify real change, not just variations.
3. Develop statistically based recidivism rates, and measure the change to these rates.
4. Develop programs and methodologies to address deterrence issues.
5. Develop statistically valid non-compliance rates.

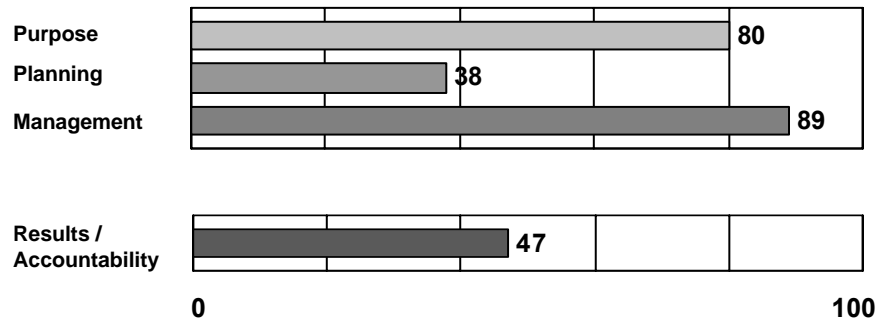
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
40	42	43

**Program:** *Drinking Water State Revolving Fund*

**Agency:** *Environmental Protection Agency*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent population served by community water systems in compliance with health-based drinking water standards.	2002	91.6%	91.6%
	2008	95%	
Annual Measure: Percent community water systems in compliance with drinking water standards.	2002	91.6%	91.6%
	2003	92%	
	2004	92.5%	
	2005	93%	
Long-term Efficiency Measure: Measure Under Development			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Drinking Water State Revolving Fund (SRF) program capitalizes state revolving loan funds that finance infrastructure improvements for public water systems and other activities that support state drinking water programs and promote public health protection. Most of the money has gone to upgrade water treatment plants.

The PART completed for the 2004 Budget recommended the development of performance measures that better demonstrate the impact of the program. Reassessment of the program under the 2005 PART guidelines found that the Drinking Water SRF program has implemented acceptable performance measures, however, an acceptable outcome efficiency measure has not yet been developed.

Additional findings include:

1. The program purpose is clear and it is designed to have a significant impact on a well identified need.
2. The Drinking Water SRF program is very competent as a national financial resource for state infrastructure projects targeted at compliance with health-based drinking water standards.
3. The program has not shown that states are operating their SRFs to ensure sustainability after federal capitalization ends.
4. Evaluation of public health impacts from infrastructure improvements is difficult, in part because states provide only aggregate data.

In response to these findings, the Administration will:

1. Develop an outcome efficiency measure that demonstrates the marginal benefit to public health per dollars expended for the program.
2. Demonstrate other government partners' commitment to work toward annual performance goals by showing improvement in drinking water system compliance reporting by states.

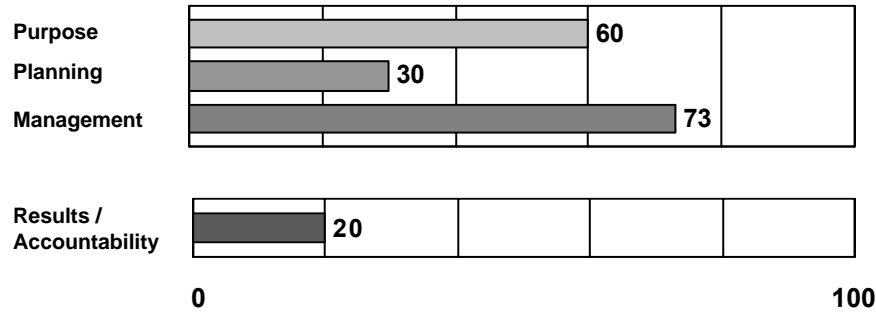
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
850	845	850

**Program:** Ecological Research

**Agency:** Environmental Protection Agency

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: The states and tribes use a common monitoring design and appropriate ecological indicators to determine the status and trends of ecological resources			
Annual Measure: Measures under development.			

**Rating:** Results Not Demonstrated

**Program Type:** Research and Development, Competitive Grant

**Program Summary:**

The Environmental Protection Agency's (EPA's) Ecological Research Program is designed to provide the scientific understanding to measure, model, maintain, and/or restore, at multiple scales, the integrity and sustainability of ecosystems now and in the future. EPA's ecosystem research program uses a combination of in-house and competitive grants to carry out research.

Additional findings include:

1. Because the program does not adequately coordinate with other EPA offices and other agencies, it lacks enough information to effectively target its resources.
2. The program lacks adequate annual and efficiency measures, as well as ambitious targets for its long-term measure.
3. Program evaluations have focused only on process, resulting in a low planning score. An evaluation could help EPA eliminate the program's redundancies with other Federal agencies and improve its relevance for other EPA programs.

In response to these findings, the Administration will:

1. Encourage EPA to develop one or two more outcome-oriented long-term measures, as well as annual and efficiency measures.
2. Reduce funding in FY 2005 by \$22 million. Savings from this reduction will be shifted to other high priority efforts in EPA, including the water quality monitoring initiative. Funding may be increased when the program develops sufficient performance measures and demonstrates results.

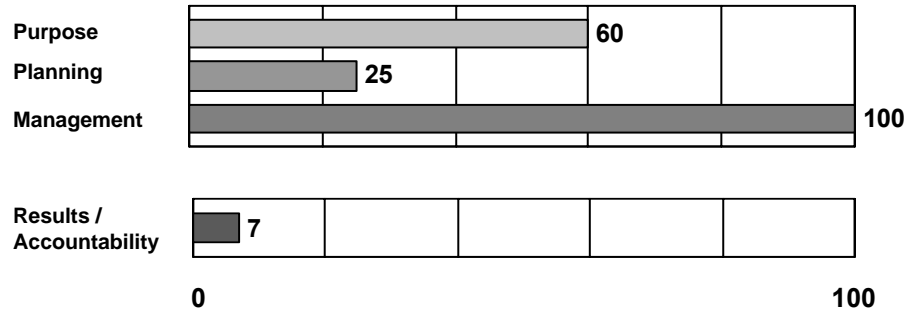
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
132	132	110

**Program:** *Environmental Education*

**Agency:** *Environmental Protection Agency*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measures not needed due to zero funding.			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Competitive Grant*

**Program Summary:**

The Environmental Education program was created to provide leadership and resources to the field of environmental education at the local, state, national and international levels; to encourage careers related to the environment; and to leverage non-Federal investment in environmental education and training programs.

The assessment found:

1. The program lacks strategic planning and cannot show program results. The program has strong management of its grants.
2. The program has not established long-term or annual performance measures that would measure educational performance, such as student achievement, teacher aptitude, or number of fellows pursuing environmental careers. The program also has not developed an efficiency measure.
3. The program is duplicative of other state, local, and private efforts.
4. The law requires the program to implement and manage specific programs, with specific allocation of funds to those programs. This can prevent EPA from distributing funds or pursuing other educational programs based on performance.
5. The program has not had any independent evaluations.

In response to these findings, the Administration proposes that this program not be funded and resources be used to achieve other environmental goals.

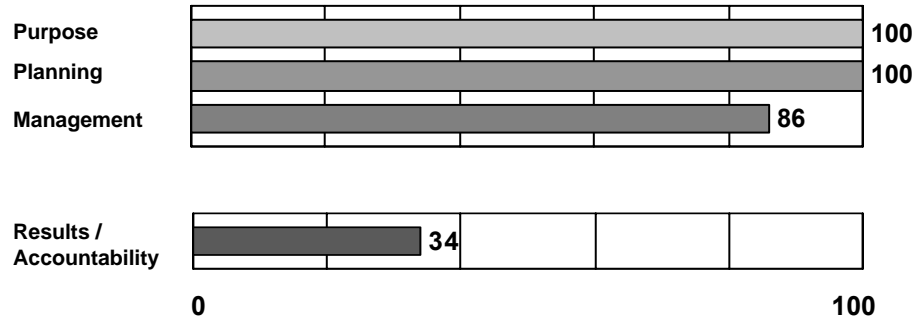
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
9	9	0

**Program: Existing Chemicals**

**Agency: Environmental Protection Agency**

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent cumulative reduction of chronic human health risk from environmental releases of industrial chemicals in commerce since 2001.	2005	12%	
	2006	15%	
	2007	18%	
	2008	21%	
Annual Measure: Cumulative number of chemicals with proposed, interim, and/or final values for Acute Exposure Guideline Levels (AEGL).	2002		85
	2005	125	
	2006	145	
	2008	187	
Annual Efficiency Measure: Cost and time to establish AEGL value per chemical (under development).			

**Rating: Adequate**

**Program Type: Direct Federal**

**Program Summary:**

The Environmental Protection Agency (EPA) reviews and regulates chemical substances and mixtures that may harm human health or the environment. EPA's Existing Chemicals program covers the 62,000 chemicals that were already in commerce when Congress enacted the Toxic Substances Control Act, including testing, regulation, and reporting.

The assessment found:

1. The program has a clear purpose and strong management and has improved its strategic planning.
2. In response to recommendations in the 2004 President's Budget, the program has created a new long-term measure that is outcome-focused. In addition, the program is developing a long-term outcome efficiency measure.
3. As part of the 2004 President's Budget, the program has invested in the development of acute exposure chemical guidelines (AEGLs), which are important for homeland security response, recovery, and preparedness. The program has developed long-term, annual, and efficiency measures for this investment.
4. The program must set ambitious targets for its measures and demonstrate results.

In response to these findings, the Administration will:

1. Create outcome measures for AEGLs.
2. Develop a long-term outcome efficiency measure.
3. Maintain funding at the 2004 President's Budget level.

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

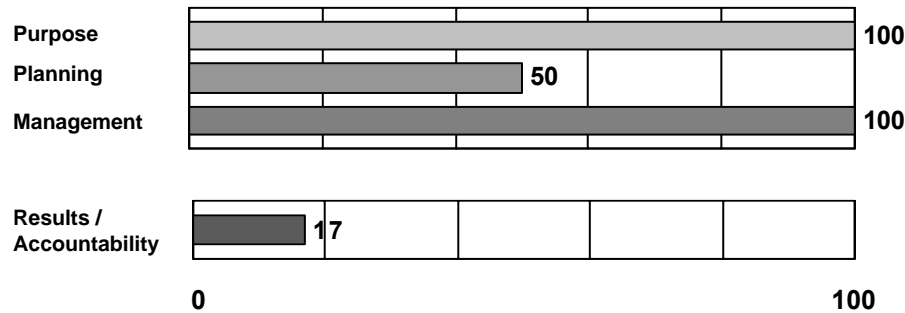
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
16	17	17



**Program:** *Leaking Underground Storage Tanks*

**Agency:** *Environmental Protection Agency*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Measure Under Development			
Annual Measure: Number of Cleanups Completed	2001	21,000	19,074
	2002	21,000	15,769
	2003	21,000	21,000 (est.)
Annual Efficiency Measure: Measure Under Development			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The purpose of the Leaking Underground Storage Tank program is to clean up leaking underground petroleum tanks.

The assessment found that the Leaking Underground Storage Tank program has a clear purpose but lacked adequate strategic planning, specifically with regard to setting goals that are adequately ambitious or that show clear human health or environmental outcomes. Specific findings include:

1. The program purpose, to clean up leaking underground storage tanks, is clearly defined and is understood by states and other stakeholders.
2. The program is well managed, but would benefit from regular independent evaluations and a systematic process to review strategic planning.
3. Strategic planning is particularly critical to this program since it has already achieved its current long term goal and has no new long-term goal to challenge program managers. The Environmental Protection Agency (EPA) may finish the backlog of 140,000 cleanups within the next decade. In the future, a smaller program may be suitable to address the lesser number of new releases that occur every year.
4. The program appears to be successful, as evidenced by achieving the goals of its authorizing legislation: cleanup of releases and upgrading tanks. However, the program scores poorly on the results section since it has no outcome based performance metrics that demonstrate an impact on people and the environment.

In response to these findings, the Administration will:

1. Continue to clean storage tank sites at a rapid pace.
2. Develop outcome measures that will test the link between the activities of the program and the impact on human health and the environment.

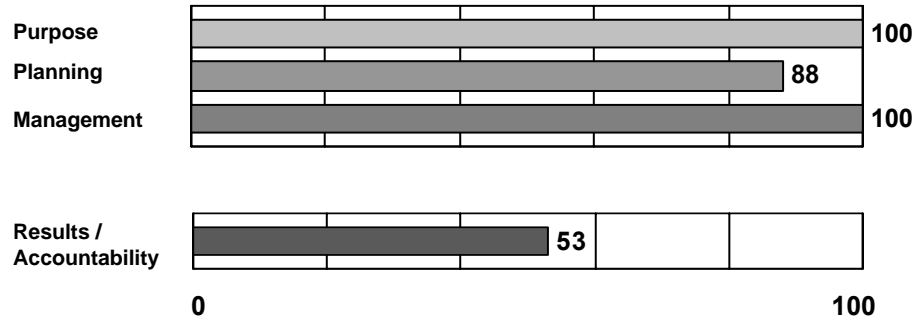
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
72	76	73

**Program:** *New Chemicals*

**Agency:** *Environmental Protection Agency*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Cumulative reduction of releases of industrial hazardous chemicals to the environment and in industrial wastes in millions of pounds.	2002		190
	2004	450	
	2005	590	
	2008	960	
Long-term Efficiency Measure: Review costs per chemical (for EPA and industry) (under development).			
Annual Measure: Annual cumulative quantity of water conserved (millions of gallons).	2002		330
	2005	500	
	2007	600	
	2008	650	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Environmental Protection Agency's (EPA's) New Chemicals program reviews new chemicals being introduced into commerce (manufactured or imported) to prevent possible harm to the public and environment.

The assessment found:

1. The program has very strong purpose and management.
2. In response to recommendations in the 2004 President's Budget, the program has improved its strategic planning and results. It is currently considering an independent evaluation of the program.
3. In response to recommendations in the 2004 President's Budget, the program is developing a long-term outcome measure on risks to the public avoided and has developed an efficiency measure to track costs per new chemical review.

In response to these findings, the Administration will:

1. Maintain funding at the 2004 President's Budget level.
2. Establish targets and timeframes for its measures, including efficiency measures.
3. Propose appropriations language to change the Toxic Substances Control Act to lift the cap on fees that the Agency can collect for new chemical reviews.

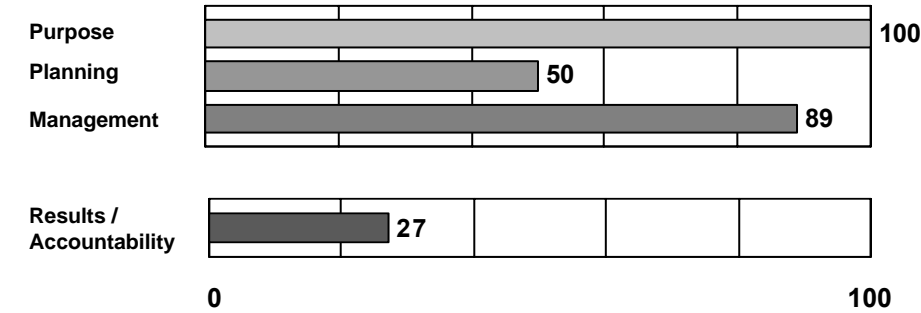
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
15	15	15

**Program:** *Nonpoint Source Grants*

**Agency:** *Environmental Protection Agency*

**Bureau:** *Office of Water*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Number of primarily nonpoint source impaired waters that will partially or fully attain designated uses	2008	250	
	2012	700	
Annual Measure: Annual reduction of total nitrogen loadings in thousands of pounds (targets under development)	2003	329	
Annual Measure: Annual reduction of total phosphorus loadings in thousands of pounds (targets under development)	2003	110	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Nonpoint Source Grants program provides grants to States to identify nonpoint source (NPS) problems and develop effective, locally-supported solutions. The PART completed for the 2004 Budget recommended the development of performance measures and at least one outcome efficiency measure that better demonstrate the impact of the program. Reassessment of the program under the 2005 PART guidelines found that the Nonpoint Source Grants program has developed acceptable performance measures; however, meaningful efficiency measures have not yet been developed.

Additional findings include:

1. The program purpose is clear and it is designed to have a significant impact on a well identified need.
2. The program has strong management practices and excellent oversight of grantees' progress; however, the program lacks meaningful efficiency measures.
3. Adequate data are not yet available to determine whether changes in the program have a significant effect on NPS pollution.

In response to these findings, the Administration will:

1. Develop efficiency measures including an outcome efficiency measure that demonstrates the marginal benefit to the environment per dollars expended for the program.
2. Reduce funding by \$14 million in recognition of increased spending on nonpoint source pollution through USDA Farm Bill programs.

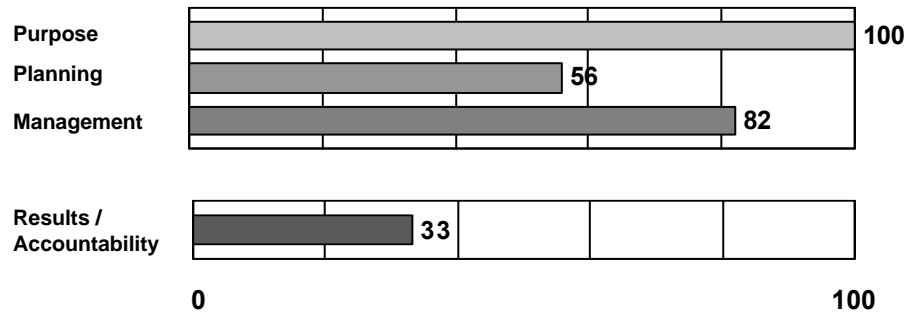
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
237	195	209

**Program:** *Particulate Matter Research*

**Agency:** *Environmental Protection Agency*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Measure Under Development			
Annual Measure: Measure Under Development			
Long-term Efficiency Measure: Measure Under Development			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Research and Development, Competitive Grant*

**Program Summary:**

The Environmental Protection Agency (EPA) is conducting a multi-year research program to improve the scientific understanding of particulate matter (PM). Fine particles that are less than 2.5 microns in diameter are composed of a large variety of different physical and chemical properties. PM may be directly emitted as primary particles or secondary aerosols that are chemically formed in the atmosphere from several precursor emissions. Primary particles originate from combustion, materials handling, industrial activities, surface corrosion, and from natural sources (desert dust, sea salt, organic material, etc.). Some fraction of secondary aerosols is inorganic (ammonium salts of nitrates and sulfates) and generated from sulfur dioxide, nitrogen oxides and ammonia emissions, while secondary organic aerosols are a product of complex photochemical processes in the atmosphere involving volatile organic compounds. On July 16, 1997 the President directed EPA to undertake a major research program to reduce scientific uncertainties associated with the health and environmental effects of PM and the means of reducing them. In addition, the Congress requested the National Research Council to develop a conceptual framework for the research. The NRC identified 10 high-priority research topics, which, if fully evaluated, would reduce the uncertainties in the scientific evidence and guide regulation of PM in the United States. The NRC published three periodic reviews of the research and has found that none of the topics has been completed. The PART assessment leaned heavily on the NRC's findings.

1. The assessment indicates that the program has an important purpose.
2. While there are clear goals, there are inadequate means to measure progress toward achieving them. For example, 8 of 10 priority areas have achieved moderate to significant advancement toward uncertainty reduction, but only 2 are largely complete. EPA relies on multi-year plans, which while providing necessary flexibility due to progress in scientific understanding, do little to benchmark progress toward uncertainty reduction.

In response to these findings, the Administration will:

1. Continue a strong emphasis on PM research, especially on co-pollutant effects, assessment of hazardous components, and identification of the sources of those hazardous components, and
2. Establish a better metric for uncertainty reduction, which is the established, and widely supported outcome for this program.

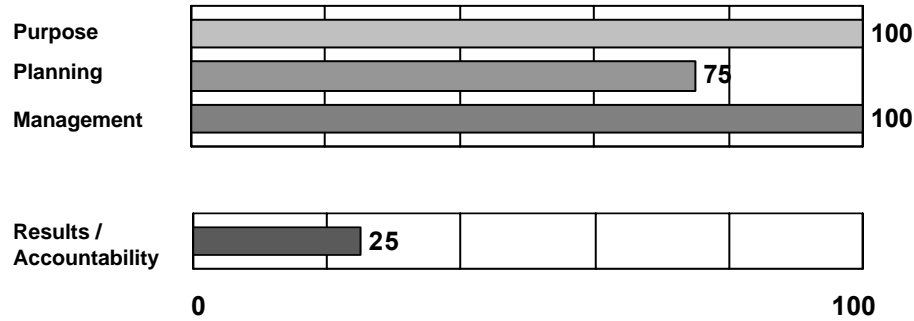
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
61	65	65

**Program:** *Pesticide Registration*

**Agency:** *Environmental Protection Agency*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent reduction in terrestrial and aquatic wildlife mortality incidents involving pesticides	2008	-30%	
Annual Measure: Percentage of agricultural acres treated with reduced-risk pesticides	2002	1%	7.5%
	2003	8.1%	
	2004	8.5%	
	2005	8.7%	
Long-term Efficiency Measure: Percent reduction in review time for registration of conventional pesticides.	2008	-10%	

**Rating:** *Adequate*

**Program Type:** *Direct Federal*

**Program Summary:**

The Pesticide Registration program at the Environmental Protection Agency (EPA) evaluates new pesticides and registers them for use in the United States. EPA examines the ingredients of the pesticide, how it will be used, as well as storage and disposal practices to ensure that, when used properly, the pesticide will not have adverse effects on humans or the environment.

This is the second year that this program has been assessed. This year's assessment found:

1. In response to recommendations in the 2004 President's Budget, the program has established long-term outcome goals that are general indicators of environmental and health risks.
2. The program still lacks adequate independent reviews of performance but is considering contracting to address this.
3. In response to recommendations in the 2004 President's Budget, the program has developed program-level efficiency measures and has implemented information technology changes to address some specific inefficiencies.

In response to the findings from this year's review:

1. The Administration recommends maintaining funding at the 2004 President's Budget level adjusted for the annual pay increase.
2. The program will develop long-term risk-based outcome performance measures that will supplement the existing long-term measures.
3. The program will also work on long-term outcome efficiency measures.

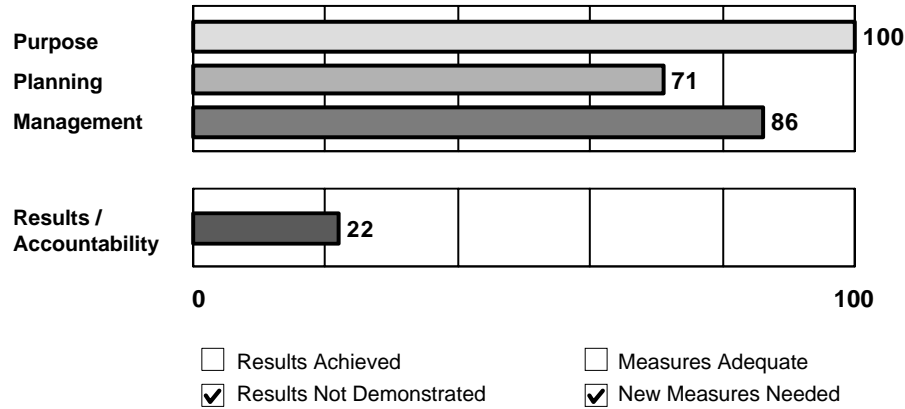
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
45	66	66

**Program: Pesticide Reregistration**

**Agency:** Environmental Protection Agency

**Bureau:** Environmental Protection Agency, activities



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Percent of Reregistration Eligibility Decisions (REDs) completed A RED document summarizes the reregistration conclusions and outlines any risk reduction measures necessary for the pesticide to continue to be registered in the U.S.	2001	72.4	71.6
	2002	76.4	72.7
	2003	83	
	2004	88	
Efficiency Measure: Measure under development			

**\*Rating: Results Not Demonstrated**

**Program Type** Direct Federal

**Program Summary:**

The Pesticide Reregistration program reviews pesticides already registered by EPA to make sure they meet current scientific and regulatory standards. The reregistration process considers the human health and ecological effects of pesticides and can result in changes to existing registrations to reduce risks that are of concern.

The assessment indicates that the program addresses an unambiguous quantifiable need and that further work is needed in the areas of efficiency evaluation and performance measurement. Specific findings include:

1. The program is the only entity that reviews existing pesticides to ensure they keep pace with advancing safety standards. The program has a clear mission and statutory authority.
2. The program has established long-term goals but they are not adequate because the goals lack quantified baselines and/or targets and because they need to be more outcome-focused.
3. The program regularly reviews progress toward annual goals and does make management decisions to address issues that impede progress but the program does not use efficiency or cost effectiveness measures to monitor program management and performance.
4. EPA has proposed a long-term efficiency goal for this program that targets reductions in decision-making time but further work is needed to finalize the goal and to develop appropriate annual targets to support it.
5. The program has met statutory deadlines but does not always meet annual goals and it is unclear how achieving annual targets leads to quantifiable progress toward the program's long-term goals. Progress toward future deadlines will require additional work on antimicrobial pesticides.

As a result of this review, the Administration:

1. Recommends providing an additional \$1.0 million for antimicrobial pesticides and \$0.5 million for inerts reregistration activities.
2. Will implement appropriate long-term performance measures, improved annual targets, and adequate long and short term efficiency measures.

(For more information on this program, please see the Environmental Protection Agency chapter in the Budget volume.)

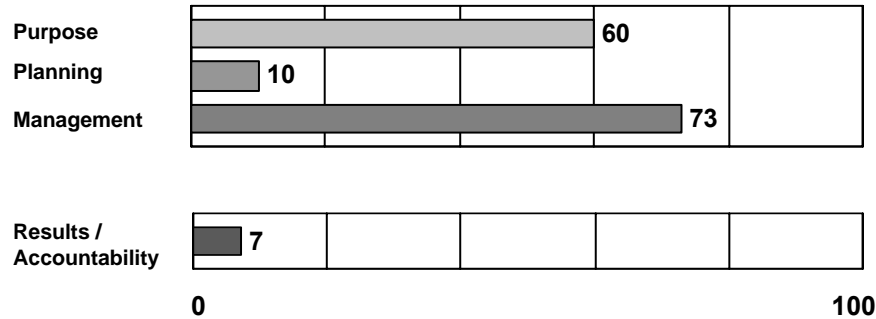
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Pollution Prevention and New Technologies*

**Agency:** *Environmental Protection Agency*

**Bureau:** *Office of Research and Development (ORD)*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measure Under Development			
Annual Measure: Measure Under Development			
Long-term Measure: Measure Under Development			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Research and Development, Competitive Grant*

**Program Summary:**

The Pollution Prevention and New Technologies program is a research program. The program's purpose is to provide a range of options to industry; state, local, and federal government; and academia for reducing pollution.

The assessment found:

1. The program lacks strategic planning and cannot show results.
2. The program has not established adequate long-term or annual performance goals to indicate whether its efforts have resulted in decreases in pollution, which is the purpose of the program. The program's results are mainly the creation of models, methods, and reports on its research, and it is unable to show whether these are used by industry and, if so, to what extent they are used. The program also has not developed an efficiency measure.
3. The program has not addressed findings in independent evaluations, which included recommendations to improve its strategic planning for greater results.
4. Some aspects of the program are duplicative of efforts in the private sector.

In response to these findings, the Administration will:

1. Shift funding from this research program to another Environmental Protection Agency (EPA) pollution prevention program that has shown results (see New Chemicals PART).
2. Recommend improvement of the program's strategic planning, including an independent evaluation of the program and responding to previous evaluations. In addition, the program should provide information on why it should pursue projects instead of other parties that are capable of conducting the projects.
3. Establish performance measures, including efficiency measures.

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

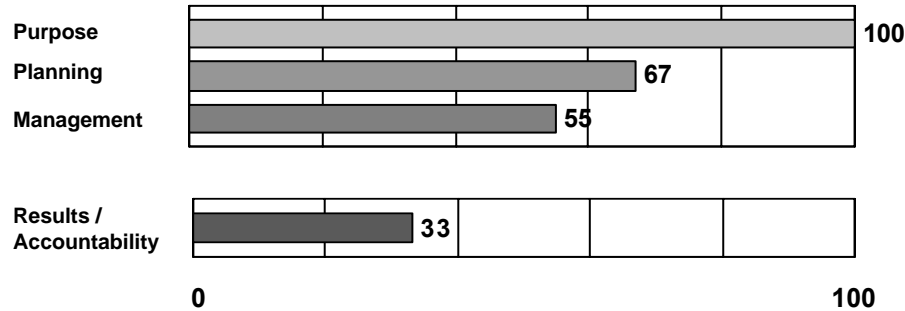
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
49	42	36



**Program:** RCRA Corrective Action

**Agency:** Environmental Protection Agency

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Current human exposures under control (baseline and target under development)			
Annual Measure: Current human exposures under control (baseline and targets under development)			
Long-term Efficiency Measure: Measure Under Development			

**Rating:** Adequate

**Program Type:** Regulatory Based

**Program Summary:**

The purpose of the Resource Conservation and Recovery Act (RCRA) Corrective Action program is to ensure that owners or operators of hazardous waste treatment, storage, or disposal facilities investigate and clean up releases as necessary to protect human health and the environment. Much of the oversight work done by this program is done at the regional level and 38 states have been authorized to implement the Corrective Action requirements in lieu of the Environmental Protection Agency (EPA).

This PART analysis has found that the program is well designed in that it puts decision-making authority close to the actual clean up activity while still ensuring a certain amount of oversight and consistency in protecting human health and the environment. In addition, the program has established acceptable long term and annual outcome performance measures that tie directly to program activities and focus on protecting human health. But, the goals are no longer as ambitious as they were when first established and that new baselines and targets are needed in order for the measures to continue to be useful in tracking and guiding program performance.

**Recommendations:**

1. Program must define a new baseline for performance measures and establish appropriate annual targets to make goals more ambitious in achieving long-term objectives of the program.
2. Program should establish appropriate efficiency measures to adequately track program efficiency over time.

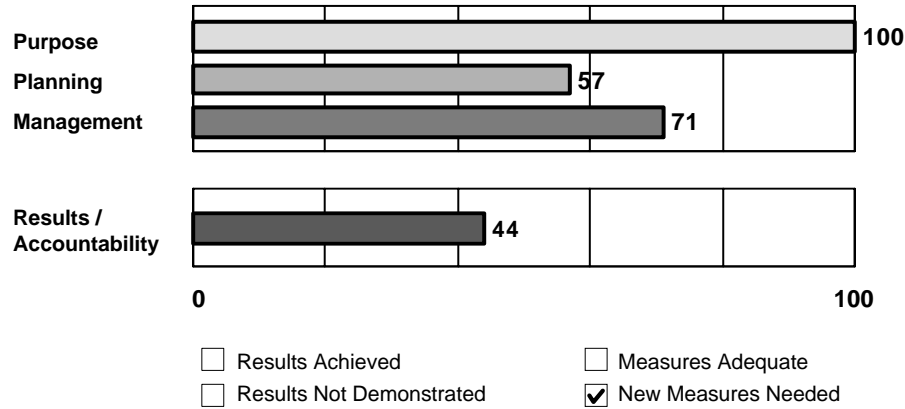
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
35	39	39

**Program: Superfund Removal**

**Agency:** Environmental Protection Agency

**Bureau:** Environmental Protection Agency



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measure under development			
Annual Measure: Number of removals completed	2001	300	302
	2002	275	426
	2003	350	
	2004	350	
Efficiency Measure: Measure under development			

**\*Rating: Results Not Demonstrated**

**Program Type** Direct Federal

**Program Summary:**

Superfund's Removal Program is a short term cleanup program to remediate emergency and non-emergency situations in two years or less.

The assessment showed that:

1. The program's purpose, to perform emergency cleanup of hazardous materials, is very clearly defined and understood by states and stakeholders.
2. The program would benefit from regular independent evaluations and a systematic process to review strategic planning.
3. The program meets its targets for number of removals each year, an output measure. However, the program scores poorly on the Results/Accountability section since it has no outcome based performance metrics that demonstrate the extent of the impact on public health and the environment.
4. There are no efficiency measures and the development requires overcoming significant data issues, namely, poor historic data quality in EPA's Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) database.

In response to these findings, the Administration will:

1. Propose funding at the 2003 President's Budget level.
2. Develop outcome oriented measures that test the linkage between program activities and the impact on human health and the environment.
3. Improve data quality in the CERCLIS database.

(For more information on this program, please see the Environmental Protection Agency chapter in the Budget volume.)

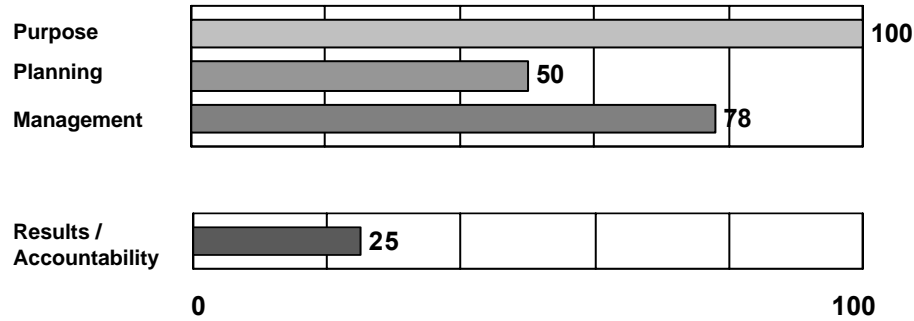
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** Tribal General Assistance

**Agency:** Environmental Protection Agency

**Bureau:** American Indian Environmental Office - Office of Water



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: % of tribes with delegated and non-delegated programs. (new targets under development)	2003	50	55
Long-term Measure: % decrease in the number of households in Indian Country with inadequate wastewater sanitation systems.	2015	50	
Long-term Efficiency Measure: Number of environmental programs implemented in Indian Country per million dollars (targets under development).			

**Rating:** Adequate

**Program Type:** Block / Formula Grant

**Program Summary:**

The Environmental Protection Agency's (EPA's) Tribal General Assistance Program (GAP) provides tribes and intertribal consortia with financial assistance to plan, develop, and establish environmental programs. Tribes generally lag states in assuming and implementing these programs. The PART completed for the 2004 Budget found that GAP lacked long-term and efficiency measures but had adequate annual measures. Accordingly, for the 2005 Budget the program developed adequate long-term and efficiency measures. Performance targets for the annual and efficiency measures are still under development.

Additional findings include:

1. Program managers and partners are not held accountable for program performance.
2. Regular independent evaluations are needed.

In response to these findings:

1. EPA will develop ambitious performance targets for its annual and efficiency measures.
2. EPA will improve the program's accountability.

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

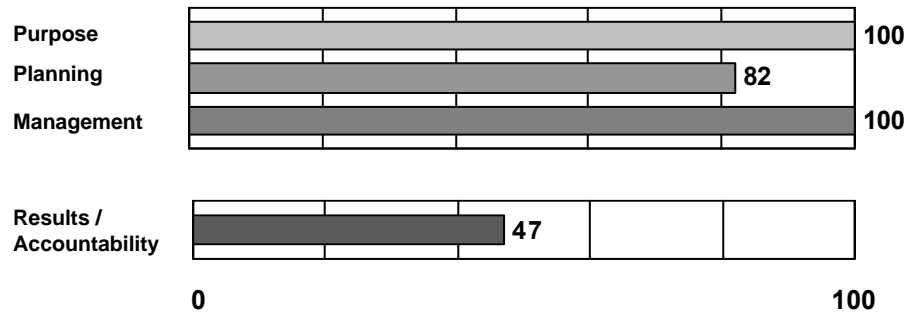
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
57	62	62

# **NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**Program:** *Biological Sciences Research*

**Agency:** *National Aeronautics and Space Administration*

**Bureau:** *Office of Biological and Physical Research*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: For defined classes of space flight, produce research results that reduce the probability and consequences of the 55 (prioritized) risks to human health and safety from the current risk baseline.	2016	55	
Annual Measure: Use of ground and space-based research to lessen the risks related to long duration phenomena such as bone loss, psychological adaptation to isolation and confinement, and the biological effects of radiation as described in the Critical Path Roadmap. (Measures and targets to be refined)			
Annual Measure: Reduce the projected mass of a life support flight system compared to the system baseline for the International Space Station. (New measure in FY 2004)	2004	50%	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Research and Development*

**Program Summary:**

NASA's Biological Sciences Research program conducts research and develops technologies to ensure the health and safety of humans in space and enable understanding of the role of gravity on fundamental biological processes. Research is conducted both on the ground at specialized facilities and in space on the International Space Station.

The assessment found improvements in the selection and prioritization of scientific research; however, work is needed to develop suitable performance goals and demonstrate results. Additional findings are:

- The reprioritization of research focus areas in response to an independent assessment (the Research Maximization and Prioritization Task Force) and the resulting recently-developed program strategy will take time to fully implement.
- The program has taken important steps to engage the scientific community in the development of long term plans and goals.
- The program has improved the percentage of research that is peer reviewed as well as strengthened the peer review process itself.
- There remains a need to ensure that the research conducted is of the highest caliber and that the benefits are commensurate with the costs.
- Program success, particularly in fundamental biology, is dependent on routine access to space; the program will be not be able to execute as planned if increased opportunities are not available.

In response to these findings, the Administration will:

1. Develop outcome oriented performance measures, particularly in terms of achieving the goals established in the "Critical Path Roadmap" (NASA's plan for certifying humans for long-duration space travel).
2. Develop efficiency measures that can be used to demonstrate improvement in the research process.
3. Conduct cost/benefit analyses to better justify the use of space based research, particularly in fundamental biology.
4. Develop methods of evaluating research processes and productivity against NIH and NSF where applicable.

NOTE: The program will be restructured in 2005 to support space exploration. The 2003 funding level does not reflect the full cost of executing the program.

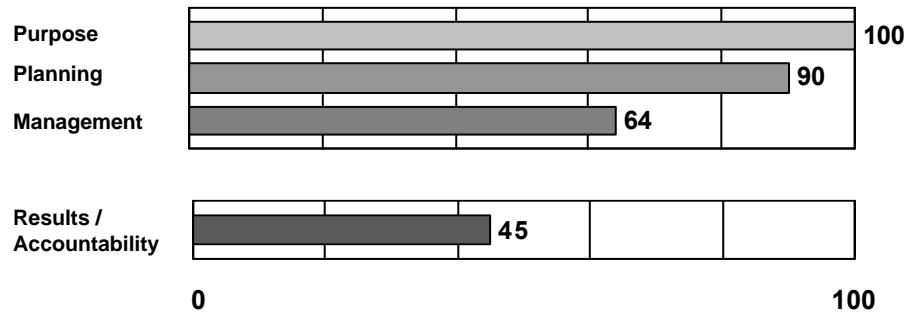
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
269	368	492

**Program:** *Earth Science Applications*

**Agency:** *National Aeronautics and Space Administration*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Benchmark improved performance from the assimilation of observations and predictions resulting from NASA Earth Science research in 12 decision support systems serving national priorities and the missions of Federal agencies.	2012	12	
Annual Measure: Benchmark improved performance to at least 2 national decision support systems using NASA results, including the Air Quality Index provided by EPA and USDA's reservoir monitoring tools. (New measure in FY 2004)	2004	2	
Annual Measure: Benchmark improved performance from the use of predictions from 2 NASA Earth system science models in the President's initiative of illegal logging within the CARPE program and maritime use of ocean predictions with the Navy. (New measure in FY 2004)	2004	2	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Research and Development*

**Program Summary:**

NASA's Earth Science Applications program identifies and facilitates new uses of NASA's remote sensing data sets and technologies. The program strategy is built around taking existing forecasting models and analytical tools used by other Federal agencies and "benchmarking" improvements to these systems when NASA content is added. The program targets applications in twelve priority areas including air quality, water management, and invasive species.

The assessment found that the program has taken the right steps to establish a viable strategy, but will require time to demonstrate results. Additional findings include:

- The large percentage of congressionally directed funding (over 25 percent) prevents the program from ensuring adequate use of competitive processes and grantee performance.
- As indicated in external evaluations, the program's strategy has been shifted numerous times in the past and a period of stability and consistency is required to fully develop projects and partnerships.
- Ongoing efforts to broaden participation and improve stakeholder buy-in will facilitate implementation of the program strategy and should be continued.

In response to these findings, the Administration will:

1. Develop metrics that better encompass outcomes resulting from the education and outreach portions of the program.
2. Continue to improve performance measures to reflect the value added of incorporating NASA data into existing systems (i.e., measure the quality of products versus the quantity).
3. Finalize roadmaps for each of the twelve priority areas that specify how and where NASA content can be best utilized.
4. Improve the collection of grantee performance data and make these data available and accessible.

NOTE: The 2003 funding level does not reflect the full cost of executing this program.

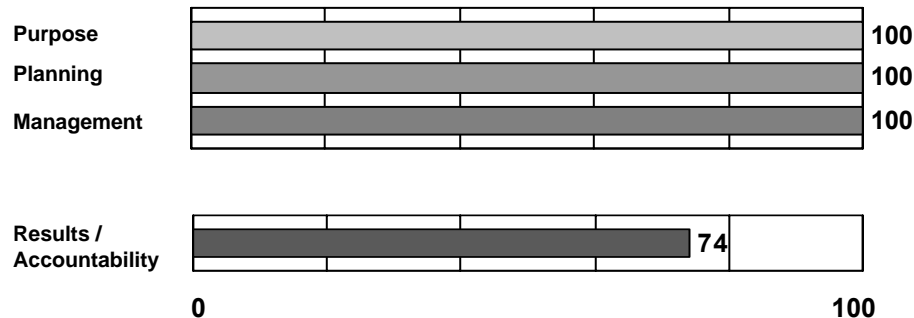
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
78	91	77

**Program: Mars Exploration**

**Agency:** National Aeronautics and Space Administration

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Accomplishment of key development activities: Successfully land at least one MER; Complete MER Level 1 Requirements; Complete 2005 Mars Reconnaissance Orbiter Assembly, Test, and Launch Operations Readiness Review (* NASA will successfully accomplish these activities.)	2004	Achieve *	
Annual Measure: Progress in characterizing the present climate of Mars and determining how it has evolved over time (** NASA's external advisory committee will rate NASA's performance against this measure as "green" [on a green-yellow-red "stoplight" scale], signifying NASA's successful achievement of this goal.)	2004	Green**	
Annual Efficiency Measure: Cumulative and annual percentage baseline cost overrun on spacecraft under development (*** On average, MEP projects in development will not exceed their baseline costs by more than 10% cumulatively or 5% annually.)	2003	<10%, <5%***	12%, 4%
	2004	<10%, <5%***	

**Rating: Effective**

**Program Type:** Research and Development

**Program Summary:**

The Mars Exploration program (MEP) conducts scientific exploration of the planet Mars, focusing on the search for water and evidence of life. MEP develops technologies; builds, launches, and operates robotic spacecraft; and performs research to better understand Mars and its past and present potential for life.

In keeping with last year's assessment, MEP continues to be a very well-defined and focused program that ties directly to NASA's mission. MEP has followed all three recommendations made last year, including improving its performance measures. Additional findings include:

- While the program was restructured only recently, independent reviews and recent performance suggest MEP is making excellent progress in achieving its long-term performance goals.
- The success of the next missions to Mars, the Mars Exploration Rovers, will be critical to validating NASA's program strategy.
- NASA's practice of pre-formulating ratings for evaluators to either accept or modify may affect the ability of the agency's external advisory committee to make independent judgments during its annual review of MEP's scientific progress.

In response to these findings, NASA will:

1. Assess the technical feasibility, potential schedule, and estimated costs of mission options for the next decade of Mars exploration.
2. Make research grant annual reports and/or a list of current research grant recipients, grant levels, and project titles available on its web site.
3. Improve the independence of external performance reviews by ceasing the practice of pre-formulating ratings for evaluators to either accept or modify.

NOTE: The 2003 funding level does not reflect the full cost of executing this program.

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

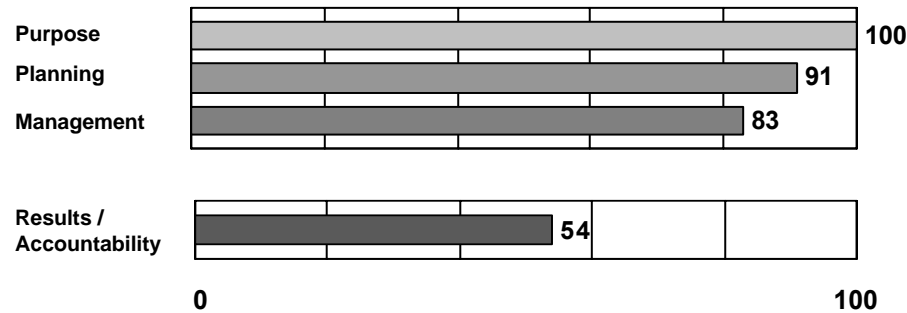
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
500	595	691



**Program:** *Mission and Science Measurement Technology*

**Agency:** *National Aeronautics and Space Administration*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Number of missions that use tools developed by Mission and Science Measurement Technology to understand and manage risk throughout their life cycle.	2010	2	
Annual Measure: Number of technologies co-funded by other NASA Enterprises for insertion into missions, or transitioned into Enterprise technology programs.[New measure]	2004	8	
	2005	10	
	2006	12	
	2008	16	
Annual Efficiency Measure: Percentage of research funding subject to external peer review prior to award [New measure]	2004	45	
	2005	50	
	2006	55	

**Rating:** *Moderately Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The Mission and Science Measurement Technology program develops long-range technology, such as durable low-temperature electronics, to support future NASA missions. The program identifies basic research products, develops and integrates these products into mission-oriented technologies and works to insert the technologies into NASA missions and processes.

The assessment found that the program has improved its focus and has implemented aggressive efforts to correct its strategic deficiencies. Additional findings include:

- The program has a clear purpose and is effectively targeted.
- The program has developed good long-range and annual performance measures.
- The program is working to increase the amount of its funding that is awarded using a competitive process.
- The National Research Council reviewed the program and found it generally effective. The program is implementing the Council's recommendations for improvement.
- The program does not track any overall efficiency metrics or demonstrate improved efficiencies or cost effectiveness in achieving program goals each year.

In response to these findings, the Administration will:

1. Develop overall efficiency metrics and attempt to achieve improved efficiencies or cost effectiveness in achieving program goals.
2. Strengthen areas identified as priorities by the NASA enterprises and the National Research Council.

NOTE: The 2003 funding level does not reflect the full cost of executing this program. The 2005 funding level reflects funding for NASA's new "Human and Robotic Technology" program, which will incorporate many Mission and Science Measurement projects and processes.

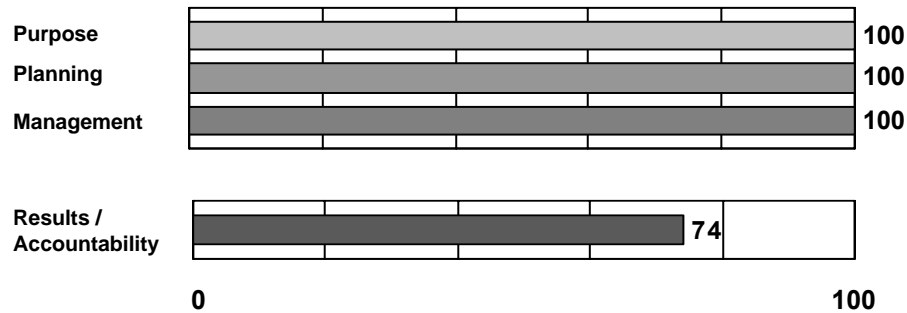
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
304	467	1,094

**Program:** *Solar System Exploration*

**Agency:** *National Aeronautics and Space Administration*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Accomplishment of key development activities: Successfully launch MESSENGER; Deliver the Deep Impact spacecraft for environmental testing; Successfully complete the New Horizons/Pluto Critical Design Review (* NASA will successfully accomplish the stated activities.)	2004	Achieve *	
Annual Measure: Progress in understanding the initial stages of planet and satellite formation (** NASA's external advisory committee will rate NASA's performance against this measure as "green" [on a green-yellow-red "stoplight" scale], signifying NASA's successful achievement of this goal.)	2004	Green**	
Annual Efficiency Measure: Cumulative and annual percentage baseline cost overrun on spacecraft under development (***) On average, SSE projects in development will not exceed their baseline costs by more than 10% cumulatively or 5% annually.)	2003	<10%, <5%***	9%, 0%
	2004	<10%, <5%***	

**Rating:** *Effective*

**Program Type:** *Research and Development*

**Program Summary:**

The Solar System Exploration (SSE) program conducts scientific exploration of the planets and their moons and other small bodies in the solar system. SSE develops technologies; builds, launches, and operates robotic spacecraft; and performs research to better understand the origin and evolution of planetary bodies, how life began on Earth, and whether life exists elsewhere in the solar system.

The assessment found that SSE is a well-defined, well-managed program with clear purpose and direct ties to NASA's mission. Additional findings include:

- SSE takes seriously the research priorities of the planetary science community, as shown by the inclusion of those priorities within its mission plans.
- SSE has a diverse mission portfolio in terms of spacecraft size and capability, range of targets studied, and mission management styles.
- SSE learns from previous mission failures.
- NASA's practice of pre-formulating ratings for evaluators to either accept or modify may affect the ability of the agency's external advisory committee to make independent judgments during its annual review of SSE's scientific progress.

In response to these findings, NASA will:

1. Monitor the programmatic impacts of: (a) the recent changes that have been made in the management of Discovery missions and (b) the management methods that will be used for New Frontiers missions.
2. Make research grant annual reports and/or a list of current research grant recipients, grant levels, and project titles available on NASA's web site.
3. Improve the independence of external performance reviews by ceasing the practice of pre-formulating ratings for evaluators to either accept or modify.

NOTE: The 2003 funding level does not reflect the full cost of executing this program.

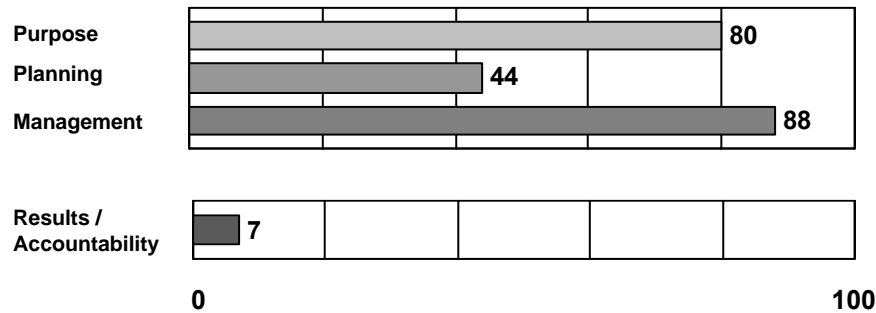
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,039	1,316	1,187

**Program:** *Space Shuttle*

**Agency:** *National Aeronautics and Space Administration*

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Mishaps causing death, damage to property of more than \$250 thousand, or permanent disability or hospitalization of three or more people	2001	0	0
	2002	0	0
	2003	0	2
	2004	0	
Long-term Measure: Measure Under Development			
Annual Efficiency Measure: Measure Under Development			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Capital Assets and Service Acquisition*

**Program Summary:**

The Space Shuttle Program operates and maintains NASA's three Space Shuttles. The Shuttles are reusable launch vehicles that play a key role in the assembly and operation of the International Space Station.

The assessment found that since last year's PART, the Shuttle had improved its planning and management, but due to the tragic loss of Space Shuttle Columbia in February 2003, the program met almost none of its annual performance measures and made little progress towards achieving its long term goals. The assessment also found:

- The program still lacks adequate short and long-term measures.
- The program has strong financial practices and collaborates effectively with other programs.
- The program will cost considerably more than planned in FY 2005 due to repercussions from the loss of the Space Shuttle Columbia.
- The program still has not been able to demonstrate a clear link between proposed investments in the Shuttle and improvements in the Shuttle's safety, performance, or operations costs.

In response to these findings, the Administration will:

1. Return the Shuttle safely to flight and continue using it to support the Space Station
2. Plan to retire the Shuttle by the end of the decade, when its role in assembling the International Space Station is complete.
3. Develop outcome-oriented short and long-term measures for the Space Shuttle Program
4. Improve the transparency of the process used to prioritize and select proposed Shuttle improvements

NOTE: The 2003 funding level does not reflect the full cost of executing this program.

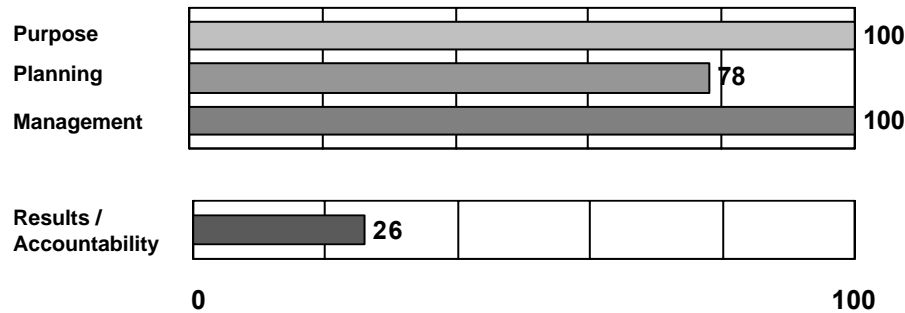
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
3,301	3,945	4,319

**Program:** *Space Station*

**Agency:** *National Aeronautics and Space Administration*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Days of minimal disturbance to the space station's low-gravity research environment (for periods greater than 30 days)	2009	180	
Annual Measure: Number of crew sustained on the Space Station	2003	2	2
	2004	3	
	2005	3	
	2006	3	
Annual Efficiency Measure: Measure Under Development			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Capital Assets and Service Acquisition*

**Program Summary:**

The Space Station Program builds, operates, and maintains the United States' segment of the International Space Station, a space laboratory that orbits the Earth. The program also manages space station resources such as electrical power, research space, and crew time. Other NASA programs manage the research conducted on the Space Station.

The assessment found that the program has significantly improved its management, particularly in the areas of cost control but lacks good long term performance measures. Since last year's PART, the Space Station program's management and the clarity of the program's purpose have improved. Additional findings include:

- The Space Station Program has made good progress in developing measureable annual performance measures with ambitious targets.
- The Space Station Program has been extensively reviewed by independent evaluations.
- NASA has introduced a new management team to the Space Station Program and moved control to NASA Headquarters.
- Due to the loss of the Space Shuttle Columbia in February, the Space Station Program was unable to meet many of its annual performance goals or to make large strides towards achieving long-term goals.
- The Space Station Program has been managing its reserves well.
- NASA is examining alternative plans to supply the Space Station.

In response to these findings, the Administration will:

1. Allow the program to continue construction of the International Space Station beyond the U.S. core complete phase
2. Develop annual efficiency measures and improve outcome-oriented long-term performance measures
3. Continue good management of the Space Station's budget reserves

NOTE: The 2003 funding level does not reflect the full cost of executing this program.

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

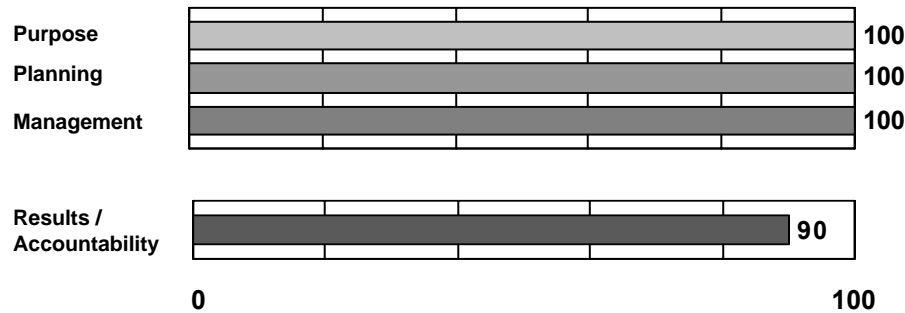
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
1,462	1,498	1,863

## **NATIONAL SCIENCE FOUNDATION**

**Program: Facilities**

**Agency:** National Science Foundation

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Annual Efficiency Measure: Percent of construction acquisition and upgrade projects with negative cost and schedule variances of less than 10% of the approved project plan.	2001	90%	84%
	2002	90%	48%
	2003	90%	88%
	2004	90%	
Annual Efficiency Measure: Percent of operational facilities that keep scheduled operating time lost to less than 10%	2002	90%	84%
	2003	90%	87%
	2004	90%	
Long-term Measure: External advisory committee (AC/GPA) finding of "significant achievement" that facilities enable discoveries or enhance productivity of NSF research or education communities.	2001	Success	Success
	2002	Success	Success
	2003	Success	Success
	2006	Success	

**Rating: Effective**

**Program Type:** Research and Development, Capital Assets and Service Acquisition, Competitive Grant

**Program Summary:**

The National Science Foundation's (NSF's) Facilities program is responsible for investments in the development, construction, and operation of state-of-the-art facilities and platforms that enable communities of researchers and educators to work at the frontiers of science and engineering. There are currently over 20 NSF facilities funded through this category, addressing the needs of a wide range of scientific fields, including astronomy, particle physics, marine biology, seismology, and nanotechnology.

The assessment found that the program is effective overall, but could be improved with additional attention to project management and progress toward performance targets. Additionally, the assessment shows that the program:

- Has a clear purpose and an effective design toward achieving that purpose;
- Has appropriate long-term measures and targets for a research program;
- uses external advisory committees to evaluate program effectiveness and support program improvements;
- Demonstrates effective program management; and
- Demonstrates preliminary progress toward its performance targets.

In response to these findings, the Administration will:

1. Continue to strengthen performance targets;
2. Strengthen project management, including monitoring of performance against performance targets.

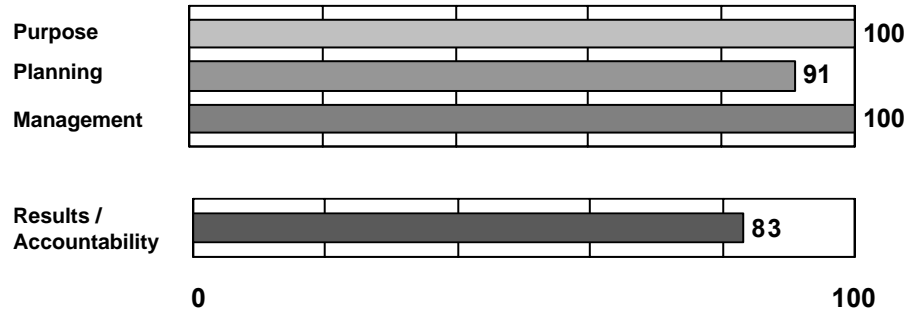
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
527	612	683

**Program: Individuals**

**Agency:** National Science Foundation

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: External validation of "significant achievement" in promoting diversity in the science and engineering workforce through increased participation of underrepresented groups in NSF activities.	FY 2002	Success	Success
	FY 2003	Success	Success
	FY 2006	Success	
	FY 2009	Success	
Annual Measure: Number of applicants for Graduate Research Fellowships from groups that are underrepresented in the science and engineering workforce. (NSF is working to improve targets for this measure.)	FY2002		730
	FY 2003		820
	FY 2004	Increase	
	FY 2005	Increase	
Long-term Measure: External validation of "significant achievement" in attracting and preparing U.S. students to be highly qualified members of the global S&E workforce.	FY 2002	Success	Success
	FY 2003	Success	Success
	FY 2006	Success	
	FY 2009	Success	

**Rating: Effective**

**Program Type:** Research and Development, Competitive Grant

**Program Summary:**

The National Science Foundation's (NSF's) Individuals program funds a wide array of fellowships that support development of world-class scientists, engineers, mathematicians, technologists and educators. Programs funded through this category include Graduate Research Fellowships and the Faculty Early Career Development Program. In addition to Individuals, there are separate categories that NSF uses to support Collaborations and Institutions.

The assessment found that the program is effective overall, but could be improved with additional attention to setting, achieving, and documenting performance targets. Additionally, the assessment shows that the program:

- Has a clear purpose and an effective design toward achieving that purpose;
- Has appropriate long-term measures and targets for a research program;
- Uses external advisory committees to evaluate program effectiveness and support program improvements;
- Demonstrates effective program management; and
- Demonstrates preliminary progress toward its performance targets.

In response to these findings, the Administration will:

1. Continue to strengthen performance targets and continue to improve monitoring of performance against those targets.
2. Initiate a targeted review of the priority area across the agency through an external committee of visitors.

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

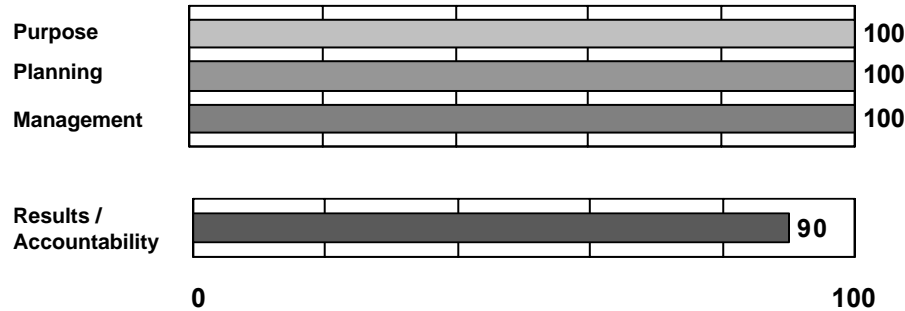
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
417	447	498



**Program:** *Information Technology Research*

**Agency:** *National Science Foundation*

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Qualitative assessment by external experts that there have been significant research contributions to software design and quality, scalable information infrastructure, high-end computing, workforce, and socio-economic impacts of IT.	2005	Success	
	2008	Success	
	2011	Success	
Annual Measure: Average annual award size for new ITR research grants. This measure promotes increasing award size, rather than supporting a greater number of smaller grants, which helps improve the efficiency of researcher time.	2001		\$242,270
	2002		\$226,454
	2003	\$230,000	\$276,000
	2004	\$230,000	
Annual Measure: Peak available teraflops (trillions of operations per second) for scientific computation	2001	0	0.34
	2002	6	6
	2003	10	12.4
	2004	20	

**Rating:** *Effective*

**Program Type:** *Research and Development, Competitive Grant, Capital Assets and Service Acquisition*

**Program Summary:**

The Information Technology Research (ITR) program is a five-year effort at the National Science Foundation (NSF) whose objective is to extend the frontiers of information technology (IT), improve our understanding of the impact of IT on society, and help prepare Americans for the Information Age. As one of NSF's designated "priority areas," the program provides a focused portfolio of research that responds to the President's Information Technology Advisory Committee (PITAC) report of 1999. The program is included in NSF's broader efforts in supporting the interagency Networking and Information Technology Research and Development (NITRD) program.

The assessment found that the program is effective overall, but could be improved with additional attention to setting and achieving performance targets.

Additionally, the assessment shows that the program:

- Has a clear purpose and an effective design toward achieving that purpose;
- Has appropriate long-term measures and targets for a research program;
- Uses external advisory committees to evaluate program effectiveness and support program improvements;
- Demonstrates effective program management; and
- Largely demonstrates progress toward its performance targets.

In response to these findings, the Administration will:

1. Continue to strengthen the performance targets the program sets and continue to improve its monitoring of performance against those targets.
2. Continue the program activities in the broader interagency NITRD effort.

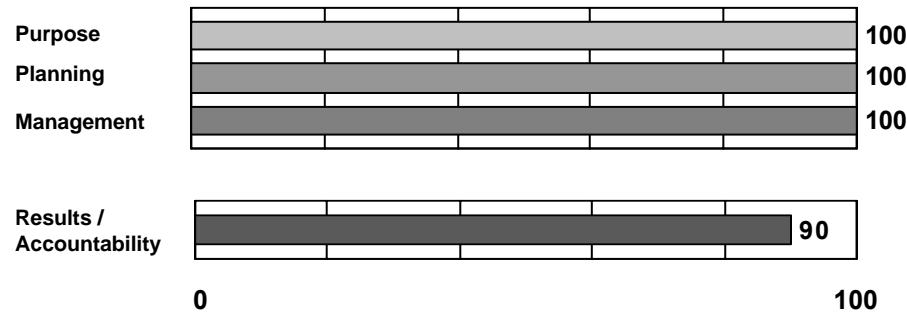
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
299	313	220

**Program:** *Nanoscale Science and Engineering*

**Agency:** *National Science Foundation*

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Average annualized new research grant award size (in dollars) within NS&E solicitation. This measure promotes increasing award size, rather than supporting a greater number of smaller grants, which helps improve the efficiency of researcher time.	2001		\$362,705
	2002		\$323,000
	2003	\$330,000	\$315,000
	2004	\$330,000	
Annual Measure: Number of users accessing National Nanofabrication Users Network/National Nanotechnology Infrastructure Network (NNUN/NNIN) and Network for Computational Nanotechnology (NCN) sites.	2001		1,300
	2002		1,700
	2003	3,000	3,000
	2004	4,000	
Long-term Measure: As qualitatively evaluated by external experts, the successful development of a knowledge base for systematic control of matter at the nanoscale that will enable the next industrial revolution for the benefit of society.	2004	On-track	
	2007	On-track	
	2010	Success	

**Rating:** *Effective*

**Program Type:** *Research and Development, Competitive Grant, Capital Assets and Service Acquisition*

**Program Summary:**

The Nanoscale Science and Engineering (NS&E) priority area supports research at the National Science Foundation (NSF) focusing on creating and controlling materials, devices, and systems that are on nanometer scale (a nanometer—one-billionth of a meter—is to an inch what an inch is to 400 miles). In advancing the ability to manipulate atoms and molecules, the program aims to provide the foundation for revolutionary advances in many diverse fields of science and technology. The program included in among NSF’s broader efforts in supporting the interagency National Nanotechnology Initiative.

The assessment found that the program is effective overall, but could be improved with additional attention to setting, achieving, and documenting performance targets. Additionally, the assessment shows that the program:

- Has a clear purpose and an effective design toward achieving that purpose;
- Has appropriate long-term measures and targets for a research program;
- Uses external advisory committees to evaluate program effectiveness and support program improvements;
- Demonstrates effective program management; and
- Demonstrates preliminary progress toward its performance targets.

In response to these findings, the Administration will:

1. Continue to strengthen performance targets and continue to improve monitoring of performance against those targets.
2. Initiate a targeted review of the priority area across the agency through an external committee of visitors.
3. Continue NSF leadership in the interagency National Nanotechnology Initiative.

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

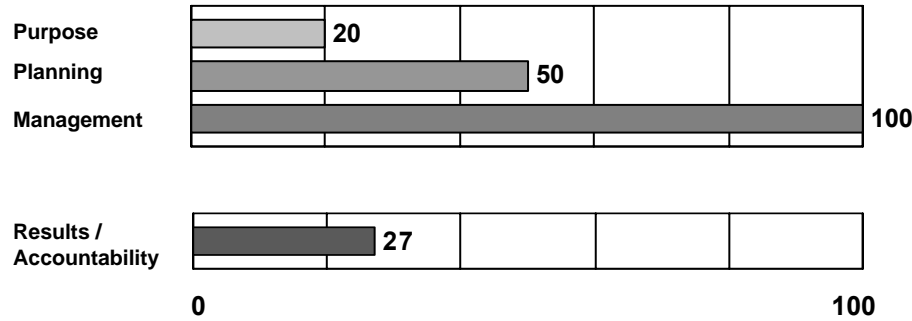
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
221	249	305

## **SMALL BUSINESS ADMINISTRATION**

**Program:** *Business Information Centers*

**Agency:** *Small Business Administration*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Number of small businesses counseled and trained.	2002	146,410	146,658
	2003	151,058	
	2004	155,590	
Annual Measure: Percent of customers satisfied with program services.	2002	90.0%	83.0%
	2003	85.5%	
	2004	88.0%	
Annual Efficiency Measure: Unit Cost (\$ per client served).	2002		\$81
	2003	\$84	
	2004	\$82	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The Business Information Centers (BIC) program provides technology (computers, software, etc.) and reference materials to community-based resource partners in order to improve their technical assistance capabilities. Primarily, the BICs provide early start-up clients access to technology.

The assessment found that the program lacks a clear purpose or outcome goals to measure performance. Additional findings include:

- There are no data to show that the program has resulted in long-term benefits to small businesses.
- Based on SBA's cost allocation data, the agency spent approximately \$14 million to manage and support \$475,000 in grants.
- The program is duplicative of services provided by Federal, State, and non-profit entities. These services include access to technology and research resources.

In response to these findings, the Administration will terminate the BIC program and redirect resources to more efficient technical assistance functions.

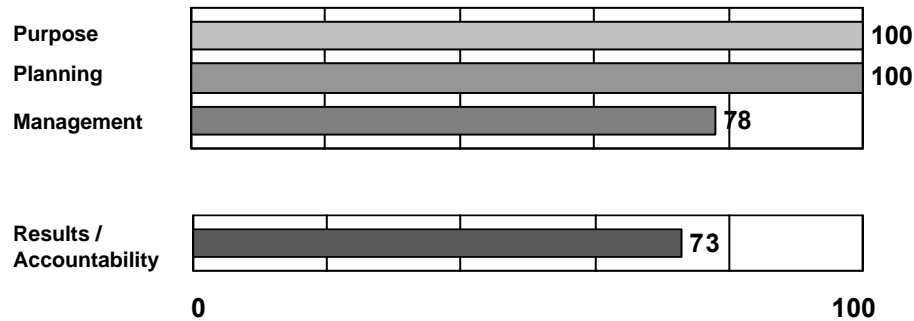
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
14	14	0

**Program:** *Disaster Loan Program*

**Agency:** *Small Business Administration*

**Bureau:** *Office of Disaster Assistance*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Percent of businesses still operational 12 months after final Economic Injury Disaster Loan (EIDL) disbursement	2004	70%	
	2005	75%	
	2006	77%	
	2007	78%	
Annual Efficiency Measure: Percent of timely field presence after a disaster declaration	2000	95%	100%
	2001	95%	100%
	2002	95%	99%
Annual Measure: Percent of customers satisfied with Disaster Loan program services	2001	80%	
	2002	80%	
	2003	80%	
	2004	80%	

**Rating:** *Moderately Effective*

**Program Type:** *Credit*

**Program Summary:**

The Disaster Loan program provides low interest loans to businesses and homeowners to cover the uninsured recovery costs resulting from disasters. In 2003, the Small Business Administration (SBA) approved \$885 million in loans to almost 26,000 borrowers.

The assessment found:

- The program complements, rather than duplicates, other disaster assistance programs.
- The program has lacked credit models that adequately reflect the Federal Government's costs.
- Loan making costs, due to fraud prevention, are high.

In response to these findings, SBA:

1. Developed a new credit model that accurately determines loan costs based on performance. This model is used for the 2005 Budget estimate. The improved model confirms that the Disaster Loan program has much higher costs, in the form of subsidies to borrowers, than previously estimated.
2. Is proposing reforms that will provide borrowers with more reasonable interest subsidies while controlling Federal program costs.
3. Developed a new strategic plan with long-term outcome goals.
4. Is implementing technological solutions to mitigate growth in the administrative cost of making loans.

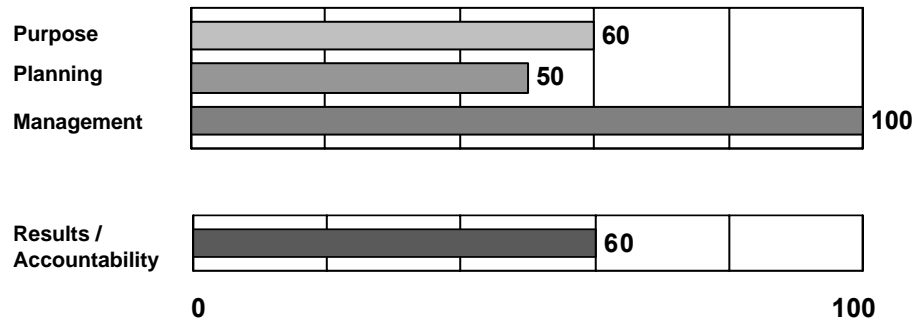
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
190	169	197

**Program:** *Section 504 Certified Development Company Guaranteed Loan Progra*

**Agency:** *Small Business Administration*

**Bureau:** *Capital Access*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Estimated number of jobs created or retained.	2001	104,702	104,702
	2002	116,048	116,048
	2003	80,759	
	2004	80,759	
Annual Measure: Number of 504 loans guaranteed.	2002	5,220	5,480
	2003	6,000	
	2004	6,000	
	2005	6,300	
Annual Efficiency Measure: Cost to originate each loan.	2002	2,780	
	2003	2,904	
	2004	2,912	
	2005	2,766	

**Rating:** *Adequate*

**Program Type:** *Credit*

**Program Summary:**

The Section 504 Certified Development Loan Company (504) program provides long-term, fixed-rate financing to entrepreneurs for fixed assets, such as land, buildings, and large equipment. This program is designed to stimulate private sector investment, create jobs, and contribute to the economic development of communities.

The assessment found that the program addresses its statutory purpose of providing loans to small businesses. Additional findings include:

- 504 loans differ in structure from the Small Business Administration's (SBA's) 7(a) General Business loans. Nonetheless, the programs overlap in that they both provide long-term financing for the same potential borrowers.
- Inadequate competition among intermediaries resulted in limited loan availability in some geographic areas.
- Further evaluations are necessary to ensure that the program complements rather than competes with private-sector loans.
- Lenders' and intermediaries' incentives to properly manage SBA Section 504 loans may be negated by the structure of the program; lenders receive the first lien on borrower assets and program intermediaries receive a 100% guarantee from SBA.

In response to these findings, SBA:

1. Issued regulations that remove barriers to competition among Certified Development Company program intermediaries.
2. Is developing an evaluation strategy to ensure that loans supplement rather than supplant credit available in the private market.
3. Is changing servicing requirements so that intermediaries will be responsible for loan liquidations in the event of default.

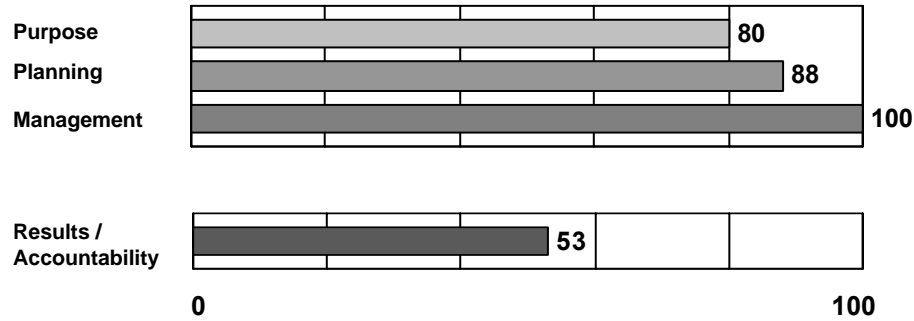
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
13	17	14

**Program:** *Service Corps of Retired Executives*

**Agency:** *Small Business Administration*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Number of clients counseled by SCORE face-to-face, on-line or by telephone	2002	399,576	320,364
	2003	336,332	
	2004	346,422	
	2005	356,815	
Annual Measure: Percentage of client satisfaction regarding usefulness of service and implementation of recommendations	2002		83%
	2003	87%	
	2004	87%	
	2005	90%	
Annual Efficiency Measure: Cost per client served	2002	30	
	2003	29	
	2004	27	
	2005	26	

**Rating:** *Moderately Effective*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

Under the Service Corps of Retired Executives (SCORE) program, experienced business executives volunteer their time to counsel and assist entrepreneurs. There are approximately 390 SCORE locations with a total of 10,500 volunteers.

The assessment found that the program’s purpose was clear. Additional findings include:

- The program has successfully brought together volunteers with entrepreneurs for mentoring.
- Due to the use of volunteers, the cost per client under the SCORE program was low relative to similar programs.
- While client satisfaction is high, there are no other data to show that the program has resulted in long-term benefits to recipients.

In response to these findings, the Small Business Administration (SBA):

1. Developed long-term outcome-oriented performance goals.
2. Developed a standardized evaluation strategy to measure the impact of SCORE relative to other SBA technical assistance programs.

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

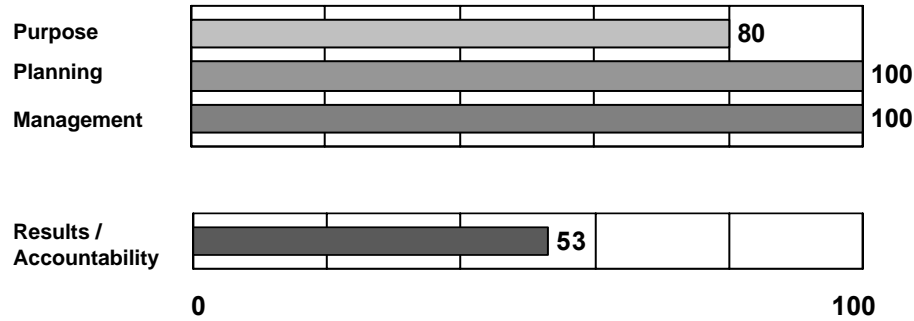
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
9	14	12



**Program:** *Small Business Development Centers*

**Agency:** *Small Business Administration*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Number of small businesses counseled and trained.	2002	627,935	651,306
	2003	634,214	
	2004	653,240	
	2005	672,838	
Annual Measure: Jobs created or retained.	2002	50,000	
	2003	132,000	
	2004	132,000	
	2005	135,960	
Annual Efficiency Measure: Unit cost (\$ per client)	2002	154	154
	2003	154	
	2004	150	
	2005	148	

**Rating:** *Moderately Effective*

**Program Type:** *Block / Formula Grant*

**Program Summary:**

The Small Business Development Centers (SBDC) program provides business counseling and management assistance to current and prospective small business owners. The SBDC program is the largest resource partnership of the Small Business Administration (SBA), and is operated with state and local governments, and institutions of higher education. In 2003, the 1,100 SBDCs assisted approximately 634,000 individuals.

The assessment found that the program's purpose is clear. Additional findings include:

- An independent evaluation of the program found that each \$1 spent on counseling resulted in \$2.78 in tax revenue.
- Funds are allocated to SBDCs based on formulas rather than performance. In addition, the hourly cost of counseling services varied significantly among SBDCs without any evidence that the quality of services or outcomes differed.

In response to these findings, the Administration:

1. Has developed outcome-oriented annual and long-term goals and measures to assess program performance.
2. Developed a standardized evaluation strategy to measure the impact of the SBDC program relative to other SBA technical assistance programs.

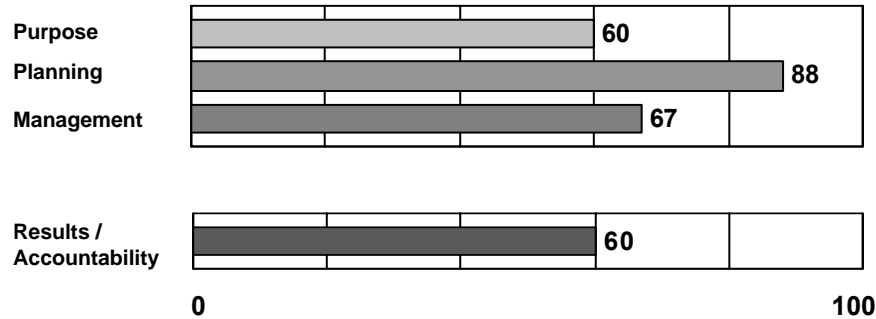
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
95	98	103

**Program:** *Small Business Investment Company*

**Agency:** *Small Business Administration*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Annual Measure: Number of financings to start up companies	2001		1,719
	2002	1,800	1,178
	2003	1,500	
	2004	1,700	
Annual Measure: Number of financings	2001	3,500	4,277
	2002	3,700	4,004
	2003	4,400	
	2004	4,500	
Annual Measure: Number of jobs created/retained	2001		127,000
	2002		78,000
	2003	91,400	
	2004	125,700	

**Rating:** *Adequate*

**Program Type:** *Credit*

**Program Summary:**

SBA's Small Business Investment Company (SBIC) program guarantees equity (SBIC Participating Securities) and debt (SBIC Debentures) financing to Federally-subsidized venture capital firms, which invest in small businesses. While the SBIC program has produced some successful small businesses, the assessment revealed that the SBIC Participating Securities program has structural flaws that affect its solvency:

- The Federal Government's financial returns are not proportional to its investment. SBA invests up to two-thirds of total funds but receives only about ten percent of SBICs' profits. Given the rapidly mounting losses in the SBIC portfolio, the cost to the Federal Government is now projected to be about \$2 billion on an outstanding portfolio of about \$5 billion.
- SBICs do not have adequate incentives to pay back funds expeditiously. Under current statute, SBICs make "profit" payments to SBA but these are generally insufficient to fully repay the original principal investment promptly.
- The assessment also confirmed that the subsidy model underestimates the cost of the program. The technical assumptions (e.g. defaults, recoveries, and profits) have been more optimistic than actual performance. The estimation methodology should also be reexamined to try to capture more accurately fluctuations in the economy. The Debenture program also has had large losses, despite forecasts of zero taxpayer subsidy.

The PART also raised questions about the program's purpose and design. SBA fostered the development of the venture-capital market when it was virtually non-existent in the late 1950s and 1960s. Today however, private venture capital financing is more readily available at all stages of business development.

In response to these findings, the Administration will submit a legislative proposal with the 2005 Budget to increase its fees and share of profit earnings, while continuing to operate the program without Federal appropriations. Due to the risk demonstrated by the realized and projected losses, the SBIC program requires such reforms if it is to continue. (Amounts below are administrative expenses. The SBIC program has not received discretionary subsidy appropriations since 2001, though it has received large subsidies through mandatory reestimates.)

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

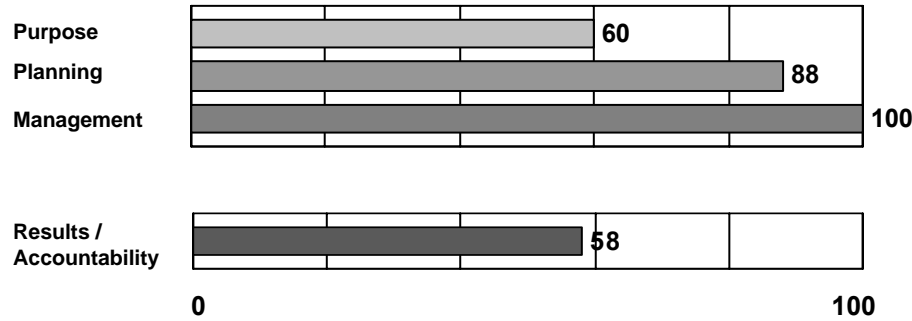
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
13	13	13

## **SOCIAL SECURITY ADMINISTRATION**

**Program: Disability Insurance**

**Agency: Social Security Administration**

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Initial disability claims average processing time (days). This is the number of days from the filing of an application to the date processing is complete.	2001	120	106
	2002	115	104
	2003	104	97
	2008	93	
Long-term Efficiency Measure: Number of hearings cases processed per workyear (includes all hearings, not just initial disability)	2001	103	87
	2002	91	97
	2003	101	103
	2008	112	
Annual Measure: Percent of initial disability denials correctly processed	2000		92.4%
	2001	93.5%	92.0%
	2002	93.5%	92.4%
	2003		

**Rating: Moderately Effective**

**Program Type: Direct Federal**

**Program Summary:**

The Social Security Disability Insurance (DI) program pays benefits to persons who are unable to earn a living due to a disability. Benefits are based on a person's lifetime average earnings. The program also provides money to dependents.

The assessment found that the DI program purpose is clear and addresses a specific need. Additional findings include:

- The DI program is not optimally designed to meet the current needs of people with disabilities. Enacted in 1956, the program has not been revised to reflect changing medical technology, vocational options, and societal attitudes toward the disabled that allow more people with disabilities to work.
- While funding to run the program directly affects actual performance, the exact link between resources and outcomes is not readily known for all outcomes, such as the percent of claims processed correctly and claims processing time.
- Program funding is based on the number of beneficiaries, not annual decisions.
- To improve cost effectiveness, the Social Security Administration (SSA) periodically reviews DI beneficiaries to ensure that only those who remain disabled continue receiving benefits.
- SSA's program management is strong. For example, financial management is sound as shown by SSA's tenth consecutive unqualified opinion on its financial statements.
- SSA exceeded its targets for average initial processing time and the number of hearings processed per worker. Initial claims productivity improved.
- While SSA met the goal for the percent of initial allowances processed correctly, it did not make sufficient progress regarding accuracy of initial denials.
- The General Accounting Office and the Social Security Advisory Board have repeatedly noted that program improvements are needed if SSA is to improve productivity and processing times. SSA announced plans to address these issues.

In response to these findings, the SSA will:

1. Improve the disability claims process by fully implementing technology to eliminate the need to store, locate, and mail millions of paper files and finalize proposals to redesign the disability claims process.
2. Better connect DI beneficiaries with expanding employment opportunities for individuals with disabilities.
3. Better match up DI administrative resources with performance benchmarks.

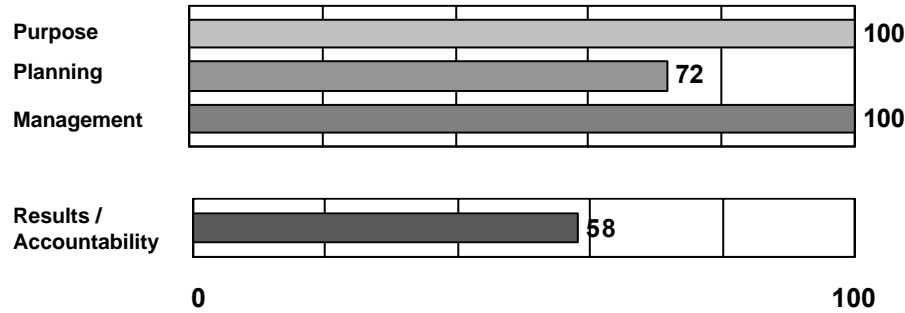
**Program Funding Level (in millions of dollars)**

2003 Actual	2004 Estimate	2005 Estimate
71,523	78,645	84,119

**Program:** *Supplemental Security Income for the Aged*

**Agency:** *Social Security Administration*

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Percent of SSI aged claims processed within 2 weeks of the application being filed	2001	66%	79.9%
	2002	70%	82.6%
	2003	75%	83%
	2008	80%	
Annual Efficiency Measure: Number of SSI aged claims processed per workyear by the field offices	2001		436
	2002		515
	2003	497	556
	2004	530	
Annual Measure: Percent of SSI payments made to the correct individuals in the correct amounts without erroneous overpayments (for the SSI program overall)	2001		93.3%
	2002	94.7%	93.4%
	2003	95.4%	
	2004	95.4%	

**Rating:** *Moderately Effective*

**Program Type:** *Direct Federal*

**Program Summary:**

The Supplemental Security Income (SSI) for the Aged program provides money to needy individuals aged 65 years or older who have limited or no other income. SSI Aged is one component of the broader SSI program, which also serves blind and disabled individuals. Over 435,000 individuals receiving SSI on the basis of age have no other income.

The assessment found that the program is strong overall, but has some long-term performance goals that are not ambitious. Additional findings include:

- The program has a strong purpose and strong management.
- Each year, the Social Security Administration (SSA) has become more efficient and productive in processing SSI Aged claims.
- Since 2000, SSA has exceeded its annual average processing time targets for SSI Aged claims.
- Long-term targets for efficiency and productivity as well as processing time are not ambitious since SSA has already achieved these targets.
- SSA has established strong financial management and accountability practices. For example, SSA’s accounting system allows it to track full actual costs of the SSI program, including all administrative costs and overhead.
- Program funding is based on the number of beneficiaries, not annual decisions.
- While the funding to run the program directly affects actual performance, the precise relationship between resources and outcomes is not readily known for all outcomes, such as the percent of payments correctly paid and claims processing time.
- The targets for the percent of SSI payments made correctly without overpayments, which are for the overall SSI program rather than just the Aged component, have not been achieved.
- This federal program provides national uniform eligibility requirements for supplemental income in comparison with the patchwork of state programs that it replaced in 1974.

To address these findings, the SSA will:

1. Better match up SSI administrative resources with performance benchmarks.
2. Address payment accuracy issues by aggressively pursuing strategies outlined in its SSI Corrective Action plan, such as simplifying income reporting requirements.

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

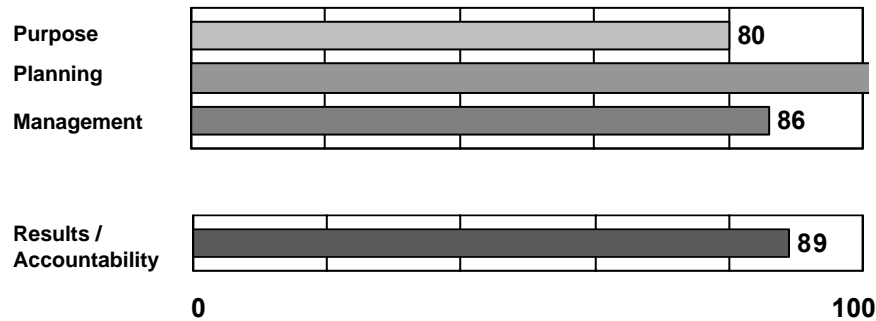
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
4,208	4,298	4,652

## **OTHER INDEPENDENT AGENCIES**

**Program:** World War II Memorial

**Agency:** American Battle Monuments Commission

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Efficiency Measure: Construction Schedule: percentage of construction completed on time	2001	0.03	0.02
	2002	0.54	0.541
	2003	0.78	0.74
	2004	1	
Annual Efficiency Measure: Construction Spending Plan: percentage of construction spending obligated on time	2001	0.03	0.02
	2002	0.54	0.45
	2003	0.78	0.75
	2004	1	

**Rating:** Effective

**Program Type:** Capital Assets & Service Acquisition

**Program Summary:**

The World War II Memorial project was established to design and construct a national World War II Memorial in Washington, D.C. and to solicit donations in furtherance of that purpose. The Memorial is now fully funded by contributions.

The assessment found the project is 70% complete and has experienced no significant deviations from schedules or budgets. The Presidential Dedication is a major event scheduled for May 29, 2004. Additional findings include:

- The project addresses a need for a national memorial for all WW II veterans.
- Monthly/quarterly goals ensure the project remains on schedule and budget.
- Construction budgets & schedules are successfully adjusted semiannually.
- ABMC leveraged GSA's experience in construction management to achieve efficiencies in design and construction.
- Lines of authority have been clearly defined with all program partners and award fees have been provided by ensuring that 60% of construction contracts are fixed with award fees for measurable performance.
- A spending plan was established for all partners. It is evaluated and adjusted quarterly and audited by the Government Accounting Office annually.

No major adjustments are required in the management of the WW II Memorial. The project will be completed on time and within budget and will meet all goals established at its outset and thereafter. Intense preparations should continue toward making the Presidential Dedication on May 29, 2004 into a successful event.

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

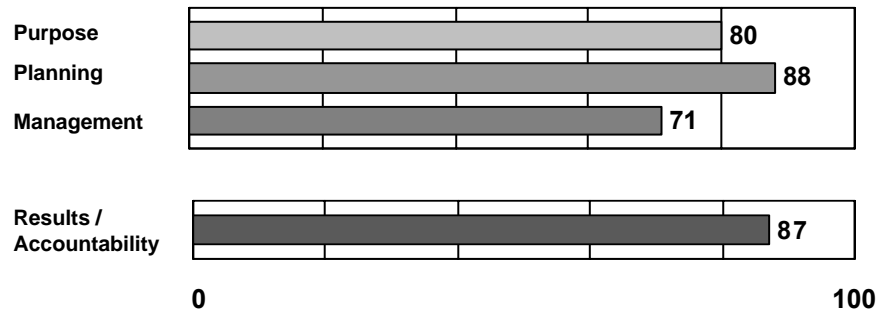
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
76	55	22



**Program:** *Asset Management of AFRH Real Property*

**Agency:** *Armed Forces Retirement Home*

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Efficiency Measure: Percent of targeted Long-term leased square footage (520,822 sqft). Leasing of excess facilities increases revenues to the Homes, and reduces annual operational costs.	2004	34%	34%
	2005	78%	
	2006	94%	
	2007	100%	
Long-term Efficiency Measure: Sale or lease of real property (113 acres). Selling or leasing excess land generates additional revenue for the Homes and reduces infrastructure costs.	2004	42%	42%
	2005	100%	
Long-term Efficiency Measure: Reduce operational square footage (317,277 sqft). Eliminating unneeded operational space reduces operation and maintenance costs, and increases the inventory of revenue-producing lease space.	2003	9%	9%
	2004	39%	39%
	2005	100%	

**Rating:** *Moderately Effective*

**Program Type:** *Capital Assets and Service Acquisition*

**Program Summary:**

This PART uses space and land reductions as surrogate measures of the successful reforms that are now going on at both the Washington and Mississippi campuses of the Armed Forces Retirement Home (AFRH), which is transforming the entire agency. Leasing of excess space increases revenues and reduces operational costs, which are leading to reduced budget requests. The net result of this transformation is reflected in the estimated reduction in positions from 683 in 2003, to 644 in 2004, with a projected reduction to 540 positions in 2005--a one-fifth reduction from the previous work force.

The assessment found the following:

- The purpose of the Program is clear. Resources are being allocated consistent with risk management and core mission requirements.
- The Strategic Planning process is sound and helpful for implementation.
- Program timelines are aggressive and based on the 2005 Budget. The budget-planning process is aligned with the program goals. Annual costs; cost savings; and expected revenues are included in Budget Submission.
- Being in the process of implementation, Program Management still is being developed. The program has not fully identified how it establishes performance standards for managers incorporating program performance into personnel performance evaluation criteria.
- The Program Results were quite satisfactory, particularly considering this is an on-going effort. The Program started in November 2002 and the operating model is new and remains to be fully proven.

In response to these findings, the Agency will:

- establish performance standards for managers incorporating program performance into personnel performance evaluation criteria.
- establish regular, independent performance reviews of the Program.
- expect significant savings in 2005 which should continue in the out years and assist in balancing the AFRH Trust Fund.

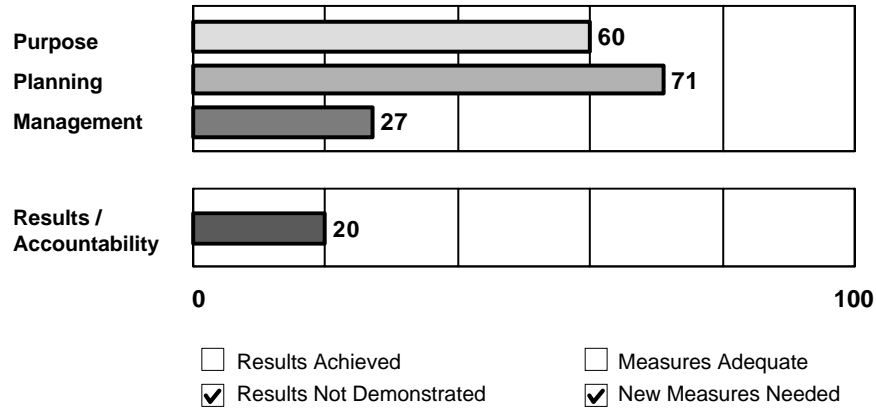
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
68	65	61

**Program: AmeriCorps**

**Agency:** Corporation for National and Community Service

**Bureau:** Corporation for National and Community Service



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Measures under development			
Annual Measure: Measures under development			

**\*Rating: Results Not Demonstrated**

**Program Type Competitive Grants**

**Program Summary:**

The AmeriCorps program makes competitive grants to states and national organizations to support people to provide community services. These services include tutoring children, responding to natural disasters, establishing or expanding neighborhood safety patrols, and building and rehabilitating homes for the homeless. Participants are eligible to receive a \$4,725 education award for each year of full-time service completed to help pay for college, job training or pay back student loans.

**Key PART findings include:**

1. The PART identified that while AmeriCorps makes a contribution in addressing community needs for volunteer services, AmeriCorps has not been able to demonstrate results. Its current focus is on the amount of time a person serves, as opposed to the impact on the community or participants.
2. The program has limited data to show progress on performance measures, and current CNCS goals are neither specific nor measurable. For example, "Meeting Community Needs" is one of the program's long-term performance goals, but since CNCS does not provide a numerical target or baseline to explain how it will achieve this goal, it is difficult to determine what progress if any will be made. CNCS acknowledges the need to improve its performance measures and will begin to adopt new goals and indicators in 2003.
3. CNCS has made significant improvements in addressing past financial management problems. In 2001, the agency received an unqualified audit for the second consecutive year, with no material weaknesses identified. However, CNCS has found weaknesses in recording education awards and approved AmeriCorps positions in excess of budgeted levels. CNCS is implementing a corrective action plan to address these issues.
4. AmeriCorps does not have a limited number of annual performance goals that demonstrate progress toward achieving its long-term goals. CNCS will begin to adopt quantifiable goals by which performance outcomes can be measured.

**In response to these findings, CNCS will:**

1. Continue to work on strengthening performance measures and indicators.
2. Establish new financial management procedures to ensure that the Corporation has timely and accurate information on AmeriCorps enrollments that are within budgeted levels and properly records education award obligations.
3. Develop more outcome-oriented long-term and annual performance measures for the 2005 Budget.

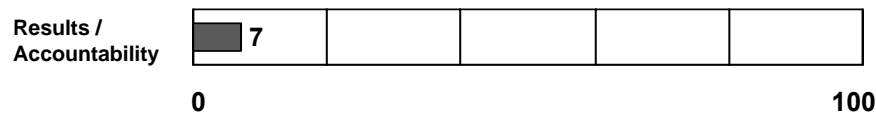
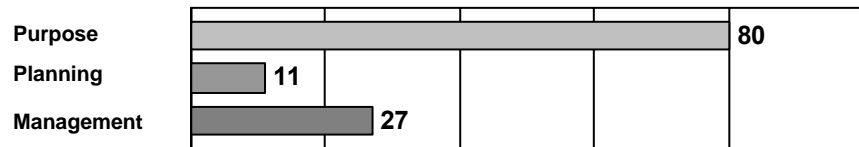
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Schools and Libraries - Universal Service Fund*

**Agency:** *Federal Communications Commission*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measures	Year	Target	Actual
Long-term Measure: Measure Under Development			
Annual Efficiency Measure: Measure Under Development			
Annual Measure: Measure Under Development			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Regulatory Based, Block / Formula Grant*

**Program Summary:**

The Schools and Libraries Program provides discounts on telecommunications and information services for schools and libraries. The program is mandated by the Telecommunications Act of 1996 to improve access to the Internet and telecommunications services at schools and libraries. It is funded by the Universal Service Fund (USF) and implemented by the Federal Communications Commission (FCC).

- The Schools and Library Program lacks adequate long-term and annual performance measures.
- Sufficient performance data from funding recipients are not regularly collected. In addition, there are several on-going investigations into allegations that program funds are not spent for the intended purpose. Further, the 2002 Annual Financial Report found a material weakness related to USF programs, including the Schools and Libraries program.
- Although an evaluation of the program by the Department of Education was conducted in 2000 that indicated the program improved Internet connectivity in schools and libraries, no subsequent third party evaluations have been published.
- The program has been successful in promoting Internet connectivity; however, it lacks long-term, outcome-oriented performance goals against which to measure this success and to improve and refine the program going forward.

In response to these findings, the FCC will:

1. Develop a long-term outcome measure that addresses the purpose of providing the E-rate discounts and annual efficiency measures such as cost of service per student or per student-hour connected.
2. Work with the Department of Education to develop additional evaluations on program effectiveness, including the educational or community-based benefits of the program.

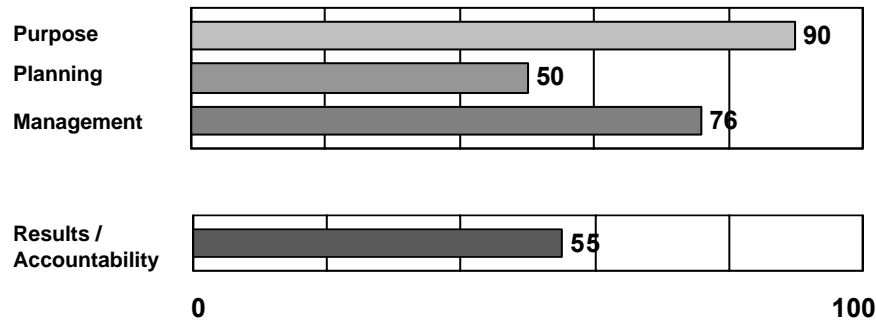
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
2,250	2,250	2,250

**Program:** *Compliance -- Enforcement*

**Agency:** *Federal Election Commission*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Annual Measure: Percent of closed cases with substantive action	2001	>50%	62%
	2002	>50%	65%
	2003	55%	79%
	2004	55%	
Annual Measure: Increase total civil penalties assessed	2001		\$1.436 million
	2002		\$1.462 million
	2003	\$1.975 million	\$2.774 million
	2004	\$2.000 million	
Annual Measure: Percent of enforcement cases in active status (47% average for FYs 95-01)	2001	50%	52%
	2002	50%	67%
	2003	50%	65%
	2004	50%	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Regulatory Based*

**Program Summary:**

The Federal Election Commission (FEC) is responsible for ensuring compliance with Federal campaign laws and regulations. The commission also promotes timely public disclosure of campaign finance information from federal elections. Failure to comply with the Federal Election Campaign Act (FECA) can result in civil monetary penalties.

The assessment found that the FEC promoted voluntary compliance by meeting its annual performance goals -- evidenced by increased enforcement activity. The assessment also found that the program:

- Lacks specific long-term outcome performance measures or targets; and
- Does not conduct regular economic analyses of regulations as required by the Regulatory Flexibility Act.

In response to these findings, the FEC will:

1. Continue to improve annual performance measures and targets;
2. Develop long-term performance measures and goals; and
3. Begin evaluating the economic impact of its regulations.

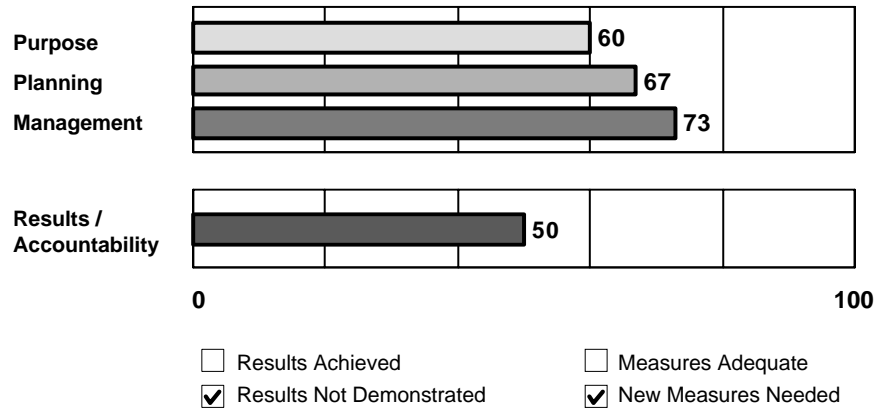
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
50	51	52

**Program: Asset Management of Federally-Owned Real Property**

**Agency:** General Services Administration

**Bureau:** Federal Property Resources Activities



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percentage of space not producing revenue in the government-owned inventory	1998	Baseline	16%
	2002	12.2%	11.8%
	2003	11.5%	
	2004	10.4%	
Annual Measure: Percentage of repair and alteration projects completed on schedule	1997	Baseline	91%
	2002	82%	87%
	2003	83%	
	2004	84%	

**\*Rating: Results Not Demonstrated**

**Program Type** Capital Assets

**Program Summary:**

GSA's real property asset management program manages government-owned space. (This does not include GSA's new construction program.)

The assessment found the program purpose, housing Federal agencies in space that meets their needs, to be relatively clear. However, there is no long-term vision for managing Federally-owned real property and how the program should measure long-term success. Additional findings include:

1. GSA has solid annual performance measures, many based on private sector benchmarks.
2. To a large extent, GSA met its annual performance targets for asset management of Federally-owned property in 2001 and 2002. However, many of its targets do not appear to be stretch goals, such as completing repair and alteration projects on time.
3. GSA has displayed solid management of its Federally-owned real property program by holding senior managers and associates accountable for performance. For example, GSA's "Linking Budget to Performance" program rewards regions for meeting or exceeding performance targets, such as completion of repair and alteration projects on time and within budget.
4. GSA's financial performance is strong in the areas of execution; although, significant concern exist with its Rent billing and projection systems.

In response to these findings, the agency will:

1. Develop adequate long-term measures.
2. Develop annual stretch goals that are linked to the long-term goals.
3. Continue efforts to assess the condition (financial and physical) of its existing inventory and to restructure its real estate portfolio to consist primarily of income-producing properties.

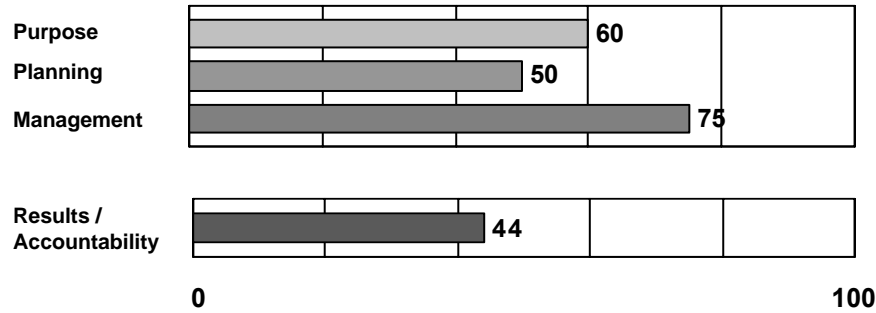
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** GSA's Regional IT Solutions Program

**Agency:** General Services Administration

**Bureau:** Federal Technology Service



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Percentage of task orders subject to the fair opportunity process (i.e. all contractors, including small businesses, were considered for the award).	2002	75%	70%
	2003	>80%	86%
	2004	>80%	
	2005	>85%	
Annual Measure: Percentage of negotiated award dates for services and commodities that are met or bettered.	2002	90%	93%
	2003	>90%	91%
	2004	>93%	
	2005	>94%	
Long-term Measure: Measure under development. Measure will focus on savings agencies achieve when using the program.			

**Rating:** Results Not Demonstrated

**Program Type:** Capital Assets and Service Acquisition

**Program Summary:**

The Regional Information Technology (IT) Solutions program provides expert technical, acquisition, and information technology products and services to Federal clients. Agencies are increasing its use of this program, thus the program funding level is rising.

The assessment found the program is useful to federal agencies that do not have in-house expertise to acquire IT products or services. Additional findings include:

- The program does not have long term outcome goals that benchmark to other government agencies or the private sector.
- The program recently developed annual performance goals.
- The General Services Administration has taken steps to address inefficiencies by realigning market research, marketing, service delivery and contract development activities within the agency.
- Studies indicate that the Regional IT Solutions program performs favorably with respect to benchmark programs.

In response to these findings, the Administration will:

1. Develop long-term outcome goals with ambitious targets that benchmark to other government agencies or the private sector.
2. Develop a systematic approach to correcting management deficiencies.
3. Develop efficiency goals and targets that capture the savings (cost or time) agencies realize when using the program.

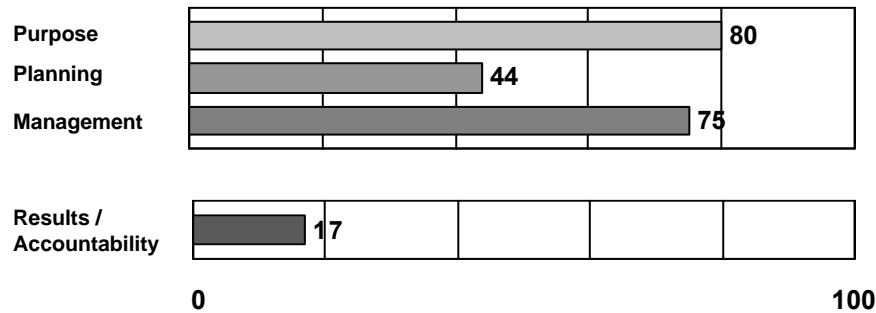
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
5,810	6,080	6,282

**Program:** *Leasing Space*

**Agency:** *General Services Administration*

**Bureau:** *Public Buildings Service*



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Percent of lease cost at or below the average market rate	2002	99.1%	99.1%
	2003	99.2%	
	2004	99.3%	
	2005	99.4%	
Annual Measure: Percent tenants that rate leased space services as satisfactory or better.	2002	83.0%	84.0%
	2003	85%	
	2004	85.5%	
	2005	85.5%	
Annual Measure: Percent of vacant space in leased inventory	2002	2.0%	2.0%
	2003	2.1%	
	2004	2.0%	
	2005	2.0%	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Capital Assets and Service Acquisition*

**Program Summary:**

GSA's leasing program provides commercially available space for government agencies when Federally-owned space is not available. Annual funding level increases are due to increasing needs for space by federal tenants, as well as inflation.

The assessment found that the program purpose, leasing space for Federal tenants, is clear. However, there are no long-term goals or measures of long-term success. Additional findings include:

- There are no signs of design flaws that would limit the leasing program's effectiveness or efficiency.
- GSA is in the process of developing program specific, long-term goals and measures that have clear targets and timeframes.
- GSA is addressing strategic planning deficiencies through a variety of methods. For example, it has established the National Office of Realty Services to ensure national coherence and guidance in leasing transactions.
- Due to the lack of performance measures, neither federal managers nor contractors can be held accountable for cost, schedule or performance results.

In response to these findings, the Administration will:

1. Develop long-term, outcome goals and efficiency measures.
2. Review current annual goals and determine whether revisions are required to support the long-term goals.
3. Implement new brokerage service contracts that will hold them accountable for achieving the Leasing program's goals.
4. Incorporate criteria in manager's performance evaluations holding them accountable for achieving the Leasing program's goals.

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

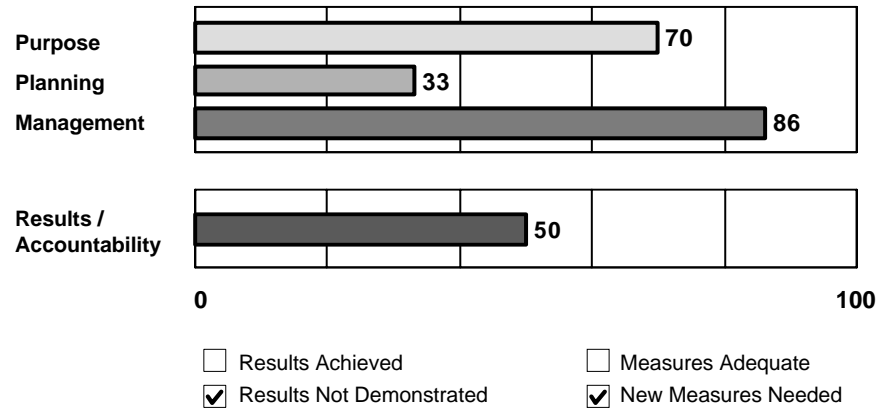
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
3,467	3,641	4,018



## Program: Multiple Award Schedules

Agency: General Services Administration

Bureau: Supply and Technology Activities



### Key Performance Measures

### Year Target Actual

Measure	Year	Target	Actual
Long-term Measure. Measures under development			
Annual Measure: Percent of schedule contracts awarded to small and minority-owned businesses	2001	77%	78.1%
	2002	77%	78.4%
	2003	77%	
	2004	77%	
Annual Measure: Operating cost per \$100 of sales	2001	\$0.73	\$0.65
	2002	\$0.75	\$0.66
	2003	\$0.72	
	2004	\$0.69	

**\*Rating: Results Not Demonstrated**

Program Type Direct Federal

### Program Summary:

GSA's Multiple Awards Schedules program manages government-wide contracts that provide federal agencies with a simple ways to buy products and services at discount prices.

The assessment found that the agencies achieve time and cost savings by using established procurement contracts versus renegotiating similar contract for the same goods and services. Additional findings include:

1. The program's long-term goals are not measurable and do not allow for future assessment.
2. GSA has several solid annual performance measures, including an efficiency measure, which GSA typically meets or exceeds. However, the goals have been set very low (at or below the baseline level) for several of the measures. Also the annual goals were not linked to the achievement of long-term goals.
3. GSA monitors business performance on an on-going basis and takes corrective actions when necessary, including reassigning staff, strengthening management commitment, and realigning resources.
4. The program's one-percent administrative fee does not allow the fund to break-even. GSA has realized significant surpluses over the past several years.
5. There are redundancies in the areas of IT, sales, marketing, and contract offerings. GSA is working to address this problem.

In response to these findings, the agency will:

1. Adjust administrative fee to .75 percent and develop mechanisms for evaluating the effect of this adjustment on program.
2. Develop adequate long-term, measurable goals.
3. Develop annual goals that are ambitious, meaningful, and linked to the achievement of long-term outcome goals.
4. Improve training to help agencies achieve best value on negotiated procurements.

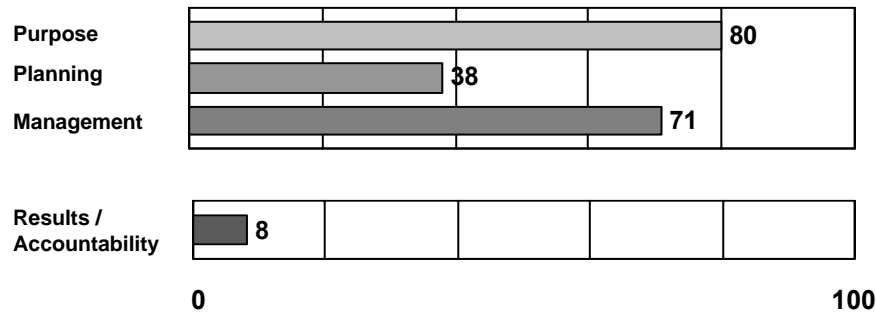
### Program Funding Level (in millions of dollars)

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Personal Property Management Program (FBP)*

**Agency:** *General Services Administration*

**Bureau:** *Federal Supply Service*



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Percent of customers who report service levels as satisfactory or better.	2001		67%
	2002	68%	73%
	2003	76%	
Annual Measure: Operating cost per \$100 of business volume	2002	1.44	2.31
	2003	2.52	
Long-term Measure: Cycle Time: total days required to transfer, donate, or sell property.	2001		132
	2002	87	99
	2003	87	
	2004	85	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The General Services Administration (GSA) Personal Property Management program manages the transfer of unneeded agency-owned personal property within the Federal government and the disposal by donation or sale of personal property that is surplus to Federal needs. This program also sells, on a reimbursable basis, foreclosed or forfeited personal property that agencies could sell under their own authorities.

The assessment found that GSA's property disposal expertise is valued by other federal agencies as well as state and local governments, but that program management is weak in several important areas. Specifically:

- The program lacks long-term outcome goals that benchmark to other government agencies or the private sector and support annual targets.
- The program has not yet developed acceptable efficiency measures for the full range of its activities.
- Annual performance targets are used internally but not communicated to key program partners, such as State Agencies for Surplus Property, who manage the donation process.
- The resources which support this program come from three accounts and are never shown together for budget, cost, or performance reporting purposes.
- There have been no recent independent evaluations of the program.
- The relationship between the policy and operational aspects of this program is inadequately defined.

In response to these findings, the Administration will:

1. Develop long-term outcome goals with ambitious targets that benchmark to other government agencies or the private sector.
2. Develop acceptable efficiency measures for the full range of program activities.
3. Consolidate the presentation of total program resources and related performance goals, regardless of funding source.
4. Develop performance-based agreements with the State Agencies for Surplus Property.
5. Develop an acceptable independent assessment process for this program.
6. Clarify the relationship between the policy and operational aspects of this program.

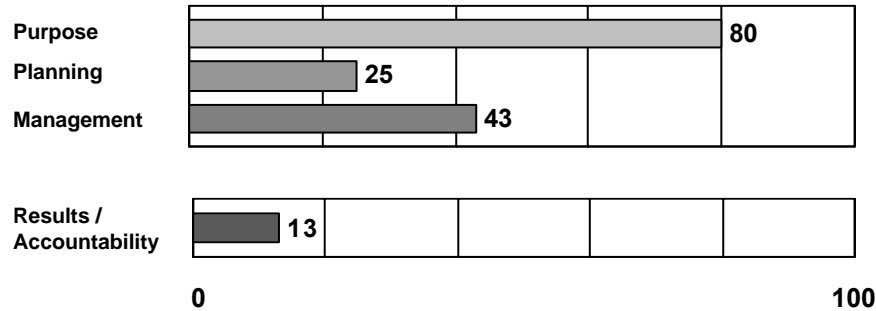
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
26	27	27

**Program:** Real Property Disposal (PR)

**Agency:** General Services Administration

**Bureau:** Public Buildings Service



**Key Performance Measures**

	Year	Target	Actual
Annual Measure: Percent of customers who report service levels as satisfactory or better.	2001	95%	93%
	2002	95%	93%
	2003	95%	
	2004	95%	
Annual Measure: Dollar ratio of the value of properties disposed to program costs.	2001	16.1	18.1
	2002	17.1	22.1
	2003	18.1	
	2004		
Annual Measure: Cycle Time: total days required to transfer, donate, or sell property.	2001	528	357
	2002	528	232
	2003	336	
	2004	330	

**Rating:** Results Not Demonstrated

**Program Type:** Direct Federal

**Program Summary:**

The General Services Administration (GSA) Real Property Disposal program manages the transfer of unneeded agency-owned real property within the Federal Government and the disposal by donation or sale of real property that is surplus to Federal needs. This program also sells, on a reimbursable basis, foreclosed or forfeited real property that agencies could sell under their own authorities.

The assessment found that GSA’s property disposal expertise is valued by other Federal agencies as well as state and local governments, but that program management is weak in several important areas. Specifically:

- The program lacks long term outcome goals that benchmark to other government agencies or the private sector and support annual targets.
- The program has not yet developed acceptable efficiency measures for the full range of its activities.
- Annual performance targets are used internally but not communicated to key program partners, such as the contractors that carry out most sales activities.
- The resources which support this program come from six accounts and are never shown together for budget, cost, or performance reporting purposes.
- External evaluations of the program are published by GSA rather than the evaluators, which weakens the credibility of the assessment results.
- The relationship between the policy and operational aspects of this program is inadequately defined.

In response to these findings, the Administration will:

1. Develop long-term outcome goals with ambitious targets that benchmark to other government agencies or the private sector and are linked to annual targets.
2. Develop efficiency measures for the full range of program activities.
3. Consolidate the presentation of total program resources, regardless of funding source, and related performance goals.
4. Replace the current “level of effort” contracts with “performance-based” contracts.
5. Publish program evaluation results as they are received by the evaluating organizations rather than in GSA announcements.

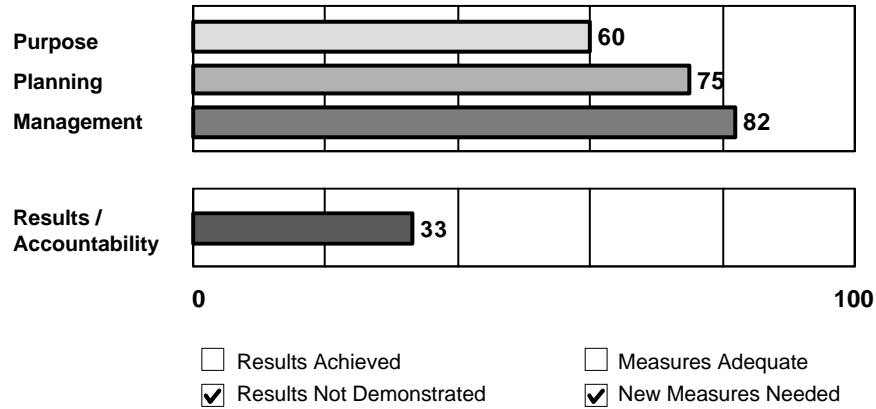
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
32	40	44

**Program:** Supply Depots and Special Order

**Agency:** General Services Administration

**Bureau:** Supply and Technology Activities



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Percent of goods and services procured from small and minority-owned businesses	2001	26.6%	26.63%
	2002	26.6%	29.9%
	2003	33.29%	
	2004	33.29%	
Annual Measure: Operating cost per \$100 sales	2001	\$18.53	\$20.67
	2002	\$18.53	\$16.54
	2003	\$24.13	
	2004	\$24.03	

**\*Rating:** Results Not Demonstrated

**Program Type** Capital Assets

**Program Summary:**

GSA's Stock and Special Order program provides agencies with a timely and cost efficient method to acquire goods from the blind, severely handicapped, federal prisons, and small businesses.

The assessment found that the program makes the most impact on helping agencies' meet: demands for mission-critical and disaster-related goods, and requirements to purchase from disabled groups, federal prisons, and small businesses. Additional findings include:

1. The program's long-term goals are not measurable and do not have timeframes to allow for future assessment.
2. GSA has several good annual performance measures, including an efficiency measure. However, the threshold for success was set low for several of the measures and the annual goals were not linked to the achievement of long-term goals.
3. GSA holds senior managers and associates accountable for performance.
4. There are redundancies in the number/type of products offered and inefficiencies in the delivery mechanisms employed. For example, some items could be shipped directly to the agency instead of adding an extra step.
5. It is difficult to access the impact of funding, policy, and legislative changes on program performance.

In response to these findings, the agency will:

1. Develop adequate long-term measures.
2. Develop aggressive annual goals that support the achievement of long-term outcome goals.
3. Evaluate the program to identify opportunities to increase efficiency and effectiveness by ensuring that redundancy with commercial sources is minimized and delivery models are standardized and/or consolidated.

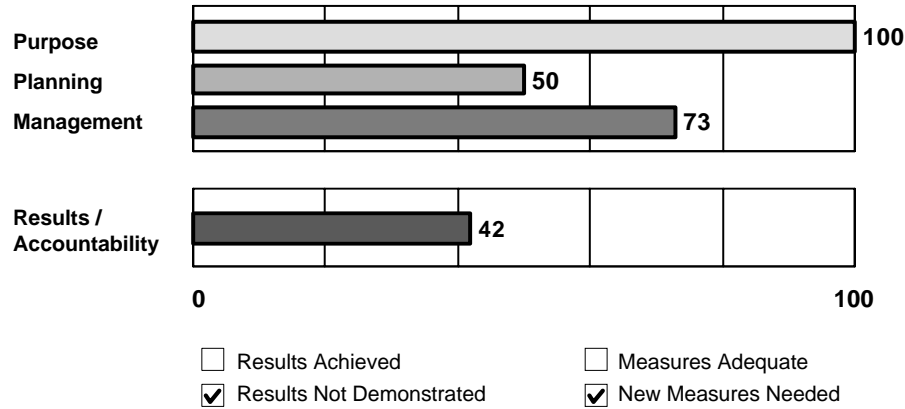
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Vehicle Acquisition*

**Agency:** *General Services Administration*

**Bureau:** *Supply and Technology Activities*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Average savings over vehicle manufacturers' invoice prices for seven top-selling vehicle types	2001	20%	22%
	2002	20%	27%
	2003	20%	
	2004	20%	
Annual Measure: Program operating costs per \$100 of business volume	2001	\$0.52	\$0.53
	2002	\$0.52	\$0.52
	2003	\$0.55	
	2004	\$0.58	

**\*Rating:** *Results Not Demonstrated*

**Program Type** *Capital Assets*

**Program Summary:**

GSA's Vehicle Acquisition program buys cars and other specialized motor vehicles for federal agencies.

The assessment found that the program to has a clear, unique purpose. Additional findings include:

1. This program has annual targets but no corresponding long-range goals that are measurable. Its annual efficiency and other financial targets appear to be based more on financial trends than setting aggressive goals, e.g., basing an operating cost to business volume target on financial trends as opposed to seeking to reduce this ratio over time. Also, there is no indication that the budget for this program is projected based on the achievement of specific performance targets.
2. The program is well-managed. The program's management team meets semi-annually to review ways to improve program processes and performance and managers at all levels are held accountable for controlling operating costs and completing all program initiatives within target dates.
3. Although GSA has always exceeded its annual target for obtaining vehicles at or below 20% of manufacturers' list prices, it has not always met or exceeded its operating cost and customer satisfaction goals.

In response to these findings, GSA will:

1. Develop long-term, measurable goals for this program that require continuous improvement (i.e., stretch goals) and are consistent with GSA's strategic goals.
2. Develop annual goals that support the achievement of the long-term goals and are supported by the budget request.
3. Modify its internal budget guidance to require a clearer explanation of the relationship between its budget projections and the achievement of the corresponding annual performance goals.

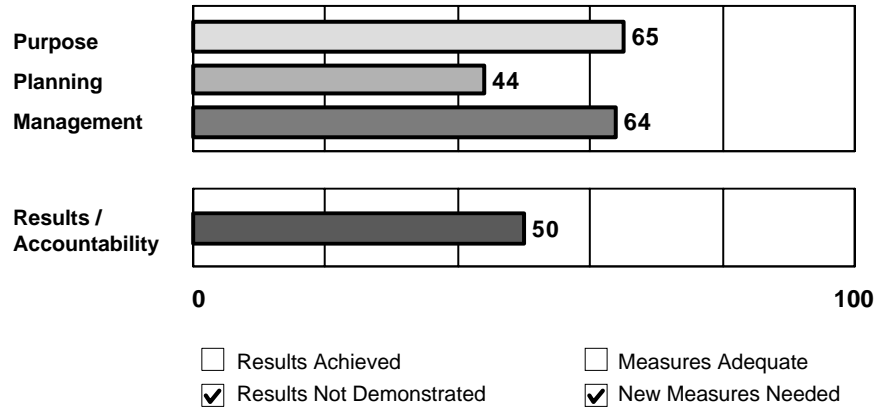
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Vehicle Leasing*

**Agency:** *General Services Administration*

**Bureau:** *Supply and Technology Activities*



**Key Performance Measures**

**Year Target Actual**

Measure	Year	Target	Actual
Long-term Measure: Measures under development			
Annual Measure: Annual increase in GSA leasing rates compared to the increase in commercial leasing rates caused by inflation	2001	3.45%	1.5%
	2002	5.25%	1.7%
	2003	4.63%	
	2004	2.09%	
Annual Measure: Average vehicle operating cost per mile	2001	\$0.36	\$0.35
	2002	\$0.36	\$0.37
	2003	\$0.37	
	2004	\$0.37	

**\*Rating:** *Results Not Demonstrated*

**Program Type** *Capital Assets*

**Program Summary:**

GSA's Vehicle Leasing program leases cars and trucks to federal agencies.

The assessment found the program well-managed on a day-to-day basis but somewhat lacking in long-range vision. Additional findings include:

1. The program has annual targets that address each of GSA's strategic goals, but has no corresponding long-range goals that are measurable. It does not appear to use the main internal efficiency goal used by its parent program, namely operating costs per \$100 of business volume. Its annual targets, such as the average vehicle operating cost per mile, appear to be based more on financial trends than on setting aggressive goals, such as reducing the operating cost per mile by some percentage. Finally, there is no indication that the budget projected for this program was developed to achieve specific performance targets.
2. The program has sound internal management practices and holds its managers accountable for results.
3. The program has traditionally taken a "one size fits all" approach to leasing vehicles to Federal agencies, i.e., give the agencies vehicles with maintenance and fuel costs built into the standard mileage rates. However, FSS is pursuing an effort to expand its offerings to meet a wider range of agency fleet management needs. For example, offering dry leases, which are leases without fuel and maintenance included, to agencies with their own maintenance facilities or fuel contracts.

In response to these findings, GSA will:

1. Develop long-term, measurable goals for this program that require continuous improvement (i.e., stretch goals) and are consistent with GSA's strategic goals.
2. Develop annual goals that support the achievement of the long-term goals and, where possible, match similar annual FSS goals.
3. Modify its internal budget guidance to link more clearly its budget projections to the achievement of annual performance goals.
4. Accelerate the development and deployment of fleet management services to address additional agency fleet management needs.

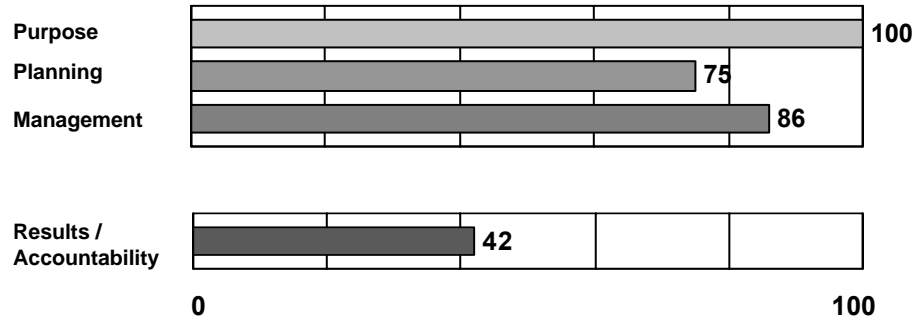
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Records Services Program*

**Agency:** *National Archives and Records Administration*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Efficiency Measure: Annual cost of archival storage space per cubic foot of traditional holdings. (under development)			
Annual Efficiency Measure: Percent of requests for military service records answered within 10 working days.	2002	35%	40%
	2003	45%	37%
	2004	70%	
	2005	95%	
Annual Efficiency Measure: Percent of traditional NARA archival holdings described in an on-line catalog. Traditional holdings are books, papers, maps, photographs, motion pictures, sound and video recordings and other material not stored electronically.	2002	20%	19%
	2003	25%	20%
	2004	35%	
	2005	40%	

**Rating:** *Adequate*

**Program Type:** *Direct Federal*

**Program Summary:**

The National Archives and Records Administration (NARA) Records Services program provides guidance and assistance to Federal officials on the management of records, and selects, preserves, describes and makes available to the general public, scholars and Federal agencies valuable historical records of the Federal Government.

The assessment found:

- The program purpose and need are clear.
- Strategic planning is basically sound. Additional performance measures related to records management are under development as NARA undertakes a redesign of its records management process.
- Program management is adequate, though no definitive assessment was made on financial management practices since NARA is not required to produce audited financial statements until 2004.
- NARA has developed new unit-cost measures for 2005, but will be unable to demonstrate increased cost-efficiencies until targets for these measures are developed. Additionally, results related to records management measures developed for 2005 are unavailable at this time.

In response to these findings:

1. NARA will develop targets for newly created unit-cost measures.
2. The 2005 Budget proposes funding for NARA to produce audited financial statements for the first time.

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

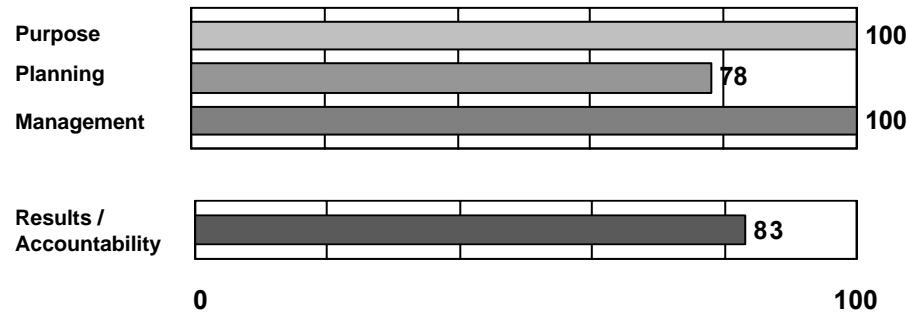
<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
332	374	391



**Program:** *Fuel Facilities Licensing & Inspection*

**Agency:** *Nuclear Regulatory Commission*

**Bureau:** *Office of Nuclear Materials and Safeguards*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: No deaths resulting from acute radiation exposures from civilian or malevolent uses of source, byproduct, or special nuclear materials, or deaths from other hazardous materials used or produced from licensed material	2002	0	0
	2003	0	0
	2004	0	
	2005	0	
Annual Measure: No more than 6 events per year resulting in significant radiation or hazardous material exposures from the loss or use of source, byproduct, and special nuclear material	2002	<6	0
	2003	<6	0
	2004	<6	
	2005	<6	
Annual Measure: No more than 30 events per year resulting in radiation overexposures from radioactive material that exceed applicable regulatory limits (with another Division in NRC)	2002	<30	23
	2003	<30	18
	2004	<30	
	2005	<30	

**Rating:** *Effective*

**Program Type:** *Regulatory Based*

**Program Summary:**

The U.S. Nuclear Regulatory Commission (NRC) regulates the nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, to promote the common defense and security, and to protect the environment. The Fuel Cycle Licensing and Inspection program regulates all of the nation's non-defense related fuel fabrication facilities. Its licensing function is designed to issue licenses to facilities to receive title to, own, acquire, deliver, receive, possess, use, and transfer special nuclear material. The inspection function is designed to verify licensee performance in accordance with the regulatory requirements.

The assessment found that the Fuel Cycle Licensing and Inspection program is Effective. Its purpose is clear, well designed, and results-oriented. The program has achieved its long term strategic goal to prevent radiation related deaths and illnesses, promote the common defense and security, and protect the environment in the use of source, byproduct, and special nuclear material.

Recommendations for improvement:

- Better linkage of budget requests to accomplishing annual and agency long-term goals is needed.
- More transparency is needed in how resource allocation decisions are made and how the program contributes to achievement of the agency's long-term goals.

In response to these findings, the NRC will:

1. Strengthen the alignment of program performance measures with agency long-term goals.
2. Better demonstrate contributions of program activities and resources to outputs.

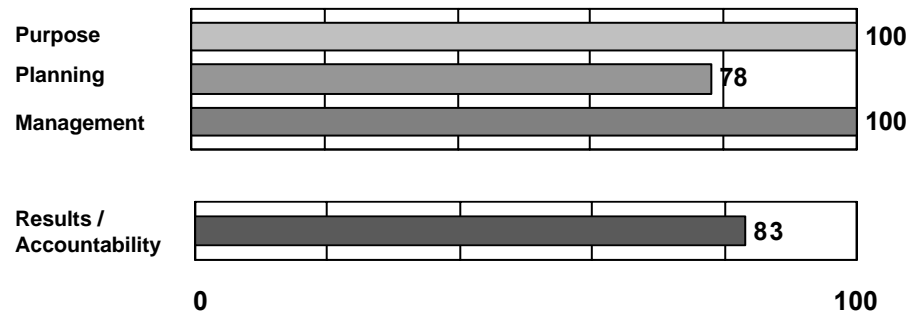
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
14	16	26

**Program:** *Reactor Inspection and Performance Assessment*

**Agency:** *Nuclear Regulatory Commission*

**Bureau:** *Office of Nuclear Reactor Regulation*



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: No nuclear reactor accidents	2002	0	0
	2003	0	0
	2004	0	
	2005	0	
Long-term Measure: No deaths resulting from acute radiation exposures from nuclear reactors	2002	0	0
	2003	0	0
	2004	0	
	2005	0	
Annual Measure: No more than one event per year identified as a significant precursor of a nuclear accident	2002	1 or less	0
	2003	1 or less	0
	2004	1 or less	
	2005	1 or less	

**Rating:** *Effective*

**Program Type:** *Regulatory Based*

**Program Summary:**

The U.S. Nuclear Regulatory Commission (NRC) regulates the nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, to promote the common defense and security, and to protect the environment. The NRC's Reactor Inspection and Performance Assessment program provides the NRC regulatory oversight of the nation's 104 commercial nuclear power plants. This program provides the means for the NRC to gather information on their performance and oversee their safe and secure operation.

The assessment found that the Reactor Inspection and Performance Assessment program is Effective. Its purpose is clear, well designed, and results-oriented. The program has achieved its long term strategic goal to prevent radiation related deaths and illnesses, promote the common defense and security, and protect the environment in the use of civilian nuclear reactors.

Recommendations for improvement:

- Better linkage of budget requests to accomplishing annual and agency long-term goals is needed.
- More transparency is needed in how resource allocation decisions are made and how safety indicator goals and program goals contribute to the agency's long-term goals.

In response to these findings, the NRC will:

1. Strengthen the alignment of program performance measures with agency long-term goals.
2. Better demonstrate contributions of program activities and resources to outputs.

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

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
97	96	157

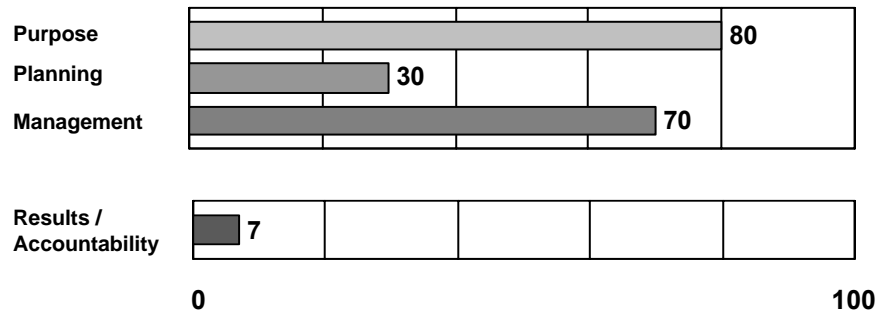
**Program:** CTAC Counterdrug Research & Development

**Rating:** Results Not Demonstrated

**Agency:** Office of National Drug Control Policy

**Program Type:** Research and Development

**Bureau:** Office of National Drug Control Policy



**Program Summary:**

The Office of National Drug Control Policy's (ONDCP's) Counter-Drug Technology Assessment Center (CTAC) R&D program has two purposes. First, it serves as the central counter-drug technology research and development organization of the United States Government and is responsible for identifying and defining the scientific and technological needs of Federal, State, and local drug control agencies and prioritizing those needs according to their fiscal and technological feasibility. Second, it provides grants for research projects intended to improve the quality of drug abuse and drug addiction research and of drug-related criminal investigations.

The PART analysis found that CTAC's R&D program:

- Lacked acceptable long term and annual performance measures;
- Does not prioritize R&D proposals submitted by Federal agencies but rather issues broad requests for proposals to address almost all identified needs;
- Has not been the subject of an independent evaluation of its performance; and
- Does not provide complete and clear information to concerning the program.

Following the completion of the PART, CTAC has undertaken several meaningful steps to correct its strategic planning deficiencies. CTAC has established acceptable long-term and annual performance measures, is developing baselines, targets, and timeframes for those measures, and has committed to improving program descriptions and documentation made available to the public.

In addition, ONDCP will:

1. Develop a performance measurement system, including acceptable baselines, targets, and timeframes in sufficient time to assess the FY 2004 performance of the CTAC R&D program;
2. Review the process by which CTAC selects projects and determine whether those projects reflect the priorities of the National Drug Control Strategy and the best use of CTAC resources;
3. Revise the Counterdrug Research and Development Blueprint Update to ensure it provides a complete and clear picture of CTAC's R&D program; and
4. Complete, by September 2004, an assessment of the CTAC R&D program performance and management processes.

**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Number of peer-reviewed publications based on CTAC-funded research. (Under development)	2003	Define Goal	Done
	2004	Establish Targets	
Annual Measure: New research institutions equipped within budget and on-time. (Under development)	2003	Define Goal	Done
	2004	Establish Targets	
Long-term Measure: Percentage of systems developed by CTAC that are purchased by Federal LEAs, thereby validating the project as useful to and supported by client agencies. (Under development)	2003	Define Goal	Done
	2004	Establish Targets	

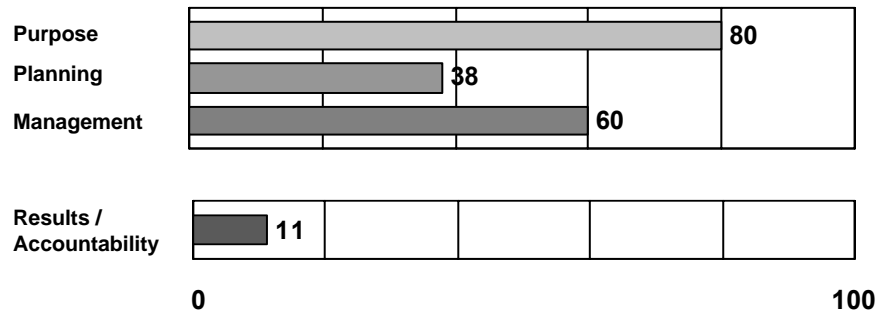
**Program Funding Level (in millions of dollars)**

2003 Actual	2004 Estimate	2005 Estimate
22	18	18

**Program:** CTAC Technology Transfer Program

**Agency:** Office of National Drug Control Policy

**Bureau:** Office of National Drug Control Policy



**Key Performance Measures**

	Year	Target	Actual
Long-term Efficiency Measure: Administrative costs as a percent of total program funds expended.	2003	Establish Targets	Done
	2004	10%	
	2005	10%	
	2006	10%	
Annual Measure: Percentage of TTP recipients that report TTP equipment has provided a technological solution to an investigative requirement.	2003	Establish Targets	Done
	2004	95%	
	2005	95%	
	2006	95%	
Annual Measure: Percentage of TTP recipients who report that the training received for use of the TTP equipment was adequate based on experience using the equipment in the field.	2003	Establish Targets	Done
	2004	95%	
	2005	95%	
	2006	95%	

**Rating:** Results Not Demonstrated

**Program Type:** Competitive Grant

**Program Summary:**

The Office of National Drug Control Policy’s (ONDCP’s) CTAC Technology Transfer Program (TTP) provides investigative technologies directly to State and local law enforcement agencies (LEAs). The Program’s mission is to transfer technologies to State and local law enforcement agencies that may otherwise be unable to benefit from the developments due to limited budgets or a lack of technological expertise and to expand the investigative capabilities of state and local law enforcement.

The review found that CTAC’s TTP:

- Lacked acceptable long term and annual performance measures;
- Operated the program on a “first-come, first-served basis,” and lacked systematic procedures to distinguish the relative merits of the requests;
- Has not been the subject of an independent evaluation of its performance;
- Did not collect timely and credible performance information; and
- Does not provide complete and clear information to the public concerning the operation of the program.

Following the completion of the PART, CTAC has undertaken several meaningful steps to correct its strategic planning deficiencies. CTAC has established acceptable long-term and annual performance measures, is developing baselines, targets, and timeframes for those measures, and has committed to improving program descriptions and documentation made available to the public.

In addition, ONDCP will:

1. Develop a performance measurement system, including acceptable baselines, targets, and timeframes in sufficient time to assess the FY 2004 performance of the CTAC Technology Transfer program;
2. Improve the quality of program data collected and the use of those data to manage the program;
3. Revise the Counterdrug Research and Development Blueprint Update to ensure it provides a complete and clear picture of CTAC’s TTP program; and
4. Complete, by September 2004, an assessment of the CTAC TTP performance and management processes.

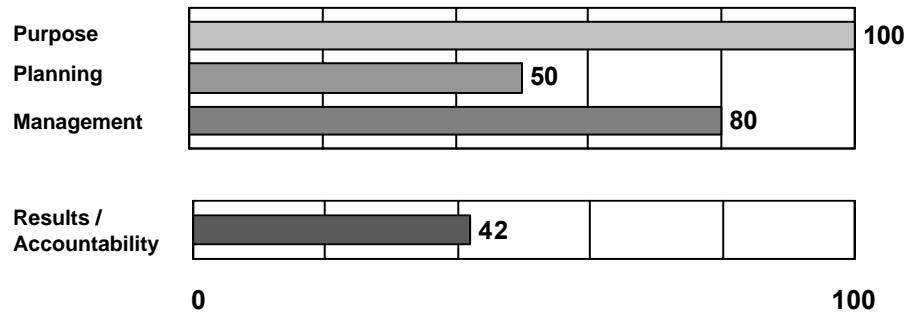
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
26	24	22

**Program:** Drug-Free Communities Support Program

**Agency:** Office of National Drug Control Policy

**Bureau:** Office of National Drug Control Policy



**Key Performance Measures**

Key Performance Measures	Year	Target	Actual
	2003	Est. measure	Done
Long-term Measure: Percent of DFC grantees that report meeting the target established for enhancing the capabilities of community anti-drug coalitions in their communities.	2004	Establish Targets	
Long-term Measure: Percent of DFC grantees that report meeting the target established for enhancing prevention activities in their communities.	2003	Est. measure	Done
	2004	Establish Targets	
Annual Measure: Percent of DFC grantees that report meeting the target established for Increase citizen participation in prevention efforts in their communities.	2003	Design System	Done
	2004	Establish Targets	

**Rating:** Adequate

**Program Type:** Competitive Grant

**Program Summary:**

The Drug Free Communities (DFC) Support Program provides small grants (no more than \$100,000 per year) to established local community anti-drug coalitions. The grants go to coalitions that provide funds for organizing the wide variety of potential partners in a community as a means for reducing and/or preventing substance abuse. The grants are awarded through a competitive process. All administrative duties, including grant review and monitoring, are carried out by the Office of Juvenile Justice and Delinquency Prevention in the Department of Justice.

The PART analysis found that the program management and planning are strong overall and reflects the attention of senior management. Several improvements have been made in recent months and more are underway. Specific findings of the review include:

- The Office of National Drug Control Policy (ONDCP) has identified long-term and annual performance measures for the program but has not established quantified targets or timeframes for all measures;
- A long-standing independent evaluation of the program did not address program performance adequately;
- ONDCP did not regularly collect timely and credible performance information closely related to program performance; and
- Performance information had not been made available to the public in a transparent and meaningful manner.

Following the PART review, ONDCP has taken steps to address each of the findings:

- Quantifiable targets are being developed for all performance measures;
- A refocused evaluation plan will be in place by the end of 2003;
- A report analyzing performance data will be prepared and distributed; and
- The DFC grant application will be revised to require grantees to report the best available data to their community on a regular basis.

In response to the PART findings, ONDCP will seek additional funding to expand the program and will ensure that planned changes are implemented.

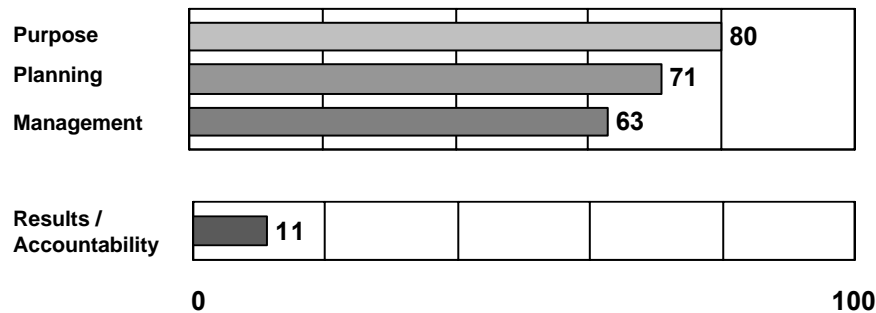
**Program Funding Level (in millions of dollars)**

2003 Actual	2004 Estimate	2005 Estimate
60	70	80

**Program:** *High Intensity Drug Trafficking Areas (HIDTA)*

**Agency:** *Office of National Drug Control Policy*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Measure: Number of individual HIDTAs that meet performance goals established for core measures of anti-drug efforts	2003	Design System	Done
	2004	Establish Targets	
Long-term Measure: Number of individual HIDTAs that meet performance goals established for the specific threat assessment developed by the HIDTA.	2003	Design System	Done
	2004	Establish Targets	

**Rating:** *Results Not Demonstrated*

**Program Type:** *Competitive Grant*

**Program Summary:**

The High Intensity Drug Trafficking Areas (HIDTA) program awards grants to establish and operate multijurisdictional drug task forces in areas that meet four criteria; including that the area is a center of illegal drug production, manufacturing, importation, or distribution and the drug-related activities in the area have a harmful impact in other areas of the country. The program requires shared operational and strategic control of these task forces among participating Federal, State, and local agencies.

The assessment for the 2004 Budget found that the HIDTA program appears to have lost its focus. The first five HIDTAs, which were established in 1990, still meet the statutory criteria. However, since 1995, 23 additional HIDTAs have been designated, and HIDTAs are now located in 41 of the 50 States. The magnitude of this expansion, generally driven by congressional earmarking and pressure, clearly diverges from the intent of the statute, to focus on the Nation's very worst areas. Additional findings included:

- The program did not have satisfactory long-term performance or annual goals.
- Federal managers and program partners were not held accountable for performance results.
- The program did not collect performance data and make it available to the public in a transparent and meaningful manner.

The review for the 2005 Budget found that improvements in planning and management had taken place the past two years. ONDCP has intensified the review process of individual HIDTAs and included a performance measurement system in the guidance to grantees. These goals will be used to refocus the program to its original intent. Other findings include:

- There are no plans for an independent evaluation of the program, and
- Managers and program partners are not held accountable for performance results.

In response, ONDCP will seek no significant funding increases for the program until:

1. The performance measurement system for individual HIDTAs is operating; and
2. Overall performance targets for the national program are implemented.

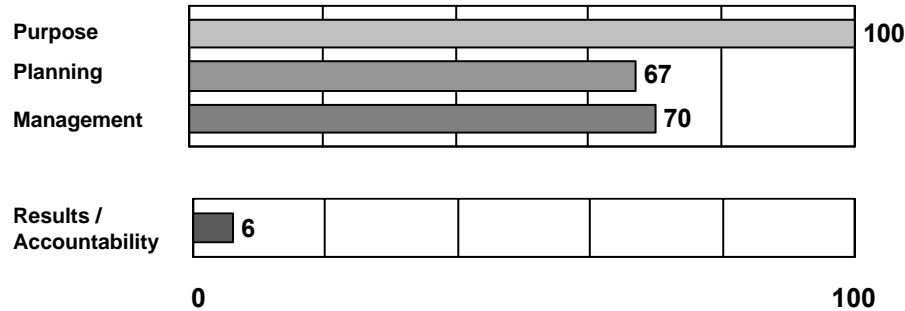
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
226	226	208

**Program:** Youth Anti-Drug Media Campaign

**Agency:** Office of National Drug Control Policy

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Increase the percentage of youth (12-18) who believe here is great risk of harm from regular marijuana use	2003	Establish target	Done
	2004	62%	
	2005	62.9%	
	2006	63.8%	
Long-term Measure: Maintain the percentage of parents who report holding strong beliefs that parental monitoring will make it less likely their child will use any drug	2003	Establish target	Done
	2004	47.2%	
	2005	47.2%	
	2006	47.2%	
Long-term Measure: Decrease the percent of 10th graders who report being current users of marijuana	2003	Establish target	Done
	2004	18.4%	
	2005	18.1%	
	2006	17.9%	

**Rating:** Results Not Demonstrated

**Program Type:** Capital Assets and Service Acquisition

**Program Summary:**

The National Youth Anti-Drug Media Campaign attempts to use paid media messages (print and broadcast) targeted to youth, their parents, and other influential adults, to reduce youth drug use. The Campaign was fully implemented about four years ago and has received approximately \$1.2 billion (including FY 2004) since 1998.

The review for the 2004 Budget found that the overall purpose of the Campaign is clear and that it addresses a problem in a significant and unique fashion. However, until recently the Campaign suffered from inadequate attention to performance planning and management.

- Program managers had established neither measurable, long term goals nor clear time-frames for achieving the Campaign’s broad and vaguely-stated outcomes;
- Annual goals were typically output or process goals and were frequently changed.
- Although evaluation reports have found that most youth and parents surveyed recalled seeing or hearing Campaign ads every week and the ads appear to be having a positive effect on parents, there is no evidence of direct effect on youth behavior.

The review for the 2005 Budget found that improvements in planning and management had taken place, including the establishment of reasonable and measurable performance goals. However, the results of the long-term, independent evaluation detected no connection between the Campaign advertisements and youth attitudes and behavior toward drug use.

In response to these findings, the Administration proposes reducing funding for the National Youth Anti-Drug Media Campaign.

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

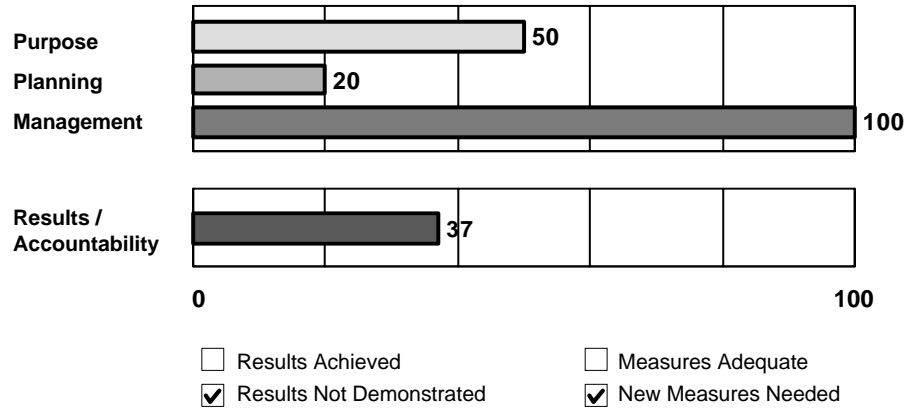
2003 Actual	2004 Estimate	2005 Estimate
150	145	145



**Program:** *Federal Employees Group Life Insurance (FEGLI)*

**Agency:** *Office of Personnel Management*

**Bureau:** *Office of Personnel Management, activities*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Measures under development			
Annual Measure: Timeliness of Life Insurance claims payments (in days)	2001	10	5.7
	2002	10	6.0
	2003	10	
	2004	10	
Annual Measure: Accuracy of Life Insurance claims payments (as a percentage of claims paid)	2001	99.5%	99.6%
	2002	99.5%	99.7%
	2003	99.5%	
	2004	99.5%	

**\*Rating:** *Results Not Demonstrated*

**Program Type** *Direct Federal*

**Program Summary:**

The Federal Employees' Group Life Insurance program (FEGLI) provides life insurance policies to federal employees.

The assessment found that the program has no ambitious long-term measures to identify and evaluate the role that this employment benefit plays helping the government to recruit, retain and manage its workforce. The assessment also found that:

1. The program is well managed and administered -- no deficiencies have been cited by internal or independent audits.
2. Annual performance measures, though not very aggressive, are used to improve program operations.
3. FEGLI does not routinely collect information to measure the effectiveness of the program design.

To assure that the government's overall compensation package remains contemporary, the agency will:

1. Develop measures and conduct program evaluations to assess how compensation and benefit offerings enable the government, as an employer, to attract, retain and manage a high-performing workforce.
2. Establish ambitious long-term goals that meaningfully reflect the purpose of the program.
3. Revise unambitious annual performance goals to better emphasize continual improvement.

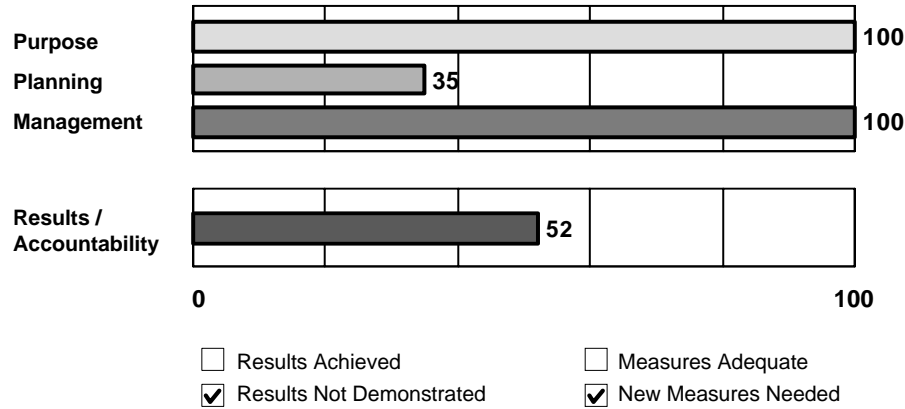
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program:** *Federal Employees Retirement Program*

**Agency:** *Office of Personnel Management*

**Bureau:** *Office of Personnel Management, activities*



**Key Performance Measures**

**Year Target Actual**

Long-term Measure: Measures under development			
Annual Measure: Retirement claims payment accuracy (as a percentage of claims paid)	2001	93%	93.6%
	2002	93%	92%
	2003	94%	
	2004	96%	
Annual Measure: Unit cost for processing retirement claims  *New unified efficiency measure. Prior to 2002, performance metrics for the current program and modernization effort did not use the same inputs. **Actual performance for current program only.	2001	\$85.00	\$83.71
	2002	\$100.00*	\$89.53**
	2003	\$98.00	
	2004	\$89.00	

**\*Rating:** *Results Not Demonstrated*

**Program Type** *Direct Federal*

**Program Summary:**

The purpose of the federal civilian retirement program is to provide income for federal workers and their families after they retire.

The assessment found the program currently has no long-term goals that relate to identifying and evaluating the role the pension benefit plays in recruiting and retaining a desirable workforce. Additional findings include:

1. The purpose of the program is clear. Retirement plans are an integral part of an employee compensation package; employment-based retirement plans cover well over one-half of all wage and salary workers.
2. The defined-benefit component of the program is extremely well managed and administered, and annual performance measures, though deficient, are used to improve delivery of program products and services.
3. Because the program does not routinely collect information to measure the effectiveness of program design, it cannot demonstrate what impact it has on the federal workforce.

To address these findings, the agency will:

1. Develop measures and conduct program evaluations to assess how compensation and benefits offerings enable the government, as an employer, to attract and keep a high-quality workforce.
2. Establish ambitious long-term measures that reflect the purpose of the program.
3. Develop more aggressive annual performance goals to better emphasize continual improvement.

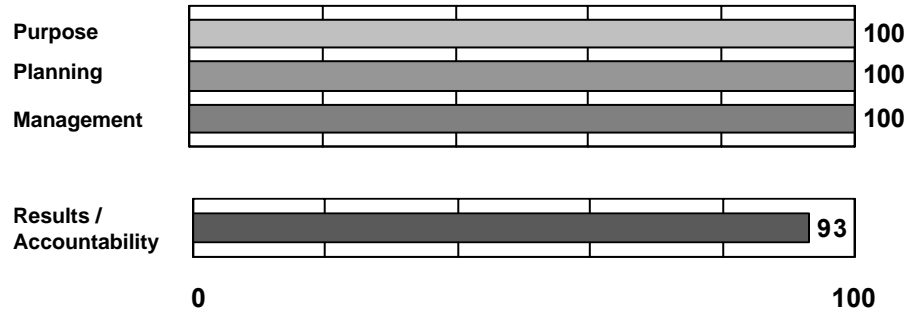
**Program Funding Level (in millions of dollars)**

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

**Program: FEHBP Integrity**

**Agency:** Office of Personnel Management

**Bureau:** Office of Inspector General (OIG)



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Return on Investment (Dollars returned to FEHB Trust Fund per direct OIG program dollar spent) - Note: Delays in completing action on two multi-million dollar recoveries until FY 04 adversely affected actual Return on Investment in 2003.	2001	10	25
	2002	10	12
	2003	10	4
	2004	10	
Annual Measure: FEHBP Audit Recovery Rate (Percentage of audit recommendations that OPM program office agrees to collect)	2001	70-75%	85%
	2002	70-75%	58%
	2003	70-75%	92%
	2004	70-75%	
Long-term Measure: FEHB Carrier Audit Cycle (Average number of years between audits for all FEHB carriers)	2001	4	4
	2002	4	4
	2003	4	4
	2004	3	

**Rating: Effective**

**Program Type:** Direct Federal

**Program Summary:**

The Federal Employees Health Benefits Program (FEHBP) Integrity program is designed to protect the health benefits component of the total federal employee compensation package by detecting fraud, waste, and abuse in the program. This is accomplished by the Office of Personnel Management's Inspector General through audits of health benefits carrier contracts and enforcement activities including criminal investigations of health care providers and persons receiving benefits through the FEHBP as well as administrative sanctions against violators. The FEHBP provides health coverage to over 9 million persons and handles over \$24 billion in premiums annually.

The assessment found:

- The program purpose is clear and commonly held by interested parties.
- The program is efficiently and effectively managed.
- The long-term program goals such as audit cycle provide appropriate direction to ensure the successful application of the Inspector General's resources.
- The program performance measures accurately reflect the positive impact of oversight and enforcement activities. Among others, these include financial recoveries, and number of debarments and suspensions initiated.
- Oversight and enforcement program activities collaborate closely with related programs and stakeholders including the Department of Justice, the Department of Health and Human Services, and law enforcement health care task forces.
- Independent evaluation is limited to peer review by other Inspectors General.

In response to these findings, the Administration will seek to:

1. Further develop evaluation capacity and analytical abilities through computer assisted audit techniques and tools, and develop a health benefits claims data warehouse.
2. Incorporate independent evaluation into program management.

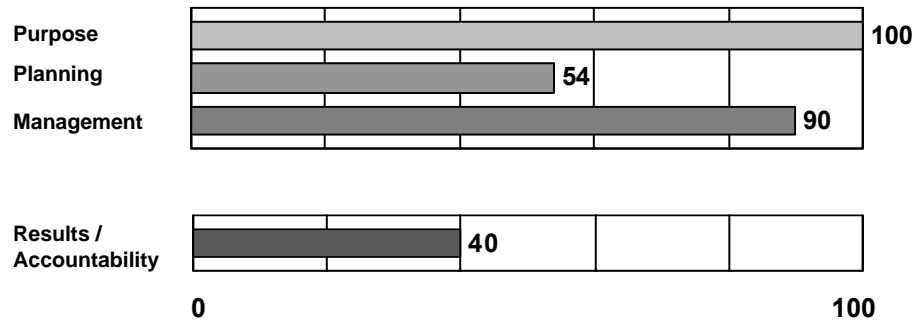
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
8	11	15

**Program:** *Public Defender Service for the District of Columbia*

**Agency:** *Public Defender Service for the District of Columbia*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Annual Measure: Measure Under Development			
Annual Measure: Measure Under Development			
Annual Measure: Measure Under Development			

**Rating:** *Results Not Demonstrated*

**Program Type:** *Direct Federal*

**Program Summary:**

The Public Defender Service (PDS) provides legal representation to indigent adults and children in the District of Columbia. Under the 1997 National Capital Revitalization and Self Government Improvement Act, the Federal government fully funds several District criminal justice agencies, including PDS.

The assessment found that the PDS, while generally viewed as a leader in the field of public defense, is still in the initial stages of implementing strategic planning and performance-based budgeting. However, its management practices are quite strong. Additional findings include:

- PDS has identified a workable set of annual performance measures, but does not have the ability to capture data needed for implementation of a meaningful annual performance plan. Work continues to develop the infrastructure and program management oversight necessary to engage in performance-based budgeting.
- PDS has made major strides in the past year in terms of strategic planning and has its first long-term strategic plan in place for 2005-2009.

In response to these findings, PDS will:

1. Invest an additional \$4 million in 2005 for staff and technology, which will allow PDS program managers to engage in better financial and management oversight of PDS resources.
2. Finalize an annual performance plan by March 2004.
3. Establish baseline measures for performance measures during 2005, with completion in 2006.

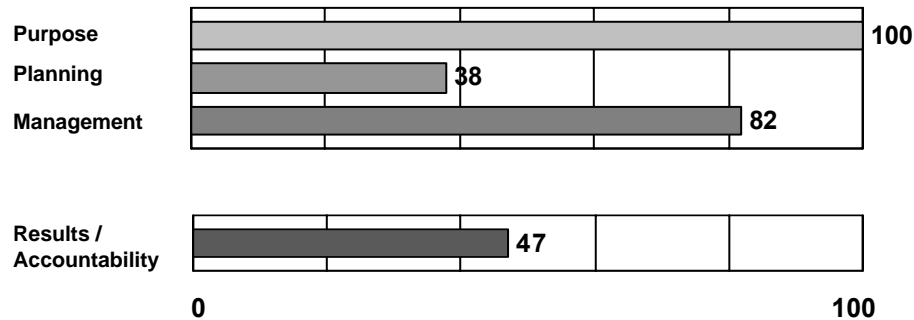
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
23	25	30

**Program:** *Full Disclosure Program (Corporate Review)*

**Agency:** *Securities and Exchange Commission*

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Key Performance Measure	Year	Target	Actual
Long-term Efficiency Measure: Percentage of issuers reviewed annually	2003	20	23
	2004	24	
	2005	28	
	2006	33	
Annual Efficiency Measure: Average time to issue initial comments on full review registration and merger proxy statement filings (in days)	2003	30	27.7
	2004	30	
	2005	30	
	2006	30	
Annual Measure: Number of issuers that materially revised disclosures in response to staff comments (under development)	2003		
	2004		
	2005		
	2006		

**Rating:** *Results Not Demonstrated*

**Program Type:** *Regulatory Based*

**Program Summary:**

The Securities and Exchange Commission's Full Disclosure program monitors the collection, review, and dissemination of material financial information and corporate filings for public companies so that the public may make informed investment decisions.

In light of the Sarbanes-Oxley Act, the program is undergoing a series of major reforms. These reforms include:

- Increasing the frequency and number of company filings reviewed to at least once every three years by 2006. Higher risk firms may be reviewed more frequently based upon selective criteria and economic conditions.
- Developing risk-based approaches to ensure that those issuers, filings, or industries that most warrant review are included in the selective review process.
- Conducting extensive rulemaking and studies on a variety of topics including; auditor independence, foreign reporting companies, and principles-based accounting standards.

The assessment found:

- The program has a clear purpose and serves a unique and necessary role in the Federal Government.
- The program's current goals and measures are mostly output-oriented. The program lacks the outcome-based performance goals and related measures that are necessary to determine its impact.

To address these findings:

- SEC will develop outcome-based performance goals and measures that reflect program performance in a meaningful way.
- The Administration will increase funding of the program by 30 percent in recognition of the important role it plays in improving corporate disclosure.

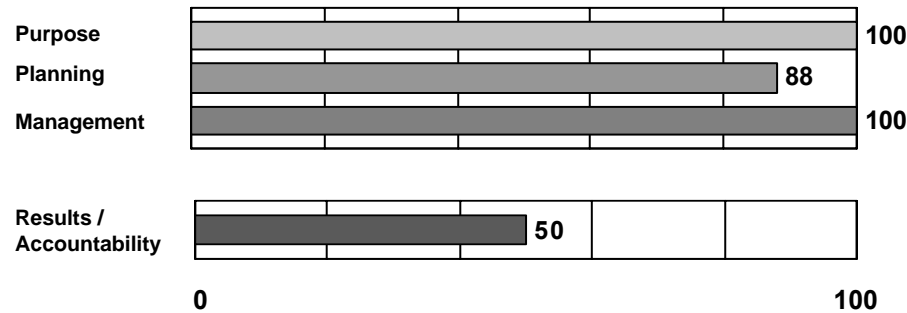
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
44	61	79

**Program:** U.S. Trade and Development Agency

**Agency:** Trade and Development Agency

**Bureau:**



**Key Performance Measures**

	Year	Target	Actual
Long-term Measure: Dollar amount of U.S. exports for every \$1 in agency funding (the multiplier)	2003	\$40	\$33
	2004	\$35	
	2005	\$35	
Long-term Measure: Percentage of Agency Projects that produce US exports (the hit rate)	2003	38%	36%
	2004	37%	
	2005	38%	
Long-term Measure: Percentage of implemented activities that result in infrastructure/industrial projects	2004	> 55%	
	2005	> 55%	

**Rating:** Moderately Effective

**Program Type:** Competitive Grant

**Program Summary:**

The U.S. Trade and Development Agency (USTDA) promotes U.S. private sector participation in development projects in low and middle-income countries by providing grants to foreign entities (sovereign and private) for feasibility studies and technical assistance (e.g., trade capacity building), and by providing contracts to U.S. firms for desk studies, definitional missions, orientation visits, and conferences. USTDA gives special emphasis to economic sectors with significant U.S. export potential, such as energy, transportation, telecommunications, and environment.

The assessment found that the agency is well managed, but that it has yet to demonstrate the impact of its programs on the host country's economic development. Additional findings include:

- USTDA has significantly improved its strategic planning, by developing meaningful development goals and performance measures.
- While USTDA has generally met or exceeded its long-term commercial goals (multiplier and hit rate), in 2003, the agency did not meet its targets.
- USTDA should continue to improve its integration of its resources with the agency's performance goals.

In response to these findings:

1. The Budget provides USTDA funding at the 2004 Enacted level, and within that amount, provides additional administrative resources for investments in information technology and to conduct additional evaluations to measure its program's developmental impact.
2. USTDA will implement the newly created development goals and performance measures.
3. USTDA will integrate its resources with its performance.

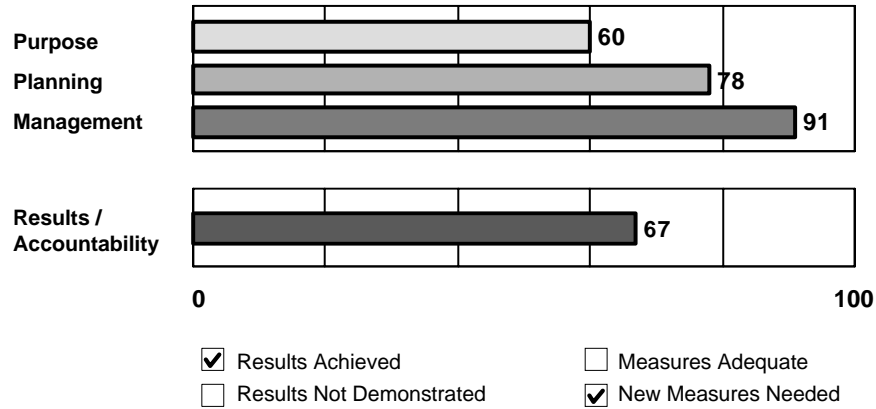
**Program Funding Level (in millions of dollars)**

<u>2003 Actual</u>	<u>2004 Estimate</u>	<u>2005 Estimate</u>
58	50	50

**Program: TVA Power**

**Agency: Tennessee Valley Authority**

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Long-term and Annual Measures: The Administration is establishing a debt reduction goal with annual targets for achieving these goals.			
Annual Measure: Cost of TVA's delivered power Metric is presented in cents/KWH. Metric also will be developed to account for financial advantages the federal government provides TVA (such as access to capital at AAA bond rates and no payments to the federal government in lieu of taxes).	2000	3.90	4.00
	2001	4.00	4.05
	2002	4.25	4.11
	2003	4.00	
Other measures are under development. The PART assessment gives TVA solid ratings for its operations but the agency needs to develop improved performance measures and complete its strategic plan together with useful goals for the plan.			

**\*Rating: Moderately Effective**

**Program Type Capital Assets**

**Program Summary:**

The Tennessee Valley Authority (TVA) is the fifth largest electric utility in the country, generating power at 48 coal-fired, hydropower, nuclear and other power plants the federal agency operates to meet the electricity needs of 8.3 million people (3 percent of the U.S. market).

The assessment gave TVA's power program mixed reviews, and produced the following findings:

1. TVA does an excellent job generating power at its existing power plants. A decade ago TVA's nuclear power plants posed serious technical and safety problems. TVA has overcome these problems and today TVA's nuclear power plants set industry standards.
2. TVA lacks a strategic plan. This makes it hard to assess TVA's plans to spend billions of dollars on additional power plants and transmission lines.
3. TVA lacks a debt reduction plan, and has a high level of debt compared to many of its potential competitors in the electricity industry. "Debt" includes both traditional notes and bonds and equivalent long-term liabilities such as lease/leaseback arrangements. The high level of debt increases TVA's financial risk and compromises its competitive position in a restructured electricity market.

In response to these findings the Administration proposes:

1. TVA develop a strategic plan which should help TVA evaluate major TVA-proposed investments in new power plants and transmission lines.
2. TVA develop and adopt a debt reduction plan and targets by September 30th, 2003, to bring the agency's debt level into a range comparable with that of other utilities. The Budget proposes legislation that makes explicit that lease/leaseback arrangements are treated as equivalent to traditional financing with notes and bonds under TVA's \$30 billion "debt cap."

(For more information on this program, please see the Other Agencies chapter in the Budget volume.)

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

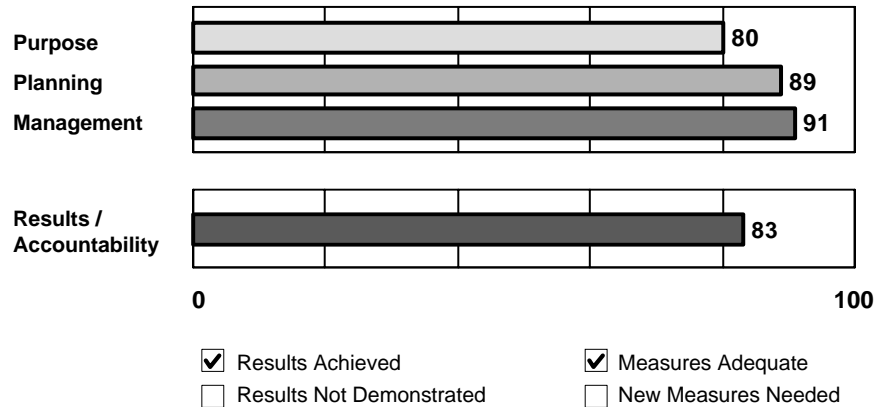
\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.



**Program: TVA Resource Stewardship (Non-Power)**

**Agency:** Tennessee Valley Authority

**Bureau:**



**Key Performance Measures**

**Year Target Actual**

Annual and Long-term Measure: Number of watershed units (out of a total of 611) in the Tennessee River system that are in good or fair condition, according to state water standards (Targets are under further development.)	2000		491
	2001		492
	2002		526
	2003		
Annual and Long-term Measure: The ratio of TVA's actual water storage compared to storage potentially available 80% is seen as the appropriate target in years of normal rainfall. TVA will do further work to develop this metric since it is dependent in part on rainfall in the region.	2000	80%	92.6%
	2001	80%	88.7%
	2002	80%	
	2003	80%	
Other measures are under development. The PART assessment gives TVA solid ratings for the agency's operation of its resource stewardship (non-power) program but TVA needs to further develop the annual and long-term measures for this program.			

**\*Rating:** Effective

**Program Type** Capital Assets

**Program Summary:**

TVA's natural resource stewardship program covers the agency's non-power programs, including flood control, navigation, water supply, water quality, wildlife protection and recreation activities.

The assessment indicates TVA does an effective job managing these programs. More specifically:

1. TVA's system of dams and reservoirs reduces the risk of flooding and flood damage in the Tennessee Valley by an estimated \$150 million or more per year.
2. TVA's commercial navigation system of nine major locks supports navigation on the Tennessee River from Knoxville to the Ohio River, a distance of 652 miles and a drop in altitude of 513 feet. This water transportation system saves the region an estimated \$400 million per year.
3. TVA has direct responsibility for managing 293,000 acres of public land, 11,000 miles of shoreline, and 650,000 acres of lakes, rivers and reservoirs. These assets provide recreation activities for millions of visitors annually.
4. TVA provides these and other related services at a reasonable cost. In 2004 TVA expects to spend \$83 million to support this program.
5. TVA's non-power "river management" program generates more than \$6 of benefits for every dollar TVA spends to implement the program (i.e. \$400 million per year in transportation benefits plus \$150 million in flood damage reduction benefits plus non-quantified recreation and tourism benefits divided by \$83 million in annual TVA expenditures for these programs).

In response to these findings, the Administration:

1. Is encouraging TVA's Board, management and staff to continue to make a good program better and to continue to be responsive to the constituencies TVA serves.

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

\* This assessment has not changed since publication in the 2004 Budget. For updated program funding levels, see Data File - Funding, Scores, and Ratings.

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