DEPARTMENT OF COMMERCE

PART ASSESSMENTS[1]

[1] For each program that has been assessed using the PART, this document contains details of the most recent assessment. These details are presented in their original form; some programs have revised performance targets and developed or replaced performance measures since the original assessment. The PART summaries published with the 2006 Budget (in February 2005) provide current information on follow-up to recommendations and other updates.

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OMB Program Assessment Rating Tool (PART)

Competitive Grant Programs

Name of Program: Advanced Technology Program

Section I: Program Purpose & Design (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	Yes	ATP is designed for and focuses on promoting private investment in R&D for high-risk, broad impact technology development.	The mission and purpose of the ATP is stated in DOC Annual Performance Plans, budget justifications, and associated documents. ATP's purpose derives from its statutory authority: see 15 USC 278n.	20%	0.2
2	*Does the program address a specific interest, problem or need?*	No	ATP was initially established to address concerns about U.S. competitiveness in the late 1980s and early 1990s. However, one could argue that this concern has lessened in recent years. Studies show that there are many non-governmental entities investing in early-stage technology development, such as corporate research labs, venture capital firms, angel investors, and universities. Given the amounts available from other sources, it is not evident that there is a clear need for federal subsidies for private technology development.	Recent work by Lewis Branscomb et al. at Harvard estimates that between $5.4B (conservative estimate) to$35.5B (inclusive estimate) was invested in early stage technology development (Branscomb and Auerswald, *Between Invention and Innovation* , pre-publication copy available upon request). These estimates include $1.4B to $7.3B in investments from the federal government.	20%	0.0
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	No	ATP is designed to have a targeted impact in an area dominated by private funding. Substantial ATP investments have been made in areas where significant external funding is available, such as biotechnology and information technology. Relative to the other funding sources available for these areas, ATP is only a modest contributor.	ATP has met its annual performance goals for new patents filed and new technologies under commercialization (see "program results" below, as well as DOC's budget justification and annual DOC performance plans and reports), but it is not evident that ATP funding was actually needed for individual projects to achieve these results.	20%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	*Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?*	No	ATP is tiny fraction of the total amount invested in early-stage technology development. There is overlap with private venture capital and angel investors, as well as with other federal programs, such as the Defense Advanced Research Projects Agency (DARPA), Small Business Innovation Research (SBIR), and Small Business Technology Transfer (STTR).	Past GAO studies have concluded that many ATP projects would have been funded with or without ATP participation. Branscomb's study indicates significant investment by other entities, both private and federal, relative to ATP. Of ATP clients surveyed, 75% indicated that the project would have continued in some form without ATP funding.	20%	0.0
5	*Is the program optimally designed to address the interest, problem or need?*	No	ATP is intended to stimulate highly focused R&D efforts that are identified and led by the private sector but which would not take place without Federal resources. ATP selection criteria currently do not adequately ensure that projects are not duplicative of research occurring in the private sector, nor do they ensure that projects address particular public needs. Commerce continues to work with the Administration and with Congress to reform the program.	Past GAO studies have identified ATP projects that are duplicative of research efforts in the private sector. The Administration has submitted reforms, but they are unlikely to be enacted in a form that will transform the program.	20%	0.0
Total Section Score					**100%**	**20%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section II: Strategic Planning (Yes,No, N/A)						
	Questions	**Ans.**	**Explanation**	**Evidence/Data**	**Weighting**	**Weighted Score**
1	*Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?*	Yes	ATP has one overarching strategic goal that directly reflects the purpose of the program.	ATP's overarching goal is "to accelerate private investment in and development of high-risk, broad-impact technologies". See DOC's budget justification and annual DOC performance plans and reports.	14%	0.1
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	Yes	ATP's annual performance goals--technical publications, patents, and technologies commercialized--suggest at least some progress toward the program's long-term overarching goal and purpose. However, as with most publicly funded R&D programs, it is difficult to determine whether progress would have occurred without ATP funding. Potential for cost recoupment is another indicator that could be used in assessing long-term progress.	See "Program Results" section below; see also DOC's budget justification and annual DOC performance plans and reports.	14%	0.1
3	*Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?*	Yes	At the time of the initial award, grantees begin contributing directly to the program's long-term goal and purpose. Grantee technical progress and outputs (and hence contribution to the program goal) are monitored throughout the grant period and for up to six years after ATP funding ends. Under the Terms and Conditions of ATP awards, ATP uses its Business Reporting System to systematically collect data from awardees during and after project completion; these data allow ATP to track and report on output and intermediate outcome performance. These data are supplemented by case studies and special-purpose surveys.	Data from ATP's Business Reporting System are used for reporting results on key ATP performance measures; measures and results are presented in annual DOC Performance Plans and Performance Reports. Data also are analyzed and presented in special ATP progress reports (for example, see Powell and Lellock, *Development, Commercialization, and Diffusion of Enabling Technologies* , US DOC/TA/NIST, report #6491, April 2000). Data on technical performance and technology diffusion are collected systematically in Technical Quarterly and Final Reports.	14%	0.1
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	No	While ATP is structurally different than other Federal technology programs such as the Small Business Innovation research program (SBIR) and the Defense Advanced Research Projects Agency (DARPA), there is opportunity for collaboration with these programs. OMB has asked Commerce to evaluate options for using ATP as a competitive source for other agencies as an alternative to SBIR.	There is no evidence of a strong track record of collaboration with these other programs.	14%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?*	Yes	Regular external review and oversight are provided by the ATP Advisory Committee (which meets 2 to 3 times per year) as well as by the NIST Visiting Committee on Advanced Technology (which meets quarterly). ATP also has been the subject of many external program evaluations and reviews, including 29 GAO and OIG audits from 1993 to the present that have evaluated virtually all aspects of the program.	See annual reports of the ATP Advisory Committee and the NIST VCAT. ATP Advisory Committee reports and minutes are available at http://www.atp.nist.gov/atp/adv_com/reports.htm. See also NRC, *The Advanced Technology Program: Challenges and Opportunities* , 1999 (available at http://books.nap.edu/catalog/9699.html); NRC, *The Advanced Technology Program: Assessing Outcomes* 2001, available at http://www.nap.edu/catalog/10145.html; and numerous GAO and OIG audits (references available upon request).	14%	0.1
6	*Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?*	Yes	ATP's performance measures show the impact of changes in funding levels.	DOC budget justifications and annual performance plans and reports show the relationship between funding levels and performance measures over time.	14%	0.1
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	Yes	NIST as a whole has developed a new Institute-wide long-term strategic planning process; the process includes new mechanisms for aligning Operating Unit plans with the NIST-wide plan. The Administration has also proposed ATP reforms.	NIST's external advisory bodies routinely observe and comment on any deficiencies associated with NIST's strategic planning processes, and NIST responds to these observations. For example, the Visiting Committee on Advanced Technology has reviewed and commented favorably on NIST-wide strategic planning efforts in recent meetings (held quarterly).	14%	0.1
Total Section Score					**100%**	**86%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section III: Program Management (Yes,No, N/A)						
	Questions	**Ans.**	**Explanation**	**Evidence/Data**	**Weighting**	**Weighted Score**
1	*Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?*	Yes	ATP's Business Reporting System and Technical Quarterly Reports collect data systematically; data are reported regularly in annual performance plans and reports; current projects are evaluated regularly and performance factors are used to make continuation and termination decisions and to review program design and project management processes.	Program performance data collected through the Business Reporting System are presented in DOC budget justifications and annual performance plans and reports. Data collected through Technical Quarterly Reports includes proprietary data and are not publicly available.	9%	0.1
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	Yes	ATP program management is accountable for programmatic and administrative performance. Grantees are held accountable for--and continuation / termination decisions are made on the basis of--cost, schedule, and performance results.	See annual reports of the ATP Advisory Committee and the NIST VCAT; internal program reviews also focus on accountability for programmatic and administrative performance.	9%	0.1
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	Yes	NIST as a whole manages its resources carefully and the ATP program typically has a limited amount of unobligated funds at year end, excluding adjustments for changes in the status of grants made in prior years (which may result from program management practices). NIST's strong budget and accounting systems include rigorous internal reviews and external audits to ensure that funds are expended as intended. In addition, ATP grantees are audited on a regular basis to ensure funds are spent appropriately.	SF-132 (apportionment schedule) and SF-133 (report on budget execution). Internal processes include rigorous quarterly financial reviews. See the NIST-audited Annual Financial Statements and numerous GAO and OIG reviews. Audits of ATP grantees are conducted by external, independent auditors following Government Auditing Standards (these audits contain proprietary data and are not publicly available).	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	*Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?*	Yes	ATP's administrative costs have been held at the lowest possible level over the course of the program, and comply with appropriation guidance. ATP program management continuously reviews administrative procedures to identify and implement measures that will improve program efficiency and effectiveness.	Examples of recent efforts to improve administrative efficiency and effectiveness include: electronic submission of proposals; rolling submissions over the fiscal year; and a gated approach to proposal review. Administrative costs are tracked in the NIST accounting system; data can be provided, if needed, on administrative costs per FTE, per grant, etc. or a similar ratio.	9%	0.1
5	*Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?*	Yes	NIST's budget request and prior year budget data reflect the full annual costs of operating ATP, including direct and indirect costs. Out-year targets for quantitative performance measures are based in part on resource inputs; variation in input levels directly affect estimated performance.	Total program costs are presented in NIST's budget justification and annual financial statements. NIST's internal accounting system reports can provide costs by object class. Overhead is applied uniformly per full-cost accounting procedures that are specified in Chapter 8.07 of the NIST Administrative Manual. DOC annual performance plans show the impact of proposed funding levels on ATP's performance measures.	9%	0.1
6	*Does the program use strong financial management practices?*	Yes	NIST maintains financial management oversight. NIST has a long history of unqualified financial audits and provides accounting services for several other DOC bureaus.	See NIST's audited Annual Financial Statements.	9%	0.1
7	*Has the program taken meaningful steps to address its management deficiencies?*	Yes	Regular program oversight is obtained through several channels: the NIST Visiting Committee on Advanced Technology; ATP's external Advisory Committee; internal NIST program reviews. Many of the 29 GAO and OIG audits have focused on program management assessment.	ATP has made numerous changes in program management in response to recommendations produced by these review mechanisms.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
8 (Co 1.)	*Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?*	Yes	All grantees are selected through ATP's rigorous Source Evaluation Board (SEB) analysis and review process, which combines appropriate technical and economic expertise for peer review of all proposals. Reviews are based on clear and transparent criteria and debriefings are made available to all proposers.	The SEB-based selection process has been carefully designed based on extensive stakeholder input and numerous external reviews by GAO. The process also has been reviewed by the NRC; see NRC, The Advanced Technology Program: Challenges and Opportunities, 1999 (available at http://books.nap.edu/catalog/9699.html); and NRC, The Advanced Technology Program: Assessing Outcomes 2001 available at http://www.nap.edu/catalog/10145.html).	9%	0.1
9 (Co 2.)	*Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?*	Yes	ATP receives proposals through open competitions in response to broadly advertised notices. Public conferences are held to explain the application process and include appropriate time for audience questions regarding the competition process.	ATP's most recent notice of availability of funds appeared in the Federal Register on April 18, 2002 (67 FR 19160-19164); see also numerous GAO reviews of ATP's selection process.	9%	0.1
10 (Co 3.)	*Does the program have oversight practices that provide sufficient knowledge of grantee activities?*	Yes	ATP project managers closely track projects during the grant period, review performance, and recommend termination of funds for underperforming projects; ATP's Business Reporting System systematically gathers data on grantee activities and performance, including data for the Composite Ranking System for completed projects.	DOC's budget justification, annual DOC performance plans and reports, and individual ATP reports present data from the Business Reporting System and the results of ATP's new Composite Performance Rating System.	9%	0.1
11 (Co 4.)	*Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?*	Yes	ATP's Business Reporting System routinely and systematically gathers data on grantee activities and performance, including data for the Composite Ranking System for completed projects; aggregate data is presented in public reports.	DOC's budget justification, annual DOC performance plans and reports, and individual ATP reports present data from the Business Reporting System and the results of ATP's new Composite Performance Rating System.	9%	0.1
Total Section Score					**100%**	**100%**

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?*	Small Extent	ATP has one overarching outcome goal: to accelerate private investment in and development of high-risk, broad-impact technologies. ATP's annual performance measures suggest some progress over time, and while there are many unknowns, special economic studies demonstrate the net public benefits that derive from specific ATP projects. However, effects are difficult to measure and it is hard to obtain the data necessary to identify the actual impact of ATP funding.	Data are presented in DOC's budget justification and annual DOC performance plans and reports. External reviews by the National Research Council and numerous economic impact studies attempt to identify economic and social benefits associated with ATP projects. In one impact study, the benefits of just a few projects analyzed in depth exceeded program costs to date (studies available at nist.atp.gov); however. these are anticipated benefits that have not yet been realized.	20%	0.1

Long-Term Goal I:	Accelerate private investment in and development of high-risk, broad-impact technologies.
Target:	As with most R&D programs, the overarching long-term outcome goal is not measurable directly. ATP uses a set of annual quantitative indicators to demonstrate progress towards the long-term goal (see below); ATP also uses special studies to estimate the economic and social benefits from individual projects.
Actual Progress achieved toward goal:	Due to the nature of R&D and the scope of the ATP program, it is not possible to comprehensively measure the net benefits of all ATP investments made to date.

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Does the program (including program partners) achieve its annual performance goals?*	Yes	ATP routinely meets or exceeds its annual quantitative performance targets. These targets represent progress towards the program's long-term goal.	The three measures provided below collectively represent indicators of performance towards ATP's long term goal. See also DOC's budget justification and annual DOC performance plans and reports	20%	0.2

Performance measure I:	Cumulative number of publications generated by ATP-funded research
Performance Target:	FY 2001 target: 720
Actual Performance:	FY 2001 actual: 747
Performance measure II:	Cumulative number of patents generated by ATP-funded research
Performance Target:	FY 2001 target: 790
Actual Performance:	FY 2001 actual: 800
Performance measure III:	Cumulative number of technologies under commercialization
Performance Target:	FY 2001 target: 180
Actual Performance:	FY 2001 actual: 195

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	No	Annual performance improvements do not yet indicate an increasing return on investment over time. Early estimates on recoupment also seem modest in both the near- and long-term. However, performance targets have been achieved at specified budget levels, and program expenditures have leveraged an equal level of private sector R&D investment.	Data are presented in DOC's budget justification and annual DOC performance plans and reports.	20%	0.0
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	Yes	ATP is structurally different than other Federal technology programs such as the SBIR and DARPA, however, there are enough similarities to warrant comparison. Comparable data is not currently available to directly compare programs, but given ATP's cost-sharing component and rigorous review process, OMB thinks the program does compare favorably with these other programs.	Unlike SBIR, ATP is open to companies of all sizes and is available for all technologies, while much of SBIR funding is agency or mission-specific and DARPA is focused exclusively on DoD mission-driven technology interests. Unlike either SBIR or DARPA, ATP is a partnership program that requires cost-sharing from all grantees.	20%	0.2
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	Yes	External advisory committees and formal evaluation studies conducted by the National Research Council have found the Program to be effective. However, other indicators (such as the difficulty the program would have recouping its costs) raise questions.	See the reports of the ATP Advisory Committee (available at http://www.atp.nist.gov/atp/adv_com/reports.htm) and the NIST VCAT. See also see NRC, *The Advanced Technology Program: Challenges and Opportunities* , 1999 (available at http://books.nap.edu/catalog/9699.html); and NRC, *The Advanced Technology Program: Assessing Outcomes* 2001 (available at http://www.nap.edu/catalog/10145.html).	20%	0.2
Total Section Score					**100%**	**67%**

PART Performance Measurements

Program: Bureau of Economic Analysis
Agency: Department of Commerce
Bureau: Bureau of Economic Analysis
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	87%	

1.1 **Is the program purpose clear?** Answer: YES Question Weight20%

Explanation: BEA produces economic accounts statistics including the Gross Domestic Product (GDP) for use by public and private decision-makers to understand the performance of the U.S. economy.

Evidence: BEA's mission statement

1.2 **Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight20%

Explanation: BEA addresses the need to provide comprehensive economic statistics not available from the private sector due to market failure in providing this type of public good. GDP and the other accounts are critical input into U.S. fiscal and monetary policy as well as the allocation of government funds.

Evidence: There is little or no competition to offer BEA-type data.

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight20%

Explanation: BEA is the only organization that produces economic statistics such as GDP, personal income, and balance of payments. Further, the necessity of protecting the confidentiality of respondent's data and ensuring the impartiality of economic estimates is addressed by having the Federal government produce these economic statistics.

Evidence: BEA uses data from the Census Bureau, Bureau of Labor Statistics, Internal Revenue Service and other public and private sources to produce comprehensive measures of the U.S. economy. BEA collects only data such as balance of payment where there are no alternative source data.Titles 13, 15, and 22 of the U.S. Code and the Confidential Information Protection and Statistical Efficiency Act places confidentiality requirements on the data collected and used by BEA.

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: BEA efficiently assembles data (largely from other public and private sources) into consistent and comprehensive sets economic accounts statistics. The U.S.'s de-centralized statistical system calls for regular and on-going consultation with other statistical agencies to ensure data standards and needs are met.

Evidence: BEA regularly meets its performance measure to release its products on schedule and on-time. BEA is active in the Interagency Council on Statistical Policy, the Federal Economic Statistics Advisory Committee, and other joint organizations.

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight20%

Explanation: BEA focuses its resources on core programs to produce a set of comprehensive estimates required to follow and understand the U.S. economy.

Evidence: BEA's Advisory Committee reviews BEA programs and policy twice a year to ensure they address the agencies goals and purpose. BEA's annual customer satisfaction survey tracks BEA's ability to deliver its products to users in a manner they expect.

Program: Bureau of Economic Analysis
Agency: Department of Commerce
Bureau: Bureau of Economic Analysis
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	87%	

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight:12%

Explanation: BEA's mission statement and four strategic objectives flow from the Department of Commerce strategic goals and provide a guide to ensure BEA's programs and products are relevant and meaningful. Of the seven BEA performance measures, three directly measure the long-term purpose of the agency. These three are the reliability of deliver of economic data, customer satisfaction, and percent of GDP estimates correct.

Evidence: BEA Strategic Plan for FY 2003 - FY 2007 and Department of Commerce FY 2004 Annual Performance Plan provide BEA's mission, goals and performance measures for the public to review.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight:12%

Explanation: In addition to the targets defined in the DOC Annual Performance Plan for the three long-term measures defined above, the BEA Strategic Plan defines over 200 milestones per year through FY 2007 which provide details, by year, of how BEA plans to meet each of the three measures.

Evidence: BEA Strategic Plan for FY 2003 - FY 2007 and the Department of Commerce FY 2004 Annual Performance Plan provide BEA's performance measures and the detailed milestone matrix for the public to review.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight:12%

Explanation: BEA has seven total performance measures that are updated and reviewed annually to provide accountability toward achieving goals. The first three measures mentioned above are designed to track the purpose of the organization over the long term. The remaining four measures are tied to budget initiatives to improve and enhance BEA programs.

Evidence: BEA Strategic Plan for FY 2003 - FY 2007 and the Department of Commerce FY 2004 Annual Performance Plan provide BEA's performance measures and the detailed milestone matrix for the public to review.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight:12%

Explanation: BEA has set ambtious annual targets for its seven performance measures to show continual improvement in its programs and products.

Evidence: Performance measures are defined in the Department of Commerce FY 2004 Annual Performance Plan as well as in BEA's budget requests.

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight:12%

Explanation: BEA's Advisory Committee and data users are consulted on all goals and activities set out in the BEA Strategic Plan and strong agreement on the direction and work is achieved. BEA does not offer grants or use contractors to a significant extent for program activities. IT contractors have committed to the goals established for the IT work required at BEA.

Evidence: BEA's Strategic Plan includes extensive comment from both BEA staff and employees and from BEA's customers and data users.

Program: Bureau of Economic Analysis
Agency: Department of Commerce
Bureau: Bureau of Economic Analysis
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	87%	

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight:12%

Explanation: Several evaluations have been completed on BEA's economic accounts. BEA has an independent advisory board of outside experts that meets twice a year to review programs and products. A customer satisfaction survey is conducted annually to gather user feedback.

Evidence: Mid-Decade Strategic Review of BEA's Economic AccountsFederal Reserve Board evaluationsInformation on the BEA Advisory Committee is available at www.bea.gov. The customer satisfaction survey is reported in annual performance reports.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight:12%

Explanation: BEA's budget requests are tied to BEA's performance measures however more cost formulation information would be useful for base programs. BEA has also developed a pilot cost efficiency measure.

Evidence: Annual budget requests

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:12%

Explanation: BEA reviews and updates it Strategic Plan annually. The review involves senior staff and all BEA employees as well as comments from the BEA Advisory Committee and BEA data users. The review begins near the end of the fiscal year to record performance on each milestone. Milestones for an additional year are added and other milestones updated. The Plan is finalized and made public in May of each year.

Evidence: The BEA Strategic Plan for FY 2003 - FY 2007

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:14%

Explanation: BEA collects and monitors performance data on the release and accuracy of its economic statistics, customer satisfaction, and progress meeting programmatic milestones that it uses to improve performance and management.

Evidence: Performance measures are defined in the Department of Commerce FY 2004 Annual Performance Plan as well as in BEA's budget requests

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight:14%

Explanation: Annual performance plans for managers include goals and measures that are linked to BEA's strategic goals. All contracts are carefully monitored and contractors are held accountable for progress.

Evidence: Performance plans are part of each employee's annual review from entry-level to senior staff.

Program: Bureau of Economic Analysis
Agency: Department of Commerce
Bureau: Bureau of Economic Analysis
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	87%	

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 14%

Explanation: BEA seeks to obligate needed funds in a timely and appropriate manner. Historically, BEA's budget carryover from year-to-year is less than one percent of all available funds. Actual obligations are consistent with the request.

Evidence: FY 2002 funds were approximately 89% obligated through August 2002.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 14%

Explanation: BEA has performance measures with timeliness targets and has improved the quality and timeliness of its products with relatively flat budgets. BEA has also developed a pilot cost efficiency measure to demonstrate cost effectiveness. BEA competitively sources Information Technology resources. BEA's IT program has a comprehensive IT investment review process which includes ranking all potential IT projects by their contribution to agency performance goals.

Evidence: Priorities and target milestones are specified in the BEA Strategic Plan for FY 2003 - FY 2007.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 14%

Explanation: BEA works extensively with other federal statistical agencies, most regularly with the Bureau of the Census and the Bureau of Labor Statistics. BEA is a member of the Interagency Council on Statistical Policy, the Federal Economic Statistics Advisory Committee, and other joint organizations and meets regularly with staff from other statistical agencies.

Evidence: Information on the Interagency Council on Statistical Policy is available in "Statistical Programs of the United States Government: Fiscal Year 2004." Information on the Federal Economic Statistics Advisory Committee is available at www.bea.gov.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight: 14%

Explanation: BEA's financial management practices have resulted in a clean opinion on its financial audit for the last two years.

Evidence: Department of Commerce's financial audits reports.

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 14%

Explanation: BEA contracts with OPM to annually conduct an organization assessment survey which is used to identify problems in agency management. BEA also contracted with the USDA Graduate School to conduct a leadership effectiveness inventory survey of all managers. Results are being used to strengthen manager training.

Evidence: OPM-conducted organizational assessment surveyUSDA leadership survey group results

Program: Bureau of Economic Analysis
Agency: Department of Commerce
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Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	87%	

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight20%

Explanation: BEA met all of its seven performance measures in FY 2002 and FY 2003. As an alternative measure, the BEA Strategic Plan milestones serve as a guide to meeting the performance measure targets. In FY 2002, BEA completed approximately 87 percent of its milestones and met over 90 percent of its milestones in FY 2003, including all its major ones.

Evidence: BEA Strategic Plan for FY 2003 - FY 2007 and DOC FY 2002 Performance and Accountability Report.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight20%

Explanation: BEA has consistently met its performance goals on an annual basis from FY 1999 through FY 2003., with the exception of the customer satisfaction measure which was postponed in FY 2001.

Evidence: BEA Strategic Plan for FY 2003 - FY 2007 and DOC FY 2002 Performance and Accountability Report.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight20%

Explanation: BEA has consistently assembled and released its economic accounts, including GDP, and expanded electronic availability of data with base funding and continues to focus resources on core programs. Initiative funding has focused on timeliness and quality improvements to the economic accounts.

Evidence: BEA Strategic Plan for FY 2003 - FY 2007 and DOC FY 2002 Performance and Accountability Report.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight20%

Explanation: BEA releases GDP first in comparison to other countries. BEA is also one of few international statistical agencies in compliance with the International Monetary Fund's Standard Data Dissemination Standards (SDDS) and the United Nation's Statistical Directorate Assessment Milestones.

Evidence: DOC FY 2001 Annual Performance ReportIMF and UN report compliance status available at www.imf.org and www.un.org

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: YES Question Weight20%

Explanation: Independent evaluations have demonstrated effectiveness and have been used by BEA to improve economic accounts.

Evidence: Independent evaluations of BEA programs have been conducted by the BEA Advisory Committee and the Federal Reserve Board.

PART Performance Measurements

Program: Bureau of Economic Analysis
Agency: Department of Commerce
Bureau: Bureau of Economic Analysis
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	87%	

Measure: Reliability of Delivery of Economic Data (Number of Scheduled Releases Issued on Time)

Additional Information: Measures reports on the ability of BEA to release its economic measures as previously scheduled, on the specific data and at a specific time

Measure Term: Annual

Year	Target	Actual
2001	48 of 48	48 of 48
2002	50 of 50	50 of 50
2003	48 of 48	48 of 48
2004	54 of 54	
2005	54 of 54	
2006	TBD	

Measure: Customer Satisfaction with Quality of Products and Services (Mean Rating on a 5-point Scale)

Additional Information: Based on a customer service, this measures reports on how well BEA provides it products to its users.

Measure Term: Annual

Year	Target	Actual
2001	>4.0	Survey postposted
2002	>4.0	4.3
2003	>4.0	4.4
2004	>4.0	
2005	>4.0	
2006	>4.0	

PART Performance Measurements

Program: Bureau of Economic Analysis
Agency: Department of Commerce
Bureau: Bureau of Economic Analysis
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	87%	

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.

Additional Information: 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.

Measure Term: Annual

Year	Target	Actual
2001	>80%	91%
2002	>82%	83%
2003	>84%	88%
2004	>84%	
2005	>85%	
2006	>85%	

Measure: Improving GDP and the Economic Accouts as defined by yearly milestones in BEA's strategic plan

Additional Information: This measures tracks BEA's performance at providing measures that are accurate and relevant.

Measure Term: Annual

Year	Target	Actual
2002	Milestones	Met
2003	Milestones	Met
2004	Milestones	
2005	Milestones	

PART Performance Measurements

Program: Bureau of Economic Analysis
Agency: Department of Commerce
Bureau: Bureau of Economic Analysis
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	87%	

Measure: Accelerating Economic Estimates as defined in yearly milestones in BEA's Strategic Plan

Additional Information: Measure tracks BEA's performance in achieving the accelerations of eight economic measures defined in FY 2003 and FY 2004 budget initiatives.

Measure Term: Annual

Year	Target	Actual
2003	Milestones	Met
2004	Milestones	
2005	Milestones	

Measure: Meeting U.S. International Obligations as defined by yearly milestones in BEA's strategic plan

Additional Information: Measures BEA's performance in meeting the statistical targets agreed upon by the U.S. and foreign nationals or international organizations.

Measure Term: Annual

Year	Target	Actual
2003	Milestones	Met
2004	Milestones	
2005	Milestones	

Measure: Upgrading Information Technology Systems as defined by yearly milestones in BEA's strategic plan

Additional Information: Measures BEA's performance to maintain and upgrade its statistical processing systems, information technology systems, and other technologies to allow BEA to continue to innovate, improve and disseminate its economic measures.

Measure Term: Annual

Year	Target	Actual
2002	Milestones	Met
2003	Milestones	Met
2004	Milestones	
2005	Milestones	

PART Performance Measurements

Program: Coastal Zone Management Act Programs
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
100%	25%	67%	20%	Demonstrated

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The Coastal Zone Management Act of 1972, as amended, (CZMA) creates Federal-State partnerships to support effective management, beneficial use, protection, and development of the coastal zone. Congressional policy for the program is established in section 303 of the CZMA. It also supports research and education in National Estuarine Research Reserve System (NERRS).

Evidence: The CZMA declares that it is the national policy "to preserve, protect, develop, and where possible, to restore or enhance, the resources of the Nation's coastal zone for this and succeeding generations" and "to encourage and assist the states to exercise effectively their responsibilities in the coastal zone through development and implementation of management programs...giving full consideration to ecological, cultural, historic and esthetic values as well as the need for compatible economic development." (CZMA Sec. 303)

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: The CZM program addresses competing demands for economic development and environmental protection through an integrated approach to protecting, restoring, and developing the natural, cultural, and economic resources of the coastal zone. Participating States must develop program plans that protect wetlands, ensure public access to the coast, minimize harm from coastal hazards, consider ocean planning, and support compatible economic development. NOAA must review, evaluate, and approve the management plan for each program using established criteria. The NERRS serves as a platform for conducting research, education, and monitoring in support of coastal management. Science-based education and training programs target resource managers and others to better inform coastal resource decision-making.

Evidence: Congressional findings for CZMA declare that "there is a national interest in the effective management, beneficial use, protection, and development of the coastal zone" and that "the increasing and competing demands upon the lands and waters of our coastal zone occasioned by population growth and economic development...have resulted in the loss of living marine resources, wildlife, nutrient-rich areas, permanent and adverse changes to ecological systems, decreasing open space for public use, and shoreline erosion." (CZMA Sec. 302)

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight20%

Explanation: The CZM program is the only program that addresses national coastal issues in a comprehensive, integrated way. The program recognizes both the State and local role in addressing coastal land use, development, and zoning, as well as the national interest in these issues. The Program offers incentives and funding for coastal States to prepare and implement coastal management programs that are consistent with national objectives. Other Federal, State, local, or private efforts address specific issues, geographic areas, or programmatic authorities. The NERRS is the only Federal estuarine protected area program focused on research and education. However, there is overlap with other research and land protection programs.

Evidence: The 1999 study by Herschman et al ("US Coastal Zone Management Effectiveness Study", Coastal Management Journal, Vol. 27) notes that "Under the CZMA, all three levels of government, federal, state, and local, are given important roles to play and considerable flexibility in defining those roles." Other Federal, State, local or private efforts address specific issues, geographic areas, or programmatic authorities and many have direct links to implementation of the CZMA. The U.S. Ocean Commission website notes that "there are examples of management tools that have improved federal-state relations, such as the Coastal Zone Management Act. More attention needs to be given to examples of federal-state partnerships and collaborations that have worked and the reasons for success."

Program: Coastal Zone Management Act Programs
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
100%	25%	67%	20%	Demonstrated

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight 20%

Explanation: The program design is flexible enough to account for changing conditions or institutional arrangements in the States, while ensuring that the program goals are met. Federal funding is targeted to achieve programmatic goals, and is leveraged by State (and sometimes local) funding. NOAA reviews and approves each State's annual coastal management or research reserve work plan and any requests to re-allocate funds within tasks under the cooperative agreement. NOAA conducts programmatic reviews under section 312 and can withdraw or withold support if a state demonstrates that it is unable or unwilling to address program deficiencies.

Evidence: Requirements for each State's management plan as well as grant matching requirements are outlined in section 306 of the CZMA. Section 315 sets criteria and guidelines for the establishment and operation of the NERRS. Review of State performance in implementing coastal management plans is proscribed in section 312 (Review of Performance). Further detail about the structure and implementation of these programs are outlined in the implementing regulations at 15 CFR chapter 9.

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight 20%

Explanation: CZM funding is formula based, but provides incentives for development of appropriate State and local coastal management capacities. The CZM program provides funding to the lead agency of each State or territorial CZM program, which is matched by State or local funding, generally on a 1:1 basis. Funding for NERRS is matched 70:30 (Federal:State) for operations, research, monitoring and education, and 1:1 for construction and acquisition. Funds are targeted at efforts at the state or local level that achieve the program's purpose, at times leveraging additional State or local funding.

Evidence: CZMA sections 306, 309, 312, and 15 CFR part 923 outline how funding is targeted to coastal State programs. Details of funding mechanisms for the NERRS are describe in section 315 of the CZMA and15 CFR part 921.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: NO Question Weight 12%

Explanation: NOAA is currently developing more specific, outcome-oriented performance measures for the CZM and NERRS programs. These measures are intended to demonstrate progress in achieving the overall goals of the Act and reflect the national program results, while still providing the flexibility needed to recognize differences among States. Congress has also expressed concern in this area and directed NOAA "to begin designing and implementing performance measures to validate the continuation of the Coastal Zone Management program."

Evidence: Progress in developing measures is addressed in FY 2002 and FY 2003 quarterly reports to Congress on development of a National Performance Measurement System for the CZMA.

Program: Coastal Zone Management Act Programs
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
100%	25%	67%	20%	Demonstrated

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight: 12%

Explanation: As discussed above, NOAA is currently working to develop more outcome-oriented performance measures. As these measures are established, targets and timeframes will also be developed.

Evidence: Progress in developing measures is addressed in FY 2002 and FY 2003 quarterly reports to Congress on development of a National Performance Measurement System for the CZMA.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: NO Question Weight: 12%

Explanation: Once NOAA establishes more out-come oriented, long-term targets, it can determine the appropriate annual measures to demonstrate progress. Current measures are process-oriented and do not adequately demonstrate progress in achieving program goals.

Evidence: Progress in developing measures is addressed in FY 2002 and FY 2003 quarterly reports to Congress on the development of a National Performance Measurement System for the CZMA.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight: 12%

Explanation: As discussed above, NOAA is currently working to develop more outcome-oriented performance measures along with annual measures to demonstrate progress toward program goals. As these measures are established, appropriate baselines and targets will be set.

Evidence: Progress in developing measures is addressed in FY 2002 and FY 2003 quarterly reports to Congress on development of a National Performance Measurement System for the CZMA.

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: NO Question Weight: 12%

Explanation: These programs do not have adequate performance goals and therefore cannot receive a yes for this question. However, recipients of CZMA funds are bound by Federal financial assistance award reporting requirements. Awards and projects must reflect the Federally approved State coastal management programs which meet the national objectives of the CZMA. In 2002, NOAA and State CZM partners developed a joint Federal/State strategic plan for the Coastal Zone Management Program, and NOAA and NERRS partners developed a NERRS Strategic Plan and three-year action plan.

Evidence: Annual Federal financial assistance awards, semi-annual performance, and financial reports submitted by each State to the National Ocean Service's (NOS) Office of Ocean and Coastal Resource Management (OCRM); joint Federal/State strategic plan for the Coastal Zone Management Program and NERRS Strategic Plan.

Program: Coastal Zone Management Act Programs
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
100%	25%	67%	20%	Demonstrated

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**

Answer: YES Question Weight: 12%

Explanation: Independent staff conduct programmatic evaluations on a 3 year cycle to determine the achievement of each State coastal program and National Estuarine Research Reserve in addressing national goals, implementing their approved program, and adhering to the terms of Federal financial assistance awards. Interim reviews may be conducted on an as-needed basis. Other independent evaluations have assessed the effectiveness of the CZMA, particularly with regard to state implementation and on-the-ground results, (Herschman, et al. 1999, and Brower, et al. 1991), as well as NOAA's implementation of these programs at the national level (Department of Commerce Office of Inspector General, 1997). These reports have found these programs to be effective and have also made suggestions for improvement, such as the need to better quantify performance results at the national level.

Evidence: The scope and criteria for programmatic evaluations of the CZM and NERR programs are described at CZMA sections 312 (Review of Performance), 303 (policies) and 315 (NERRS), but primarily in implementing regulations at 15 CFR 923.133 and 15 CFR 921.40. The 2001 Report to Congress entitled 'An Assessment of the National Impacts of the Coastal Zone Management Program' (NOAA). A 1999 study entitled 'US Coastal Zone Management Effectiveness Study', (Herschman, et al., Coastal Management Journal, Vol. 27). A 1991 study entitled 'Evaluation of the National Coastal Zone Management Program' (Brower, et al, University of North Carolina).

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**

Answer: NO Question Weight: 12%

Explanation: Given the current lack of meaningful annual and long-term performance goals, there is no evidence that budget requests are linked to performance.

Evidence:

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?**

Answer: YES Question Weight: 12%

Explanation: The CZM and NERR programs are working with State coastal programs to identify a core group of indicators that can be measured and reported through a national performance measurement system. A joint Federal/State performance indicators working group is building on the foundation provided by the Heinz Center report as it identifies a set of potential national indicators for each CZMA goal area. NOAA is also considering how the section 312 program evaluation process may be revised to incorporate this measurement system. A joint Federal/State workgroup is also developing performance measures for the NERRS, consistent with the 2002 NERRS Strategic Plan.

Evidence: Quarterly reports to Congress on progress in developing a performance measurement system for the CZM program; The Heinz Center Report: CZMA: Developing a Framework for Identifying Performance Indicators (2003); Draft Joint Federal/State Strategic Plan for the Coastal Zone Management program; NERRS Strategic Plan.

PART Performance Measurements

Program: Coastal Zone Management Act Programs
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
100%	25%	67%	20%	Demonstrated

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**

Answer: YES   Question Weight: 11%

Explanation: States and territories provide performance reports on a semi-annual basis that NOS/OCRM uses to review progress of CZM and NERR programs. Periodic programmatic evaluations are also conducted (see 2.6), which make use of the information provided in State performance reports. NOAA is currently developing a performance measurement system that will track and report information from State partners on their progress in meeting specific national goals of the CZMA.

Evidence: Annual Federal financial assistance awards, semi-annual performance and financial reports submitted to NOS/OCRM by each State. Evaluation findings under Section 312 of the CZMA. As a result of program evaluations conducted under section 312, States have restructured coastal zone programs and NERRs to more effectively carry out national program objectives. For example, States have transferred or elevated program functions, redirected resources, and developed new partnerships to better manage coastal resources.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**

Answer: YES   Question Weight: 11%

Explanation: Financial assistance awards and sub-awards include terms and conditions for accountability. Grantees must provide semi-annual performance reports showing they met the terms and conditions of the grant. Awards and OMB circulars include provisions for non-performance. Programmatic evaluations take place on a 3-year cycle to determine the achievement of each State coastal program and NERR in implementing their approved program and adhering to the terms of Federal financial assistance awards and provide sanctions for non-performance among State CZM or NERR programs.

Evidence: NOAA Financial Assistance Awards - Standard Terms and Conditions; Evaluation findings under Section 312 of the CZMA. Results of program evaluations conducted under section 312 can include recommendations at the "program suggestion" level, or if the problem to be addressed is more serious, at the "necessary action" level. States that do not take steps to address "necessary actions" can be found to be "not adhering" and subject to having funds withheld. As a result of these evaluations, States have restructured coastal zone programs and NERRs to more effectively carry out national program objectives. For example, States have transferred or elevated program functions, redirected resources, and developed new partnerships to better manage coastal resources.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**

Answer: NO   Question Weight: 11%

Explanation: NOAA in general has been criticized for not processing grants in a timely manner. This fact was noted by NOAA's own Program Review Team. External factors that affect the date funds are awarded or obligated include the timing of congressional appropriations and timeliness of States in submitting financial assistance applications. OCRM ensures that funds are spent for the intended purposes.

Evidence: Financial assistance documents; FY 2002 assessment of OCRM's performance in reviewing financial assistance applications. NOAA's Program Review Recommendations, June 2002.

Program: Coastal Zone Management Act Programs

Agency: Department of Commerce

Bureau: National Oceanic and Atmospheric Administration

Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
100%	25%	67%	20%	Demonstrated

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight: 11%

Explanation: There are no efficiency measures or targets established for this program. In developing performance indicators, the program could establish processes for tracking this information.

Evidence:

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 11%

Explanation: NOAA and the States work together with other Federal and local entities to implement coastal policies through a variety of formal and informal forums including: the Coastal States Coordination Committee; regional workshops; annual CZM and NERRS program manager meetings; joint program managers meetings that include program managers from Sea Grant Colleges and National Estuary Programs; and various ad hoc collaboration efforts to address issues as they come up. Through these meetings and workshops NOAA staff, State CZM and NERRS staff, and staff from other Federal, State, and local partners collaborate on programmatic or regional issues, share information, and receive training on new techniques or tools available for managing the coasts. In addition, the NERRS and National Estuary Programs have provided Federal level coordination for several joint, locally based activities.

Evidence: The Coastal States Coordination Committee is comprised of State and Federal representatives from NOAA's CZM program, NERRS, Sea Grant program, and EPA's National Estuary Program and water quality programs. The Coordination committee generally meets 2 to 3 times each year. One regional workshop conducted by NOAA focused on training State and Federal agencies on the implementation of the CZMA's provision that Federal actions be consistent with State coastal policies. These workshops result in substantially improved coordination, consultation and cooperation, fewer disagreements between state and Federal agencies, and an effective process for resolving conflicts. Another workshop sponsored by NOAA in Glen Cove, NY, brought together Federal, State, and local agencies to support implementation of a community-based waterfront revitalization and brownfields redevelopment initiative. To date, Glen Cove has leveraged over $40 million in public and private investment to support the clean up and redevelopment of 214 acres on Long Island Sound. The project won a Coastal America 2003 Partnership Award.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight: 11%

Explanation: States have accounting systems that fall under self audit provisions of OMB. NOAA conducts an annual financial and performance audits, as well as an annual report and audit on loan repayment balances within the CZM Fund.

Evidence: NOAA Financial Assistance Awards - Standard Terms and Conditions

Program:	Coastal Zone Management Act Programs
Agency:	Department of Commerce
Bureau:	National Oceanic and Atmospheric Administration
Type(s):	Block/Formula Grant

Section Scores				**Rating**
1	2	3	4	Results Not
100%	25%	67%	20%	Demonstrated

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 11%

Explanation: Work is underway to identify appropriate and meaningful indicators for the program. A 1997 Inspector General's program evaluation made management recommendations to NOAA for improving the effectiveness of the CZM and NERRS programs, particularly with regard to coordinating technical information and research with NOAA toward the needs of State coastal management efforts. NOAA took action to address the report's recommendations. A 2002 NOAA Program Review made recommendations to improve grants management within the agency. NOAA has taken steps to address these recommendations.

Evidence: Quarterly reports to Congress on NOAA's progress toward developing a performance management system for the Coastal Zone Management Act; 1997 Department of Commerce Inspector General program evaluation report on NOAA's implementation of the CZM and NERRS programs. NOAA Program Review Recommendations, 2002; FY 2002 assessment of OCRM's performance in reviewing financial assistance applications. Steps taken to address the Program Review Recommendations include additional training and reporting on grant processing timeframes.

3.BF1 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight: 11%

Explanation: NOAA employs program specialists to oversee State programs, negotiate tasks to be performed under cooperative agreements, and to monitor State progress in achieving those tasks. States keep NOS/OCRM informed of their activities with CZMA funds through periodic reports and semi-annual performance reports required by the terms of the grant. Program specialists work with their State CZM and Reserve programs on a regular basis. As part of periodic evaluations of State programs and National Estuarine Research Reserves, NOAA performs site visits to each coastal State or NERR and meets with agency staff, other agencies, the public and interested parties.

Evidence: State performance reports and work-products; regional meetings/workshops; program evaluation site visits and finding documents.

3.BF2 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: NO Question Weight: 11%

Explanation: NOAA collects performance information and work-products through semi-annual reports that state grantees prepare and submit to NOAA. These documents are available for public review upon request. However, there is little useful performance information that is readily available to the public.

Evidence: State performance reports and work-products; final program evaluation documents.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight: 20%

Explanation: As noted earlier, to date, long-term performance goals have been largely process-oriented. Program outcomes exist primarily as anecdotal information. Long-term outcome goals are currently being developed and will be reported as part of a national performance measurement system.

Evidence: Annual agency budget, performance plan and audit documents provide information on progress in meeting current, process-oriented long-term performance goals. Progress in developing a more out-come oriented National Performance Measurement Systems for the CZMA is addressed in FY 2002 and FY 2003 quarterly reports to Congress.

Program: Coastal Zone Management Act Programs
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
100%	25%	67%	20%	Demonstrated

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: NO Question Weight 20%

Explanation: Current annual goals are process-oriented and do not adequately demonstrate progress in achieving program goals.

Evidence: Annual agency budget, performance plan, and audit documents provide information on progress in meeting current, process-oriented annual performance goals. Progress in developing a more out-come oriented National Performance Measurement Systems for the CZMA is addressed in FY 2002 and FY 2003 quarterly reports to Congress.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight 20%

Explanation: At the national level, funding to administer the program has not kept pace with inflationary costs, the addition of new State programs, and increases in administrative costs. This has required the program office to perform more work with fewer resources. However, without outcome measures, there is no evidence to demonstrate that the program has been able to maintain or increase progress in meeting performance goals at flat funding levels.

Evidence:

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NO Question Weight 20%

Explanation: The Federal/State partnership of the CZM program is a unique approach to coastal management and research. However, to the extent that other programs do exist that pursue management and research goals in coastal and estuarine areas, potential comparisons may be informative. Due to the lack of performance information there is no evidence that the CZMA programs compare favorably to other programs with similar purposes and goals.

Evidence:

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: YES Question Weight 20%

Explanation: A 1999 study on the Effectiveness of Coastal Zone Management in the United States, led by Marc Herschman, concluded that "state CZM programs are effectively implementing the five CZMA objectives examined". The study was based on an assessment of policies, processes and tools used, as well as limited outcome data and case examples where available. A 1991 study evaluating the CZM program concluded "that the states which have chosen to participate in the program have seen vast improvement in many aspects of management of their coastlines, in both economic and non-economic terms" and that these benefits "have a direct relationship with federal CZMA expenditures".

Evidence: "The US Coastal Management Effectiveness Study" Herschman, et al., Coastal Management Journal, Volume 27, Numbers 2-3, April-September 1999; "Evaluation of the National Coastal Zone Management Program", UNC-Center for Urban and Regional Studies, February 1991.

PART Performance Measurements

Program: Coastal Zone Management Act Programs
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
100%	25%	67%	20%	Demonstrated

Measure: Percent of Coastal Zone Management Program (CZMP) system completed (% of 35 coastal States and territories)

Additional Information: Tracks State progress in developing programs to support effective management, beneficial use, protection and development of the coastal zone.

Measure Term: Long-term

Year	Target	Actual
2000	94%	94%
2001	94%	94%
2002	97%	97%
2003	97%	97%
2004	97%	

Measure: Percent of State coastal nonpoint pollution control programs approved with conditions (% of 35 coastal States and territories)

Additional Information: Tracks State progress in developing programs to control various sources of polluted runoff by implementing on-the-ground management measures.

Measure Term: Long-term

Year	Target	Actual
2000	86%	83%
2001	89%	89%
2002	89%	89%
2003	94%	94%
2004	94%	

PART Performance Measurements

Program: Coastal Zone Management Act Programs
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
100%	25%	67%	20%	Demonstrated

Measure: Percent of State coastal nonpoint pollution control programs fully approved (% of 35 coastal States and territories)

Additional Information: Tracks State progress in developing programs to control various sources of polluted runoff by implementing on-the-ground management measures in six categories.

Measure Term: Long-term

Year	Target	Actual
2000		9
2001		17
2002		29
2003	54	46
2004	62	

Measure: Percent of National Estuarine Research Reserve System (NERRS) completed (out of 36 reserves)

Additional Information: Tracks State progress in developing programs to provide a platform for long-term research, education, and stewardship and complete a system that is representative of the diverse estuarine systems found throughout the United States.

Measure Term: Long-term

Year	Target	Actual
2000	69%	69%
2001	69%	69%
2002	72%	69%
2003	72%	72%
2004	72%	

PART Performance Measurements

Program: Coastal Zone Management Act Programs
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
100%	25%	67%	20%	Demonstrated

Measure: Percentage of significantly upgraded management capabilities and information delivery systems at NERRS (% of 216 total capabilities upgraded -- tracks 8 capabilities at 27 reserves)

Additional Information: Tracks the cumulative progress made across the 27 designated (or soon to be designated) reserves toward building capability to monitor water, weather, and ecological conditions at each reserve and to deliver the scientific information needed by coastal resource managers.

Measure Term: Long-term

Year	Target	Actual
2000	31	31
2001	44	44
2002	47	44
2003	54	54
2004	58	

PART Performance Measurements

Program: Commerce Small Business Innovation Research (SBIR) Program
Agency: Department of Commerce
Bureau: NIST/NOAA
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
40%	13%	90%	0%	Demonstrated

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The SBIR Program is legislatively mandated. The overall purpose of the SBIR is to strengthen the role of innovative small businesses in Federally-funded research by stimulating and fostering scientific and technological innovation, increasing the commericalization of Federal R&D, and encouraging participation by minority and disadvantaged persons.

Evidence: In 1982, Public Law 97-219 established a five-year, government-wide, Small Business Innovation Research Program. This Program has been extended 3 times (through September 30, 2008) by Public Law 99-443, Public Law 102-564, and most recently, by Public Law 106-554.

1.2 Does the program address a specific and existing problem, interest or need? Answer: NO Question Weight20%

Explanation: The SBIR program is based on two primary assumptions, that small businesses are excluded from the federal R&D procurement process and that there is an under-investment in scientific and technological innovation. Most of NIST's SBIR funding is set aside from the Advanced Technology Program (ATP), which also aims to foster technological innovation. Small businesses are already eligible to apply for ATP funding; in fact, 77% of ATP's FY02 awardees were small businesses. Within NOAA, small businesses are also eligible for R&D funding and contracts from existing programs. For example, commercial organizations are eligible for NOAA's Saltonstall-Kennedy grant program, which provides funding for research areas, such as aquaculture, that are also funded under the SBIR program. Given these existing opportunities, there is no evidence that a need exists at Commerce to address the problems on which the SBIR program is based.

Evidence: See www.atp.nist.gov for descriptions and statistics on NIST's Advanced Technology Program. See www.noaa.gov for descriptions and statistics on non-SBIR funding opportunities.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: NO Question Weight20%

Explanation: Per the legislation, any Federal agency with extramural R&D budgets of $100 million or more must reserve 2.5% for SBIR. The law does not allow any flexibility for agencies to fulfill the purposes of the SBIR program through any other means. As explained above, the purposes of the SBIR program are already addressed through existing programs, so to further set aside funding for SBIR is redundant.

Evidence: See Public Law creating the SBIR.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: NO Question Weight20%

Explanation: As mentioned above, the law does not provide flexibility for agencies to fulfill the purposes of the SBIR program though other programs. Such flexibility could allow agencies to more effectively meet their needs while still promoting involvement of small businesses. As a mandatory "tax" on R&D programs, the design also prevents agencies from making discretionary decisions on the appropriate level of funding. The SBIR program takes funding from other R&D efforts and restricts it in a manner that may not be the most effective or efficient means of meeting the agency's mission.

Evidence: See Public Law creating the SBIR.

PART Performance Measurements

Program: Commerce Small Business Innovation Research (SBIR) Program
Agency: Department of Commerce
Bureau: NIST/NOAA
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
40%	13%	90%	0%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

Explanation: All SBIR resources are used to fund R&D proposals from small businesses responding to an annual solicitation highlighting NIST-specific R&D needs. Each proposal is evaluated to ensure it meets a defined set of criteria.

Evidence: See NIST SBIR website: www.nist.gov/sbir and Public Laws creating the SBIR.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: NO Question Weight: 12%

Explanation: To date, Commerce has not developed long-term performance goals for its SBIR program. Commerce uses the SBIR program as a vehicle to receive R&D while supporting the overarching purpose of SBIR. The annual goal of the Commerce program is to ensure the alignment of each SBIR project with bureau missions while complying with SBA issued guidelines and regulations for SBIR programs.

Evidence: No goals or measures are identified in DOC's Annual Performance Plan or Strategic Plan.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight: 12%

Explanation: As discussed above, Commerce has not developed long-term performance goals for this program.

Evidence: No goals or measures are identified in DOC's Annual Performance Plan or Strategic Plan.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: NO Question Weight: 12%

Explanation: The Commerce SBIR program does not have a specific set of performance measures to assess overall progress in the program. However, each individual contract does have performance goals that must be met prior to award.

Evidence: No goals or measures are identified in DOC's Annual Performance Plan or Strategic Plan.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight: 12%

Explanation: As discussed above, Commerce does not have annual measures for this program.

Evidence: No goals or measures are identified in DOC's Annual Performance Plan or Strategic Plan.

Program: Commerce Small Business Innovation Research (SBIR) Program
Agency: Department of Commerce
Bureau: NIST/NOAA
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
40%	13%	90%	0%	Demonstrated

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: NO Question Weight: 12%

Explanation: As discussed above, Commerce has not developed long-term goals for this program. However, SBIR clients are required to agree and meet the terms and conditions of their contracts which include the delivery of progress reports and/or other technical deliverables (according to solicited stated R&D goals).

Evidence: Terms and conditions, including deliverables, are clearly stated in each SBIR contract.

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight: 12%

Explanation: GAO conducts periodic reviews of the SBIR program. The Commerce IG also audited the program in 2000. In addition, the National Research Council is working on a multi-year, government-wide study to evaluate the effectiveness of the SBIR program.

Evidence: See 1987, 1989, 1995, 1998, 1999 GAO reports and 2000 DOC IG Audit.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight: 12%

Explanation: In accordance with the legislation, the annual NIST SBIR budget is 2.5% of its extramural R&D budget; the SBIR program is not funded through specific budget requests and resources are not tied to results.

Evidence: See Public Law creating the SBIR.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: NO Question Weight: 12%

Explanation: Commerce has not developed long-term goals or measures to evaluate program effectiveness. However, NIST has developed a strategic improvement plan for the SBIR program to improve processes and develop performance measures.

Evidence: No goals or measures are identified in DOC's Annual Performance Plan or Strategic Plan. NIST's Strategic Plan is available upon request.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 10%

Explanation: Each SBIR awardee is required to submit regular deliverables. Once these deliverables are inspected by Commerce and technically accepted, payments are made on the contract. Because these projects are R&D in nature, the process measures are in the form of deliverables which allow Commerce to meet its mission related needs.

Evidence: Commerce maintains records of each accepted SBIR deliverable.

Program: Commerce Small Business Innovation Research (SBIR) Program
Agency: Department of Commerce
Bureau: NIST/NOAA
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
40%	13%	90%	0%	Demonstrated

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**

Answer: YES Question Weight:10%

Explanation: SBIR awards are made through fixed-price contracts which provide a framework for accountable delivery of the proposed R&D. The terms and conditions of the contracts provide a schedule for the conduct of the R&D and interim progress reports and deliverables. Payments are not issued until Commerce receives and deems the deliverable technically acceptable.

Evidence: The SBIR Program awards contracts as its funding agreement and thus relevant FAR regulations are invoked and observed.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**

Answer: YES Question Weight:10%

Explanation: All funds allocated to the SBIR Program are obligated during the current year for the exclusive purpose of funding SBIR contracts. Any funds that remain in the allocation because of insufficiency to fund another complete project are carried over to the following fiscal year allocation.

Evidence: Annual reports prepared for SBA detailing budget expenditures.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?**

Answer: NO Question Weight:10%

Explanation: There are no efficiency measures or other indicators available to determine efficiences and cost effectiveness in the program.

Evidence:

3.5 **Does the program collaborate and coordinate effectively with related programs?**

Answer: YES Question Weight:10%

Explanation: The NOAA Program working with the SBA coordinates its program with all other Federal SBIR agencies. Federal program manager meetings, 3 National Conferences, and numerous program to program communications all aid coordination.

Evidence: SBA Annual Reports, National Conference Procedings, NOAA annual award abstracts

3.6 **Does the program use strong financial management practices?**

Answer: YES Question Weight:10%

Explanation: The SBIR program adheres to established agency financial management practices and principles.

Evidence: See NIST and NOAA audited Annual Financial Statements.

PART Performance Measurements

Program: Commerce Small Business Innovation Research (SBIR) Program
Agency: Department of Commerce
Bureau: NIST/NOAA
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
40%	13%	90%	0%	

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 10%

Explanation: Both NIST and NOAA have taken steps to address management deficiencies. The DOC IG audit in 2000 identified suggested program improvements, all of which were adotped. Within NIST, the entire SBIR program is managed by a staff of 1 FTE. The size of the program allows for systematic program management evaluation during the SBIR administrator's annual performance review.

Evidence: 2000 DOC IG Audit; Annual performance reviews.

3.CO1 Are grants awarded based on a clear competitive process that includes a qualified assessment of merit? Answer: YES Question Weight: 10%

Explanation: Both NIST and NOAA publish an annual solicitation outlining R&D topic areas. In NIST, applicants submit proposals in the topic area and two experts familiar with the research topic evaluate and score each proposal according to a set of criteria outlined in the annual solicitation. Final selection is based on the technical scores, combined with a priority ranking provided by the laboratory sponsoring the research area. In NOAA, a selection committee evaluates the proposal according to the established criteria and makes the final selection.

Evidence: See the NIST SBIR website at www.nist.gov/sbir and the NOAA SBIR website at www.oar.noaa.gov/ORTA/SBIR for annual solicitations and criteria.

3.CO2 Does the program have oversight practices that provide sufficient knowledge of grantee activities? Answer: YES Question Weight: 10%

Explanation: In NIST, SBIR awards are made through fixed-price contracts which provide a framework for accountable delivery of the proposed R&D. The terms and conditions of the contracts provide a schedule for the conduct of the R&D and interim progress reports and deliverables. Payments are not issued until NIST receives and deems the deliverable technically acceptable. NOAA assigns a technical expert to monitor each contract to ensure adequate progress is being made and that the conditions of the contract are being met.

Evidence: Specific terms and conditions are included with each contract issued.

3.CO3 Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner? Answer: YES Question Weight: 10%

Explanation: NIST and NOAA publish abstracts of proprosed SBIR R&D along with the client company names and addresses on their websites and in the annual report to SBA.

Evidence: SBA Annual Reports; Awards section of the NIST SBIR website at www.nist.gov/sbir; NOAA Abstracts of Annual Award Winners at www.oar.noaa.gov/ORTA/SBIR.

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: NO Question Weight: 20%

Explanation: As discussed in section 2, Commerce has not developed long-term performance goals for its SBIR program.

Evidence: No goals or measures are identified in DOC's Annual Performance Plan or Strategic Plan.

PART Performance Measurements

Program: Commerce Small Business Innovation Research (SBIR) Program
Agency: Department of Commerce
Bureau: NIST/NOAA
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
40%	13%	90%	0%	Demonstrated

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: NO Question Weight20%

Explanation: As discussed in section 2, Commerce has not developed annual performance measures to assess the overall SBIR program.

Evidence: No goals or measures are identified in DOC's Annual Performance Plan or Strategic Plan.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight20%

Explanation: There are no efficiency measures or other indicators available to determine efficiences and cost effectiveness in the program.

Evidence:

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NO Question Weight20%

Explanation: There is no performance data available to compare Commerce's SBIR program with other agency SBIR programs. GAO and NRC reviews have not made qualitative comparisons of Commerce's program with other agency programs. Some overall reviews of SBIR have compared it to other Federal technology R&D programs, but results have varied.

Evidence:

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight20%

Explanation: GAO conducts periodic reviews of the entire SBIR program. However, these reports have not adequately evaluated the effectiveness and results of the program, nor have they evaluated the effectiveness of the program's overall design. The National Research Council is currently working on a multi-year, government-wide study to evaluate the effectiveness of the SBIR program.

Evidence: See GAO reports on the SBIR program. The NRC report is due to Congress in FY05.

Measure:

Additional Information:

Year	Target	Actual	**Measure Term:**

PART Performance Measurements

Program: Current Demographic Statistics
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	74%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The Census Bureau's Current Demographic Statistics program is responsible for developing plans and programs to collect, process, and disseminate information from surveys on the population and its characteristics, and on the size and characteristics of the housing inventory. The Current Demographic Statistics Program includes the Current Population Survey (CPS) and the Survey of Income and Program Participation (SIPP).

Evidence: Census Bureau's mission statement.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: Data from these programs address the need to create the United States' official measures of employment, unemployment, income, poverty, and health insurance coverage not available from the private sector on a continuous basis. Further, the necessity of protecting the confidentiality of respondents' data and ensuring the impartiality of resulting statistics require that the Federal government produce these demographic statistics.

Evidence: Titles 13 and 29 of the U.S. Code places confidentiality requirements of the data collected and used by the Census Bureau.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight20%

Explanation: The Census Bureau's high survey response rates, extensive data collection infrastructure, and confidentiality protections result in survey data that is of highest quality and analytic integrity. These data make a unique contribution to providing official baseline estimates of various social, demographic, and economic phenomena and trends.

Evidence: The Census Bureau supplies data that are the basis for the Bureau of Labor Statistics' monthly unemployment rate. Also, Congress and the Department of Education use the data to determine where the funds for Head Start programs could be most helpful. The State Children's Health Insurance Program (SCHIP) allocates billions of dollars of Federal funds to states based, in part, on a formula that uses data from the Current Population Survey.

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight20%

Explanation: The Census Bureau provides the source data for many official statistics and time series that are routinely input to other agencies' social and economic indicators. The Census Bureau has a well-developed data collection infrastructure and trained field staff, high household response rates, and a complete sampling frame from the decennial census.

Evidence: Titles 13 and 29 of the U.S. CodeReliability requirements of surveys

PART Performance Measurements

Program: Current Demographic Statistics
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	74%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

Explanation: The current demographic surveys program has survey reliability requirements to ensure demographic data are adequate to allocate federal funds to the states.

Evidence: Reliability requirements of surveysTitle 29 mandates use of CPS data on conditions of the labor force to generate national and state unemployment rates which are used in unemployment fund allocation formulas.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 13%

Explanation: The long term performance goal is to meet the needs of policy makers, businesses and non-profit organizations, and the public for current measures of the U.S. population, economy, and governments by producing accurate, timely, relevant, cost-effective, and accessible statistics. The long term performance measures include household response rates for the CPS and SIPP, coefficient of variation for the CPS, CPS and SIPP interviews, data release schedules, and survey costs per case.

Evidence: FY 2004 DOC Annual Performance Report. Census Bureau's Strategic Plan for 2004-2008 (draft).

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 13%

Explanation: The long term targets are the following:Level of response/costs - CPS: The CPS has the short and long-term target to maintain a level of response of 54,000 interviewed households out of 60,000 eligible households per month (equivalent to a 90% response rate) while maintaining costs at current levels adjusted for inflation.Level of response - SIPP: The SIPP has the long-term target of reducing attrition in 2001 and future surveys by using incentive payments, better interviewer training and a streamlined instrument. Data products - CPS: The CPS has the long-term target to release 12 data products from the monthly CPS and 6 from the annual supplement each year on or ahead of schedule. Data products - SIPP: The SIPP has a short and long-term target of one year from end of interviewing release date for products from the 2001 Panel. Census' long term goal should include an ambitious data release schedule for core wave files, topical module files, and the longitudinal files.

Evidence: FY 2005 Annual Performance Plan

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 13%

Explanation: The annual performance measures include household response rates for the CPS and SIPP, coefficient of variation for the CPS, CPS and SIPP interviews, data release schedules, and survey costs per case.

Evidence: FY 2005 Annual Performance Plan

Program: Current Demographic Statistics
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	74%	

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 13%

Explanation: In general, annual performance targets are ambitious and consistent with the long term targets. Census' annual goals for SIPP data products should be consistent with an ambitious long-term data release schedule for core wave files, topical module files, and the longitudinal files.

Evidence: FY 2005 Annual Performance Plan

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 13%

Explanation: The current demographic statistics program regularly consults with external and internal partners to ensure commitment to program goals. For example, partners are consulted on the research agenda including analysis of interviewing methods, response bias, quality control procedures, questionnaire design, and documentation.The current surveys program also incorporates milestone schedules and reporting requirements into contracts with its IT partners.

Evidence: Periodic interagency meetings: SIPP Interagency Committee, Quarterly Sponsors' meeting, SIPP Executive Committee, meetings with senior managers of the CPS with managers at BLS to discuss the survey and resolve any outstanding issues. Reimbursable Agreement with BLS. IT contracts

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 13%

Explanation: The SIPP is evaluated by several external groups including the SIPP Interagency Committee, SIPP Executive Committee, and the ASA External Advisory Group. The Bureau of Labor Statistics contributes to external evaluations of the CPS. Census has pursued additional independent evaluations of the SIPP. A report by Mathematica Policy Research Inc., recommended several changes to improve the wealth data from the survey. The program plans to conduct other evaluations of the SIPP as part of a research plan to be tested in preparation for the 2008 SIPP. In addition, the Census Bureau will repeat an external evaluation of the usefulness of SIPP content by surveying prominent SIPP data users both inside and outside of government.The Census Bureau regularly generates quality profiles and cost and management reports for Bureau-sponsored demographic surveys. These profiles and reports provide statistical measures of reliability and note compliance with or accomplishment of project tasks.

Evidence: Reports of SIPP Interagency Committee, SIPP Executive Committee. Source and Accuracy Statements are issued at the time of data release. Quality Profile Standards. Mathematica Policy, Inc. report: Survey Estimates of Wealth: A Comparative Analysis and Review of the SIPP. Also, Research and Testing Proposal for SIPP Assets/Liabilities Topical Modules: 2008 Panel.

Program: Current Demographic Statistics
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	74%	

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight:13%

Explanation: The Census Bureau budget requests tie resource requests to the accomplishment of performance goals for new initiatives and incorporate unit costs for base and new activities. However, improvements can be made in tying base activities to annual and long term performance goals.

Evidence: FY 2005 Budget Request

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:13%

Explanation: In general, the current demographic statistics program has adequate strategic planning. Improvements can be made in the Census Bureau's Strategic Plan to better articulate program goals and associated milestones.

Evidence: Census Bureau's Strategic Plan for 2004 - 2008 (draft)2004 Methods Panel, Continuous Instrument Improvement Group, SIPP Executive Committee

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:14%

Explanation: The Census Bureau collects, calculates, and assesses performance measure data on reliability, interview rates, and cost as the surveys are tabulated. These data are used to ensure reliability requirements are achieved.

Evidence: Monthly Cost and Performance Reports. Annual Status Reports. Cost and Response Management Reports providing daily cost and progress data for our field infrastructure.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight:14%

Explanation: Annual performance plans for managers include goals and meaures that are linked to Census Bureau's strategic goals. Managerial accountability for SIPP release schedules have been incoporated into annual performance plans for SIPP managers. This was reviewed by the SIPP 2004 Data Products Team, established in August 2003.Contracts are carefully monitored and contractors are held accountable for progress.

Evidence: Performance plans are a part of each employee's annual review from entry-level to senior staff.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:14%

Explanation: All funds are obligated in a timely and appropriate manner.

Evidence: SF 133 quarterly reports

Program: Current Demographic Statistics
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	74%	

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 14%

Explanation: Census obtains daily cost and progress on field data collection with a Cost and Response Management Network. Census has used these data to measure and improve efficiency. For example, Census used it to identify the sources of field cost increases between FY01 and FY02. The detailed reports allowed managers to determine what activities were associated with these increases and devise steps to contain or reduce those costs. As a result, for FY03 field survey costs per case are lower than they were in FY01 for both CPS and SIPP.

Evidence: DOC FY2005 Annual Performance PlanThe Survey of Income and Program Participation uses various incentives to gain respondent participation resulting in fewer followup contacts to obtain interviews. Cost and Response Management Network (CARMN) provides daily cost and progress data on our field infrastructure.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 14%

Explanation: The Current Demographic Statistics is involved in numerous cross-cutting programs and activities; in particular, with the Health and Human Services, Bureau of Labor Statistics, Bureau of Economic Analysis, other federal customers, and the Interagency Council on Statistical Policy.

Evidence: The Census Bureau is a member of the Interagency Council for Statistical Policy (ICPS) which works to identify areas for collaboration and efficiencies among the 15 Federal statistical agencies. The Census Bureau also routinely meets and works with other agencies, such as the Office of Management and Budget's SIPP Interagency Advisory Committee, to enhance coordination for the development of quality statistics. Seven advisory committees also provide continuing advice and input on Census Bureau programs.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight: 14%

Explanation: The Census Bureau's financial management practices have resulted in a clean opinion on its financial audit since FY 1999.

Evidence: DOC Financial Audits Reports

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 14%

Explanation: In general, the current demographic program has adequate program management. The Census Bureau has developed areas of competency that managers must meet in their jobs and several programs have been developed to meet training needs in competency areas.

Evidence: Project Management Master Certificate Program to standardize its processes, establish time lines, and improve communication.

PART Performance Measurements

Program: Current Demographic Statistics
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	74%	

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight20%

Explanation: The current demographic statistics program has made progress in achieving its long-term goals for the CPS and the SIPP. To address concerns about SIPP attrition due to the longitudinal nature of the survey and delays in the release of SIPP data especially from the longitudinal file, the 2004 SIPP Data Products Team developed a set of recommendations, currently being implemented, that will reduce the release time for the first core product from the 2004 SIPP by 5 months from initial estimates, and will continue to improve the release time for core and topical module products throughout the panel. Also, the Census Bureau continues to address the attrition issue and has instituted intensive training to help field representatives convert reluctant respondents as well as expanding the incentive program.

Evidence: FY 2004 Performance and Accountability Report; FY 2004 and FY 2005 Annual Performance Plans; SIPP Data Products Team Report: Expiditing the Release of Data Products from the 2004 Panel.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight20%

Explanation: The current demographic statistics program has met its annual performance goals.

Evidence: FY 2004 DOC Annual Performance Report

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight20%

Explanation: The current demographics program has cost efficiency measures of survey costs per case for the CPS and SIPP. The survey costs per case increased in both the SIPP and CPS in FY 2002. However, the program was able to identify areas for improvement and survey costs per case declined in FY 2003. However, the program should address the rise in survey costs per case in both surveys evident in FY 2004.

Evidence: FY 2004 DOC Annual Performance Report

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: LARGE EXTENT Question Weight20%

Explanation: The quality of data as measured by such reliability standards as survey response rates, are higher than other surveys done in the private sector.

Evidence: The SIPP per unit costs are comparable to other longitudinal surveys.

Program: Current Demographic Statistics
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	74%	

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: LARGE EXTENT

Question Weight 20%

Explanation: External and internal evaluations indicate that the surveys are largely effective. Concerns previously expressed by the ASA Advisory Committee and the Federal Interagency Committee for the SIPP about the attrition and delays in release of data, have been addressed by the SIPP Data Products Team, as noted in item 4.1. Census has pursued additional independent evaluations of the SIPP. A report by Mathematica Policy Research Inc., receommended several changes to improve the wealth data from the survey. Several of these changes have been implemented for the 2004 SIPP. The program plans to conduct other evaluations of the SIPP as part of a research plan to be tested in preparation for the 2008 SIPP. In addition, the Census Bureau will repeat an external evaluation of the usefulness of SIPP content by surveying prominent SIPP data users both inside and outside of government.

Evidence: Reports of SIPP Interagency Committee, SIPP Executive Committee. Source and Accuracy Statements are issued at the time of data release. Quality Profile Standards. Mathematica Policy, Inc. report: Survey Estimates of Wealth: A Comparative Analysis and Review of the SIPP. Also, Research and Testing Proposal for SIPP Assets/Liabilities Topical Modules: 2008 Panel.

PART Performance Measurements

Program: Current Demographic Statistics
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	74%	

Measure: Household response rate for the Current Population Survey* FY 05 Target: 54K interviewed households out of 60K eligible households monthly

Additional Information:

Year	Target	Actual

Measure Term: Annual

Measure: Completion of SIPP performance milestones to maintain household response rates (reduce attrition) (1) Introduce CIIG and Methods Panel (MP) instrument design improvements for 2004 Panel.

Additional Information:

Measure Term:

Year	Target	Actual
2002		
2003		
2004	(1)	Met
2005		
2006		

Measure: Coefficient of variation (CV)- CPS

Additional Information:

Measure Term: Annual

Year	Target	Actual
2001	1.9%	1.9%
2002	1.9%	1.9%
2003	1.9%	1.9%
2004	1.9%	1.9%

Program: Current Demographic Statistics
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	74%	

2005	1.9%
2005	1.9%

Measure: CPS Interviews per month

Additional Information: CPS interviews per month

Measure Term: Annual

Year	Target	Actual
2002	54,000	54,000
2003	54,000	56,464
2004	54,000	55,264
2005	54,000	
2006	54,000	

Measure: SIPP Interviews (percentage of eligible cases interviewed)

Additional Information:

Measure Term: Annual

Year	Target	Actual
2002	70%	70%
2003	62%	65%
2004	75%	72%
2005	80%	
2006	80%	

PART Performance Measurements

Program: Current Demographic Statistics
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	74%	

Measure: Number of CPS data releases (monthly = mo; supplements = sp)

Additional Information: Release CPS data (12 products monthly, 6 supplements)

Measure Term: Annual (Efficiency Measure)

Year	Target	Actual
2002	12/mo 6/sp	12/mo 6/sp
2003	12/mo 6/sp	12/mo 7/sp
2004	12/mo 6/sp	12/mo 8/sp
2005	12/mo 6/sp	
2006	12/mo 6/sp	

Measure: Release SIPP data (number of data products released)

Additional Information:

Measure Term: Annual (Efficiency Measure)

Year	Target	Actual
2003	2	2
2004	7	10
2005	2	
2006	1	

Measure: CPS field survey costs per case (adjusted for inflation)

Additional Information:

Measure Term: Annual (Efficiency Measure)

Year	Target	Actual
2002		$47

Program: Current Demographic Statistics
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	74%	

2003	$49	$45
2004	$52	$47
2005	$55	
2006	$58	

Measure: SIPP Cost Per Case

Additional Information:

Measure Term: (Efficiency Measure)

Year	Target	Actual
2002		$142
2003	$149	$141
2004	$157	$162
2005	$165	
2006	$166	

PART Performance Measurements

Program: Decennial Census
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	86%	59%	Effective

1.1 **Is the program purpose clear?** Answer: YES Question Weight 20%

Explanation: The goal of the decennial census is to provide comprehensive and useful demographic information about all people living in the United States, including population information used to apportion the seats in the Congress and define the districts that each member will represent. The decennial census is constitutionally mandated and the legal source of data for Congressional apportionment. In addition, Federal law requires that Decennial Census data be used for congressional redistricting, and other Federal laws require Decennial Census data be used for program fund allocations by many agencies.

Evidence: Constitution of the United States (Article 1, Section 2); Public Law 94-171;Title 13, U.S. Code;Various Federal laws that mandate use of Decennial Census data for fund allocations. These needs also help determine the questions to be asked by the Decennial Census.

1.2 **Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight 20%

Explanation: The decennial census provides the official count of the U.S. population used for apportionment and redistricting of congressional seats. Data from the Census are used, by law, in the administration of federal programs. The decennial census also provides comprehensive and unique demographic information about all people in the United States, Puerto Rico, and the Island Areas.

Evidence: Constitution of the United States (Article 1, Section 2); Public Law 94-171;Title 13, U.S. Code;Various Federal laws that mandate use of Decennial Census data for fund allocations.

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight 20%

Explanation: The decennial program collects and disseminates data mandated by the U.S. Constitution and U.S. Code for use in apportionment and redistricting. Many laws dictate the use of Census data for the allocation of Federal funds. Further, the necessity of protecting the confidentiality of respondent's data and ensuring the impartiality of demographic data is addressed by having the Federal government produce these data.

Evidence: Constitution of the United States (Article 1, Section 2); Public Law 94-171;Title 13, U.S. Code;Various Federal laws that mandate use of Decennial Census data for fund allocations

Program: Decennial Census
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	86%	59%	Effective

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency?

Answer: YES   Question Weight: 20%

Explanation: For Census 2000, all operations were completed on time while achieving the lowest net coverage error rate compared to previous censuses. In order to improve the design for 2010 (by reducing risks, controlling costs, producing more timely data, and improving coverage), the Census Bureau is in the midst of a multi-year strategic effort to reengineer the 2010 Census program. That effort includes three components, the American Community Survey (ACS), the MAF/TIGER Enhancements Program (MTEP), and the short-form only 2010 Census.The design of the 2010 Census can be further improved by developing a detailed plan as to how the Bureau will achieve a complete and accurate MAF, develop and describe plans for partnerships with local governments for collecting address list and geographic information, and inform data users and stakeholders of the issues of working with moving average-based estimates from the ACS .

Evidence: FY2004-2008 Strategic Plan; FY2004 Congressional Budget request; FY2004 Annual Performance Plan; Potential Life Cycle Savings for the 2010 Census (June 2001); Estimated Life Cycle Costs for the Reengineered 2010 Census of Population and Housing (May 2003); Various GAO and OIG audit reports; Various reports from National Academy of Sciences panels on Census 2000 and 2010 Census.

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?

Answer: YES   Question Weight: 20%

Explanation: The decennial census is not a targeted activity. The census must enumerate everyone for purposes of apportionment and redistricting of congressional seats, administration of federal programs, and allocation of federal funds.

Evidence: Constitution of the United States (Article 1, Section 2);Public Law 94-171;Title 13, U.S. Code;

2.1 Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?

Answer: YES   Question Weight: 12%

Explanation: The reengineered 2010 Decennial Census program has the following long term strategic goal: Meet constitutional and legislative mandates by implementing a reengineered 2010 Census that is cost-effective, provides more timely data (through the ACS), improves coverage, and reduces operational risks. The performance measures include undercount and differential undercount of the population, household response rates, and yearly milestones to implement the ACS, modernize the MAF/TIGER address files and geographic databases, and test the short form design.

Evidence: FY2004-2008 Strategic Plan;Annual Performance Plans;Annual Budget requests

Program: Decennial Census
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	86%	59%	Effective

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 12%

Explanation: In general, the 2010 goals are ambitious: 1) Improve the relevance and timeliness of census long-form data compared to Census 2000 by implementing the ACS to produce long-form type data each year; 2) Reduce operational risk compared to Census 2000 by completing a dress rehearsal of 2010 Census methods and systems in FY 2008 and by completing the MAF/TIGER Enhancements program for all 3,232 counties by FY 2008; 3) Improve the accuracy of census coverage compared to Census 2000 by reducing the measured number of geographic coding errors by at least 50%, reducing the measured number of duplicates by at least 50%, and reducing the measured overall net coverage error at the national level to less than one-half of one percent; 4) Contain costs by conducting all three components of the reengineered census for an amount that is less than the cost of repeating the methodology used in the 2000 Census (estimated at $12.2 billion in June 2003). However, Census should continue to examine all key cost factors to identify potential areas where costs can be reduced.

Evidence: Estimated Life Cycle Costs for the Reengineered 2010 Census of Population and Housing (May 2003); FY2004-2008 Strategic Plan; Annual Performance Plans; Annual Budget requests; Milestone Schedule for the Reengineered 2010 Census

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 12%

Explanation: The Annual Performance Plan and yearly Congressional Budget request include specific performance milestones for each fiscal year which are linked to the long-term performance goals. These annual measures are set and monitored each year for each of the component programs within the reengineering effort--the ACS, the MAF/TIGER Enhancement Program, and the short-form only Census. Census also has an efficiency measure for the ACS and MAF/TIGER enhancements project.

Evidence: FY2004 Annual Performance Plan;FY2004 Congressional Budget request;FY2004-2008 Strategic Plan

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 12%

Explanation: Census has yearly and quarterly performance milestones for accomplishment of the three components of the 2010 reengineering effort. These three components are linked to the strategic goal of implementing a 2010 Census that is more cost-effective, provides more timely data, improves coverage, and reduces operational risk. Census should continue to examine all key cost factors to identify potential areas where costs can be reduced.

Evidence: FY2004-2008 Strategic PlanFY2004 Annual Performance Plan2010 Reengineered Census Milestone Schedule (draft June 2003)

Program: Decennial Census
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	86%	59%	Effective

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**

Answer: YES   Question Weight: 12%

Explanation: Key program partners are the Congress, Federal agencies, State and local governments, Census Advisory Committees, data users, and other stakeholders concerned about the apportionment, redistrcting, and Federal fund allocation purposes of the decennial census. The Census Bureau routinely consults program partners in developing the goals for the 2010 Census. Partners have shown support for the goals and the research, testing, and development efforts planned and completed to date. The Census Bureau also incorporates decennial program goals into contracts with its IT partners working on segments of the reengineering effort.

Evidence: Census advisory committees have expressed support for the goals of the 2010 Census, and continue to assess and advise Census on efforts to meet those goals. The various Federal agencies that will use the ACS and 2010 Census results also have endorsed the goals.

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**

Answer: YES   Question Weight: 12%

Explanation: Several external evaluations were conducted on Census 2000 by the DOC Office of the Inspector General, the GAO, and the National Academy of Sciences, and these continue for the 2010 reengineering effort. Census also conducts regular internal evaluations of the decennial program. As these internal and external evaluations are completed, Census incorporates findings and recommendations into the reengineering plans for the 2010 Census.

Evidence: Inspector General audit reports; GAO Audit reports; National Academy of Sciences reports on Census 2000 and 2010 Census plansCensus 2000 Evaluation Program;Evaluation, research, and testing plans for ACS, MTEP, and 2010 Census;

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**

Answer: YES   Question Weight: 12%

Explanation: The Census Bureau budget requests tie resource requests to the accomplishment of performance goals for new initiatives and incorporate unit costs for base and new activities. However, improvements can be made in tying base activities to annual and long term performance goals.Specific improvements can also be made in the budget requests of the decennial program. The decennial program should improve its cost model and be able to more clearly show how annual activities affect the long term performance goals of the 2010 Census (improving accuracy and relevance, reducing risk, and containing cost).

Evidence: FY2004 Annual Performance Plan; FY2004 President's Budget;FY2004-2008 Strategic Plan

Program: Decennial Census
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	86%	59%	Effective

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 12%

Explanation: In general, the decennial program has adequate strategic planning. The program uses several external and internal evaluations to guide planning efforts. Census also has a detailed milestone schedule for completion of the components of the reengineering effort.

Evidence: FY2004 Annual Performance Plan; FY2004 President's Budget;FY2004-2008 Strategic Plan

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 14%

Explanation: Census regularly collects performance information for use in managing and improving performance. Throughout the period leading up to a census, progress completing quarterly and yearly milestones and information from stakeholders are collected and used to inform program management. Following completion of a decennial census, information on coverage accuracy, household response rates, and the costs of collecting, processing, and disseminating data are collected for use in evaluation.

Evidence: FY2004 Annual Performance Plan; FY2004 President's Budget;FY2004-2008 Strategic Plan;Milestone Scedule for the Reengineered 2010 Census

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: NO Question Weight: 14%

Explanation: Annual performance plans for managers include goals and meaures that are linked to the strategic goals of the decennial program. However, improvements can be made in holding managers accountable for the cost containment goal of the 2010 census. Contracts are designed, managed, and monitored to support specific projects relevant to performance goals. Contractors are held accountable for progress.

Evidence: FY 2004 Annual Performance Plan; Performance plans and evaluations that are a part of each program manager's annual review

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 14%

Explanation: The decennial program has obligation plans for the frameworks of the decennial that it uses to plan and monitor spending. During the 2000 Census, the bureau returned appropriated funds that it did not need to complete the Census. Additional unobligated balances resulting from the 2000 Census have also been used to offset new appropriations.

Evidence: Monthly and quarterly obligation reports; Clean Bureau audits since 1999

Program: Decennial Census
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	86%	59%	Effective

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight:14%

Explanation: The reengineering effort includes cost savings initiatives such as, a short form only questionnaire and targeted second mailing to reduce the amount of paper and staff in local census offices and technology improvements to reduce the amount of time spent by enumerators in non-response follow up work. Census also has cost efficiency measures for the ACS and unit cost information for the counties realigned in MAF/TIGER Improvement initiative. Census also has competitively sourced a wide variety of contracts related to decennial activities to improve efficiencies.

Evidence: FY 2004 Congressional Budget Submission, FY 2004 Annual Performance Plan, 300 Capital Assessment Plans for ACS, MTEP, and 2010 Census.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight:14%

Explanation: The Bureau is involved in cross-cutting activities within the Department of Commerce and with other Federal Agencies in order to achieve the performance goals of the 2010 Census. Decennial programs work closely with these partners to ensure that Census data, and the strategic goals and efforts for the 2010 reengineering program, are meeting the needs of as broad a constituency as possible.

Evidence: FY2004-2008 Strategic Plan;Various inter-agency efforts concerning Federal agency data needs from the Census;MAF/TIGER Partnership Program with State, Local and Tribal governments;

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight:14%

Explanation: The program's financial management is reflected in the Bureau's clean audits opinions since FY 1999.

Evidence: The Bureau's financial reports Clean Bureau Audits since 1999

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight:14%

Explanation: In general, the decennial program has adequate management. The program has developed management structures and processes for the 2010 Census to monitor progress, communicate effectively and coordinate planning to ensure performance goals are accomplished.

Evidence: FY 2004 Congressional Budget Submission FY 2004 Annual Performance Plan Reports and recommendations by DOC IG, GAO, NAS, and the Advisory Committees2010 Decennial Census Risk Management Plan

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight25%

Explanation: Census has a detailed schedule of yearly milestones in place for the three components of the 2010 reengineering effort and largely remains on schedule in meeting these milestones.

Evidence: FY 2003 and FY2004 Annual Performance Plans;FY 2004-2008 Strategic Plan;Milestone Schedule for Reengineered 2010 Census

Program: Decennial Census
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	100%	86%	59%	Effective

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight25%

Explanation: Past annual performance is only available for FY 2002 for one performance measure "Percent of Census Test Objectives Achieved." The Census Bureau remains on target for all performance goals for FY 2003.

Evidence: FY 2003 and FY2004 Annual Performance Plans;FY 2004-2008 Strategic Plan;Milestone Schedule for Reengineered 2010 Census

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight25%

Explanation: The life cycle costs of the census have significantly risen over time. These increases outpace the increase in number of households within the US. Despite a 100% increase in costs between the 1990 and 2000 Census, efficiencies likely occurred in the 2000 Census from the use of outside contractors and improved technology in data capture, processing, and dissemination. The reengineering plan should result in a more cost-effective 2010 Census.

Evidence: FY2004-2008 Strategic PlanFY2004 Annual Performance Plan

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NA Question Weight: 0%

Explanation: There are no similar programs that provide population data for apportionment and redistricting or program fund allocations by many agencies. Further, international counterparts do not face the same constitutional and political challenges, particularly with respect to coverage accuracy.

Evidence: Constitution of the United States (Article 1, Section 2); Public Law 94-171;Title 13, U.S. Code;Various Federal laws that mandate use of Decennial Census data for fund allocations.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: LARGE EXTENT Question Weight25%

Explanation: Evaluations indicate that Census 2000 was well executed in many respects, reduced the undercount as compared to the 1990 Census, and data were released on schedule.

Evidence: Inspector General Reports GAO Audits National Academy of Sciences reviews Census Bureau evaluation reports

PART Performance Measurements

Program: Decennial Census
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	100%	86%	59%	

Measure: Meet constitutional and legislative mandates by implementing a re-engineered 2010 Census that is cost-effective, provides more timely data, improves coverage accuracy, and reduces operational risk.

Additional Information: *1) Improve the relevance and timeliness of census long-form data compared to Census 2000 by implementing the ACS to produce long-form type data each year; 2) Reduce operational risk compared to Census 2000 by completing a dress rehearsal of 2010 Census methods and systems in FY 2008 and by completing the MAF/TIGER Enhancements program for all 3,232 counties by FY 2008; 3) Improve the accuracy of census coverage compared to Census 2000 by reducing the measured number of geographic coding errors by at least 50%, reducing the measured number of duplicates by at least 50%, and reducing the measured overall net coverage error at the national level to less than one-half of one percent; 4) Contain costs by conducting all three components of the reengineered census for an amount that is less than the cost of repeating the methodology used in the 2000 Census

Measure Term: Long-term

Year	Target	Actual
2010	*	

Measure: Implement the American Community Survey (A measure comprised of annual programmatic milestones and the percentage of weighted response rate for the annual implementation of the ACS)

Additional Information: (1) Field activities supporting release of 2001 data from long form transitional database; (2) Release three evaluation reports on continuous measurement program

Measure Term: Annual

Year	Target	Actual
2002	(1)	Met
2003	(2)	Not Met
2004	92%	
2005	92%	
2006	92%	

Measure: Number of counties completed each year with improved global positioning system (GPS) location. (Revised since last PART)

Additional Information: A major component of the MTEP is to bring map features into alignment with global positioning system (GPS) coordinates for all counties in the United States, Puerto Rico, and the island areas.

Measure Term: Annual

Year	Target	Actual
2003	7.7%	7.7%
2004	26.3%	

Program: Decennial Census
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	100%	86%	59%	

Year	Target	Actual
2005	48%	

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, 2004 objectives included activities associated with implementing the 2004 Census test).

Additional Information: Annual performance measures and targets will evolve over the decade as the Census Bureau implements a multi-year research, testing, and development program for a short-form 2010 Census.

Measure Term: Annual

Year	Target	Actual
2002	100%	100%
2003	100%	100%
2004	100%	
2005	100%	
2006	100%	

Measure: ACS cost per household (mail, telephone, personal visit) (1) Mail:$13/HH Telephone: $20/HH Visit: $126/HH; (2) Mail:$12/HH Telephone: $17/HH Visit: $138/HH

Additional Information:

Measure Term: Annual (Efficiency Measure)

Year	Target	Actual
2005	(1)	

Measure: MAF/TIGER Improvements: Cost per County

Additional Information:

Measure Term: Annual (Efficiency Measure)

Year	Target	Actual
2005	$77.1K/county	

PART Performance Measurements

Program: Economic Census
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				**Rating**
1	2	3	4	Effective
100%	100%	100%	80%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The Economic Census provides the Nation with comprehensive and detailed information about the changing structure of the U.S. economy and serves as the statistical foundation for continuing economic analyses by government and businesses.

Evidence: Title 13 U.S.C. §131; DOC FY 2004 -2009 Strategic Plan; Census Bureau 2004-2008 Strategic Plan; FY 2005 President's Budget and Annual Performance Plan; Economic Programs Directorate Strategic Plan.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: The Economic Census addresses the need to provide comprehensive economic statistics not available from the private sector due to market failure in providing this type of public good. Further, the necessity of protecting the confidentiality of respondent's data and ensuring the impartiality of economic estimates is addressed by having the Federal government conduct the Economic Census. Conducted every five years, the Economic Census is the primary source of facts about the structure and function of the economy, providing essential information to government and businesses to help guide sound decisions.

Evidence: Confidentiality protections in Title 13, U.S.C.Economic policymakers in federal, state, and local governments use Economic Census data to project trends, guide economic development, and assess the impact of economic policy. Businesses use Economic Census data for many purposes including calculating market share, making decisions about site location, and evaluating new business opportunities.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight20%

Explanation: The Economic Census is the only source of comprehensive, detailed information about the US economy. The Census collects information about the number of establishments (or companies), number of employees, payroll, and measures of output (e.g. sales, receipts, revenue) for businesses from over 1,000 industry categories, covering 84 percent of all U.S. goods and services (The Censuses of Agriculture and Government cover an additional 14 percent). Economic Census data are also available at detailed levels of geography (e.g. Nation, states, counties, MSAs, and places with 2,500 or more inhabitants).

Evidence: Title 13, U.S.C.; DOC Strategic Plan; Census Bureau Strategic Plan; Economic Programs Directorate Strategic Plan; and OMB 'Paperwork Reduction Act Submissions' for the 2002 Economic Census reporting forms.

Program: Economic Census
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	80%	

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: The Economic Census covers 84 percent of the U.S. economy in its basic collection of establishment statistics. In general, the program design is considered efficient because the program uses Federal administrative records to obtain information from most small establishments (approx. 18 million in 2002). This helps to minimize reporting burden from small businesses. The program sends questionnaires to larger establishemts (approx. 5 million in 2002). The Econ. Census program also conducts ongoing consultation and collaboration with data users to ensure needs are being met (e.g. by changing questionnaire design and content, offering electronic reporting, accelerating data releases, and/or offering new data products). After each Economic Census, an extensive evaluation is conducted. For example, problems identified in the 1997 Economic Census resulted in significant content expansion to the 2002 Economic Census, increased products, improved timeliness, and re-engineering of its collection infrastructure to improve response and reduce operating costs.

Evidence: DoC Strategic Plan; Census Bureau Strategic Plan; Economic Census Goal Statement in FY 2005 President's Budget; and Oct 2002 memo to ESA Under Secretary from BEA Director regarding accelerated estimates. OMB 'Paperwork Reduction Act Submissions' for the 2002 Economic Census reporting forms.

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight20%

Explanation: In general, Econ. Census program resources are effectively targeted to reach beneficiaries and address the program's purpose. The program collaborates with both public- and private-sector partners to ensure that user needs are being meet. The Census Bureau's Advisory Committee also reviews the program to ensure it address the agencies goals and objectives and meets the needs of data users. For example, the 2002 Economic Census consisted of eight core program components and four related data collections. The core components were separately tailored for each major domestic business sector and provided comprehensive information on the structure of 84 percent of the U.S. economy. The related data collections were more specialized and provided supplementary information on businesses owned by minorities, supplementary information on expenditures and expenses for non-goods producing businesses, detailed information on vehicle characteristics, and periodic census information on the economies of Puerto Rico and the island territories.

Evidence: Title 13 U.S.C.; Economic Census Goal Statement in the FY 2005 President's Budget; Census Advisory Committee reports; various interagency memorandums concerning the Economic Census; feedback received from private-sector associations.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight13%

Explanation: The performance goal of the Economic Census is to support the economic foundation of the U.S. by producing accurate, timely, and relevant benchmark measures of the economy. Long term measures include the number and release schedule of data products, data quality (as measured by response rates, imputation rates, internal reviews, comparisons to IRS administrative data, and feedback from users), and efficiency (as measured by the unit cost of processing costs and the cost of estimating a percentage share of GDP over the total cycle cost of each census). The program also uses IRS payroll and employment data to validate employment, receipts, and payroll entries collected in the Economic Census.

Evidence: DoC Strategic Plan; Census Bureau Strategic Plan; FY 2003-2005 Annual Performance Plans; FY 2003 Performance & Accountability Report; and FY 2004-2006 Economic Programs Directorate Strategic Plan.

Program: Economic Census
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	80%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 13%

Explanation: In general, the targets of the long-term measures are ambitious. The 2007 Econ Census performance targets include: obtaining an 86% response rate, a 2% improvement over the 2002 rate; improving data quality by decreasing the imputation rate by 5%; releasing all Economic Census data reports on schedule; expanding service sector coverage, and increasing the use of electronic reporting by 20%. Following the review of the 2002 Econ Census, the 2007 Econ Census will likely have additional coverage improvements and possible changes to the release schedule to meet stakeholder needs. The Bureau should consider making the unit cost measures more ambitious.

Evidence: DOC Strategic Plan; Census Bureau Strategic Plan; FY 2005 President's Budget; FY 2003-2005 Annual Performance Plans; October 2002 memorandum to ESA Under Secretary from BEA Director regarding accelerated estimates of industry Input-Output (I-O) accounts; the 2002 Economic Census release schedule; and the Economic Programs Directorate Strategic Plan.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 13%

Explanation: The Economic Census has several annual performance measures that relate to the long-term goals and measures of the program. These annual measures include: preparation of a detailed project plan for all phases of an Econ Census, mailing of questionnaires, releasing data products, and offering help desk assistance to respondents.

Evidence: FY 2003-2005 Annual Performance Plans; FY 2003 Performance and Accountability Report

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 13%

Explanation: In general, the annual targets of the Econ Census program are ambitious. The 2002 Econ Census provided a significant expansion to content and coverage, as well as an accelerated release schedule. The accelerated schedule results in a 4 month improvement in the release time of the manufacturing industry series, a 11-14 month improvement in the product class data release, a 20 month improvement in the first release of the merchandise and commodity line data. To curb lower than expected response rates in FY 2003, the program conducted several previously unplanned outreach activities including more telephone non-response follow-up. The program also offered the 24/7 Internet help-desk a month ahead of schedule.Following the review of the 2002 Econ Census, the 2007 Econ Census will likely have additional changes to its annual targets to include more electronic reporting, and possible changes to the release schedule to meet stakeholder needs.

Evidence: FY 2003-2005 APPs; and FY 2003-2005 President's Budgets

Program: Economic Census
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	80%	

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**

Answer: YES Question Weight: 13%

Explanation: The Economic Census program regularly consults with its partners to ensure commitment to program goals. The major federal partners are BEA, BLS, and the Federal Reserve Board. Feedback is provided by the BEA through regular quarterly meetings. Meetings with BLS and the Federal Reserve Board are on an as needed basis. The Census Bureau is also a member of the Interagency Council on Statistical Policy, the Federal Economic Statistics Advisory Committee, the Economic Classification Policy Committee (ECPC), and other joint organizations and meets regularly with staff from these agencies to ensure everyone is working together toward the program goals.Census and BLS also share industry classification information as evidenced by a MOU between the two agencies in which BLS provides industry codes to Census for the purposes of improving the completeness, accuracy, and efficiency of Census programs and to reduce the reporting burden that would result from separate Census collections for these data.

Evidence: October 2002 memorandum to ESA Under Secretary from BEA Director regarding accelerated estimates of industry I-O accounts. BEA and the Census Bureau reduced the time to release the benchmark I-O accounts from 9 to 5 years. The Census Bureau's advisory committee expressed support for the goals of the 2002 Economic Census, and continues to assess and advise the program on efforts to meet these goals. The various Federal agencies that will use the Economic Census results also have endorsed the goals through inter-agency efforts such as the Interagency Council on Statistical Policy.

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**

Answer: YES Question Weight: 13%

Explanation: External and internal evaluations are conducted on an as-needed basis to support and evaluate program effectiveness. The Census Advisory Committee of Professional Associations regularly makes recommendations on the scope, content, and methodology of the Econ. Census. A 2003 NAS Panel on BTS Programs reviewed the Commodity Flows Survey (CFS). A 2004 DOC OIG report assessed Census performance measures. In the 1990s, the Economic Classification Policy Committee examined the SIC classification system and recommended adoption of NAICS because it was more reflective of the US economy. In 1989, a CEA Economic Policy council working group report, comprised of representatives of Federal agencies, developed recommendations to improve the quality of economic statistics. A 1986 NRC report assessed the statistics of service industries. During the fall of 2004, the program plans to begin a comprehensive review of the 2007 Economic Census program components and measures with the Bureau of Economic Analysis (BEA). After the review is completed, the program plans to meet with other governmental agencies, industry groups, and major data users to seek their input. The program is also considering additional independent evaluations of the proposed 2007 Economic Census content.

Evidence: NRC reports; OIG reports; Economic Classification Policy Committee; CEA Economic Policy report; Letter from NAS Panel to Review BTS Programs;

Program: Economic Census
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	80%	

2.7 Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?

Answer: YES Question Weight: 13%

Explanation: Economic Census budget requests are tied to the accomplishment of performance goals and are presented in an integrated manner within the budget. Specific performance measures, targets, and unit costs are embedded in the budget. In addition, performance goals contained in the Census Bureau's Strategic and Annual Performance Plans are linked to budget exhibits.

Evidence: FY 2005 President's Budget request; and FY 2003 -2005 Annual Performance Plans. Unit cost information for the 2002 Economic Census is contained in the Exhibit 12 and specific performance measures and targets for 2005 in the Exhibit 13. Additonal performance measures and targets are included in the FY 2003-2005 Annual Performance Plans.

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies?

Answer: YES Question Weight: 13%

Explanation: The DOC, Census Bureau and Economic Programs Directorate review and update their strategic plans periodically. The review involves senior staff and solicits comments from staff, Census Advisory Committee and data users. The Economic Programs Directorate is currently in the process of updating its plan to extend its coverage through September 2008.Correction of strategic planning deficiencies have resulted in significant improvements to process and cost efficiencies, data quality, and respondent reporting. Specific changes to the 2002 Econ Census included an expanded and more relevant form content, replacing and upgrading aging equipment, expansion of electronic reporting and Internet help site, and improvement in the timeliness of data releases.

Evidence: DoC, Census Bureau, and Economic Programs Directorate's strategic plans; FY 2005 President's Budget and APP.

3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?

Answer: YES Question Weight: 14%

Explanation: Econ Census program collects performance data on response rates (by type of questionnaire, establishment, and paper and electronic submissions), extensive feedback from public and private data users to ensure the Econ Census accurately profiles and describes the economy and that questionnaires are meaningful to respondents, and the program also monitors the processing and release schedules of Econ Census products. Information collected on response rates to the 2002 Econ Census lead to the implementation of 24/7 Internet Help Desk earlier than expected as well as targeted outreach activities to improve response rates. The Economic Census also maintains a detailed project management system that manages all aspects of Economic Census operations.

Evidence: FY 2003-2005 Annual Performance Plans; and FY 2005 President's Budget. Actual performance is reported in various monthly, quarterly, and annual cost and performance reports, financial reports and Performance Accountability Reports. The Economic Census project management system provides information about the status and progress of sample and form design, data collection, data keying, analysis, and dissemination is tracked and monitored daily by program managers. In addition, Economic Census managers are provided monthly data on Economic Census costs.

Program: Economic Census
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	80%	

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**

Answer: YES Question Weight:14%

Explanation: Economic Census managers and partners are held accountable for cost, schedule, and performance results. Annual performance plans for managers include goals and measures linked to the strategic goals of the Economic Census. Individual performance plans contain performance standards and targets for areas the manager is responsible for. All work, including contracts, is carefully monitored.

Evidence: Individual performance plans. Performance plans are a part of each manager's annual review and evaluation. In addition, at least two interim reviews are conducted.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**

Answer: YES Question Weight:14%

Explanation: Actual obligations are consistent with budget requests. Over 99% of the budgetary resources for the 2002 Economic Census were obligated as of the end of FY 2003.

Evidence: FY 2003 Year End Financial Report

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?**

Answer: YES Question Weight:14%

Explanation: The Econ. Census program has efficiency measures (unit cost of processing costs and % of GDP). To reduce respondent burden, the program tailors questionnaire forms to respondent needs and obtains much of the basic econ. census data for smaller establishments from administrative records. Labor intensive processes of the Economic Census are regularly reviewed by management and, where inefficiencies are identified, they are redesigned or modified. In the 2002 Econ. Census, extensive use of administrative record data reduced respondent burden and reduced operating and processing costs at the Census Bureau The program also offered electronic reporting in the 2002 Econ. Census and nearly 500,000 establishments filed electronically; representing about 12% of the reports filed. During the 1997 Econ Census, laser printing enabled the construction of multi-form packages; resulting in improved mailing accuracy, timing, and cost savings.

Evidence: FY 2005 President's Budget; Economic History document; Electronic Reporting documentation; Keystroke metrics; 'Paperwork Reduction Act Submissions' for the 2002 Economic Census reporting forms

Program: Economic Census
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	80%	

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 14%

Explanation: The Econ Census program works extensively with other federal statistical agencies including BEA, BLS, IRS, and the Federal Reserve Board; participates in the Interagency Council on Statistical Policy (ICSP), the Federal Economic Statistics Advisory Committee, the Conference on Research in Income and Wealth (CRIW), Economic Classification Policy Committee (ECPC), and other joint organizations; and works closely with the National Association for Business Economics (NABE) and other private-sector organizations.

Evidence: Coordination efforts with the ICSP has resulted in the FedStats website, initiated by the ICSP in May 1997, and has contributed to the passage of the Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA), which in part permits the sharing of business data among BEA, BLS, and Census. Because the Econ Census contributes an important part of the framework for BEA's composite measures, such as the GDP and input-output analyses, the two agencies worked together to accelerate the release of data from the 2002 Econ Census to enable BEA to reduce the time to release the benchmark I-O accounts from 9 to 5 years (Oct 2002 memorandum to ESA Under Secretary from BEA Director).MOU between Census and BLS for the joint project in which BLS provides industry codes to Census for the purposes of improving the completeness, accuracy, and efficiency of Census programs and to reduce the reporting burden that would result from separate Census collections for these data.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 14%

Explanation: The Census Bureau's financial management practices have resulted in a clean opinion on its financial audit since FY 1999.

Evidence: DOC Financial Audits Reports

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 14%

Explanation: All aspects of the Economic Census are now managed using project management techniques and tools. All program managers have received Project Management training and areas of competency have been identified that managers must meet.

Evidence: Project Management Master Certificate program

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: YES Question Weight: 20%

Explanation: The Econ. Census program has made consistent progress acheiving its long-term performance goals, by successfully conducting the Economic Census to obtain statistically reliable data to meet the needs of policymakers, businesses, non-profit organizations, and the public by furnishing an important part of the framework for composite measures such as the GDP and input-output analyses. The program accomplished its long-term goals including mailing out 5 million census forms, providing an electronic reporting capability for 3.5 million participating businesses (or to 70% of respondents receiving questionnaires), and obtaining an 84% response rate for the 2002 Econ. Census. The program also accelerated the release schedule of Econ. Census products to support BEA's plans to improve the timeliness of the I-O accounts. The 2002 Econ Census also expanded coverage of the service sector, collected information on e-commerce, and produced more data on supply-chain relationships.

Evidence: FY 2003 DOC Performance and Accountability Report.

Program:	Economic Census		
Agency:	Department of Commerce		
Bureau:	Bureau of the Census		
Type(s):	Direct Federal		

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	80%	

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight20%

Explanation: FY 2003 and 2004 goals met included the initial mail-out of 5 million Economic Census forms; establishment of the 24/7 Internet/Help Desk; offering more than 3.5 million businesses the opportunity to file electronically via the Internet; and achieving an 84% response rate for the 2002 Economic Census cycle. Although the overall response rate was met, the target date of September 2003 slipped by three months. One of the major performance goals for FY 2004, the release of the Advance Report, has been successfully met, and other performance targets are on schedule.

Evidence: DOC Strategic Plan; Census Bureau Strategic Plan; Economic Programs Directorate's Strategic Plan 2004-2006; Census Bureau FY 2003-2005 Annual Performance Plans; FY 2003 Performance and Accountability Report; and Economic Census release schedule.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight20%

Explanation: In general, the Economic Census uses its resources efficiently to achieve a high-quality result. The 2002 Economic Census collected data on over 23 million establishments. It worked to minimize respondent burden and processing costs by using administrative records for 18 million establishments (which is over 80% of all establishments); reduced keying costs by using a newly designed key from image data entry system; and established a 24/7 Internet/Help Desk that reduced the volume of telephone calls handled compared to the 1997 Economic Census. The program also offered electronic reporting to 3.5 million establishments (or approx. 70% of establishments that received a questionnaire by mail). However, only 12% of the total reports were filed electronically. As electronic reporting can save money and improve accuracy, the program is evaluating the reasons for the electronic reporting response rates in the 2002 Econ. Census. The program plans to improve the electronic reporting software by soliciting feedback from respondents on their needs for electronic reporting and by providing demonstrations of the new software for respondents before the 2007 Econ. Census.

Evidence: FY 2005 President's Budget submission; Census Bureau Strategic Plan FY 2004-2008; Economic Programs Directorate's Strat Plan 2004-2006; FY 2003-2005 Annual Performance Plans; FY 2003 Performance & Accountability Report

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight20%

Explanation: While other countries conduct economic censuses, the Economic Census is considered to have one of the broadest levels of scope and coverage and collected and published data.

Evidence: FY 2003 PAR; FY 2005 President's Budget submission.

Program: Economic Census
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	80%	

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: LARGE EXTENT

Question Weight20%

Explanation: In general, independent evaluations of the Economic Census processes and performance indicate the program is efficient and achieving results. The program has incorporated several recommendations from various evaluations and studies including the following: expanded coverage of the service sector and non-profit activities, changed the classification systems from SIC to NAICS to better describe the economy and to be consistent with an international agreement with Canada and Mexico, included census questions on e-commerce, and accelerated the release schedules. The program is working with BTS to continue to improve the usefulness and cost-effectiveness of the Commodity Flows Survey (CFS), a survey that is part of the Econ. Census data collection program.

Evidence: Watkins Commission Report; NRC reports; GAO/OIG reports; Economic Classification Policy Committee; CEA Economic Policy report; GNP Improvement Project report; Letter from NAS Panel to Review BTS Programs

PART Performance Measurements

Program: Economic Census
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	80%	

Measure: Imputation rate

Additional Information: The imputation rate differs from the response rate in that it measures the percent of data estimated for using an imputation methodology, whereas the response rate measures the actual response over the number of units surveyed. This will be a new measure for the 2007 Economic Census.

Measure Term: Long-term

Year	Target	Actual
1997 cycle	n/a	
2002 cycle	baseline	TBD
2007 cycle	5%<2002	

Measure: Response rate for the Economic Census

Additional Information: This measure is calculated by dividing the number of establishments that mail in a questionnaire by the total number of establishments that received a questionnaire by mail.

Measure Term: Long-term

Year	Target	Actual
1997 cycle	baseline	87%
2002 cycle	84%	84%
2007 cycle	86%	

Measure: Number of Economic Census data products released

Additional Information: Data products include industry series, geographic area series, subject series (including product lines and merchandise line sales), comparative statistics between the 1997 and 2002 Economic Censuses, and e-commerce statistics.

Measure Term: Long-term

Year	Target	Actual
1997 cycle	baseline	1,720
2002 cycle	1,824	
2007 cycle	1,824	

PROGRAM ID: 10002048

PART Performance Measurements

Program: Economic Census
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	80%	

Measure: Internal review of the 2002 Economic Census content, reporting methods, data processing, data products, and dissemination methods

Additional Information: A comprehensive, internal review of the Economic Census cycle should help identify improvements for the next cycle.

Measure Term: Long-term

Year	Target	Actual
1997 cycle	baseline	9/30/01
2002 cycle	9/30/2006	
2007 cycle	9/30/2011	

Measure: Efficiency measure based on unit cost. This is based on the Economic Census processing costs incurred by the National Processing Center (NPC) as compared to the number of data items captured.

Additional Information: This unit cost measure highlights the Economic Census NPC processing costs for each data item captured during the two years of census processing. 2002 unit cost is based on estimated total cycle costs of $34 million divided by 206 million data items captured.

Measure Term: Long-term

Year	Target	Actual
1997 cycle		$0.17/item
2002 cycle	baseline	$0.17/item
2007 cycle	$0.20/item	

Measure: Efficiency measure based on unit cost. This is based on the full cycle cost of the Economic Census as compared to the GDP.

Additional Information: This unit cost measure highlights the total Economic Census cycle costs compared to all the information covered for the GDP. 2002 Cycle estimated cost per % of GDP coverage is $3.8 million.

Measure Term: Long-term

Year	Target	Actual
1997 cycle		
2002 cycle	baseline	$3.8 M
2007 cycle	02+inflation	

PART Performance Measurements

Program: Economic Census
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	80%	

Measure: Detailed project plan for all phases of the Economic Census

Additional Information: Milestone measure that supports the long-term goal of conducting the Economic Census.

Measure Term: Annual

Year	Target	Actual
2002 cycle	baseline	9/30/00
2007 cycle	9/30/05	
2012 cycle	9/30/10	

Measure: Initial mailing of 5 million Economic Census

Additional Information: Milestone measure that supports the long-term goal of conducting the Economic Census.

Measure Term: Annual

Year	Target	Actual
1997 cycle	baseline	12/31/97
2002 cycle	12/20/02	12/20/02
2007 cycle	12/21/07	

Measure: Release of the Economic Census advance report

Additional Information: The advance report shows a snapshot of the economy at broad NAICS levels. It marks the beginning of the data dissemination process for the Economic Census and is an indicator of the ability of the Economic Census program to meet future dissemination dates.

Measure Term: Annual

Year	Target	Actual
1997 cycle	baseline	Mar 1999
2002 cycle	Mar 2004	Mar 2004
2007 cycle	Mar 2009	

PART Performance Measurements

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	90%	67%	Effective

1.1 Is the program purpose clear? Answer: YES Question Weight 20%

Explanation: EDA's purpose is to create wealth and minimize poverty by promoting a favorable business environment to attract private-sector capital investment and higher skill, higher wage jobs in distressed communities.

Evidence: Commerce performance documents, EDA documents, and congressional budget justifications.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight 20%

Explanation: EDA was established to address the fact that while the U.S. economy has experienced sustained growth, there continue to be areas suffering from economic distress in the form of high unemployment, low incomes and underemployment as well as areas facing sudden economic dislocations due to industrial restructuring and relocation. EDA addresses these problems by promoting private sector investment in distressed areas. EDA's legislation defines areas eligible for EDA assistance in terms of distress, such as levels of high unemployment, low per capita income, and special needs (e.g., loss of jobs in trade-impacted industries, significant out-migration and population loss, and military base closures). EDA makes grants to revitalize, expand and upgrade physical infrastructure to attract new industry, encourage business expansion, and generate or retain jobs and private sector investment. Grants are also made to provide technical assistance to communities to develop local knowledge and skills to make optimal economic development decisions.

Evidence: Commerce annual performance documents, EDA authorizing legislation and regulations, NOFA (which includes funding priorities and Investment Policy guidelines), and operational guidance.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: NO Question Weight 20%

Explanation: Although EDA may have been established to address a unique problem in 1965, concerns regarding the duplication of effort exist and are well-documented. GAO recently identified 73 federal programs that can be used for economic development activities, or for activities that could be considered related to economic development. These programs cover rural and urban populations in communities across the country and include an element of local planning in the use of funds. There is evidence to suggest that the sheer multiplicity of federal programs imposes transactions costs on localities attempting to shift through the array of federal programs and creates limitations on packaging federal resources to have the greatest impact.

Evidence: Sept. 2000 GAO study. - Multiple Federal Programs Fund Similar Economic Development Activities. Ten agencies and 27 subacncy units administer 73 programs that can be used to support one or more of the six activities directly related to economic development.

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	90%	67%	Effective

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight: 20%

Explanation: EDA administers a competitive grant program for which applicants must qualify on the basis of need and merit of application. Applicants in most cases must match funds for which they are applying. Applicants must also demonstrate that the proposed investment is in conformance with the Comprehensive Economic Development Strategy for the area.EDA's investment policy guidelines emphasize strategic investments based on risk and the expected return on the taxpayer's investment. EDA promotes cluster-based and regional economic development to build on a region's competitive strengths and help promote favorable business conditions for private sector investment.

Evidence: Per authorizing legislation and implementing regulations, EDA awards funding competitively and requires a 20% to 50% match from the applicant. Comparable economic development programs are formula-based.

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

Explanation: 2/3 of counties are eligible for EDA grants, but only about 35 percent of counties receive grants. EDA has worked through the regulatory process to ensure that the neediest counties are served; for example, EDA regulations require that EDA target its grants to communities experiencing long-term chronic distress and communities impacted by sudden and severe economic dislocation. EDA's regulations also allow EDA to focus on smaller areas where necessary, such as pockets of distress in urban areas. EDA GPRA and Balanced Scorecard measures serve to target a significant portion of EDA investments to areas of highest distress, defined as areas with unemployment rate at least 180% of the national average or per capita income of not more than 60% of the national average. EDA investment guidelines and funding priorities serve to target investments that are market based, results-driven, have strong organizational leadership, advance productivity, innovations and entrepreneurship, look beyond the immediate economic horizon, anticipate economic changes and diversify the local and regional economy.

Evidence: EDA establishing legislation, budget submission, and congressional justification.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 13%

Explanation: EDA has two goals: 1) to promote private enterprise and job creation in economically distressed communities and 2) to build community capacity to achieve and sustain economic growth. EDA has long-term outome measures under goal 1 - Private sector dollars invested in distressed communities as a result of EDA investments and jobs created or retained in distressed communities as a result of EDA investments. Under Goal 2, in FY 2002, EDA eliminated process measures and replaced them with outcome oriented-measures. EDA started reporting on the new outcome-oriented measures in FY 2003. Theese include:(1) Percentage of economic development districts and Indian tribes implementing projects from the comprehensive economic development strategy process that lead to private sector investment and jobs(2) Percentage of actions taken by University Center clients that achieved the expected result(3) Percentage of actions taken Trade Adjustment Assistance Centers (TAACs) clients that achieved the expected resultIn addition, EDA tracks a number of other outcome measures as part of its internal "Balanced Scorecard" (BSC) reviews. Such indicators tracked include the types of industries supported by EDA investments, increases in wages and skills in jobs created and retained, and increases in tax revenue.

Evidence: The goals and measures in the explanation are listed in Commerce's annual performance documents, EDA Annual Performance Plans DOC Performance and Accountability Report, and agency congressional justifications.

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	90%	67%	

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 13%

Explanation: EDA has established baselines and targets for its long-term outcome measures: (1) number of jobs created or retained and (2) private sector dollars invested in distressed communities as a result of EDA investments. Targets are based on an analysis of types of jobs supported and past performance. Actual performance is measured on 3, 6 and 9 year assessment cycle. EDA discounts the number of jobs created or retained by 25% to account for the attribution of jobs to other funding macroeconomic conditions. This discount factor is an aggregate factor based on the Rutgers University regression models used to assess EDA's impact on economic development.

Evidence: The goals and measures in the explanation are listed in Commerce's annual performance documents, EDA Annual Performance Plans DOC Performance and Accountability Report, and agency congressional justifications. The Rutgers University study is:Public Works Program: Multiplier and Employment Generating Effects. (May 1998)

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 13%

Explanation: EDA has eight annual performance measures. EDA's methodology for assessing performance was developed through university-led research and is long-term in scope. In addition, EDA improved annual performance measures to assess progress in improving community capacity to achieve and sustain economic growth. EDA will include an efficiency measure "cost per job created" in the FY 2006 President's Budget and the FY 2004 PAR. The Rutgers University study suggests a methodology for creating this measure and their report from 1997 showed that EDA spends approximately $3,000 for every direct job created (1997 dollars). Subsequent research indicates that cost per job varies by year of project completion and geography. For 1993 projects, the average cost per job is slightly lower in rural areas than in urban areas. For 1990 projects, the average cost per job is almost three times higher in rural areas than urban.

Evidence: Goals, measures and results are identified in Commerce's annual performance documents. Rutgers University. EDA's Public Works Program: Performance Evaluation (May 1997).Glasmeier, Amy. Cost per Job Associated with EDA Investments in Urban and Rural Areas. The Pennsylvania State University. (2002).

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 13%

Explanation: EDA developed new outcome-oriented annual measures for capacity building projects in FY 2002. Baselines were established in FY 2002, and EDA began reporting in FY 2003. One measure indicates whether the Comprehensive Economic Development Strategies (CEDs) help create an environment conducive to higher-skill, higher-wage jobs, as indicated by the number of projects from the CEDS that are implemented and lead to job creation and private investment. Two other measures report on clients taking action as a result of assistance provided by a university center or a TAAC, and whether that action had the desired result. EDA has set ambitous targets in its BSC for grant job creation and private investment projections.

Evidence: Commerce performance documents, EDA documents, Balanced Score Card, and congressional budget justifications. Rutgers University. EDA's Public Works Program: Performance Evaluation (May 1997).

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	90%	67%	Effective

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**

Answer: YES   Question Weight: 13%

Explanation: For goal 1, grantees are required to commit to creating or retaining jobs and provide match prior to the grant award and close out of project. Grantees are also required to submit annual financial reports. During FY 02, the agency updated its performance requirements for goal 2 based on a review and roundtable with representatives of capacity-building recipients to better connect investments with outcomes. EDA has implemented a balanced scorecard (BSC) that directly links to the GPRA measures, and to individual performance plans, through specific objectives and targets. For example, the BSC measures the number of jobs created or retained and private sector dollars leveraged as projected in proposal and grant documents and the percent of employees with performance goals tied to the BSC. EDA also coordinates with related and complementary economic development programs and corresponding agencies (FEMA, DoD, EPA, DOL and regional development agencies). Finally, EDA is proposing a performance-based bonus for grantee performance that exceeds certain thresholds of achievement.

Evidence: EDA receives performance data from grantees annually. EDA BSC is reported quarterly, EDA partnerships with DOL in North Carolina, and partnerships with FEMA during presidentially declared disasters.

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**

Answer: YES   Question Weight: 13%

Explanation: The agency completed 17 evaluations between 1997 and 2003. A review of EDA's largest program, Public Works, was conducted in 1997 and the results were used to construct EDA's performance methodology. These studies have served to clarify and substantiate the results EDA is achieving while providing substantive suggestions for improvements or enhancements to the programs. An evaluation of the Economic Adjustment program is currently being conducted during FY 2004.As the last comprehensive program evaluation was conducted in 1998, EDA should consider an additional rigorous performance evaluations assessing program effectiveness. Such a study might look comparatively at areas benefitting from EDA assistance against similar areas that have not have not had EDA investments. Another option would be a study similar to that done for HUD, which examined readily available data sources such as employment levels to see if there was any statistically significant relationship between actual improvements in community and economic development with activities funded by the Community Development Block Grant program.

Evidence: EDA's authorizing legislation provides that EDA shall conduct an evaluation of each university center and economic development district that receives assistance. A consortium of universities and economic development entities conduct these studies.Rutgers University. EDA's Public Works Program: Performance Evaluation (May 1997).Rutgers University. Public Works Program: Multiplier and Employment Generating Effects. (May 1998)The Urban Institute. Effective Aid to Trade-Impacted Manufacturers: An Evaluation of the Trade Adjustment Assistance Program (1998).Wayne State University. Evaluation of EDA's Planning Program Organization. (2002).The HUD study ccan be found at: http://www.huduser.org/publications/commdevl/cdbg_spending.html

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	90%	67%	

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight: 13%

Explanation: EDA programs are aligned with EDA's performance goals. The EDA annual performance plan is now integrated with its budget request. The justification directly ties the funding requested to EDA's performance goals and measures.

Evidence: Commerce annual performance documents, planning documents and budget requests.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 13%

Explanation: EDA has taken some steps in its strategic planning process. For example, in FY 01, EDA undertook a workforce analysis and applied its findings by re-evaluating its workforce, mission, and overall strategy. EDA adopted investment criteria that clarify the kind of projects EDA will fund in order to achieve its mission and goals. EDA has adopted a corporate balanced scorecard framework to integrate management, strategic goals and objectives and performance. The HQ reorganization, and the regional business reengineering also integrate human resource planning with EDA's strategy.

Evidence: Booz-Allen Workforce study documents, EDA investment policy guidelines, and Corporate Balanced Scorecard.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 10%

Explanation: EDA regional offices collect and compile data quarterly for their balanced scorecards, which track the extent to which investments lead to increases in employment and private investment as well as increases in higher skill and higher wage jobs. The results are used for management oversight to improve program operations. Grantees report actual outcomes for job creation and private investment for GPRA reporting purposes. This data has been reported annually, but will now be reported quarterly. University Center have peer reviews every three years. EDA has incorporated performance into the funding formula for Trade Adjustment Assistance Centers (TAACs). EDA has started a pilot project to competetively award University Center (UC) grants and has terminated grants for non-performance.

Evidence: EDA Regional Director Performance plans, BSC, construction Blue Book, RLF guidance, operational guidance and records of termination of revolving loan funds and University Centers.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 10%

Explanation: Performance data for regional offices is used in evaluating the performance of the regional directors. Performance data being collected measures each director's success in making investments to meet the agency's funding priorities and investment guidelines. EDA is now implementing rigorous oversight of staff and grantee due diligence through the balanced scorecard which measures the number and percent of projects started on time and completed on time.

Evidence: Performance evaluations reflect the Regional Director's record in meeting established targets, BSC results reflect regional achievement of BSC measures and results are reflected in performance appraisals.

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	90%	67%	

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 10%

Explanation: EDA historically obligates its available funds in a timely manner. Funds for which the agency is responsible are spent in accordance with appropriate authorities.

Evidence: EDA obligated 99% of the available funds by the end of FY 2002, obligating $31,119,000 of the $31,522,000 available. EDA has no negative audit findings relative to the FY 2003 Financial Statement Audit Report.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 10%

Explanation: EDA has outsourced IT and Excess Capacity Studies. The agency completed a Headquarters workforce restructuring, and is now pursuing a regional business process reengineering that, when completed, will have identified skills and competencies required, gaps, and redeploy resources more efficiently and effectively. An element of the HQ restructuring was to outsource accounting technician functions, which has been accomplished. In addition, EDA will be adding a new efficiency measure to its annual performance plans to assess the average cost per job.

Evidence: 1997 Rutgers study and Commerce annual performance documents.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 10%

Explanation: EDA coordinates with related and complementary economic development programs and corresponding agencies (FEMA, DoD, EPA, DOL and regional development agencies). For example, EDA accepts local and regional plans developed in conformance with other Federal agency requirements to satisfy the Comprehensive Economic Development Strategy (CEDS) requirement as long as those plans meet EDA CEDS requirements. EDA continues to define its role in economic development relative to other programs to avoid duplication and ensure that federal funds are effectively leveraged to maximize the utility of complementary programs.However, it is also clear that at the federal level coordination could be improved. EDA is participating with OMB and other federal agencies in an interagency working group working to develop recommendations to improve coordination among federal community and economic development programs.

Evidence: EDA is undertaking an effort to identify how funding relates to other related economic development funding. The CEDS provision is contained in the Section 302(c) of the Economic Development Administration Reform Act of 1998.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight: 10%

Explanation: EDA has received unqualified opinions on its financial statements since FY 1998. The agency has moved to the Department's consolidated financial system and follows sound financial management practices.

Evidence: The Commerce annual performance documents and EDA/DOC Annual Financial Audits.

PART Performance Measurements

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	90%	67%	

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 10%

Explanation: EDA has undertaken financial management improvements and efforts to reduce operational costs. EDA completed its HQ restructuring and has flattened the organization structure, increased the supervisory span of control, and aligned and streamlined functions to achieve operational efficiencies. EDA is in the process of analyzing and streamlining operational and administrative processes in the regional offices to achieve additional cost savings and operate more effectively.

Evidence: EDA is restructuring its workforce and has available its balanced corporate scorecard. EDA has implemented an integrated balanced scorecard management process in the regions and is exercising rigorous performance management.

3.CO1 **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?** Answer: YES Question Weight: 10%

Explanation: Criteria for consideration are published and regional internal review committees review applications. The agency has instituted additional criteria for review and is further incorporating Inspector General recommendations into the review process. These recommendations include maintaining better minutes, retaining rejected proposals for three years and removing the regional directors from the Investment Review Committee. To further strengthen EDA's processes, EDA adopted investment policy guidelines and initiated an independent headquarters quality assurance review of potential applications.

Evidence: Commerce IG audit, EDA investment guidelines, annual FFO, and Commerce annual performance documents. Grant applications for Development Assistance Programs under the Public Works and Economic Development Act of 1965, as Amended and the Trade Act of 1974, as Amended avaiable on www.grants.gov

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight: 10%

Explanation: The agency has 6 regional offices and 75% of the staff is located in the regions. The staff work on project applications and conduct grant administration and monitoring functions. Additionally, EDA has implemented BSC measures to focus attention on monitoring activities. BSC results are incorporated into executive and staff performance evaluations. Regions verify data submitted by all grantees and perform in-depth audits of randomly-selected grantees.

Evidence: EDA has restructured its headquarters operations and is in the process of analyzing and streamlining processes in the regions to enable more effective oversight and monitoring of projects.

3.CO3 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: NO Question Weight: 10%

Explanation: Program performance data is collected on an annual basis for some measures but not for jobs and private sector leverage which is collected every 3-6-9 years. Capacity-building measures have been revised and data is collected annually. Aggregate performance data is available on the internet and presented in annual performance plans. However, EDA does not make individual grantee performance information publicly available.

Evidence: Grantee applications, Commerce performance documents, agency validation visits and 1997 Rutgers study.

PART Performance Measurements

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	90%	67%	

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?**

Answer: YES — Question Weight 20%

Explanation: The agency has identified the promotion of private enterprise and job creation as the primary long-term measures. While it is difficult to assess the impact of an economic development project in a larger context of economic growth and stability and in light of other macroeconomic factors influencing a community's competitiveness, private investment and new or retained jobs are valid indicators of economic improvement in an area. EDA began compiling actual long-term job creation and private investment for its programs in FY 2000 for grants awarded in FY 1997. EDA measures actual jobs created or retained on a three-year cycle. Therefore, 1997 projects are evaluated for actual jobs created in 2000, 2003 and 2006, while FY 1998 projects are evaluated in 2001, 2004 and 2007. EDA anticipated that only 10% of the jobs projected to be created over a 9-year period for FY 1997 and FY 1998 projects would be created in the first three years. However, this target was exceeded as FY 2000 and FY 2001 performance reports revealed that 20% of the projected jobs were created in the first two years. By FY 2004 EDA will have collected six years worth of data for grants awarded in FY 1997.Program-specific data on numbers of jobs created and private investment in distressed communities could be strengthed by overall national indicators of community or regional health that would assess trends in such areas as unemployment rates, poverty rates, and increases in tax revenues.

Evidence: Commerce annual performance documents.

4.2 **Does the program (including program partners) achieve its annual performance goals?**

Answer: YES — Question Weight 20%

Explanation: In FY 2003, the agency exceeded all targets for goals one and two. The agency refined its measures in goal two in 2002 to directly tie funding to actions taken as a result of EDA investements.

Evidence: Grantee performance reports, Commerce annual performance documents.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**

Answer: SMALL EXTENT — Question Weight 20%

Explanation: The EDA HQ reorganization has been completed. Headquarters is now streamlined; authorized staffing has been reduced from 94 to 71. In addition, the Investment Policy Guidelines have been implemented, which has resulted in projects with regional scope, greater impact, and significantly improved results. From FY 2001 through FY 2003, outcome projections submitted by grantees as part of their grant applications reflect a 39% increase in the amount of anticipated private investment, and dollars of private investment generated per EDA dollar invested has more than doubled. In addition, EDA has established a process to compete the University Center grants, and developed a new funding formula for the Trade Adjustment Assistance Centers using performance as an element of the formula. EDA successfully implemented a Balanced Scorecard (BSC) and is now able to trackand measure key objectives on a quarterly basis. However, EDA does not currently track the federal cost per job created in annual performance reports to evaluate cost-effectiveness in meeting one of its major performance goals.

Evidence: The agency's management reform efforts, headquarters restructuring and outsourcing efforts (e.g., IT, Excess Capacity Studies and accounting). EDA has been used as a case study of the application of the Balanced Score Card in the public sector by Norton and Kaplan in their latest Balanced Scorecard book, "Strategy Maps".)

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	90%	67%	Effective

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**

Answer: LARGE EXTENT Question Weight20%

Explanation: In general, EDA's competitive grants structure ensures that projects with the greatest return on taxpayer investment are funded. The cost per job created as a result of EDA investment is also comparable with HUD's Community Development Block Grant Program (CDBG). For example, for FY 2001, EDA reports the cost/job created or retained was $3,800; this figure is non-discounted, meaning that the agency takes credit for all jobs created in each project it funds. This unit cost was comparable to other programs as HUD's CDBG unit-cost per job was $4500* (NOTE: Current data for HUD/CDBG unit-cost per job is not available).However, while EDA coordinates quite effectively at the local level, coordination of federal community and economic development programs needs improvement. Furthermore, while EDA tracks job creation and increases in private investment it is hard to assess EDA's performance in the larger context of stimulating economic recovery and growth in distressed regions (see answer to question 4.5)

Evidence: Rutgers University. EDA's Public Works Program: Performance Evaluation (May 1997) Department of Housing and Urban Development performance reports.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: SMALL EXTENT Question Weight20%

Explanation: EDA has funded several independent evaluations of sufficient scope and quality that indicate that EDA programs are effective and achieving results. A Rutgers study conducted in the mid-1990s showed that EDA's funding, though not enough to fully fund any project, was critical to project completion. Recognition of EDA's success was also noted in the 1997 Rutgers study that stated that EDA funding is critical to link and magnify private and other local sources of project funding. The study stated 'For every $1 million in funding committed by EDA, the local [tax] base increased by $7.68 million from additional private-sector and other investment.' EDA currently tracks this measure during the GPRA validation site visit by measuring the increase in local Real or Business property tax base. This measure is also included in EDA's Balanced Score Card reviews. However, it is diffcult to understand how EDA's investments impact a distressed region's economy. EDA hopes that the current emphasis on investments that have regional impact and encourage cluster development will more clearly demonstrate the impact of the federal investment on an area's economic growth. Comparative evaluations assessing those regions benefitting from EDA investment with similar regions that have not had EDA invesments might be one way to assess the impact of EDA's programs. In addition, "before and after" comparisons assessing trends in income, employment and tax bases might also provide additional insight.

Evidence: Rutgers University. EDA's Public Works Program: Performance Evaluation (May 1997).Rutgers University. Public Works Program: Multiplier and Employment Generating Effects. (May 1998)The Urban Institute. Effective Aid to Trade-Impacted Manufacturers: An Evaluation of the Trade Adjustment Assistance Program (1998).Wayne State University. Evaluation of EDA's Planning Program Organization. (2002).

PART Performance Measurements

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	90%	67%	

Measure: Private sector dollars (in millions) invested in distressed communities as a result of EDA investments. Measure is based on 3, 6 and 9 year anticipated private sector investment resulting from investments by EDA. Results shown for 1997 investments only and demonstrate the increased impact projects have as they are completed and attract additional private investment.

Additional Information: Measure is based on 3, 6 and 9 year anticipated private sector investment resulting from investments by EDA. Results are discounted by 25% to account for non-EDA funding and other external factors. Results shown are for 1997 investments only.

Measure Term: Long-term

Year	Target	Actual
2000	116	199
2003	581	2,475
2006	1,162	

Measure: Percentage of Trade Adjustment Assistance Center (TAAC) clients taking action as a result of the assistance facilitated by the UC

Additional Information: This measure will determine the perceived value-add of the TAACs to its clients. Taking action means to implement an aspect of the technical assistance provided by the TAAC

Measure Term: Annual

Year	Target	Actual
2003	90%	92.4%
2004	90%	
2005	90%	
2006		

Measure: Percentage of those actions taken by TAAC clients that achieved the expected results

Additional Information: This measure determines if the assistance is market-based and actually provided value

Measure Term: Annual

Year	Target	Actual
2003	95%	98.4%
2004	95%	

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	90%	67%	

Year	Target	Actual
2005	95%	
2006		

Measure: Percentage of local technical assistance and economic adjustment strategy investments awarded in areas of highest distress.

Additional Information: Measures the percentage of investments made in areas where the 24-month unemployment rate is at least 180% of the national average or where the per capita income is not more than 60% of the national average.

Measure Term: Annual

Year	Target	Actual
2003	30%-35%	30.2%
2004	30%-35%	
2005	30%-35%	
2006		

Measure: Jobs created or retained in distressed communities as a result of EDA investments. Results shown for 1997 investments only.

Additional Information: Measure is based on 3, 6 and 9 year anticipated number of jobs created or retained as a result of investments by EDA. Results are discounted by 25% to account for non-EDA funding and other external factors. Results shown are for 1997 investments only.

Measure Term: Long-term

Year	Target	Actual
2000	5040	12,056
2003	25,200	47,607
2006	50,400	

Measure: State and local dollars committed per EDA dollar

Additional Information: This measure tracks the amount of local match

Measure Term: Annual

Year	Target	Actual
2003	1.00:1.00	1.08: 1.00

2004	1.00: 1.00
2005	1.00: 1.00
2006	

Measure: Percentage of investments in areas of highest distress

Additional Information: Measures the percentage of investments made in areas whre the 24-month unemployment rate is at least 180% of the national average or where the per capita income is not more than 60% of the national average.

Year	Target	Actual
2003	37-43%	37.6%
2004	37-43%	
2005	37-43%	
2006		

Measure Term: Annual

Measure: Percentage of investments in Technology-related projects

Additional Information: Measures the percentage of EDA investments in technology-led economic development projects

Year	Target	Actual
2003	7-10%	8.8%
2004	7-10%	
2005	7-10%	
2003		

Measure Term: Annual

PART Performance Measurements

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	90%	67%	Effective

Measure: Percentage of Economic Development Districts (EDDs) and Indian Tribes implementing economic development projects from the Comprehensive Economic Development Strategy (CEDS) process that lead to private investment and jobs

Additional Information: The measure determines whether the CEDS process is market-based, and if an environmnet where high skill, high wage jobs is being created.

Measure Term: Annual

Year	Target	Actual
2003	95%	98.7%
2004	95%	
2005	95%	
2006		

Measure: Percentage of sub-state jurisdiction members actively participating in the Economic Development District (EDD) program

Additional Information: Sub-state jurisdiction participation is an indicator of the district's responsiveness to the area it serves and shows that the services they provide are of value

Measure Term: Annual

Year	Target	Actual
2003	93%	96.7%
2004	93%	
2005	93%	
2006		

Measure: Percentage of University Center (UC) clients taking action as a result of the assistance facilitated by the UC

Additional Information: This measure will determine the perceived value-add of the UCs to its clients. Taking action means to implement an aspect of the technical assistance provided by the UC in one of several areas.

Measure Term: Annual

Year	Target	Actual
2003	75%	78.1%
2004	75%	

Program: Economic Development Administration
Agency: Department of Commerce
Bureau: Economic Development Administration
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	90%	67%	

2005	75%	
2006		

Measure: Percentage of those actions taken by University Clients (UC) clients that achieved the expected results (e.g., projects implemented that generate private sector investment or create jobs).The UC Program is a partnership of federal government and academia that makes resources of universities available to the economic development community.

Additional Information: This measure determines if the assistance is market-based and actually provided value

Measure Term: Annual

Year	Target	Actual
2003	80%	85.7%
2004	80%	87.5%
2005	80%	
2006	80%	

PART Performance Measurements

Program: Export Administration
Agency: Department of Commerce
Bureau: Bureau of Industry and Security
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	73%	45%	

1.1 **Is the program purpose clear?** Answer: YES Question Weight20%

Explanation: Export Administration's (EA) primary program purpose is to implement U.S. export control policy for dual-use commodities. EA also issues regulations to further other U.S. foreign policy interests, including sanctions policies, rules that clarify which export licensing agency has jurisdictional authority for a given item, and the rights and obligations of U.S. exporters.

Evidence: Export Administration Act of 1979; International Emergency Economic Powers Act (IEEPA); FY 2005 President's Budget Submission; Department of Commerce Strategic Plan; DOC Performance and Accountability Report; BIS Annual Report

1.2 **Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight20%

Explanation: The EA program serves to advance U.S. national security, foreign policy, economic interests, and to combat the proliferation of weapons of mass destruction.

Evidence: Export Administration Act of 1979; Export Administration Regulations (15 CFR Part 730)

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight20%

Explanation: The Bureau of Industry and Security maintains the Commerce Control List (CCL), which includes items (i.e., commodities, software, and technology) subject to the export licensing authority of BIS. Several federal agencies (Departments of State, Treasury, Energy, and Defense, and the Central Intelligence Agency) collaborate with BIS in the license review process.

Evidence: Export Administration Act of 1979; Export Administration Regulations (15 CFR Part 730)

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: The BIS licensing program - that establishes licensing policy, promulgates regulations, and applies the policy and regulations in evaluating and acting on license applications for export of dual use commodities - in general, accomplishes its fundamental objectives. However, there are impediments to efficiency and effectiveness. These include: (1) Statutory impediments: A revised, reauthorized Export Administration Act (EAA) that will clarify some outdated control requirements, increase penalties for violations, and clarify interagency licensing processes. (2) Additional technological and economic analytical ability: In the FY 2005 Budget, BIS requested funds to establish an Office of Technology Evaluation to conduct industry and technology analyses, economic analyses, and export control policy analyses. This initiative was designed to address deficiencies cited by the Government Accountability Office and the DOC Inspector General.

Evidence: Executive Order 12981 of December 5, 1995FY 2005 President's Budget

Program: Export Administration
Agency: Department of Commerce
Bureau: Bureau of Industry and Security
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	73%	45%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

Explanation: Program resources are focused to meet performance goals including licensing processing times, publishing regulations, and outreach to exporters to meet the needs of license applicants. The EA program is working with their CIO to more fully automate the export license process to improve the efficiency of license filing and processing.

Evidence: FY 2005 President's Budget Submission

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 11%

Explanation: The Export Administration program has one long-term goal, to protect the US national security and economic interests by enhancing the efficiency of the export control system. The program has six output-oriented performance measures: two for the median processing times of export license applications, one for the median processing time for issuing draft regulations, two for the level of exporter understanding of BIS export control requirements, and a measure of the number of industry and export control assessments (currently under development). However, these measures do not address the fundamental purpose (or results) of the program. BIS has proposed the following long-term projects to undertake to develop long-term measures: a) consult with the appropriate agencies on developing a process to measure the interagency dual-use export control program's ability to protect national security; and b) include additional questions on the surveys administered during export control seminars to obtain information on the market impact on US companies of applying for an export license.

Evidence: FY 2005 President's Budget

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight: 11%

Explanation: The Export Administration program's long-term measures are under development. It does not have long-term targets.

Evidence: See FY 2005 President's Budget

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 11%

Explanation: In general, the annual performance measures demonstrate progress toward achieving the EA program's long-term goal. Results are verifiable and audited for accuracy by BIS's Office of Planning, Evaluation and Management. The program should consider an accuracy measure of the license process.

Evidence: FY 2005 President's Budget. Monthly Performance Report prepared by BIS's Office of Planning, Evaluation and Management.

Program: Export Administration
Agency: Department of Commerce
Bureau: Bureau of Industry and Security
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	73%	45%	

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 11%

Explanation: Baselines have been established for the measures of license processing time and draft regulation processing time. The median license processing time targets are set in Executive Order. The EA program typically performs better than these targets and should consider setting more ambitious targets. The targets for processing regulations are ambitious.

Evidence: FY 2005 President's Budget, Monthly Performance Report prepared by BIS's Office of Planning, Evaluation and Management.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program? Answer: YES Question Weight: 11%

Explanation: The Departments of State, Treasury, Energy, and Defense, and the Central Intelligence Agency collaborate with the Department of Commerce in the license review process. EA's licensing partners have timeliness goals that complement EA's program goals. The responsibilities and license review periods of these agencies are defined in the Export Administration Regulations (EAR) and Executive Order 12981. In general, the EAR specify effective procedures for license review between BIS, DOS, DOD, and the other agencies.

Evidence: Executive Order 12981 of December 5, 1995. (Section 4 : Department or Agency Review)

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need? Answer: YES Question Weight: 11%

Explanation: The National Defense Authorization Act for Fiscal Year 2000 mandates that each year from 2000 through 2007, the Inspector General (IG), in conjunction with the IGs at DOD, Energy, State, and the Treasury, issue a report to the Congress on the policies and procedures of the U.S. government with respect to the export of technologies and technical information to countries and entities of concern. The IG has issued five reports for the years 2000 ' 2004 following their reviews of BIS: 1) Improvements are needed in programs designed to protect against the transfer of sensitive technologies to countries of concern, IPE-12454-1, March 2000; 2) Management of the Commerce Control List and related processes should be improved, IPE-13744, March 2001; 3) BXA needs to strengthen its ECASS modernization efforts to ensure long-term success of the project, IPE-14270, Feb 2002; 4) Improvements are needed to better enforce dual-use export control laws, IPE-15155, March 2003; 5) Deemed export controls may not stop the transfer of sensitive technology to foreign nationals in the United States, IPE-16176, March 2004Several GAO reports are also regularly completed on BIS programs.

Evidence: GAO and IG Reports; BIS's Monthly Performance Reports; Program reviews conducted by BIS's Office of Planning, Evaluation and Management.GAO-04-175 Nonproliferation - Improvements Needed to Better Control Technology Exports for Cruise Missiles and Unmanned Aerial Vehicles; GAO-04-357 Export Controls - Post-Shipment Verification Provides Limited Assurance That Dual-Use Items Are Being Properly Used; GAO-02-972 Export Controls - Department of Commerce Controls over Transfers of Technology to Foreign Nationals Need Improvement

Program: Export Administration
Agency: Department of Commerce
Bureau: Bureau of Industry and Security
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	73%	45%	

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: NO Question Weight: 11%

Explanation: The EA program's budget request integrates its annual performance goals and describes the anticipated effects of resource requirements on performance. The EA program has made progress showing resource needs for individual activities (e.g. licensing, commodity classifications, outreach, policy work) more transparently within budget. However, the program is still developing long-term performance measures.

Evidence: BIS FY 2005 President's Budget

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: NO Question Weight: 11%

Explanation: BIS does not have a strategic plan. Developing a plan could assist the agency in developing programmatic improvements and in identifying long-term measures and targets.However, the program has sought new initiatives to address program improvements. For example, the FY 2005 budget contains an initiative to establish an Office of Technology Evaluation to address GAO and IG's concerns that the EA program does not adequately conduct certain foreign availability assessments, analyze the "cumulative effects" of technology transfers to particular countries, and systematically review the Commerce Control List.

Evidence: Department of Commerce Strategic Plan; BIS FY 2005 President's Budget Submission.

2.RG1 **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?** Answer: YES Question Weight: 11%

Explanation: In general, the regulations issued by BIS are necessary to meet its long-term goal of protecting the US national security and economic interests by enhancing the efficiency of the export control system. BIS issues regulations in response to changes in the multi-lateral export control regimes, foreign policy controls, and short supply controls. Each regulation includes a description of why the regulation is being issued and how it meets performance goals. These performance goals are often more broadly stated as US national security and foreign policy objectives. BIS should improve the preambles to more clearly state the context of the authorities governing the regulatory changes.

Evidence: The principal statutory authorities for the Export Administration Regulations are the Export Administration Act and EO 12981 that authorize BIS to issue regulations for export licensing of dual use commodities.

Program:	Export Administration		
Agency:	Department of Commerce		
Bureau:	Bureau of Industry and Security		
Type(s):	Regulatory Based		

Section Scores				**Rating**
1	2	3	4	Adequate
100%	67%	73%	45%	

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 9%

Explanation: Performance measures are tracked monthly/quarterly. Performance data are used by EA senior managers to make program changes that will improve performance. For example, program managers regularly review performance data on the time to review licenses as well as data on the number and time required to complete commodity classifications, commodity jurisdiction determinations, licensing determinations for the Office of Export Enforcement, and mass market determinations.BIS also collects performance information of program partners on a quarterly basis from the Export Control Automated Support System (ECASS). ECASS is a database designed to process, store, and transmit dual-use export licensing information. ECASS is used by the Departments of State, Defense, Energy, Justice, and the Treasury and the Central Intelligence Agency.

Evidence: DOC FY 2004 Performance and Accountability Report. Monthly BIS Performance Report prepared by BIS's Office of Planning, Evaluation and Management.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 9%

Explanation: BIS program officials are held directly accountable for performance results. The SES performance plans include goals that are tied to the annual program goals.

Evidence: SES Performance Plans .

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 9%

Explanation: Program funds are administered efficiently and in accordance with intended purposes and planned schedules.

Evidence: SF-133 Budget Execution Report, CAMS Reports (Commerce Administrative Management System).

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 9%

Explanation: The EA program has two performance measures on the timeliness of the license review process. IT investments are also made to improve overall program efficiencies, for example, the EA program has enhanced the ECASS system to improve the efficiency of the license review process throughout the government. In addition, the BIS Office of Planning, Evaluation and Management conducts program reviews and makes recommendations concerning program performance and improvements as appropriate.

Evidence: Department of Commerce Strategic Plan; BIS's Office of Planning, Evaluation and Management Program Reviews.

Program: Export Administration
Agency: Department of Commerce
Bureau: Bureau of Industry and Security
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	73%	45%	

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 9%

Explanation: BIS works with the Departments of State, Defense, Energy, Treasury, Justice, and the intelligence community to develop and implement U.S. export control policy and programs and participates in multi-lateral regimes export control regimes. BIS has responsibility for the Commerce Control List (CCL). Several federal agencies (State, Treasury, Energy, and Defense, and CIA) collaborate with BIS in the license review process. The responsibilities of these agencies are defined in the Export Administration Regulations and Executive Order (EO) 12981. Each year these agencies develop proposals for modifying the control list of the multi-lateral export control regimes, including the Wassenaar Arrangement, a multi-lateral control regime focusing on the control of dual-use exports and conventional arms. Interagency concensus is necessary to develop a U.S. government proposal to present to the Wassenaar Arrangement for consideration. EO 12981 also establishes an Operating Committee (OC) and an Advisory Committee on Export Policy (ACEP), which functions as an interagency dispute resolution mechanism for the export license review process.

Evidence: Department of Commerce Strategic Plan Executive Order 12981 of December 5, 1995 .GAO/NSIAD-99-182 "Export Controls: Better Interagency Coordination Needed on Satellite Exports"

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight: 9%

Explanation: The financial management system used to provide BIS's accounting and financial information meets statutory requirements.

Evidence: Annual BIS Certification Letter to the DOC Secretary -- Federal Managers' Financial Integrity Act Certification.

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 9%

Explanation: Program managers regularly review progress reports from the EA program's electronic processing system to ensure the program is on track to meet performance goals. EA also takes prompt action on GAO and IG recommendations.

Evidence: GAO and Department of Commerce Inspector General Reports and Action Plans; Monthly Performance Reports prepared by BIS's Office of Planning, Evaluation and Management.

3.RG1 **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?** Answer: YES Question Weight: 9%

Explanation: BIS solicits and incorporates the views of industry when developing regulations, as appropriate. BIS solicits comments through the publication of interim and proposed rules. BIS also has Technical Advisory Committees, consisting of industry and government members, to obtain input on the effects of proposed regulations on U.S. industry. BIS often directly publishes final rules by obtaining a national security exemption under the Administrative Procedures Act. Most of BIS's regulations are not significant for purposes of E.O.12866. However, BIS should make every effort to solicit and address public comments more extensively, as required under the regulatory principles of E.O. 12866.

Evidence: Federal Register notices of BIS regulations, available at: http://www.access.gpo.gov/bis/fedreg/ear_fedreg.html

Program: Export Administration
Agency: Department of Commerce
Bureau: Bureau of Industry and Security
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	73%	45%	

3.RG2 **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R** Answer: NO Question Weight: 9%

Explanation: The Export Administration program does not routinely prepare regulatory impact analyses and cost-benefit analyses. Since the EA program often publishes final and interim final rules, it does not conduct analyses required by the Regulatory Fexibility Act and Unfunded Mandates Reform Act. Most of its regulations are not significant for purposes of E.O. 12866. The program maintains that it considers the costs of its regulations in the interagency process of developing its regulations and by consulting with its technical advisory groups and US industry. However, there is little evidence that the program systematically considers the cost of its regulations, assesses available alternatives, and designs its regulations in a cost-effective manner.

Evidence: Federal Register notices of BIS regulations, available at: http://www.access.gpo.gov/bis/fedreg/ear_fedreg.html

3.RG3 **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?** Answer: NO Question Weight: 9%

Explanation: The EA program conducted a comprehensive review of its regulations between 1996 and 1998. During this review, the program restructured its regulations to make them more transparent and user-friendly. The program's regulations are also updated on an annual basis following changes in the four multi-lateral control regimes. However the program should conduct more regular, systematic reviews of the EAR. The program has requested resources in the 2005 Budget to, among other things, conduct a thorough review of the CCL to ensure that items are appropriately controlled for the protection of national security.

Evidence: FY 2005 budget request

3.RG4 **Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?** Answer: NO Question Weight: 9%

Explanation: As discussed in Question 3.R2, there is little evidence that the EA program systematically considers the costs of its regulations.

Evidence: Federal Register notices of BIS regulations, available at: http://www.access.gpo.gov/bis/fedreg/ear_fedreg.html

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight:17%

Explanation: No per PART guidance. The EA program is developing long-term measures and targets (questions 2.1 and 2.2).

Evidence: DOC FY 2003 Performance and Accountability Report; BIS's Monthly Performance Reports prepared by BIS's Office of Planning, Evaluation and Management.

Program: Export Administration
Agency: Department of Commerce
Bureau: Bureau of Industry and Security
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	73%	45%	

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight:17%

Explanation: The EA program achieved three of its four annual performance measures in FY 2003. The Median Processing Time for Issuing Draft Regulations, three months, was not met due in part to the fact that the multi-lateral export control regimes did not provide the information necessary to draft regulations in a timely manner.

Evidence: DOC FY 2003 Performance and Accountability Report; BIS's Monthly Performance Reports prepared by BIS's Office of Planning, Evaluation and Management.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight:17%

Explanation: The EA program has exceeded its targets for the median processing time of licenses. The EA program has also improved the processing times of the commodity classifications (CCs), from 22 days in FY 2003 to an expected 15 days in FY 2004, and commodity jurisdictions (CJs), from 63 days in FY 2003 to an expected 59 days in FY 2004. The number of export licenses reviewed by BIS has increased in the last few years, from 10,767 in FY 2002, 12,443 in FY 2003, and 15,534 in FY 2004. The EA program budget has remained relatively flat during this time period, from slightly over $27M in FY 2002, to $25M in FY 2003, and $26M in FY04. These data indicate the program is more efficiently processing licenses, CCs and CJs, however it would be informative if the program developed an accuracy measure to ensure that the quality of the license review process is maintained.

Evidence: DOC FY 2003 Performance and Accountability Report; BIS's Monthly Performance Reports prepared by BIS's Office of Planning, Evaluation and Management

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: LARGE EXTENT Question Weight:17%

Explanation: The EA program compares favorably to other U.S. government agencies as well as to foreign government export-control programs. The EA program has introduced electronic filing and processing systems which have been adopted by other Federal agencies. When compared to other countries, the U.S. is typically regarded as adhereing to the multi-lateral export control regimes and having strict national export controls.

Evidence: Export Administration Act of 1979 (S.149); Export Administration Regulations (15 CFR Part 730).

Program: Export Administration

Agency: Department of Commerce

Bureau: Bureau of Industry and Security

Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	73%	45%	

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: SMALL EXTENT Question Weight:17%

Explanation: The GAO and Commerce IG conduct reviews of various aspects of EA's programs. These evaluations have indicated that some improvements are needed to better control exports of cruise missiles and unmanned aerial vehicles; to improve deemed export controls of sensitive technology to foreign nationals in the United States; and that multilateral export control regime members do not share complete and timely export licensing information nor harmonize their export controls promptly to accord with regime decisions.

Evidence: GAO and IG Reports; BIS's Monthly Performance Reports; Program reviews conducted by BIS's Office of Planning, Evaluation and Management.GAO-04-175 Nonproliferation - Improvements Needed to Better Control Technology Exports for Cruise Missiles and Unmanned Aerial Vehicles; GAO-04-357 Export Controls - Post-Shipment Verification Provides Limited Assurance That Dual-Use Items Are Being Properly Used; GAO-02-972 Export Controls - Department of Commerce Controls over Transfers of Technology to Foreign Nationals Need Improvement

4.RG1 **Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?** Answer: SMALL EXTENT Question Weight:17%

Explanation: To the extent that the EA program's regulations are not significant under E.O. 12866 and subject to the Regulatory Flexibility Act and Small Business Regulatory Enforcement Fairness Act (SBREFA), the program attempts to design its regulations to minimize regulatory cost, as evidenced in the Simplified Network Application Process (SNAP) regulation. However, there is little evidence that the program has systematically considered the costs of its regulations.

Evidence: Federal Register notices of BIS regulations, available at: http://www.access.gpo.gov/bis/fedreg/ear_fedreg.html

PART Performance Measurements

Program: Export Administration
Agency: Department of Commerce
Bureau: Bureau of Industry and Security
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	73%	45%	

Measure: Median Processing Time for Referrals of Export Licenses to Other Agencis (Days)

Additional Information: This measure tracks the median processing time of an export license application from its receipt to its referral to other agencies. Approximately 85% of all export licenses must be referred to other agencies as dictated by EO 12981.

Measure Term: Annual

Year	Target	Actual
2003	9	4
2004	9	3
2005	9	
2006	9	

Measure: Median Processing Time for Export Licenses Not Referred to Other Agencies (Days)

Additional Information: This is the other component of the license application inventory (about 15% of all applications received). This measure monitors the time required for BIS to process a license application from its receipt to a final decision.

Measure Term: Annual

Year	Target	Actual
2003	15	9
2004	15	9
2005	15	
2006	15	

Measure: Median Processing Time for Issuing Draft Regulations (Months)

Additional Information: The EA program issues new and amended regulations to meet its responsibilities under the Export Administration Act (EAA). Timely promulgation of regulations benefits the United States from a trade, economic, and national security perspective. The majority of regulations issued implement changes agreed to in the four multi-lateral export control regimes in which the United States participates. This measure tracks the length of time it takes EA to issue a draft regulation after changes from the four multi-lateral export control regimes have been received and analyzed.

Measure Term: Annual

Year	Target	Actual
2003	3	7

2004	3	2	
2005	3		
2006	3		

Measure: Level of Exporter Understanding of BIS Export Control Requirements: Value of Information Gained (Average Score on a scale of 1 - 5)

Additional Information: This measure indicates the effectiveness of EA's export control outreach program. The EA export control outreach program is a means for transferring knowledge from the government to the private sector regarding export control requirements, to encourage compliance with the EAR. Seminars help to heighten business awareness of the Administration's export control policy objectives and improve compliance with regulatory requirements.

Year	Target	Actual	**Measure Term:**
2003	4.2	4.2	
2004	4.2	4.2	
2005	4.2		
2006	4.2		

Measure: Level of Exporter Understanding of BIS Export Control Requirements: Percent Knowledge Gained (Index).

Additional Information: This measure indicates the effectiveness of EA's export control outreach program. The EA export control outreach program is a means for transferring knowledge from the U.S. government to the private sector regarding export control requirements, to encourage compliance with the EAR. Seminars help to heighten business awareness of the Administration's export control policy objectives and improve compliance with regulatory requirements. This metric is an index that reflects the knowledge gained by exporters who attend EA seminars. BIS revised the methodology for calculating this metric in FY 2004. This metric is now calculated by comparing the actual improvement in knowledge to the maximum improvement possible for each event attendee.

Year	Target	Actual	**Measure Term:**
2003			
2004	Baseline	45%	
2005	45%		
2006	45%		

PART Performance Measurements

Program: Export Administration
Agency: Department of Commerce
Bureau: Bureau of Industry and Security
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	67%	73%	45%	

Measure: Percent of Industry Assessments Resulting in BIS Determination on Revising Export Controls

Additional Information: Beginning in FY 2006, the EA program plans to establish an Office of Technology Evaluation, responsible for evaluating the efficiency and effectiveness of U.S. and multilateral export controls by conducting analyses of U.S. and foreign markets, the development of new technologies, and the impact of export controls on industries critical to U.S. national security and the economy. It is anticipated that these assessments will lead to changes in BIS export controls.

Year	Target	Actual
2005	New	New
2006	100%	

Measure Term:

Measure: Measure Under Development

Additional Information:

Year	Target	Actual

Measure Term: Long-term

PART Performance Measurements

Program: Intercensal Demographic Estimates
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	74%	

1.1 **Is the program purpose clear?** Answer: YES Question Weight20%

Explanation: The intercensal demographic estimates program produces annual estimates of the population and its demographic characteristics for the nation, States, and counties, and local units of government with a population of 50,000 or more. The data are used as denominators in federal time series and as population controls for the major household surveys, and as such, affect the accuracy of the country's key measures of unemployment, inflation, income, poverty, and health.

Evidence: FY 2004 Budget Request

1.2 **Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight20%

Explanation: The intercensal demographic estimates program assists elected officials and government program managers in allocating hundreds of billions of dollars each year by giving them updated estimates of the United States' population for the country, states, counties, cities, and townships.

Evidence: Title 13, Section 181 of the U.S. Code requires the Census Bureau to produce data annually or biennially, based on geographic unit size. Formula grant programs such as Medicaid Assistance Program, Social service Block Grant Program, and Community Development Block Grant Program rely on these annual population estimates to calculate grant amounts.

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight20%

Explanation: The intercensal program is unique in that it uses confidential administrative data to provide consistent intercensal demographic estimates across all entities of government.

Evidence: Title 13 and 26 of the U.S. Code

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight20%

Explanation: The intercensal estimates program has not captured net international migration data well during the 1990s. The program is currently working to improve these estimates.

Evidence: U.S. Census Bureau's FY2003 Congressional Budget SubmissionGAO-03-178 "2000 Census Redistributes Federal Funding Among States"

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight20%

Explanation: These estimates assist elected officials and government program managers in allocating hundreds of billions of dollars each year by giving them updated estimates of the United States' population for the country, states, counties, and local governmental units.

Evidence: FY 2004 Budget Request, Title 13, Section 181 of the U.S. Code requires the Census Bureau to produce data annually or biennially, based on geographic unit size.

Program:	Intercensal Demographic Estimates		
Agency:	Department of Commerce		
Bureau:	Bureau of the Census		
Type(s):	Direct Federal		

Section Scores				**Rating**
1	2	3	4	Moderately
80%	88%	100%	74%	Effective

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?**

Answer: YES   Question Weight: 12%

Explanation: The intercensal estimates program has one performance goal, to produce accurate, timely, and relevant population estimates to be used for annual funding allocations. Long term performance measures include reduction in the error of closure, meeting release dates, and other milestones.

Evidence: U.S. Census Bureau Strategic Plan FY2004-2008

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?**

Answer: YES   Question Weight: 12%

Explanation: The long term targets of the intercensal estimates program are to reduce the error of closure from 2.4 percent to 1.3 percent by 2010, tighten the release schedule from the current average of 15 months to 12 months, and reduce the mean absolute percent error of the county population estimates from 3.4 percent to 3.3 percent by 2010. The program also has long term milestones including the integration of the expanded international migration component into population estimates.

Evidence: U.S. Census Bureau Strategic Plan FY2004-2009

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?**

Answer: YES   Question Weight: 12%

Explanation: The intercensal estimates program has annual milestones for scheduled releases, meetings with survey sponsors to assess population controls and need for modifications, and enhancements to the estimates of international migration.

Evidence: U.S. Census Bureau's FY2003 Congressional Budget SubmissionU.S. Census Bureau Strategic Plan FY2004-2009

2.4 **Does the program have baselines and ambitious targets for its annual measures?**

Answer: YES   Question Weight: 12%

Explanation: In general, the annual milestones demonstrate improvement in the release schedules and improved estimates of internation migration.

Evidence: FY 2003 Congressional Budget Reguest

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**

Answer: YES   Question Weight: 12%

Explanation: The program shares short and long term goals with both internal and external customers and stakeholders. However the program should work to further increase the involvement of state partners and other stakeholders in the production and quality review of the estimates and projections.

Evidence: The program presents goals to customers at the annual meetings of the Federal State Cooperative Program for Population Estimates and the State Data Centers.

Program: Intercensal Demographic Estimates
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	74%	Effective

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight:12%

Explanation: The intercensal estimates are 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 Census Bureau also evaluates the program as part of Census 2000 evaluation program. These evaluations showed that 2000 estimates were within 3% of actual decennial census population totals.The program should consider more external reviews of program performance.

Evidence: Comparisons between the program and Census 2000 were included in the Associated DAPE Analysis, ESCAP I & II.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight:12%

Explanation: The Census Bureau budget requests tie resource requests to the accomplishment of performance goals for new initiatives and incorporate unit costs for base and new activities. However, improvements can be made in tying base activities to annual and long term performance goals.

Evidence: FY 2004 Budget Request

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: NO Question Weight:12%

Explanation: The intercensal estimates program should more clearly incorporate programmatic changes, including improving the estimates of international migration and use of the American Community Survey data, into strategic planning documents.

Evidence: Census Bureau's Strategic Plan for 2004 - 2008

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight:14%

Explanation: The intercensal demographic estimates program receives regular feedback from internal and external partners and uses this feedback to adjust its internal policies and timelines to more effectively manage the program and update the Demorgaphic Programs Directorate's Strategic Plan.

Evidence: Meetings with survey sponsors (e.g. CPS, BLS, and NCHS)

Program: Intercensal Demographic Estimates
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	74%	Effective

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**
Answer: YES Question Weight: 14%

Explanation: Annual performance plans for managers include goals and meaures that are linked to the strategic goals of the intercensal estimates program. The program has included specific production goals within manager performance plans and is working to include the program enhancement milestones. All contracts are carefully monitored and contractors are held accountable for progress.

Evidence: Performance plans are part of each employee's annual review from entry level to senior staff.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**
Answer: YES Question Weight: 14%

Explanation: The Census Bureau seeks to obligate needed funds in a timely and appropriate manner

Evidence: At the end of FY 2002, 99.9% of funds for the intercensal demographic estimates program were obligated.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?**
Answer: YES Question Weight: 14%

Explanation: The Intercensal estimates program has developed and introduced new products to meet the growing need of policy and program managers for this information with essentially stable resource levels. The program expanded the range of annual estimates for the nation, States, and counties to include more demographic characteristics.

Evidence: Annual budget request and annual performance plans

3.5 **Does the program collaborate and coordinate effectively with related programs?**
Answer: YES Question Weight: 14%

Explanation: The intercensal demographic estimates program collaborates with internal and external partners to allow for effective coordination of programs.

Evidence: The program has agreements with both internal (Current Population Survey and American Community Survey branches) and external customers (BLS, NCHS, and BEA).

3.6 **Does the program use strong financial management practices?**
Answer: YES Question Weight: 14%

Explanation: The Census Bureau's financial management practices have resulted in a clean opinion on its financial audit since FY 1999.

Evidence: DOC Financial Audits Reports

Program: Intercensal Demographic Estimates
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	74%	

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 14%

Explanation: In general, the intercensal estimates program has adequate program management. The Census Bureau has developed areas of competency that managers must meet in their jobs and several programs have been developed to meet training needs in competency areas.

Evidence: Project Management Master Certificate Program

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight: 20%

Explanation: The error of closure of the intercensal demographic estimates was off by 2.4% as compared to the 2000 Census population counts. The Intercensal Estimates program is working to improve the estimates of international migration that should improve the error of closure in 2010.

Evidence: Population Division Working Papers

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight: 20%

Explanation: In general, the intercensal estimates program has met its annual performance goals.

Evidence: Census Bureau data releases, internal documentation

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight: 20%

Explanation: The intercensal demographic estimates program has developed and released the yearly population estimates and increased the number of products with relatively flat funding throughout the 1990s.

Evidence: FY 1990-2004 budget requests

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight: 20%

Explanation: The intercensal demographic estimates program has a more diverse product package than comparable statistical programs and agencies. The program's products provide base level data for private industry.

Evidence: Comparison of product lines across various statistical programs and agencies.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: LARGE EXTENT Question Weight: 20%

Explanation: The intercensal demographic estimates program has been evaluated through a set of working papers that provide evaluations of the estimates for 1990 and for 2000. These evaluations determined that the 2000 estimates were off by less than 3%.

Evidence: Population Division Working Papers

PART Performance Measurements

Program: Intercensal Demographic Estimates
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	74%	

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.

Additional Information:

Measure Term: Long-term

Year	Target	Actual
2010	(1)	

Measure: Number of releases of population estimates

Additional Information:

Measure Term: Annual

Year	Target	Actual
2001	No releases	
2002	10	7
2003	10	10
2004	10	
2005	10	

Measure: Meet the needs of survey sponsors - Monthly meetings with Current Population Survey staff, Weekly meetings with American Community Survey staff

Additional Information:

Measure Term: Annual

Year	Target	Actual
2001	Monthly meetings	Met
2002	Monthly meetings	Met
2003	Monthly meetings	
2004	Monthly meetings	

Program: Intercensal Demographic Estimates
Agency: Department of Commerce
Bureau: Bureau of the Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	74%	

2005	Monthly meetings

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 characteristics of foreign-born population for 2000-2004; (4) Produce preliminary estimates of foreign-born population by migration status.

Additional Information:

Measure Term: Annual

Year	Target	Actual
2003	(1)	Met
2004	(2)	
2005	(3)	

OMB Program Assessment Rating Tool (PART)

Competitive Grant Programs

Name of Program: Manufacturing Extension Partnership

Section I: Program Purpose & Design (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	Yes	MEP has a clear statutory mandate, clear mission statement, and an overarching programmatic focus on raising the productivity and competitiveness of small manufacturers.	MEP's mission and purpose is clearly stated in the DOC FY 2004 budget and Annual Performance Plan and associated documents. MEP's purpose is rooted in its statutory authority, see 15 USC 278k.	20%	0.2
2	*Does the program address a specific interest, problem or need?*	Yes	MEP is intended to address the productivity gap between large and small manufacturers. The importance of small manufacturers in virtually all manufacturing supply chains and the economy as a whole makes the resolution of this problem a broad national need. However, it is not evident that there is a clear need for the federal government to fill this role--i.e., a "national need" does not necessarily require a "federal response."	U.S. Census Bureau data show the size of the productivity gap between small and large manufacturers getting larger over time. In 1997, productivity per employee for large manufacturers was 70% higher than small manufacturers. An NRC study identifies unique needs of small manufacturers.	20%	0.2
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	No	Despite its success in leveraging financial support and establishing a nationwide network, MEP only serves a small percentage of small manufacturers each year, and it is not clear that there is a significant impact on the productivity and competitiveness of small manufacturers as a whole. Through its national network the MEP program coordinates and leverages the activities of partners and contributing organizations, including state and local governments, universities, colleges, community colleges and other educational organizations, local chambers of commerce, and related organizations. Federal investment represents approximately 1/3 of the funding for each MEP Center; this investment leverages 1/3 state contribution and 1/3 fee supported activities.	Currently, MEP serves less than 7% of the small manufacturing community each year. While MEP's performance measures and outside studies show improvements in productivity and competitiveness of client firms (see DOC annual performance plan and Jarmin study), it is difficult to isolate the impact of MEP from other factors, such as changes in the economy. A long-term study of MEP clients vs non-MEP clients is not available. Some performance gains may also be the result of displacing business from non-client firms, resulting in little or no net effect on the economy. Because firms self-select into the MEP program, it is possible that the firms could have sought assistance through other means and achieved similar results.	20%	0.0

4	*Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?*	No	Through its state and local affiliates, MEP is designed to reach small manufacturing establishments that are less likely to be served by large private consulting firms. MEP leverages state and local resources to provide tailored manufacturing technical assistance to its customers. MEP is unique in that it is the only nationwide network of specialized manufacturing extension centers. However, the services provided could be obtained through other sources.	While the big consulting firms may not provide services to small manufacturing firms, there are a number of non-federal entities across the country that are available to small firms for various consulting services. In a recent survey by the Modernization Forum, half of MEP clients surveyed said that alternative service providers were available, however, prices for services were more than double the rates charged by MEP centers.	20%	0.0
5	*Is the program optimally designed to address the interest, problem or need?*	No	MEP has developed a nation-wide network of centers through State-Federal partnerships, but what the program's next steps will be is unclear. The original design of the program intended for centers to become self-sufficient, yet there are currently no plans for achieving this goal (most Centers indicate that they would not be able to continue operations if funding is cut as requested in the President's Budget). The program should focus on creating a private sector market for these services rather than continually providing federal subsidies.	The MEP network encompasses over 3000 local partnerships and over 2000 MEP center staff (not Federal government employees). However, improvements to the design of the program should be made. The large benefits received by firms more than offset any increase in fees that would be necessary to replace federal funding.	20%	0.0
Total Section Score					**100%**	**40%**

Section II: Strategic Planning (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?*	Yes	MEP focuses on a single overarching goal that derives directly from the program's implementing statute: improving the productivity and competitiveness of its customer base. The outcomes that it manages to and measures directly reflect the Program's long-term goal and purpose.	MEP's goal is "to raise the productivity and competitiveness of small manufacturers". See the DOC budget justification and annual performance plan; see also 15 USCS 278k.	14%	0.1
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	Yes	MEP develops annual quantitative performance targets for a suite of competitiveness indicators, including sales increases, capital investment, and cost savings attributable to MEP services; progress toward these goals are intended to represent progress toward the long-term goal of improving the productivity of its customer base. However, it is difficult to isolate the direct impact of MEP. Other factors can influence these performance measures, and as stated previously, some performance gains by MEP clients may be at the expense of non-clients, resulting in no net impact on the small manufacturing community.	MEP's performance evaluation system and management processes focus on programmatic performance; these methods and the outcome-oriented data they produce are presented in the DOC budget justification and annual performance plans and reports. Data also are presented in MEP documents, such as "NIST MEP Partnership: A Network for Success, A Review of Results and the Evaluation Process"(NIST/MEP, May 2002).	14%	0.1
3	*Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?*	No	MEP's survey-based evaluation system obtains results data from clients that, when aggregated, demonstrate system-wide progress toward the Program's goals, however results vary widely by Center. Also, there is no evidence that any of the Centers are focused on becoming self-sufficient as was intended in the original design of the program.	MEP's performance evaluation system processes, measures, targets, and results are reported in the DOC budget justification and the annual performance plan and performance report. Performance data also are presented in MEP program literature (see above).	14%	0.0
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	Yes	Where possible, MEP leverages its program and distribution network through collaboration and coordination with other federal agencies.	MEP's collaborative activities are described in program literature and in the Program's annual report to Congress. Collaborative efforts over time have included EPA, SBA, DoL, and USDA. Current initiatives underway include coordination with MBDA and other offices within the Department of Commerce. The MEP system itself is structured around collaborative partnerships, and includes not only state and local governments but also universities, colleges, community colleges and other educational organizations, local chambers of commerce, and related organizations that ultimately share MEP's goals and objectives.	14%	0.1

5	*Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?*	Yes	In addition to 3rd party survey data, MEP is reviewed by an external advisory board, the MEP National Advisory Board, which meets three times a year. MEP also has contracted for formal external program evaluation studies, which have shown that MEP's client base experiences productivity growth rates that exceed those of a control group of similar manufacturing establishments.	Reports of the MEP National Advisory Board; productivity studies conducted by R.S. Jarmin, Center for Economic Studies, Bureau of the Census, GAO studies. For an overview of external evaluation processes and related evaluation information, see "NIST MEP Partnership: A Network for Success, A Review of Results and the Evaluation Process."	14%	0.1
6	*Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?*	Yes	Out-year targets for quantitative performance measures are based in part on resource inputs; variation in input levels directly affect estimated performance.	The DOC budget justification and annual performance plan show the impact of proposed funding and policy changes on MEP's performance measures.	14%	0.1
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	Yes	NIST as a whole has developed a new Institute-wide long-term strategic planning process; the process includes new mechanisms for aligning Operating Unit plans with the NIST-wide plan.	NIST's external advisory bodies routinely observe and comment on any deficiencies associated with NIST's strategic planning processes, and NIST responds to these observations. For example, the NIST Visiting Committee on Advanced Technology (VCAT) has reviewed and commented favorably on NIST-wide strategic planning efforts in recent meetings (held quarterly). NIST's new long-term strategic plan currently is in DOC review.	14%	0.1
Total Section Score					**100%**	**86%**

Section III: Program Management (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?*	Yes	MEP uses an ongoing, systematic center progress reporting and client survey system to obtain performance data from clients and compile information for quantitative performance measures. These data are used not only to report system-wide results but also for program management purposes: Data obtained through the MEP evaluation system are used to review and manage Center performance and to evaluate and adjust the national program's product and service mix. However, it is unclear to what extent data are actually being used.	On a quarterly basis, MEP collects performance output data from centers. MEP's performance evaluation system processes, results, and targets are presented in the DOC budget justification and annual performance plans and reports, as well as in various MEP documents (see above). MEP's survey and evaluation system has been reviewed by and designed with the assistance of external evaluation experts.	9%	0.1
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	Yes	MEP collects Center-level performance through the Center review process and uses results to improve Center performance. Through this process, several Centers have been restructured to meet performance criteria. In cases where performance criteria are consistently not met, Centers have been closed.	As a result of the evaluation process, three Centers have been closed and eight Centers have been suspended for inability to meet performance criteria. Ten centers have been significantly restructured resulting in improved performance.	9%	0.1
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	Yes	NIST as a whole manages its resources carefully; it has had no anti-deficiency violations, and the MEP program typically has a limited amount of unobligated funds at year end. NIST's strong budget and accounting systems include rigorous internal reviews and external audits to ensure that funds are expended as intended. MEP obligates funds for MEP Center renewals in a timely manner after successful review and evaluation of each Center.	See SF-132 (apportionment schedule) and SF-133 (report on budget execution). Internal NIST processes include rigorous quarterly financial reviews. See the audited NIST Annual Financial Statements. MEP Center reviews examine funds usage; centers undergo OMB Circular A-133 audits annually; OIG audits selected centers and reviews A-133 documents.	9%	0.1
4	*Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?*	No	MEP does not have effective incentives or procedures in place to promote Centers to become self-sufficient. A nation-wide network has been in place since 1996, but the program indicates that federal funding is still needed because the overhead cost associated with serving small firms has not significantly declined. MEP should be able to leverage the established infrastructure and serve clients more cost-effectively over time.	MEP has 61 MEP centers with over 400 service locations to serve a community of approximately 350,000 small and medium sized manufacturers. Some centers still spend 40% of their funding on marketing and centers indicate that fees would have to increase by 150% to cover costs. Centers do not have long-term plans for becoming self-sufficient and there is no policy in place to encourage them to do so.	9%	0.0

5	*Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?*	Yes	NIST's budget request and prior year budget data reflect the full annual costs of operating the national MEP Program, including direct and indirect costs. Out-year targets for quantitative performance measures are based in part on resource inputs; variation in input levels directly affect estimated performance.	Total program costs are presented in NIST's budget justification and annual financial statements. NIST's internal accounting system reports can provide costs by object class. Overhead is applied uniformly per full cost accounting procedures that are specified in Chapter 8.07 of the NIST Administrative Manual. DOC annual performance plans show the impact of proposed funding and policy changes on MEP's performance measures.	9%	0.1
6	*Does the program use strong financial management practices?*	Yes	NIST has a long history of unqualified financial audits and, in fact, provides accounting services for several other DOC bureaus. MEP works actively with centers to develop consistent financial practices for a stable set of financially sound organizations.	See the audited Annual Financial Statements. Evidence of MEP efforts to develop consistent and high quality financial practices at the center level include the MEP Center Audit Guidelines, the Center CFO Working Group, and training sessions held at the MEP national conference and other venues.	9%	0.1
7	*Has the program taken meaningful steps to address its management deficiencies?*	Yes	Regular program oversight is obtained through several channels: the NIST Visiting Committee on Advanced Technology; MEP's external National Advisory Board; and internal NIST program reviews.	MEP has made numerous changes in program management in response to recommendations produced by these review mechanisms.	9%	0.1
8 (Co 1.)	*Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?*	Yes	Funding is provided to MEP Centers through cooperative agreements that are formed on the basis of open competitions as specified in the MEP rules. Center renewals are made only upon completion of a thorough and successful evaluation of Center operations and performance.	For evidence of open competitions, see the program's Federal Register Notice of Competition (15 CFR 290). The openness and overall quality of the competition process have been independently confirmed; see OIG Report, "MEP Awards Process Promotes Merit-Based Decisions".	9%	0.1
9 (Co 2.)	*Does the grant competition encourage the participation of new/first-time grantees through a fair and open application*	Yes	Establishment of new MEP Centers is made on the basis of fair and open competitions that do not restrict the applicant pool in any manner.	See sources cited in question 8 above.	9%	0.1
10 (Co 3.)	*Does the program have oversight practices that provide sufficient knowledge of grantee activities?*	Yes	Center activities are monitored by the MEP staff. Each center is assigned an Account Manager who spends time on a regular basis with the center understanding details of its operation and monitoring performance. Business practices and program results of client activities are a central feature of regular Center performance reviews and renewal evaluations.	MEP's oversight practices are evident in formal and systematic internal processes that include Center Quarterly Technical Progress Reporting, Center Information Management System, Center Progress Reports, Center Operating plans, annual reviews, external panel reviews, and renewal process documentation.	9%	0.1
11 (Co 4.)	*Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?*	Yes	See response to question 1 above. Pperformance data are made available to the public through annual performance plans and reports and MEP program literature.	See DOC budget justification and annual performance plans and reports. See also MEP Center Performance Output Reports, and Criterion 7 of Center Review Criteria.	9%	0.1
Total Section Score					**100%**	**91%**

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?*	Small Extent	MEP has one overarching long-term outcome goal: to raise the productivity and competitiveness of small manufacturers. External program evaluation studies demonstrate MEP's past success in working towards its long-term outcome goal. 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.	Evidence of long-term program success is provided by productivity studies conducted by R.S. Jarmin, Center for Economic Studies, Bureau of the Census. Jarmin showed that MEP client plants on average experienced 5.2% more growth in labor productivity between 1996 and 1997 than non-MEP clients. However, large manufacturers are still 70% more productive than small manufacturers. Data on indicators of competitiveness are provided below and in the DOC FY 2004 APP. These indicators provide some evidence that MEP has helped individual firms, but it is not clear that these firms actually needed assistance. A recent long-term study of MEP clients vs non-MEP clients has not been completed.	20%	0.1

Long-Term Goal I:	Raise the productivity and competitiveness of small manufacturers.
Target:	Productivity of MEP clients exceeds that of control group
Actual Progress achieved toward goal:	Program evaluation data and analysis provided through external studies confirm that the productivity and performance of MEP clients exceed that of a comparable set of firms. See studies of R.S. Jarmin, Center for Economic Studies, Bureau of the Census

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Does the program (including program partners) achieve its annual performance goals?*	Large Extent	MEPs annual performance measures represent indicators of competitiveness and progress toward the program's long-term goal. Two out of three targets were met in FY 2000. FY 2001 actuals are not yet available.	See DOC budget justification and annual performance plans and reports. Note that extensive and systematic client survey process entails data lags; latest full year actual performance data is FY 2000.	20%	0.1

Key Goal I:	Increased sales attributed to MEP assistance.
Performance Target:	FY 2000 target: $670 million
Actual Performance:	FY 2000 actual: $698 million
Key Goal II:	Capital investment attributed to MEP assistance.
Performance Target:	FY 2000 target: $864 million
Actual Performance:	FY 2000 actual: $873 million
Key Goal III:	Cost savings attributed to MEP assistance.
Performance Target:	FY 2000 target: $545 million
Actual Performance:	FY 2000 actual: $482 million

3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	Yes	Program results have been achieved at specified budget levels and on anticipated schedules.	System performance results have increased over time while Federal inputs have remained relatively constant, indicating increases in efficiency and effectiveness over time. For program results, see DOC budget justification and annual performance plans and results.	20%	0.2
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	Yes	Other Federal programs that focus on small businesses, such as Small Business Development Centers (SBDCs), Trade Adjustment Assistance Centers, the Defense Adjustment Program, and EPA's Small Business Assistance Program, do not reach the same small manufacturing customers, do not deliver manufacturing technical assistance, do not leverage state and local resources, and do not produce measurable improvements in competitiveness such as those demonstrated by MEP.	External analyses of alternative assistance programs include: Urban Institute, "Effective Aid to Trade-Impacted Manufacturers", 1998. Rutgers University, et. al. "Defense Adjustment Program: Performance Evaluation", 1997. Other Federal programs that focus on small businesses, such as Small Business Development Centers (SBDCs), Trade Adjustment Assistance Centers, the Defense Adjustment Program, and EPA's Small Business Assistance Program, do not leverage state and local resources and do not produce measurable improvements in competitiveness such as those demonstrated by MEP.	20%	0.2
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	Yes	Controlled-comparison productivity studies demonstrate program effectiveness; external reviews confirm MEP's performance results and programmatic effectiveness.	Jarmin studies provide controlled comparison program evaluation data. For external advisory panel findings, see the MEP National Advisory Panel reports and annual NIST VCAT reports. Other external studies of MEP's programmatic effectiveness include three GAO studies--1991, 1995, and 1996. Fewer independent studies have been conducted in recent years.	20%	0.2
Total Section Score					**100%**	**80%**

PART Performance Measurements

Program: Minority Business Development Agency
Agency: Department of Commerce
Bureau: Minority Business Development Agency
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
60%	57%	100%	13%	

1.1 **Is the program purpose clear?** Answer: YES Question Weight20%

Explanation: Created under an executive order in 1969, MBDA's purpose is to support minority business enterprise and wealth creation.

Evidence: 1) Commerce FY 01 APPR/FY 03 APP: http://www.osec.doc.gov/bmi/budget/03APPRAPP/mbda.pdf2) Commerce FY 02 Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02mbda.pdf

1.2 **Does the program address a specific interest, problem or need?** Answer: YES Question Weight20%

Explanation: MBDA was created to address the full participation by socially and economically disadvantaged persons in the national economy by coordinating "as consistent with law the plans, programs, and operations of the Federal government which affect or may contribute to the establishment, preservation, and strengthening of minority enterprise."

Evidence: 1) Executive Order 11458 2) Executive Order 11625

1.3 **Is the program designed to have a significant impact in addressing the interest, problem or need?** Answer: NO Question Weight20%

Explanation: MBDA states that it seeks to achieve economic parity for minority businesses by actively promoting their ability to grow and compete in a global economy. The agency has a diffuse regional and district structure (7 offices total) with 38 technical assistance providers nationwide. It is not designed to make significant progress toward accomplishing its stated mission.

Evidence: 1) Commerce FY 01 APPR/FY 03 APP: http://www.osec.doc.gov/bmi/budget/03APPRAPP/mbda.pdf 2) Commerce FY 02 Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02mbda.pdf 2) MBDA business plan 3) MBDA has 96 employees dispersed among Washington, D.C. and 7 regional and district offices nationwide working with 38 technical assistance providers.

1.4 **Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?** Answer: NO Question Weight20%

Explanation: Federal, state, local, and private resources exist to promote business development.

Evidence: 1) Federal offices that promote the use of small and disadvantaged businesses in obtaining contracts and subcontracts with federal agencies (http://www.osec.doc.gov/osdbu). 2) Other federal programs which include SBA's SBDC and Treasury's CDFI programs 3) 3,000 state and local chambers of commerce (http://www.uschamber.com/) 4) State and local business development programs

1.5 **Is the program optimally designed to address the interest, problem or need?** Answer: YES Question Weight20%

Explanation: MBDA awards funds on a competitive basis. The agency continues to explore co-location and match rate policies.

Evidence: 1) MBDA supporting documents 2) Some comparable programs are formula-based.

PART Performance Measurements

Program: Minority Business Development Agency
Agency: Department of Commerce
Bureau: Minority Business Development Agency
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	57%	100%	13%	Demonstrated

2.1 **Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: NO Question Weight: 14%

Explanation: MBDA, through a newly-created Performance Vertification Team, is examining its long-term performance goals. MBDA has also hired a contractor to assist MBDA in defining its long-term strategic goals. MBDA anticipates this work to be completed this year. In the interim, MBDA continues to report on its current annual goals. MBDA has three goals which are: 1) develop an entrepreneurially-innovative market-focused economy; 2) improve the opportunities for minority-owned businesses to pursue financing; and, 3) improve organizational effectiveness, responsiveness, and efficiencies. Goal 1 does not clearly address minority business development. It appears too broad to effectively reflect the purpose of the program.

Evidence: 1) Commerce FY 01 APPR/FY 03 APP, http://www.osec.doc.gov/bmi/budget/03APPRAPP/mbda.pdf2) Commerce FY 02 Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02mbda.pdf

2.2 **Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?** Answer: NO Question Weight: 14%

Explanation: MBDA added 1 goal and 6 measures for a total of 9 measures under 3 goals. The change in goal 1 does not clearly connect to the measures primarily because the goal is too broad. The addition of goal 3 should better connect to other measures (e.g., matches in vendor contracts in goal 3 should be tracked for dollar value of contracts awarded in goal 1).

Evidence: 1) Commerce FY 01 APPR/FY 03 APP, http://www.osec.doc.gov/bmi/budget/03APPRAPP/mbda.pdf2) Commerce FY 02 Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02mbda.pdf

2.3 **Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?** Answer: YES Question Weight: 14%

Explanation: MBDA requires regular review of grantee activities and is refining its methods for expecting and assessing performance measure outputs from grantees. MBDA is currently working with the Inspector General to resolve an open issue regarding its performance measures.

Evidence: 1) Commerce FY 01 APPR/FY 03 APP, http://www.osec.doc.gov/bmi/budget/03APPRAPP/mbda.pdf 2) Commerce FY 02 Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02mbda.pdf3) MBDA supporting documentation 4) MBDA competitive grant application policy

2.4 **Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?** Answer: YES Question Weight: 14%

Explanation: In FY 2002, MBDA was developing strategic partnerships with private and public organizations. MBDA coordinates annually with the Small Business Development Administration for MED week and through its Business Resource Centers. MBDA's continues to enhance its long-term coordination externally with other federal minority business development programs and internally with other bureaus.

Evidence: MBDA supporting documentation

Program: Minority Business Development Agency
Agency: Department of Commerce
Bureau: Minority Business Development Agency
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
60%	57%	100%	13%	

2.5 **Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?**

Answer: NO — Question Weight: 14%

Explanation: MBDA is in the process of contracting for research studies to measure the impact of MBDA programs on minority business. MBDA anticipates the results of this research by x date. Regular independent, quality evaluations of its performance and operations have not recently been conducted. External assessments have indicated that improvements are needed.

Evidence: 1) 1991 KPMG Peat Marwick Final Report 2) 1997 MBDA Management Review 3) IG reports

2.6 **Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?**

Answer: YES — Question Weight: 14%

Explanation: Performance documentation provides a breakdown of funding according to activity. For example, the agency breaks down funding by goal (e.g., improve opportunities for minority-owned businesses to pursue financing) and activity (e.g., business development).

Evidence: 1) Commerce FY 01 APPR/FY 03 APP, http://www.osec.doc.gov/bmi/budget/03APPRAPP/mbda.pdf 2) Commerce FY 02 Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02mbda.pdf

2.7 **Has the program taken meaningful steps to address its strategic planning deficiencies?**

Answer: YES — Question Weight: 14%

Explanation: Since the last assessment, MBDA has formulated a Performance Verfication Team to review performance measures and is in the process of developing long-term goals. Over the years, the Department and MBDA have responded to some recommendations to reduce staffing levels and redirect resources. However, the agency should focus on tying its goals and measures more closely to its mission and focus its resources.

Evidence: 1) 1997 MBDA management review 2) 1991 KPMG 3) MBDA budget justifications 4) IG reports

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**

Answer: YES — Question Weight: 9%

Explanation: The agency collects performance information from program partners on a regular basis. It utilizes an electronic reporting system, quarterly reports from the regions, and semiannual MBDA staff visits to verify performance. It has also terminated non-performance grantees.

Evidence: 1) Commerce performance documents 2) MBDA supporting documentation 3) Grant termination procedures and documentation

Program: Minority Business Development Agency
Agency: Department of Commerce
Bureau: Minority Business Development Agency
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	57%	100%	13%	Demonstrated

3.2 **Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 9%

Explanation: Although the agency considers performance measures in assessing progress, MBDA should further clarify how and whether its current process regularly and effectively monitors performance of its managers and program partners in connection with the agency's own performance measures.

Evidence: 1) MBDA performance plans 2) MBDA grant renewal documentation 3) MBDA competitive panel evaluation forms

3.3 **Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 9%

Explanation: MBDA has improved its processes for obligating funds. Obligations occur in a timely fashion.

Evidence: MBDA's policy is to award its grants at the beginning of the second quarter of the fiscal year. Furthermore, MBDA reviews the budget monthly to monitor expenditures.

3.4 **Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 9%

Explanation: In FY 2000, MBDA spent 28% of its program budget on contractual services. MBDA electronic business services such as the Minority Business Internet Portal (MBIP) and Phoenix database are contracted out.

Evidence: 1) Commerce annual performance documents 2) MBDA budget justification documents 3) MBDA Agency Summary Status Report

3.5 **Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?** Answer: YES Question Weight: 9%

Explanation: Full annual operation costs, including program expenditures, are developed during the fourth quarter of the prior fiscal year. The agency also reviews and approves the line item budget of the funded organization.

Evidence: MBDA operational procedures

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight: 9%

Explanation: MBDA has no material weaknesses according to the most recent audit. MBDA's financial management is contracted out to the National Institute of Standards and Technology (NIST) within the Department of Commerce.

Evidence: Inspector General and MBDA supporting documentation.

Program: Minority Business Development Agency
Agency: Department of Commerce
Bureau: Minority Business Development Agency
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	57%	100%	13%	Demonstrated

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 9%

Explanation: MBDA has sustained budget cuts over the past several years and has made modifications of its operations and human resources accordingly. MBDA has reorganized its headquarters operations and is considering the appropriate configuration of field staff.

Evidence: 1) 1997 MBDA Management Review 2) MBDA 2001 reorganization notification and supporting documents

3.CO1 **Are grant applications independently reviewed based on clear criteria (rather than earmarked) and are awards made based on results of the peer review process?** Answer: YES Question Weight: 9%

Explanation: MBDA solicits competitive applications on a three-year basis. Applications are reviewed by a panel consisting of at least 3 members, one of whom may be an outside reviewer. Applications are reviewed based on criteria published in the Federal Register. However, MBDA should re-assess its grant application and review process to incorporate more rigorous performance measure requirements to demonstrate how funding is contingent upon performance.

Evidence: 1) MBDA operational documents 2) Federal Register notice

3.CO2 **Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?** Answer: YES Question Weight: 9%

Explanation: MBDA regional offices are responsible for marketing solicitations for grant applications. MBDA's website also announces when there will be a competition. However, the agency should consider a more rigorous review of current grantees to confirm that they are meeting the agency's goals and measures.

Evidence: See Federal Register Notice example at http://www.access.gpo.gov/su_docs/fedreg/a020918c.html

3.CO3 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight: 9%

Explanation: MBDA has revised its monitoring and oversight practices to maximize current resources. Grantees sign three-year cooperative agreements that are renewed annually. MBDA has instituted an electronic reporting system and receives quarterly reports from the region on grantee activities. Grantees go through an annual review process and MBDA staff conduct semi-annual visits to technical assistance providers. Independent financial reports of activities are also required.

Evidence: MBDA operational procedures

PART Performance Measurements

Program: Minority Business Development Agency
Agency: Department of Commerce
Bureau: Minority Business Development Agency
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	57%	100%	13%	Demonstrated

3.CO4 **Does the program collect performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight: 9%

Explanation: Program performance data is collected on an annual basis and published on the Internet. In 2003, MBDA plans to re-establish its Annual Business Assistance Report (ABAR) which was published for dissemination containing results of the accomplishments of the grantees. The new ABAR will be on-line.

Evidence: 1) Commerce FY 01 APPR/FY 03 APP, http://www.osec.doc.gov/bmi/budget/03APPRAPP/mbda.pdf2) Commerce FY 02 Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02mbda.pdf

4.1 **Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?** Answer: NO Question Weight20%

Explanation: Although MBDA met or exceeded all its targets in FY 2002, the agency is currently revising its measures and long-term goals and plans to conduct an external evaluation of its performance. The agency should continue to examine how to incorporate data it has on the universe of businesses it is seeking to assist and its performance measures.

Evidence: 1) FY 1999-FY 2001 Commerce annual performance documents 2) 1997 SMOBE data 2) Commerce FY 02 Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02mbda.pdf

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: NO Question Weight20%

Explanation: As stated in qu. 1, MBDA is reviewing its performance measures. This review will be completed this year with new measures incorporated in the Annual Performance Plan. Since FY 1999, MBDA has had 2 goals and 3 measures, introducing a third goal with 6 new measures this year. Although MBDA has consistently met its first goal, the agency reports not meeting part or all of its second goal from FY 1999-FY 2001. The goal 2 dollar value of financial packages for FY 2002 and FY 2003 were reduced.

Evidence: 1) FY 1999-FY 2001 Commerce annual performance documents. 2) Commerce FY 02 Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02mbda.pdf

4.3 **Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight20%

Explanation: The agency reports that it has helped clients receive $68 of loans for every $1 invested. The agency may wish to consider examining how its investments balance against other federal, state, local and private sector investments. MBDA is conducting a review of its performance measures and current partners to fully understand the impact of its investments and best target its resources. MBDA is planning on instituting a financing matching system in FY 2003 to match businesses to sources of financing.

Evidence: MBDA documentation

Program: Minority Business Development Agency
Agency: Department of Commerce
Bureau: Minority Business Development Agency
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
60%	57%	100%	13%	

4.4 Does the performance of this program compare favorably to other programs with similar purpose and goals?

Answer: SMALL EXTENT — Question Weight 20%

Explanation: Although MBDA's performance (dollars value of contracts and dollar value of financial packages) can compare favorably with like programs (e.g., MEP's increased sales), further evaluation should be conducted to analyze the effects of MBDA investment in the context of other federal, state, local, and private investment.

Evidence: 1) Commerce FY 01 APPR/FY 03 APP 2) Commerce FY 02 Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02mbda.pdf 3) SBA SBDC (1,000 nationwide) has centers in every state in which MBDA is located (38 nationwide).

4.5 Do independent and quality evaluations of this program indicate that the program is effective and achieving results?

Answer: NO — Question Weight 20%

Explanation: MBDA is in the process of contracting for research studies to measure the impact of MBDA programs on minority business. MBDA anticipates the results of this research by x date. The most recent comprehensive evaluation of the program was conducted in 1991 by a public accounting firm and identified improvements needed in internal operations as well as service delivery. A 1997 management review also cited similar concerns. Although the agency has implemented some of the recommendations, the agency would benefit from a recent independent, quality evaluation of both its program (MBDCs, NABDCs, MBOCs, BRCs and how these services coordinate with MBIP) and operations (regions, districts and headquarters).

Evidence: 1) 1991 KPMG Peat Marwick Final Report 2) 1997 MBDA Management Review

PART Performance Measurements

Program: Minority Business Development Agency
Agency: Department of Commerce
Bureau: Minority Business Development Agency
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	57%	100%	13%	Demonstrated

Measure: Dollar value of contracts (public and private) awarded to assisted minority-owned businesses.

Additional Information:

Measure Term: Annual

Year	Target	Actual
2000	$0.6B	$1.2B
2001	$0.7B	$1.6B
2002	$1B	$1.3B
2003	$1B	$0.6B
2004	$1B	
2005	$0.8B	
2006	$0.9B	

Measure: Dollar value of financial packages (e.g., loans) awarded to assisted minority-owned businesses.

Additional Information:

Measure Term: Annual

Year	Target	Actual
2000	$0.9B	$0.2B
2001	$1B	$0.6B
2002	$0.4B	$0.4B
2003	$0.4B	$0.4B
2004	$0.4B	

PART Performance Measurements

Program: Minority Business Development Agency
Agency: Department of Commerce
Bureau: Minority Business Development Agency
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	57%	100%	13%	Demonstrated

Measure: Number of financial packages (e.g., loans) awarded to assisted minority-owned businesses.

Additional Information:

Year	Target	Actual
2000	858	556
2001	925	1,155
2002	1,000	1,512
2003	380	533

Measure Term: Annual

Measure: Dollar value of contracts awarded to assist minority-owned businesses in FY 2002.

Additional Information: Performance Target: $1.0 B Actual Performance:$1.3 B

Year	Target	Actual

Measure Term: Annual

Measure: Dollar value of financial packages to assisted minority-owned businesses in FY 2002.

Additional Information: Performance Target: $0.4 B Actual Performance:$0.4 B

Year	Target	Actual

Measure Term: Annual

Measure: Number of financial packages received by assisted minority-owned businesses in FY 2002.

Additional Information: Performance Target: 1000 Actual Performance:1512

Year	Target	Actual

Measure Term: Annual

OMB Program Assessment Rating Tool (PART)

Regulatory Based Programs

Name of Program: National Marine Fisheries Service (NMFS)

Section I: Program Purpose & Design (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	Yes	Within the Federally controlled Exclusive Economic Zone (EEZ), NMFS is responsible for the management and conservation of the Nation's living marine resources (fish, marine mammals, and sea turtles) and their habitats.	NMFS' programs promote sustainable use of living marine resources and the recovery of threatened and endangered species. Its purposes are embodied in Mission and Vision Statements in its Strategic Plan and codified in more than 100 substantive laws, e.g. Magnuson-Stevens Act (MSA), Endangered Species Act (ESA), Marine Mammal Protection Act (MMPA), and other acts (Fish and Wildlife Coordination Act, Clean Water Act, National Environmental Policy Act, etc.)	20%	0.2
2	*Does the program address a specific interest, problem or need?*	Yes	EEZ fisheries suffer from the externalities inherent in common goods. NMFS works to end over-fishing; rebuild, and manage fish stocks; recover threatened and endangered species; protect marine mammals; reduce the incidental take of marine mammals; and reduce impacts to fish habitat and restore degraded habitats.	The National interest that NMFS manage fisheries is detailed in over 40 specific fishery management plans, numerous ESA recovery plans, many marine mammal take reduction plans, and over 100 habitat restoration projects conducted around the country.	20%	0.2
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	Yes	NMFS has the primary role under Federal statutes for the purposes noted above (conservation and management of living marine resources, etc.). However, the Administration has proposed amendments to improve accountability and management of these resources.	Over 40 specific fishery management plans, numerous ESA recovery plans, many marine mammal take reduction plans, and over 100 habitat restoration projects.	20%	0.2
4	*Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?*	Yes	NMFS has responsibility for managing fisheries in the EEZ, which is wholly controlled and managed by the Federal government.	NMFS is the only agency preparing fishery management plans for EEZ stocks. It has coordinated with Fish and Wildlife Service (FWS) on the effective allocation of ESA protection requirements.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Is the program optimally designed to address the interest, problem or need?*	No	NMFS results could be enhanced through regulatory streamlining, and legislative changes to better assign accountability and establish more free-market related incentives that would reduce incentives for over-fishing.	NMFS has drafted legislative proposals for the reauthorization of the MSA and MMPA to improve effectiveness. NMFS is implementing aspects of a "regulatory streamlining" plan. The Administration has requested additional resources for FY 2003 aimed at reducing bycatch, further streamlining of the regulatory process, and modernizing & expanding of annual stock assessments. NMFS is also addressing recommendations of independent program evaluations.	20%	0.0
Total Section Score					**100%**	**80%**

Section II: Strategic Planning (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?*	Yes	NMFS' Performance Measures focus on the long-term goals of significantly reducing the number of over-fished stocks, reducing the likelihood of endangered or threatened species going extinct, and ensuring that important habitats are protected and restored. There is some debate whether existing goals could be more ambitious.	FY 2003 Performance Measures as presented in the FY 2003 DOC Annual Performance Plan (APP) reflect long-term outcomes and goals. Some currently over-fished stocks could take decades to recover even if a moratorium is imposed on all fishing.	13%	0.1
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	Yes	NMFS has annual goals that track progress towards meeting long-term goals. NMFS is currently working with input from stakeholders, policy officials, and others in the Administration to develop revised annual performance measures.	A recent Performance Measure Workshop held In coordination with the Heinz Center resulted in NMFS actively working on developing additional annual performance measures in concert with strategic planning processes. The workshop involved independent stakeholders.	13%	0.1
3	*Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?*	Yes	NMFS closely monitors contractor, grantee, and sub-grantee performance. MOUs/MOAs have performance clauses and grant recipients have reporting requirements. Annual planning meetings are held with the eight Regional Fishery Councils to agree on plans, data needs, and research. Similar sessions are held with 3 Interstate Marine Fisheries Commissions and the State Marine Fish Directors. While there is agreement on the long-term goals, there is disagreement among the Councils on how best to implement regulations.	NMFS maintains records of numerous grants and associated reports. NMFS Annual Operating Plan System requires that all funds, including grants, be identified with specific annual objectives and long-term strategic plan goals.	13%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	Yes	NMFS works closely with its constituents and Federal and State agencies to address program goals. NMFS also works to address programmatic goals on an international level as well.	Fishery Management Plans, Federal/State Management Plans, Recovery Plans, Take Reduction Teams, numerous international agreements. NMFS has cooperative agreements with almost all states and with EEZ fisheries activity related to management, permitting, and enforcement.	13%	0.1
5	*Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?*	Yes	NMFS has had a number of independent evaluations of its programs. In addition, numerous peer reviews of NMFS science are conducted each year.	The Kammer Report, several National Academy of Sciences (NAS) reports, and the recent NAPA report address a variety of issues dealing with program improvements and effectiveness. NMFS retains the Center for Independent Experts to review research results. The NRC regularly assesses NMFS science.	13%	0.1
6	*Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?*	Yes	NMFS has significantly restructured its budget to better reflect its strategic goals and major program areas. Specific performance measures are provided for each requested program increase.	NMFS' FY 2002 budget structure and continuing efforts reflect the budgetary alignment with program goals.	13%	0.1
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	Yes	NMFS, along with NOAA, is actively seeking to improve its strategic planning by holding workshops with constituents to discuss program performance.	NMFS is implementing the recommendations of the Kammer, Marine Fisheries Advisory Committee (MAFAC), National Academy of Public Administration (NAPA), & National Research Council (NRC) reports. NMFS (and NOAA) is revising its strategic plan and meeting with constituents on goals and development of meaningful performance measures.	13%	0.1
8 (Reg 1.)	*Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?*	Yes	All regulations relate directly to program purposes and goals as stated in the underlying legislative mandates (i.e., MSA, ESA, MMPA, etc.), as well as clearly indicating how the rule relates to a fishery management plan, recovery plan, essential fish habitat designation, etc.	Regulations published in the Federal Register for fisheries management, endangered species, marine mammal, and habitat (essential fish habitat) all reference legislative authorities and relevant management documents (fishery management plan, recovery plan, essential fish habitat designation, etc.).	13%	0.1
Total Section Score					**100%**	**100%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section III: Program Management		**(Yes,No, N/A)**				
1	*Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?*	No	The Administration has requested substantial increases for fish stock inventories and surveys, not all of which have been provided by Congress. These increases would enhance stock and population assessments, analysis of landings data, cooperative research with industry in identifing needs for Rebuilding Plans for fisheries, Take Reduction or Recovery Plans for protected species, and Habitat Conservation Plans. Continual reassessments of the status of stocks and protected species populations leads to changes in these Plans.	NMFS reports at least annually on the status of fish stocks. NMFS is in the process of incorporating program performance data into routine reporting systems such as a web-based Annual Operating Plan.	8%	0.0
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	No	A lack of control of Regional Fishery Councils undermines NMFS' ability to fully implement over-fishing restrictions. NMFS is working to improve accountability of Councils. NMFS has developed systems to track contractor and grantee performance.	Full utilization of the web-based, automated Annual Operating Plan system will inform managers and program partners in these areas and enable them to be more accountable. Better monitoring of internal operations and base budget tracking will also occur.	8%	0.0
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	Yes	Spending Plans are developed based on allocations of funds. Funds are obligated based on these plans and are timely. Plans are monitored and tracked throughout the year to ensure compliance with the Plan, Congressional intent, and applicable law. However, improvement could be made on obligations of earmarks and unrequested emergency grants and payments to fishers and communities.	FY 2002 funding was allocated in a timely fashion, subject to needed approvals. Periodic reviews and variance reports assist in identifying areas needing attention. Constituent and Congressional oversight also play a positive role. There have been past congressional inquiries on the slowness of disbursing selected emergency funds.	8%	0.1
4	*Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?*	No	NMFS has some incentives but they are not fully formalized into agency-wide standards. Financial policies are in place to reward or penalize managers for efficient budget execution. Performance plans reflect this requirement.	Existing policies on financial and performance management. IT projects and capital plans for fisheries are generally implemented according to plan. **[need to get the documentation.]**	8%	0.0
5	*Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?*	No	NOAA currently charges line offices for headquarters services on a formula basis, and costs are not directly tied to program activities. NOAA is in the process of converting to a fee-for-service approach that would allow for full cost accounting.	Services are charged to NOAA's line offices based on either percentage of total FTE or Budget Authority. As a result, other programs could be subsidizing NMFS programs, such as attorneys for NMFS.	8%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	*Does the program use strong financial management practices?*	Yes	NMFS closely monitors expenditures in over 200 budget lines. It has provided capital plans for major acquisitions.	NMFS' Financial Reporting System has been in place for 5 years. NOAA is ahead of schedule in implementing the Commerce Administrative Management System.	8%	0.1
7	*Has the program taken meaningful steps to address its management deficiencies?*	Yes	NMFS is in the process of implementing the recommendations of the Kammer, MAFAC , NAPA, & NAS reports, as well as its "regulatory streamlining" plan, stock assessment improvement plan, etc.	An implementation plan for the NAPA and NAS reports has been developed. Other plans are already being implemented.	8%	0.1
8 (Reg 1.)	*Did the program seek and take into account the views of affected parties including state, local and tribal governments and small businesses, in drafting significant regulations?*	Yes	All statutes (MSA, ESA, MMPA, etc.) clearly require public comment periods prior to NMFS taking regulatory actions. Regional Management Councils include representatives of state and tribal governments and the regulated industries.	NMFS routinely receives numerous (sometimes thousands of) comments from affected parties, including states, tribes, small businesses, and the general public on its proposed regulations. NMFS addresses these comments as part of issuing its final regulations.	8%	0.1
9 (Reg 2.)	*Did the program prepare, where appropriate, a Regulatory Impact Analysis (RIA) that comports with OMB's economic analysis guidelines and have these RIA analyses and supporting science and economic data been subjected to external peer review by qualified specialists?*	Yes	NMFS identifies direct economic costs of its regulations in the accompanying analyses required by Regulatory Flexibility and NEPA in addition to those required under the program's primary statutes. However, the quality and content of these analyses vary widely across NMFS Regions and offices. In addition, many of these analysis suffer from a lack of quality biological or economic data, and NMFS does not use risk assessments to address the uncertainties. An increasing number of emergency or judicially-mandated actions requiring immediate action have also lacked the necessary analysis.	All significant regulations are submitted with an RIA and Regulatory Flexibility Analysis. In the case of FMPs, these documents are integrated into the EIS.	8%	0.1
10 (Reg 3.)	*Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?*	No	Although all regulations are reviewed at the NMFS Headquarters level at the time of promulgation, NMFS does not systematically review existing regulations across the entire country to ensure consistency. The MSA is unique in that it sets up a strong regional regulatory framework. However, this structure could be useful in improving regulations nation-wide be doing a benchmarking assessment. Which Council and regulatory components are working best in which regions? The current regulatory streamlining plans appear to be focused on the issuance of new regulations rather than look-backs.	NMFS Offices of Sustainable Fisheries, Protected Resources, and Habitat Conservation serve to oversee National policy consistency. Operations manuals to Councils, compliance manuals for Atlantic highly migratory species, economic guidelines, and social impact guidelines are used.	8%	0.0

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
11 (Reg 4.) *In developing new regulations, are incremental societal costs and benefits compared?*	Yes	NMFS analyzes costs and benefits as part of all regulations through the Regulatory Impact Analysis and requirements of NMFS underlying legislation. For example, the MSA requires the effects on fishing communities to be addressed. However, NMFS could do a better job of presenting incremental costs and benefits in a way that directly identifies the trade-offs between alternatives. This is particularly problematic because in fisheries regulations, the costs occur immediately while the benefits (increased allowable catch) may not appear for a decade and the different alternatives lead to similar equilibria but at different points in time.	Under National Standard 8, NMFS is required to balance economic impact on local communities against the benefits of its regulations. However, in most cases, this balance is a judgment call made by the Council because incremental costs and benefits are not directly compared.	8%	0.1
12 (Reg 5.) *Did the regulatory changes to the program maximize net benefits?*	no	Regional Fishery Management Councils generally take the lead in determining regulatory approach, including the choice of which alternatives to consider and analyze. Economics can sometimes suggest additional alternatives, but the choice of final action often reflects the interests represented on the Council instead of a broader net benefits determination. In addition, data necessary to accurately evaluate the relative benefits of different alternatives are often lacking.	NMFS only overrules a Council decision if the regulation contributes to over-fishing or will not contribute to the recovery of a species. MSA requires fisheries be managed for optimum yield, which does not necessarily lead to maximum net benefits. NMFS does not use maximizing net benefits as a reason to disapprove a proposed Council FMP.	8%	0.0
13 (Reg 6.) *Does the program impose the least burden, to the extent practicable, on regulated entities, taking into account the costs of cumulative final regulations?*	No	NMFS RIAs generally do not consider the cumulative impact of regulatory regimes, just the incremental. If enacted, legislative changes being developed by NMFS will lead to more efficient fisheries management.	Paper logbooks remain the most popular means of collecting catch data, even though electronic reporting has been layered on top of the paper logs. NMFS is using electronic means, such as toll-free telephone calls and satellite monitoring, more frequently for simple data.	8%	0.0
Total Section Score				**100%**	**46%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section IV: Program Results (Yes, Large Extent, Small Extent, No)						
1	*Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?*	Small Extent	The agency has made strides in the recovery of over-fished stocks and endangered/threatened species. Rebuilding plans are in place for most over fished fisheries. Implementation of these programs is ongoing. Due to biological limits, some plans will take a number of years to fully achieve goals. Over time, NMFS has been able to get identified over-fished stocks to sustainable levels. However, as more stocks become known, the number over fished can go up. In addition to reducing known over-fished stocks, NMFS has increased the number of known stocks with sustainable levels.	To date, 67 rebuilding plans have been developed and implemented for over-fished stocks. Where Fishery Management Council recommendations do not meet the rebuilding plan requirements, they are subject to being returned (as two have been recently). Similarly, numerous recovery plans for endangered/threatened species are in place. Emphasis is on front-loading the regulatory process to ensure timely compliance with all applicable laws and Executive Orders.	17%	0.1

Long-Term Goal I:	Reduce the number of over fished stocks of fish from the 2000 baseline.
Target:	By 2008, a 25 percent reduction of the total number of stocks (major & minor) listed as over-fished in 2000 (82 reduced to 62).
Actual Progress achieved toward goal:	Prior to 2000, 58 major stocks were identified as over-fished. Of these 10 were removed due to definitional changes and two have moved out of the over-fished status. Since 2000, no stocks were removed from the list in the 2001 report. Rebuilding plans are in place to meet the target stated above.
Long-Term Goal II:	Reduce the number of stocks of fish with an unknown stock status from the 2000 baseline.
Target:	By 2008, a 22.5 percent reduction of the number of major stocks with an unknown stock status 2000 (120 reduced to 93)
Actual Progress achieved toward goal:	A stock assessment improvement plan is in place. With the requested funding in FY 2003, the additional information needed to make the status determinations will be available.
Long-Term Goal III:	Reduce the number of endangered species at risk of extinction.
Target:	By 2008, a one-third reduction in the number of endangered species at risk of extinction (29 reduced to 19).
Actual Progress achieved toward goal:	Recovery plans and or actions are under way to reduce these risks.

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Does the program (including program partners) achieve its annual performance goals?*	Small Extent	Because of the nature of long-term stock growth, significant improvement is not always evident on an annual basis. However, the agency tracks and comprehensively reviews its activities to see if annual performance goals are being met. As NMFS science identifies species as over -ished, rebuilding plans are put in place. As protected species are listed as endangered or threatened, Take Reduction Plans, Recovery Plans and Habitat Conservation Plans are put in place. The agency is developing more specific annual performance measures.	NMFS currently reports on its progress under its annual operating plan submitted to NOAA. These activities are tracked as part of the quarterly reviews.	17%	0.1

Key Goal I:	Management actions to manage fish stocks.
Performance Target:	Times of year and argets depend upon species. See the NMFS annual performance plan for objectives and the more than 600
Actual Performance:	Numerous activities have been taken, including annual specifications for fisheries managed under the more than 40 fishery management
Key Goal II:	Actions to reduce threats to protected species.
Performance Target:	Various
Actual Performance:	Numerous activities have been taken, including increase observer coverage

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Key Goal III:		Develop a "regulatory streamlining" plan to improve management efficiencies			
	Performance Target:		FY 2002			
	Actual Performance:		Regulatory streamlining plan is under review. Many actions are already being undertaken to improve management activities.			
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	No	NMFS is burdened with significant congressional earmarking that is often not tied to its priority performance needs. However, NMFS continues to refine its measures related to its goals and its regulatory streamlining and delegations of authority to the field demonstrate NMFS' commitment to improved efficiencies and cost effectiveness in achieving program goals.	NMFS has and is in the process of implementing a number of activities to improve efficiencies and cost effectiveness. For example, NMFS is currently implementing a detailed, web-based annual operating plan system to better manage its resources.	17%	0.0
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	Yes	The agency is making significant progress in laying the groundwork for the recovery of over-fished stocks and endangered/threatened species as well as habitats protection activities. Implementation issues associated with these programs is similar to those of other agencies (e.g., USFWS). NMFS efforts relative to other common good resources such as air and water pollution is difficult to measure. However, it would appear NMFS has been managing for fewer years and at substantially lower regulatory burden.	To date, 67 rebuilding plans have been developed and implemented for over-fished stocks. Similarly, numerous recovery plans for endangered/threatened species are in place. NMFS has developed these plans with significant local and stakeholder input.	17%	0.2
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	Large Extent	Several independent reviews of NMFS have been completed (e.g., Kammer, NAPA) and the agency routinely uses outside peer reviews to assess the strength of its science (Center for Independent Experts and NRC and NAS). Within current authorities, these reports indicate NMFS has been somewhat effective.	Reports find NMFS should conduct more scientific research, but is constrained by limits on resources. The reports indicate NMFS is doing an effective job given its legislative and resource constraints. In addition, these reports and Administration proposals recommend additional tools to more efficiently manage fisheries.	17%	0.1
6 (Reg 1.)	*Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?*	No	While NMFS does analyze the costs and benefits of its proposed regulations, there is no evidence that each individual regulation, let alone the entire regulatory program, maximizes net benefits. The Administration supports legislation to authorize more market-based alternatives that would yield more economically efficient results.	MSA requires fisheries to be rebuilt on an aggressive timetable. Soon-to-expire amendments to the MSA prohibit transferable Individual Fishing Quotas. NMFS does not require Councils to select the highest net benefits alternative.	17%	0.0
Total Section Score					**100%**	**39%**

OMB Program Assessment Rating Tool (PART)

Direct Federal Programs

Name of Program: National Weather Service

Section I: Program Purpose & Design (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	Yes	NWS provides weather, hydrologic, and climate forecasts and warnings for the United States for the protection of life and property and the enhancement of the national economy.	NWS Organic Act (15 U.S.C. sec. 313) and NWS 2000-2005 Strategic Plan. Mission statement and vision statements provide clear insight on agency purpose.	20%	0.2
2	*Does the program address a specific interest, problem or need?*	Yes	NWS provides the public with weather, water and climate warnings and forecasts. The information is critical for public safety, protecting lives and property. The data is critical for business planning/decisions.	40% of Americans reside in areas of high risk to natural disasters, and 90% of all Presidentially-declared disasters are weather-related. Services are designed to mitigate these risks.	20%	0.2
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	Yes	NWS products are based on extensive interaction with users, including emergency managers, government decision-makers and private sector interests. Forecast and warning products address these needs.	NWS performance measures track progress in providing more accurate and timely weather warnings and forecasts. Various National Academy Studies have validated NWS services.	20%	0.2
4	*Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?*	Yes	NWS is the only national provider of daily warnings and forecasts, storm and severe weather tracking, and flood forecasting. NWS is the only entity with an established, national infrastructure for collecting weather observations and disseminating information.	NWS Organic Act (15 U.S.C. sec. 313) authorizes NWS to provide weather warning and forecasts. NWS works closely with other federal and state partners to leverage expertise and ensure efficiency.	20%	0.2
5	*Is the program optimally designed to address the interest, problem or need?*	Yes	NWS underwent a significant modernization to provide services more effectively and efficiently. NWS also contracts out a number of functions that are better provided by the private sector, such as computer support, maintenance and repair. Specialized weather services are primarily left to the private sector.	As a result of modernization, NWS reduced the number of field offices from 300 to 121. Tornado warning times increased from 6 to 11 minutes, flash flood warnings increased from 21 to more than 50 minutes.	20%	0.2
Total Section Score					**100%**	**100%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section II: Strategic Planning (Yes,No, N/A)						
	Questions	**Ans.**	**Explanation**	**Evidence/Data**	**Weighting**	**Weighted Score**
1	*Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?*	Yes	Strategic plan sets forth a clear set of goals that are tied to the program's performance measures.	Long term goals include: increased accuracy and timeliness of warnings; extended time periods for weather forecasts, improved accessibility and availability. The NWS Strategic Plan for 2000-2005 identifies targets for all of its performance measures.	15%	0.2
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	Yes	NWS uses performance metrics such as accuracy and lead time to evaluate its progress in meeting long-term goals for more accurate and timely warnings and forecasts.	Performance gains in DOC FY03 APP (vs. FY01): tornado lead time 11 min (vs. 10 min) and accuracy 70% (vs. 67%); aviation forecast accuracy (ceiling and visibility) 19% (vs. 18%); winter storm lead time 14 hrs (vs. 13 hrs).	14%	0.1
3	*Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?*	Yes	NWS contracts and grants have very specific deliverables and performance measures that relate to and support the output and outcome goals of the program.	Criteria for reviewing the application requires applicants to directly link the outcome of the research work to improving Agency performance measures. NWS maintains monthly program status reports for 36 separate programs and contracts.	14%	0.1
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	Yes	NOAA is charged with coordinating all Federal Meteorological Services. NWS has numerous interagency agreements, oversight coordination boards, and informal staff interaction to coordinate activities with related activities, including FEMA, FAA, USGS, NASA, and NSF.	Charter for Federal Coordinator for Meteorological Services, Inter-Agency Agreements, Memorandum of Understanding with Federal Agencies. Partnership agreements with State and Local governments. Charters for inter-agency management and policy oversight boards.	14%	0.1
5	*Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?*	Yes	A number of independent reports have been completed on the overall NWS programs. In addition, NWS has regular reviews and evaluations conducted for each service area, including marine, aviation, and severe weather; climate; and hydrology.	Specific studies by the National Academy of Sciences, evaluations and reports from internal and external oversight entities and academic organizations.	14%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	*Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?*	No	Currently, NWS' base funding can not easily be allocated by service function and does not align directly with individual performance measures. However, all requests for increases and new capital projects include specific performance information. NWS is currently conducting a cost management project to further align its budget with its service areas.	NWS' budget for FY03 requests $586M for local warnings and forecasts, but direct impacts of funding changes on specific areas, such as tornado warnings and hurricane tracking can not be determined easily.	14%	0.0
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	Yes	NWS developed a strategic plan in FY 2000 to address planning deficiencies. NWS develops annual operating plans to set specific annual performance targets and milestone objectives. NWS also performs strategic planning progress reviews each year to track progress and make appropriate adjustments.	NWS Strategic Plan, NWS FY 2002 Annual Operating Plan, Strategic Plan Progress Report	14%	0.1
Total Section Score					**100%**	**85%**

Section III: Program Management (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?*	Yes	NWS updates and evaluates performance information on a quarterly basis. NWS ties all funding requests to performance measures and utilizes performance in making everyday management decisions. NWS aims to further this effort through its cost management project.	NWS maintains a performance verification database that is continually updated and issues monthly reports that inform management decisions.	14%	0.1
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	Yes	NWS holds managers accountable for achieving performance goals. NWS establishes cost, schedule, and performance goals for each key agency project, grant, and contractor.	In the 2001 Federal Performance Project, Government Executive Magazine gave NWS an A for "managing for results." Performance plans for SES staff, project management status or "Quad" charts.	14%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	Yes	Funds are obligated in a timely manner. NWS conducts quarterly agency-wide financial reviews and holds managers accountable for meeting funding and FTE targets.	Even though the program has no-year funds, less than 1% of the budget is carried over each year.	14%	0.1
4	*Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?*	Yes	NWS uses competitive sourcing for a number of areas, particularly for computer support and maintenance and repair. NWS conducts A-76 studies and contracts out services when most cost-effective to do so.	In FY02, about 20% of NWS' budget went towards contracts. Before modernization, field office staff was nearly evenly split between meteorologists and technical support staff. Today, about 80% of field office staff are meteorologists.	14%	0.1
5	*Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?*	No	NOAA currently charges line offices for headquarters services on a formula basis, and costs are not directly tied to program activities. NOAA is in the process of converting to a fee-for-service approach that would allow for full cost accounting.	Services are charged to NOAA's line offices based on either a percentage of total FTE or Budget Authority. As a result, NWS' funds could be subsidizing services for other programs, such as attorneys for NMFS.	14%	0.0
6	*Does the program use strong financial management practices?*	Yes	NWS closely tracks its financial information and always provides reliable, accurate information. NWS aims to implement full cost accounting across the agency in the near future.	In the 2001 Federal Performance Project, Government Executive Magazine gave NWS an A for "financial management."	14%	0.1
7	*Has the program taken meaningful steps to address its management deficiencies?*	Yes	NWS has implemented new processes for strategic planning, financial planning and execution, and reorganized headquarter and field service offices to better align functions. NWS has also establish a Corporate Board structure with financial, operations, and human capital subcommittees to improve decision making, review, and coordination within the agency.	NWS Strategic Plan, Annual Operating Plan, Headquarters Reorganization. Corporate Board operating procedures.	14%	0.1
Total Section Score					**100%**	**85%**

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?*	Large Extent	NWS has made progress in achieving long-term goals, particularly in improving accuracy and timeliness of forecasts and warnings. NWS has also made progress in its goal to be more accessible through its use of modern technologies, such as the Internet. Performance improvement has been slower in some areas, such as precipitation and aviation forecasting.	Since 1993, tornado lead times increased from 6 to 11 minutes, flash flood lead times increased from 21 to 50 minutes. Hurricane track forecasts improved by 50% in the past 30 years.	20%	0.1

Long-Term Goal I:	Improve Tornado Warning Lead Times.
Target:	Target is 15 minute lead time by FY 2007
Actual Progress achieved toward goal:	NWS has improved lead time from zero in the late 1980s to over 11 minutes in FY 2001.
Long-Term Goal II:	Improve Flash Flood Warnings.
Target:	Target is 48 minute warning lead time by FY 2007.
Actual Progress achieved toward goal:	NWS has improved lead time from less than 10 minutes in 1987 to 45 minutes in FY 2001.
Long-Term Goal III:	Reduce Hurricane Track Forecast Error (48 Hour).
Target:	Track forecast error of 128 nautical miles by FY 2007.
Actual Progress achieved toward goal:	NWS has reduced track forecast error from 225 miles in the early 1980s to 132 in FY 2000.

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Does the program (including program partners) achieve its annual performance goals?*	Large Extent	NWS meets the majority of its annual performance goals. In FY 2001, NWS met 8 out 12 GPRA goals. The 4 missed goals were associated with statistically insignificant results in that year. Since establishment of GPRA performance goals in FY 1995, NWS has successfully met the goals with an 80% success rate, showing a steady and sustained increase each year.	DOC Annual Performance Reports and NWS annual performance report analysis.	20%	0.1

Key Goal I:	Improve Tornado Warnings (Lead times, accuracy, and false alarm rates).
Performance Target:	FY 2001 Lead Time 13 minutes Accuracy 68% False Alarm 73%
Actual Performance:	Lead Time 10 Minutes Accuracy 68% False Alarm 73%
Key Goal II:	Improve Flash Flood Warnings.
Performance Target:	Lead Time 45 Minutes Accuracy 86%
Actual Performance:	Lead Tim 46 minutes Accuracy 86%
Key Goal III:	Reduce Hurricane Track Forecast Error (48 Hour).
Performance Target:	142 Nautical Miles
Actual Performance:	125 Nautical Miles

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	Yes	NWS recently completed a $4.5B Modernization and Field Restructuring. The program consolidated field facilities, closing over 150 offices and eliminating 350 positions. NWS technology is allowing weather warnings and forecasts to be provided at an annual cost of less than $6.00 per U S citizen. In the last five years, the NWS annual budget has grown at a rate below inflation. However, through use of advanced technology and internal efficiencies, NWS has dramatically expanded products and improved services including GPRA goals.	NWS Modernization and Associated Restructuring Plan, Annual Performance Reports, and analysis of budget trends. Analysis of product expansion and internal efficiencies for supercomputing, web services, and data dissemination.	20%	0.2
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	Yes	NWS performance compares favorably with other Federal Programs with similar purpose and goals, such as DoD weather forecasting entities. NWS also compares favorably with European weather forecasting entities. NWS is recognized across the Federal government for providing outstanding services to the public. Compared to other agencies such as FAA, NASA, and USGS, NWS performance and management capabilities rank very high.	Data on global weather model performance show that NWS out-performs the Navy's Fleet Numerical Weather Center and is only slightly behind the European Center for Medium Range Weather Forecasts. NWS expects to equal or surpass European capabilities in the near future.	20%	0.2
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	Yes	Recent independent reviews and quality evaluations indicate the program is achieving results.	NWS is the only federal agency that has received straight A's in five management categories from the Federal Performance Project, including managing for results.	20%	0.2
Total Section Score					**100%**	**87%**

PART Performance Measurements

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The NIST laboratory program mission provides a clear, well-defined focus on technology infrastructure: the mission is "to develop and promote measurement, standards, and technology to enhance productivity, facilitate trade, and improve the quality of life".

Evidence: The mission and purpose of the NIST laboratory program is stated in the DOC Annual Performance Plans, budget justifications, and associated documents. See 15 USC 272 for NIST's statutory authority.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: The measurements and standards capabilities provided by the NIST laboratories have been and remain a critical component of the nation's scientific, technical, and economic infrastructure. The measurements and standards mission of the laboratories is inherently public: Common and broadly accessible measurement tools and methods, physical standards, and documentary standards are essential to the nation's R&D-intensive organizations, providing R&D and manufacturing productivity enhancements, transactional efficiency in the marketplace, and a more level playing field for international trade.

Evidence: The inherently governmental power to "fix the standards of weights and measures" is written in the U.S. Constitution (article I, section 8). The current measurement and standards role of the NIST Laboratories is rooted in the mission of the National Bureau of Standards, which was established in 1901. See 15 USC 271, in which Congress declares, among other findings, that "The Federal Government should maintain a national science, engineering, and technology laboratory which provides measurement methods, standards, and associated technologies and which aids United States companies in using new technologies to improve products and manufacturing processes."

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight20%

Explanation: There is no other federal agency with the same mission as the NIST laboratories. By design, the nation's measurement and standards system requires a peak-level national measurement institute, which is the core role of the NIST laboratories. This function cannot be provided by state or other governmental organizations or by the private sector.

Evidence: NIST's distinctive mission and role is reflected in numerous federal and international agreements that designate NIST as the national measurement institute (NMI) for the United States. For instance, international trade rules that mandate measurement traceability to an NMI designate NIST in that capacity; this role is similarly recognized in mutal recognition agreements (MRAs) with other NMIs as well as in federal laws that prescribe NIST roles with respect to other agencies (in areas such as computer security, construction investigations, and others).

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: Overall, the current structure appears to be the most efficient and effective means for achieving the mission of the NIST laboratories. NIST has designed an impact logic model to identify the path from resource inputs to potential outcomes and has established evaluation processes for validating progress at various stages along the path. It uses this model and evaluations to assess organizational structure, management processes, and balance of its research portfolio. OMB has encouraged NIST to explore opportunities to obtain research services through grants or contracts where appropriate to obtain increased efficiencies. However, OMB recognizes that in many cases NIST's researchers also serve on various standards boards or provide other services and functions that could create a conflict of interest if the individual were from a private firm; these are important considerations in competitive sourcing decisions.

Evidence: Note that the impact logic model for the NIST laboratories is provided in the NIST budget justification and outlines the basic linkages between the activities of the NIST laboratories, the use of NIST's measurement and standards products and services by customers, and the ultimate impacts on innovation, productivity, and improved public health and safety. This logic model has been tested via approximately 30 microeconomic impact studies over the last decade, which have measured the net public benefits of specific outputs from the NIST laboratories. Commerce's Management Scorecard includes recommendations for identifying positions that could be obtained through commercial sources.

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight20%

Explanation: Resources appropriated to the NIST laboratories are used to fund mission-specific intramural research. The measurement research, methods, tools, and services provided by the laboratories are planned with extensive input from NIST's customers and are broadly distributed and accessible to intended beneficiaries in the private sector, universities, and other public organizations. NIST's end impacts, evaluated in over 30 economic impact studies, attest to the broad dissemination and use of NIST's outputs.

Evidence: NIST plans and conducts its work with extensive input from intended beneficiaries in industry, universities, and other research-intensive organizations. At an operational level, the laboratories continuously search for ways to improve the efficiency and reach of NIST measurement and standards services. Two well-documented examples include the Josephson voltage standard (in which NIST devised an improved technical method for disseminating the measure of the volt) and Digital Encryption Standard Program (in which NIST enabled successive generations of a standard cryptographic algorithm). These cases illustrate processes NIST uses to plan and deliver measurements and standards capabilities to intended beneficiaries. For details and impact estimates, see NIST Planning Report 01-1 (on JVS, available at http://www.nist.gov/director/prog-ofc/report01-1.pdf) and Planning Report 01-2 (on DES, available at http://www.nist.gov/director/prog-ofc/report01-2.pdf)

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 12%

Explanation: NIST has two primary long-term goals, which are identified in its strategic plan. These goals represent complementary elements of the laboratories' statutory mission: conducting R&D to improve physical measurements and associated standards--e.g. developing a measurement regime for next-generation technologies; and providing measurement and standards products and services to existing customers. These long-term goals are inherently difficult to quantifiably measure due to such factors as the breadth of NIST's research porfolio, the long time horizons associated with research programs, and the difficulty of evaluating specific NIST contributions to end outcomes that have complex causal structures. However, NIST has established a number of processes, including external reviews and economic impact analyses, to ensure that it is making progress in supporting these goals.

Evidence: Goal 1: Provide technical leadership for the Nation's measurement and standards infrastructure. Goal 2: Assure the availability and efficient transfer of measurement and standards capabilities essential to established industries. Sources: NIST 2010 Strategic Plan (available at http://www.nist.gov); and the DOC FY 2004 Annual Performance Plan (available at http://www.osec.doc.gov/bmi/budget/FY2004APP.htm). The NRC conducts annual review in which it assesses NIST's laboratory program for technical merit, relevance and effectiveness, and impact of resources. Economic impact studies estimate microeconomic impacts of NIST activities on various industry sectors. Links to recent evaluations and studies are cited in question 2.2. NIST has successfully worked with OMB to develop clearer long-term measures and targets, and further improvements may be possible over time.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 12%

Explanation: As discussed in the 2.1, it is difficult to establish meaningful, quantifiable targets for NIST's long-term strategic goals. NIST assesses progress toward its three long-term goals through extensive annual expert review conducted independently by the National Research Council. NIST further evaluates its long-term impacts through microeconomic impact studies. In terms of management practices, NIST's strategic management is overseen by the Visiting Committee on Advanced Technology (VCAT), which provides an additional check on the Institute's strategic direction and a method for identifying opportunities for continuous improvement.

Evidence: NIST's annual performanc goals and its performance evaluation system are provided in the DOC FY 2004 Annual Performance Plan. For an annual evaluation of the laboratories' quality, relevance, and performance, see the annual report of the NRC Board on Assessment of NIST Programs (current and prior years are available at http://www7.nationalacademies.org/NIST/NIST_reports.html). For economic impact studies that estimate long-term outcomes from the use of NIST's products and services, see http://www.nist.gov/director/planning/strategicplanning.htm#recent. See also the annual report of the VCAT (available at http://www.nist.gov/director/vcat/index.htm).

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight:12%

Explanation: As with many intramural R&D programs, NIST's net performance in any given year cannot be represented by a limited number of goals with quantifiable performance measures. NIST does set annual performance goals for key outputs; collectively, these output goals represent a proxy for progress. In addition, NIST's annual external peer review system provides NIST with an additional measure of progress and effectiveness. While the current measures and processes are adequate, further improvements could be made. NIST has agreed to introduce new measures in FY 05 that better represent customer use of NIST's outputs, including a citation metric and improvements in the indicators of measurement transfer. NIST also has responded to OMB's request for a more systematic process for tracking how it implements recommendations that are generated by external reviews.

Evidence: NIST's annual performance goals are provided in the DOC FY 2004 Annual Performance Plan. For an annual evaluation of the laboratories' quality, relevance, and performance, see the annual report of the NRC Board on Assessment of NIST Programs.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight:12%

Explanation: NIST's annual output measures establish specific targets for assessing performance. These targets are set carefully, and reflect NIST's attempt to balance quantity and quality. It is undesirable to view absolute increases in outputs independent of quality; for example, a large number of low-quality research publications is less desirable than a smaller number of high quality publications (for this reason, NIST includes aggregate citation data with its annual publication metric). In addition, it is difficult to directly associate annual output metrics with prior year budget inputs, as many outputs involve time lags or derive from work conducted over more than one fiscal year.

Evidence: As in prior years, NIST's annual output targets are included in the FY 2005 Annual Performance Plan; this year, the performance plan is integrated with the FY 2005 budget justification.

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: NA Question Weight: 0%

Explanation: Most of the appropriated resources for the NIST Laboratories are spent on intramural research and related activities conducted by the NIST laboratories.

Evidence: In general terms NIST does not fund program partners in a manner implied by this question. The NIST laboratories do, however, collaborate with a large number of organizations in order to develop their plans and conduct their work. Prominent long-term collaborations include JILA in Boulder and the Center for Advanced Research on Biotechnology within the University of Maryland. With regard to contracting practices, all NIST contracts are performance-based.

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?** Answer: YES Question Weight: 12%

Explanation: Each year since 1959 the National Research Council (NRC) Board on Assessment of NIST Programs has evaluated the quality, relevance, and performance of the NIST laboratories. This independent peer review process is systematic and comprehensive, covering all of the NIST laboratories. It provides the NIST Director and NIST's laboratory managers with a thorough evaluation of each laboratory's effectiveness and opportunities for improvement. This peer assessment is conducted in the context of NIST's strategic plans, which are derived with extensive input from industry and other customers. NIST also evaluates its long-term impacts through economic impact assessments that are conducted by independent external contractors.

Evidence: The NRC Board on Assessment of NIST Programs controls the selection of external experts who form panels suitable for reviewing the specialized scientific and technical programs within each of NIST's seven research laboratories. The results of each annual review cycle are published by the NRC and are available to the general public. NIST also uses highly qualified independent contractors to perform both retrospective and prospective economic studies.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?** Answer: YES Question Weight: 12%

Explanation: The laboratory component of NIST's budget request is represented in the Scientific and Technical Research and Services (STRS) appropriation. NIST's annual STRS budget request reflects the Institute's long-term strategic plan and annual performance plan. Requests for new increases clearly tie to the focus areas identified in NIST's long-term strategic plan, and NIST uses formal reviews of OU Operating Plans as well as senior management peformance plans to assure that base funding is prioritized to achieve long-term goals. Further improvements in strategic planning would help to ensure that laboratories are effectively applying resources in support of priorities identified in the long-term strategic plan.

Evidence: Key documents: The NIST 2010 Strategic Plan and FY 2004 Annual Performance Plan contain NIST's long-term programmatic goals. The FY 2003 Congressional budget request reflects the structure of NIST's budget line items and sub-activities. With respect to opportunities for improvement, the NRC's FY 2002 report identifies strategic planning by laboratories as an area where improvement is needed.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 12%

Explanation: NIST has developed a new Institute-wide long-term strategic planning process that resulted in a limited number of long-term goals and strategic focus areas for the NIST Laboratories. The planning process includes new mechanisms for aligning Operating Unit plans with the NIST-wide plan, and includes external review with regard to the content of the plan as well as the planning process itself. Room for improvement still exists, but NIST's leadership has demonstrated a commitment to continued focus on strategic planning efforts.

Evidence: NIST 2010 Strategic Plan. In addition to stakeholder and customer comments on the plan itself, NIST's external advisory bodies routinely observe and comment on NIST's strategic planning processes generally. The NIST Visiting Committee on Advanced Technology (VCAT) provides this function for the Institute as a whole; see the Annual Report of the VCAT.

PART Performance Measurements

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

2.RD1 **If applicable, does the program assess and compare the potential benefits of efforts within the program to other efforts that have similar goals?**

Answer: NA

Question Weight: 0%

Explanation: As discussed in section 1, there is not another entity within the U.S. with the same mission. NIST has attempted to collect data on other national measurement institutes, but little comparable information is available to provide meaningul comparisons.

Evidence:

2.RD2 **Does the program use a prioritization process to guide budget requests and funding decisions?**

Answer: YES

Question Weight:12%

Explanation: In terms of programmatic priorities, the NIST 2010 Strategic Plan provides a long-term view of anticipated changes in demand for NIST's measurement and standards functions and competencies. The laboratory goals set out priority measurement and standards needs in four strategic focus areas: health care quality assurance; information / knowledge management; nanoscale measurements and data; and homeland security. NIST's recent budget requests reflect these long-term priority areas. NIST also responds to Administration and Congressional priorities expressed in any given year; in FY 03 these included several items related to NIST's strategic focus areas as well as other priorities. At the Operating Unit level, the NIST laboratories use a general set of criteria for prioritizing programs; these priorities are reviewed on an annual basis by the NIST Director.

Evidence: NIST 2010 Strategic Plan; NIST FY 03 Congressional budget request. NIST's long-term priorities have been reviewed by an independent advisory body, the VCAT; in its quarterly meetings the VCAT continues to monitor NIST's strategic direction and progress to plan. NIST also has made its long-term strategic plan available to other stakeholders and customers for comment. The annual report of the Visiting Committee on Advanced Technology is available at: http://www.nist.gov/director/vcat/index.htm. Guiding principles for laboratory programs and investment decisions were reviewed and amended by the Director and NIST Senior Management Board in April 2003. Annual laboratory operating unit plans are reviewed each year by the Director.

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**

Answer: YES — Question Weight: 14%

Explanation: On an annual basis, NIST collects high quality, comprehensive external evaluations of the laboratory programs from the National Research Council. This evaluation data is used at the division, lab, and Director's Office level to assess the quality, relevance, and performance of the laboratories' technical programs and make appropriate adjustments. NIST also makes numerous adjustments on an ongoing basis to its measurements and standards services, in response to external review and feedback from customers. Individual laboratories also have specific customer feedback channels that are used to evaluate and improve performance; examples include feedback from the Council for Optical Radiation Measurements in the Physics Laboratory, feedback from the Semiconductor Industry Association in the Electronics and Electrical Engineering Laboratory, etc. A number of economic impact studies also provide mid-stream analyses of research programs that NIST management uses to improve program performance.

Evidence: NRC feedback sessions and interactions during the external review process frequently include suggestions for improvements that are implemented at the division or laboratory level. NIST responses to these suggestions typically are reviewed in subsequent evaluation cycles; descriptions of this process and relevant examples can be found in the laboratory chapters of the annual NRC evaluation report. NIST also has implemented improvements in response to customer feedback, such as recent improvements in calibration service delivery processes; in general, such opportunities for continuous improvements are pursued on an on-going basis within the laboratories. Examples of mid-stream economic studies that provided evaluation data to program management include the Standard for the Exchange of Product Model Data (STEP) and Role-Based Access Control (RBAC) programs; for details, see appropriate studies at: http://www.nist.gov/director/planning/strategicplanning.htm#recent

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**

Answer: YES — Question Weight: 14%

Explanation: In addition to external review processes described above, NIST assures accountability for program results through an internal strategic management process that centers on Operating Unit alignment with NIST-wide long-term goals and strategic focus areas. The NIST Director reviews annual OU operating plans to evaluate operational alignment with the Institute's strategic plan, ensure that mechanisms are in place for coordinating strategic interdisciplinary work, and to review and evaluate OU-level resource allocation choices.

Evidence: The NIST Director reviews and evaluates the performance of each laboratory Operating Unit Director; the performance plans of each OU Director include elements related to NIST-wide programmatic and managerial goals.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**

Answer: YES — Question Weight: 14%

Explanation: NIST manages its resources carefully and typically has a limited amount of unobligated funds at year end. NIST's strong budget and accounting systems include rigorous internal reviews and external audits to ensure that funds are expended as intended.

Evidence: SF-132 (apportionment schedule) and SF-133 (report on budget execution). Internal processes include rigorous quarterly financial reviews. See the TA/NIST chapter in the audited Commerce FY 2002 Performance and Accountability Report (available at http://www.osec.doc.gov/bmi/budget/02commercereport.htm).

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: NO Question Weight:14%

Explanation: Currently, NIST's performance plans do not contain measures or targets that could be used to demonstrate gained efficiencies or cost effectiveness. However, NIST does have a fairly flat organizational structure with a minimal number of managerial layers, and overhead costs have declined slightly over the years. NIST has also pursued competitive sourcing practices in keeping with the President's Management Agenda, but efforts have been delayed due to Congressional reporting requirements. NIST recently took two new steps to improve operational efficiency and effectiveness: it established a Business Council to develop improved managerial policies and processes for Institute overhead expenditures; and it established a Chief Information Office to help improve productivity and effectiveness throughout the laboratories and the Institute as a whole.

Evidence: NIST's competitive sourcing plans have been made available to the Department of Commerce and OMB. With regard to overhead efficiency, see answer to question 4.3. The office of the CIO was implemented too recently to attribute specific IT efficiency gains at this point in time. Once competitive sourcing studies have progressed and the office of CIO is more firmly established, NIST will have additional information that will be useful in demonstrating progress in this area.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 0%

Explanation: While the role of the NIST laboratories is distinct at the federal level, the laboratories accomplish their work through extensive collaboration with other National Measurement Institutes (NMIs), state offices, and diverse private organizations that play a role in the nation's measurement and standards system.

Evidence: Evidence includes Mutual Recognition Agreements with other NMIs; agreements with state weights and measures organizations; agreements with members of the National Conference of Standards Laboratories and NCSL-International; collaborations with ANSI and diverse standards development organizations; etc. The NIST laboratories also conduct a wide variety of work for other federal agencies on the basis of performance-based contracts. In some instances NIST's collaboration with other agencies is reflected in inter-agency MOUs, such as that recently signed by the DOC Technology Administration and the Department of Homeland Security.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight:14%

Explanation: NIST has a long history of unqualified financial audits; in fact, NIST provides accounting services for several other DOC bureaus.

Evidence: See the TA/NIST chapter in the audited Commerce FY 2002 Performance and Accountability Report.

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight:14%

Explanation: In April 2002 NIST established a Senior Management Board and a set of supporting Councils with the overarching purpose of improving managerial efficiency and effectiveness. NIST uses these mechanisms for continuous improvement in NIST-wide managerial policies. Regular program oversight is obtained through the NIST Visiting Committee on Advanced Technology (VCAT), internal NIST program and planning reviews. In addition, the annual performance evaluations conducted by the National Research Council often identify management issues.

Evidence: The NIST Senior Management Board and supporting Councils have been used to improve policies that affect employee safety, performance-based management practices, leadership and management development, and other managerial areas. NIST also responds directly to program management recommendations produced by its external review mechanisms; for a description of the response process and for relevant examples, see the annual reports of the VCAT and NRC.

3.RD1 For R&D programs other than competitive grants programs, does the program allocate funds and use management processes that maintain program quality? Answer: YES Question Weight:14%

Explanation: For base funding, resource choices generally are allocated on the basis of competitive merit and customer needs as assessed at the Operating Unit level and reviewed internally by the NIST Director (during annual planning and program reviews) and by external reviews of technical merit, relevance, and performance (conducted annually by the NRC). NIST-wide resource allocation processes to advance core metrology competencies are made annually on the basis of technical merit, and incorporate extensive internal and external review of each proposal. Program quality is further reinforced through rigorous technical peer review of research outputs; for instance, all technical publications must clear the Washington or Boulder Editorial Review Boards, and technical measurement capabilities and results are continually tested through international measurement comparisons.

Evidence: NIST's annual appropriation includes a very small quantity of earmarked funds. Descriptions of OU-level resource allocation processes and choices can be made available upon request; processes vary by lab given different research portfolios and customer requirements. NIST-wide resource allocation choices for "Competence" projects can be made available upon request. The results of external reviews are available from the NRC. Descriptions of quality management practices, such as editorial review boards, can be made available upon request.

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: YES Question Weight25%

Explanation: The NIST laboratories' long-term goals are inherently difficult to quantifiably measure due to such factors as the breadth of NIST's research porfolio, the long time horizons associated with research programs, and the difficulty of evaluating specific NIST contributions to end outcomes that have complex causal structures. NIST's annual peformance measures, external reviews and economic studies show continued progress, and the Institute's scientific and technical quality is widely recognized within the S&T community.

Evidence: External reviews by the National Research Council and numerous economic impact studies have identified and analyzed many of the economic and social impacts of NIST's laboratory research. Data are presented in DOC's budget justification and annual DOC performance plans and reports. Available data include detailed qualitative and quantitative findings from microeconomic impact assessments that, individually and collectively, confirm NIST's impact logic model and provide strong evidence of desired programmatic outcomes.

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight25%

Explanation: NIST routinely meets or exceeds its annual quantitative performance targets and successfully passes rigorous annual qualitative reviews by the NRC. These targets and reviews collectively represent progress toward NIST's long term goals.

Evidence: See the FY 2004 Annual Performance Plan and the TA/NIST chapter in the audited Commerce FY 2002 Performance and Accountability Report. For annual evaluation of the laboratories' quality, relevance, and performance, see the annual report of the NRC Board on Assessment of NIST Programs.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight25%

Explanation: It is inherently difficult to measure the overall productivity and efficiency of R&D programs, so there are limited measures available to quantifiably demonstrate improved efficiencies or cost effectiveness in meeting performance goals. External peer reviews provide a mechanism for identifying inefficiencies in laboratory programs. In terms of administrative efficiency, the NIST laboratories have a structural incentive to maximize efficiency as gains in administrative efficiency are realized as resources for research. NIST management has taken additional measures to maximize efficiency and effectiveness, as described in question 3.4.

Evidence: Some information is available to demonstrate efficiencies in select parts of the program. For example, between 1992 and 2002, laboratory overhead has been reduced from 13% to 10% of all laboratory obligations (e.g. appropriated resources, other agency contracts, and reimbursables). NIST also tracks other specific measures of efficiency, such as turn-around time for calibration services. NIST does not have an Institute-wide measure of research efficiency; however, OMB recognizes that R&D-performing organizations typically cannot provide unit cost measures of efficiency do to the long time frame for research, multivariate inputs, and diverse sets of outputs that derive from R&D activities.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: NA Question Weight: 0%

Explanation: As discussed in section 1, there is not another entity within the U.S. with the same mission. NIST has attempted to collect data on other national measurement institutes, but little comparable information is available to provide meaningul comparisons.

Evidence:

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: YES Question Weight25%

Explanation: External advisory groups and formal assessments by the National Research Council (NRC) Board on Assessment have found the NIST laboratories to be effective. The scope and nature of NIST's end outcomes are documented in a set of approximately 30 economic impact studies that have been conducted over the last ten years; these studies collectively validate NIST's impact logic model and provide additional independent evaluations and specific outcome-oriented measures of the programmatic effectiveness of the NIST laboratories.

Evidence: See the NRC Board of Assessment annual report and the annual report of the NIST VCAT. For NIST's economic impact studies, see: http://www.nist.gov/director/planning/strategicplanning.htm#recent

PART Performance Measurements

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

Measure: Peer reviewed technical publications

Additional Information: Citation analysis and publication volume represent performance indicators for NIST's annual performance goal of disseminating high value research results (a component of long-term goal 1)

Measure Term: Annual

Year	Target	Actual
2003		1,267
2004	1,300	

Measure: Standard reference materials sold

Additional Information: One of a suite of annual output metrics that supports NIST's annual goal of transferring high value measurement methods, data, and technologies to customers (a component of long-term goal 2)

Measure Term: Annual

Year	Target	Actual
2001		31,985
2002		30,996
2003		29,527

Measure: Web access to / downloads of NIST-maintained databases (in thousands)

Additional Information: One of a suite of annual output metrics that supports NIST's annual goal of transferring high value measurement methods, data, and technologies to customers (a component of long-term goal 2)

Measure Term: Annual

Year	Target	Actual
2003		55,654
2004	56,000	

PART Performance Measurements

Program: NIST Laboratories
Agency: Department of Commerce
Bureau: Technology Administration
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Effective
100%	100%	86%	75%	

Measure: Number of items calibrated

Additional Information: One of a suite of annual output metrics that supports NIST's annual goal of transferring high value measurement methods, data, and technologies to customers (a component of long-term goal 2)

Measure Term: Annual

Year	Target	Actual
2001	3,100	3,192
2002	2,900	2,924
2003	2,900	3,194
2004	2,800	

Measure: Citation frequency

Additional Information: Citation analysis and publication volume represent performance indicators for NIST's annual performane goal of disseminating high value research results (a component of long-term goal 1)

Measure Term: Annual

Year	Target	Actual

Measure: Technical peer review

Additional Information: Laboratory-wide external technical assessment of quality and performance, a measure used for NIST's annual goal of maintaining world class measurement research and measurement capabilities (a component of long-term goal 1)

Measure Term: Annual

Year	Target	Actual
2001	report available	
2002	report available	
2003	report pending	

Measure: Economic Impact Studies (Net benefit to cost ratio; social rate of return)

Additional Information: NIST uses microeconomic impact studies to estimate and evaluate the outcomes that derive from NIST research programs; these studies are used with respect to NIST's annual performance goal of maintaining high-impact measurement and standards programs (a component of long-term goal 2)

Measure Term: Annual

Year	Target	Actual

PART Performance Measurements

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The NOAA Climate Program's purpose, "Understand and describe climate variability and change to enhance society's ability to plan and respond," is unambiguous and defined in the Department of Commerce strategic goals, NOAA's strategic plan, and contributes to the objectives outlined in the Climate Change Science Program (CCSP) Strategic Plan. To advance this goal, there are five major components of the NOAA Climate Program: 1) Climate Observations and Analyses, 2) Climate Forcing, 3) Climate Predictions and Projections, 4) Climate and Ecosystems, and 5) Regional Decision Support.

Evidence: NOAA Strategic Plan (http://www.spo.noaa.gov); Department of Commerce Strategic Plan (http://www.osec.doc.gov/bmi/budget/budgetsub_perf_strategicplans.htm); The NOAA Research Plan describes research deliverables from 2005-2009; Research in NOAA: Toward Understanding and Predicting Earth's Environment (ftp://www.oarhq.noaa.gov/review).

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: The Climate Program addresses the findings contained in the Global Climate Protection Act, the Global Change Research Act, and the mission set forth in the Climate Change Research Initiative (CCRI). NOAA's Climate Program is built on NOAA's ongoing expertise in shorter-term climate variability, such as El Niño, and on NOAA's capabilities in long-term observations, applied research on atmospheric composition, and engagement with the user community.

Evidence: Climate-sensitive industries, both directly and indirectly, account for about one-third of the Nation's gross domestic product ($3 trillion). Climate variability, such as the El Niño phenomenon, led to economic impacts on the order of $25 billion for 1997-98, with property losses of over $2.5 billion and crop losses approaching $2 billion [data source: Changnon, Stanley A., ed. El Niño 1997-98; The Climate Event of the Century, Oxford University Press, 2000]. Findings of the Global Climate Protection Act 15 USC; President's speech on Climate Change, February 2002 (http://www.whitehouse.gov/news/releases/2002/02/20020214-5.html); President's speech on Climate Change, June 2001 (http://www.whitehouse.gov/news/releases/2001/06/20010611-2.html).

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight20%

Explanation: NOAA is part of the Climate Change Science Program (CCSP), which is designed to coordinate the resources and expertise of 13 federal agencies involved in climate change science. NOAA contributes uniquely to this program in the areas of climate modeling, applied aerosol and carbon research, long-term observations and data management. NOAA's partnerships with NSF (basic research) and NASA (research satellites) led to breakthroughs in both ozone depletion and El Niño prediction.

Evidence: Examples of interagency coordination: the Interagency Working Group on Earth Observations (http://iwgeo.ssc.nasa.gov), the North American Carbon Program (http://www.carboncyclescience.gov/nacp.pdf), and the CCSP Interagency Working Groups for Atmospheric Composition, Climate Variability and Change, Human Dimensions, and Ovservations (http://www.usgcrp.gov/usgcrp/ProgramElements/default.htm); The CCSP Strategic Plan describes the roles and responsibilities of the CCSP (http://www.climatescience.gov/Library/stratplan2003/final/ccspstratplan2003-all.pdf).

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: NO Question Weight20%

Explanation: The NOAA Climate Program is a matrix program, managed under one goal and across multiple line offices. Based on a National Academy of Sciences review of the Climate Change Science Program, the NOAA Climate Program recently reorganized to align itself along the CCSP goals, oriented toward near-term decision support and with an emphasis on product delivery. However, NOAA's Research Review Team noted in its report "that there has not been sufficiently strong leadership and processes in OAR to ensure that the OAR laboratory activities are well focused and integrated into NOAA's mission. The report recommends consolidation of NOAA's labs in Boulder, CO, noting that consolidation would lead to better coordination across NOAA and OAR and would increase the responsiveness of research to NOAA's operational and information service needs. This recommendation, along with the recent realignment with CCSP goals, will improve the program's effectiveness.

Evidence: CCSP's Planning Workshop for Scientists and Stakeholders (http://www.climatescience.gov/Library/workshop2002/default.htm); Climate and Global Change Working Group Review; Implementing Climate and Global Change Research: A Review of the Final U.S. Climate Change Science Program Strategic Plan (http://books.nap.edu/catalog/10635.html); Research Review Team report (http://www.sab.noaa.gov/Reports/Reports.html).

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: YES Question Weight20%

Explanation: Under the Climate Program, NOAA has been transitioning applied research into operational products and transferring these capabilities to other operational entities, both public and private. NOAA's applied research builds on basic research conducted at universities funded by other Federal agencies (e.g. NSF and NASA) through competitive awards. NOAA is actively working to better understand customer needs and meet them. For example, the NOAA Climate Transition Program, will provide a mechanism for supporting research that addresses user eneds and requirements, transitions the research to operations, and provides education and outreach capacity for new products.

Evidence: Transfer of operation and maintenance responsibility for the Tropical Atmosphere Ocean (TAO) buoy array from the Pacific Marine Environmental Laboratory to the National Data Buoy Center (http://www.cpc.ncep.noaa.gov); TAO Project Overview (http://www.pmel.noaa.gov/tao/proj_over/proj_over.html). The National Weather Service has established a climate services program at each of its regional and field offices. These programs focus on enhancing forecast products to provide local information, supporting the integrity of the climate record, conducting outreach to regional and local decision makers, and establishing regional, state and local partnerships for the delivery of climate services (http://www.erh.noaa.gov/er/hq/climate/climate.html).

PART Performance Measurements

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 10%

Explanation: The Climate Program has six long-term performance measures. These measures and outcomes reflect the breadth of the program and include measures to improve seasonal forecasting, reduce uncertainty in carbon and aerosols, determine long-term changes in temperature and precipitation, describe and explain changes in the Earth's climate, and expand on the climate services and products which will enhance the ability of users to plan and respond to climate variability and change.

Evidence: NOAA Strategic Plan (http://www.spo.noaa.gov), FY06 Annual Performance Plan. Performance goals and outcomes are: (1) Increase U.S. seasonal temperature forecast skill to 22.5 by FY 2007; this is a quantitative indicator of the ability to forecast U.S. temperature months in advance; (2) Reduce the uncertainty in the magnitude of the North American carbon uptake, key information for policy decisions related to impacts of future climate change and carbon management; (3) Reduce the uncertainty on the influence of aerosols on climate to produce information needed to broaden the suite of non-carbon options available for policy support on the climate change issue; (4) Determine actual long-term changes in temperature and precipitation over the U.S.; (5) Reduce the error in global measurement of sea surface temperature; and (6) Improve society's ability to plan and respond to climate variability and change using NOAA climate products and information.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 10%

Explanation: Targets and timeframes for performance measures reflect NOAA's aggressive agenda for creating a solid foundation for decision-making for the nation and providing useful products and services. For example, the goal of reducing sea surface temperature error to 0.3C is both ambitions and relevant, given that global warming over the last century is 0.6C.

Evidence: See Measures Tab and Annual Performance Plans for annual and long-term targets for performance measures..

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 10%

Explanation: Progress for all annual performance measures is evaluated at the highest level through tracking the execution of annual performance measures. Each measure has associated annual performance goals and quarterly milestones. Additionally, the Climate Program maintains a database of annual performance and efficiency measures and tracks completion and contribution to progress in the program.

Evidence: See Measures Tab and Annual Performance Plans for annual performance measures. The program has established efficiency measures related to the collection and delivery of data to NOAA's climate archive. By demonstrating improved timeliness and quality in the provision of climate data to users, these efficiency measures support NOAA's long-term goal to Improve society's ability to plan and respond to climate variability and change using NOAA climate products and information.

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

2.4 Does the program have baselines and ambitious targets for its annual measures?

Answer: YES Question Weight: 10%

Explanation: NOAA's long-term goals require incremental, annual expansion of observing systems and modeling cpabilities. Overall, the NOAA Climate Program has developed annual milestones for each of its components as part of a newly developed NOAA five-year research plan. These milestones are linked to the long-term targets and outcomes of the program, as identified in the NOAA Strategic Plan.

Evidence: Annual performance targets and baselines are identified in the NOAA Strategic Plan, Annual Operating Plans, Congressional Budget submissions, and the NOAA 5-year Research Plan.

2.5 Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?

Answer: YES Question Weight: 10%

Explanation: NOAA Climate Program research activities, products, and services are linked to the NOAA goals through the Programming, Planning, Budget and Execution System. Grantees of the Climate Program are accountable to NOAA's Climate Goals through an annual Federal Register Notice, which sets out evaluation criteria for peer-reviewed proposals. Research to support improvement of seasonal-interannual prediction and decadal to centennial change is published in the Federal Register notices.

Evidence: CCSP Strategic Plan (www.climatescience.gov/Library/stratplan2003/default.htm); Office of Global Programs request for Climate and Global Change proposals is linked to NOAA's Climate mission and the goals of the CCSP. Selection factors include past performance, program priorities and policy factors, duplication of other projects funded or considered for funding by NOAA/federal agencies, and relevance (http://www.ogp.noaa.gov/grants/2005/ffo.pdf).

2.6 Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?

Answer: YES Question Weight: 10%

Explanation: The NOAA Climate Program undergoes external peer review on selected parts of the program semiannually by NOAA's Science Advisory Board through its Climate and Global Change and Climate Monitoring Working Groups. The national US Global Change Research Program has had a series of reviews by the National Academy of Science, most recently in 2001. The Strategic Plan for CCSP was reviewed by the NAS in FY04.

Evidence: National Academy Reviews: Global Environmental Change: Research Pathways for the Next Decade (1998) -- http://books.nap.edu/catalog/6264.html; The Science of Regional and Global Change: Putting Knowledge to Work (2001) -- http://books.nap.edu/catalog/10048.html: Implementing Climate and Global Change Research (2004) -- http://books.nap.edu/catalog/10635.html. SAB Climate and Global Change Working Group Review; Research Review Team Report (http://www.sab.noaa.gov/Reports/Reports.html).

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**

Answer: NO

Question Weight: 10%

Explanation: While NOAA Climate Research budget requests are linked to performance measures, the Climate Program is a cross-cutting program, with budget resources allocated within various line offices and as such is not readily transparent in its entirety. The NOAA Climate Program is implementing a trackable performance measure database that will be used in budget development.

Evidence: NOAA section of the Department of Commerce Budget Submission.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?**

Answer: YES

Question Weight: 10%

Explanation: The NOAA Climate Program has changed direction, based on external reviews and the development of CCSP, to a more outcome-oriented focus. As a result of recommendations from the outside community, the NOAA Climate Program has reorganized to provide a new emphasis on decision support at both the national and regional levels, while continuing to advance large-scale observations and applied research. In addition, there is a new focus on the links of climate change and variability on ecosystem function. Development of a NOAA Research 20-Year Strategy and a Five-Year Research Plan will be important steps to ensure a more focused and effective research program.

Evidence: CCSP Strategic Plan (www.climatescience.gov/Library/stratplan2003/default.htm); Research in NOAA: Toward Understanding and Predicting Earth's Environment (ftp://www.oarhq.noaa.gov/review); NOAA draft 20-Year Strategic Vision; NOAA 5-year Research Plan; National Research Council "The Science of Regional and Global Change: Putting Knowledge to Work" (http://books.nap.edu/catalog/10048.html); NOAA Strategic Plan (http://www.spo.noaa.gov).

2.RD1 **If applicable, does the program assess and compare the potential benefits of efforts within the program to other efforts that have similar goals?**

Answer: YES

Question Weight: 10%

Explanation: No other agency has NOAA's mandate and experience in climate assessments, prediction, operational observing systems and user services necessary to carry out the part of the climate mission described for NOAA in the CCSP Plan. Within the CCSP, relative agency roles are clearly defined through the CCSP Strategic Plan and the CCSP Management process and Interagency Working Groups.

Evidence: See CCSP Strategic Plan (http://www.climatescience.gov//Library/stratplan2003/vision/default.htm) for: Agency roles within the CCSP -- pp. 30-32; Agency modeling roles -- chapter 10. One example of a complimentary climate activity is climate modeling. NOAA's Geophysical Fluid Dynamics Laboratory maintains a high-end modeling capability focused on delivering products for assessments and decision support, while the National Center for Atmospheric Research modeling activities are focused on research.

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

2.RD2 **Does the program use a prioritization process to guide budget requests and funding decisions?** Answer: YES Question Weight:10%

Explanation: The NOAA Climate Program priorities are established based upon the CCSP Strategic Plan, the NOAA Strategic Plan, Performance Measures, annual consultations with stakeholders, yearly milestones and deliverables, the NOAA Climate Board (NOAA's internal management group), and by two expert panels (the Climate & Global Change and Climate Monitoring Working Groups). Lower priority programs are terminated and new priorities are supported through the redirection of existing resources as well as the request for additional funds.

Evidence: NOAA's Planning, Programming, Budgeting and Execution System (PPBES) is a formal, systematic structure for making decisions on policy, strategy, capability/deployment, and resource allocation to accomplish NOAA's mission (www.ppbs.noaa.gov); NOAA's Annual Guidance Memo; Minutes from April 16, 2004 stakeholder meeting; NOAA Science Advisory Board (www.sab.noaa.gov). Since 1997, 21 of 91 climate projects have been terminated and redirected.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 9%

Explanation: NOAA conducts quarterly reviews of its matrix program activities (which include the Climate Program) with the purpose of updating NOAA management on progress and results during the execution year and integrating program an goal information into execution reports. Quarterly reviews focus on performance schedule, key issues, budget/funding status, summary of grants information, and an update on key performance measures and milestones. These reviews also cover the activities of key partners.

Evidence: Guidance for NOAA's Quarterly Reviews; NOAA Program Review Team Recommendations (http://review.oar.noaa.gov).

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: NO Question Weight: 9%

Explanation: NOAA has implemented matrix management for key programs, including the Climate Program, to improve coordination and maximize resources. The NOAA Climate Program is transitioning from accountability across the line offices, to responsibility and accountability at the program level. In the competitive award process, past performance is a strong criterion in the evaluation of new research proposals. Although annual reports are required from all grantees and cooperative agreements, there is currently no official oversight mechanism to document how the annual reports are used in future funding allocations.

Evidence: NOAA Business Operations Manual, NOAA Research 4th Quarter Review 2002; description of matrix management structure (http://www.ppi.noaa.gov).

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	90%	82%	74%	

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 9%

Explanation: NOAA has a top-down reporting process that assures financial accountability. Since the Climate Program is a matrix program across all line offices, there is currently no mechanism to track the program as a whole. Starting in FY04, steps are being taken to correct this and track financial execution of programs as a whole. Preliminary program financial execution reports will be prepared for FY04, and this mechanism will be fully implemented for FY05.

Evidence: On a quarterly basis, program managers review financial reports provided by the Commerce Administrative Management System (CAMS) that analyze the financial plan and subsequent execution. All variances that exceed 10% are reported and corrections are taken as necessary.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 9%

Explanation: The NOAA Climate Program has multiple procedures in place to measure and achieve efficiences and cost effectiveness in program execution. Where possible, the program has established performance measures to track efficiency. The program also actively participates in competitive sourcing, having recently completed an A-76 study at NOAA's Geophysical Fluid Dynamics Laboratory. NOAA Research utilizes cooperative agreements establishing joint institutes at major universities, generally located geographically close to one or more of NOAA's laboratory facilities. Finally, the SAB research review recommends lab consolidation to create a better managed and more effective research structure. NOAA is currently developing a plan to respond to these recommendations.

Evidence: March 2004 Decision Document Summary from the GFDL A-76 Streamlined Study; Research Review Team Report (http://www.sab.noaa.gov/Reports/Reports.html). By the beginning of FY 2004, contractors represented about 13% of total employment at NOAA Research labs. Of total actual expenditures for FY 2003 in climate research, 49% were in grants and cooperative agreements and 15% in contracts.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 9%

Explanation: NOAA has several key partners in climate research. For example, NASA, NSF, DOE, and NOAA co-plan and execute many field studies in aerosol research. Explicit future interagency plans are already underway. NOAA's international collaborations are both extensive and critical to accomplishing the mission. NOAA supports the International Research Institute for Climate Prediction, an international center that provides climate information and assessments globally. NOAA's climate research is coordinated globally through the World Climate Research Programme, a link that has been critical in developing an El Niño prediction capability.

Evidence: Lead agencies+F66 in CCSP Synthesis and Assessment Products (http://www.climatescience.org/Library/sap/sap-summary.htm); Regional Integrated Sciences and Assessments (http://www.ogp.noaa.gov/mpe/csi/risa/index.htm); International Research Institute for Climate Prediction (http://iri.columbia.edu); World Climate Research Programme (http://www.wmo.ch/web/wcrp/about.htm).

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

3.6 Does the program use strong financial management practices? Answer: NO Question Weight: 9%

Explanation: Within the Department of Commerce, NOAA follows prescribed Department-wide financial management and accounting policies, procedures, and controls. As a result of continuous improvement in financial management, the Department received an unqualified opinion on the FY 2003 consolidated financial statements, which is the highest rating available. However, the Climate Program does not have routine execution reports on a monthly and quarterly basis. Execution process for tracking data will be implemented in FY05 as described in 3.RD1.

Evidence: FY 2003 Department of Commerce Financial Report, Performance Accountability Report.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 9%

Explanation: The NOAA Climate Program has been tasked with the responsibility for oversight and integration of new and existing climate activities across all NOAA line offices. Financial management deficiencies are routinely identified and addressed as part of NOAA's annual financial audit in order to ensure that NOAA's Consolidated Financial Statement continues to receive an unqualified opinion. NOAA is actively implementing recommendations from the Science Advisory Board to develop a research plan and strategy, consolidate the laboratories, and others to address management efficiencies.

Evidence: NOAA's consolidated financial statement; Business Operations Manual; Research Review Team Report (http://www.sab.noaa.gov/Reports/Reports.html); Research in NOAA: Toward Understanding and Predicting Earth's Environment (ftp://www.oarhq.noaa.gov/review).

3.CO1 Are grants awarded based on a clear competitive process that includes a qualified assessment of merit? Answer: YES Question Weight: 9%

Explanation: Annual announcements for competitively awarded grants are published in the Federal Register Notice. Proposals are peer reviewed by independent mail reviews and a panel of expert reviewers. Mail reviewers and panelists review the proposals in terms of scientific merit (50%) and relevance to the program and NOAA's mission (50%). Cooperative agreements with the Joint Institutes are evaluated every five years by an independent peer review panel consisting of both NOAA and non-NOAA experts. Joint Institute proposals are evaluated in terms of scientific merit and relevance to the program.

Evidence: Office of Global Programs Program Announcement (http://www.ogp.noaa.gov/grants/2005/ffo.pdf); Federal Register Notice for NOAA's Climate and Global Change Program: (http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2004/pdf/04-7187.pdf); Federal Register Notice for establishment of a Joint Cooperative Institute: [Docket No. 020814191'2191'01]; Federal Register Notice for funding of the Joint Cooperative Institute Program: [Docket No. 960130020'6020'01] - 19% of the Climate Program funds were competed in FY04 (for a total of $50M).

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight: 9%

Explanation: NOAA oversees whether grants are 1) awarded/obligated to the correct person and 2) whether the grantees are using their awards for the intended purpose. Grant obligations are available daily through NOAA's Financial Information System. The Code of Federal Regulations specifies reporting requirements for competitive awards: grantee and cooperative agreement (joint institute) activities are reported upon annually, as well as upon completion of the award term.

Evidence: Code of Federal Regulations (15CFR Part 14, section 14.51)- http://www.gpoaccess.gov/ecfr; Office of Global Programs (grants) and Joint Institutes (cooperative agreements) report on research progress annually (http://www.ogp.noaa.gov); (http://www.oarhq.noaa.gov/OSS_JI.html); Joint Institutes Annual Reports to NOAA (http://cires.colorado.edu/publications/index.html).

3.CO3 **Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?** Answer: YES Question Weight: 9%

Explanation: The NOAA Climate Program collects performance data annually and in final reports from grantees and Joint Institutes (cooperative agreements) as a condition for the awards. These reports are made available to the public via the Office of Global Programs and Joint Institutes websites. Budgets are adjusted as appropriate following annual reports. Results from previous rewards are also provided within proposals, providing further evidence of grantee accountability.

Evidence: Joint Institutes Annual Reports to NOAA: http://cires.colorado.edu/publications/index.html. Office of Global Programs website (http://www.ogp.noaa.gov/grants/index.htm); Joint Institute website (http://www.oarhq.noaa.gov/OSS_JI.html)The Joint Institutes publish hard copy reports and CDs of the annual reports.

3.RD1 **For R&D programs other than competitive grants programs, does the program allocate funds and use management processes that maintain program quality?** Answer: YES Question Weight: 9%

Explanation: To maintain program quality and award internal funds, NOAA engages in a Planning, Programming, Budgeting and Execution System (PPBES) process. This system entails a thorough analysis of the program, identifies research gaps and needs, and provides oversight and program recommendations. The NOAA Climate Program develops annual operating plans, which include milestones that are reported on quarterly. All non-competitive awards require an independent review from 3 qualified sources; quarterly, semiannual or annual reporting; and qualified oversight by the program managers to ensure program quality is maintained.

Evidence: Annual Operating Plan; Office of Global Programs Federal Register Notice (http://a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2004/pdf/04-7187.pdf); One example of a non-competitive award is an earmarked proposal for an Analytical Center for Climate and Environmental Change at Northern Illinois University. The grant will fund instrumentation and laboratory development for investigation of natural and human-impacted biogeochemical cycles in ice sheets/shelves at high latitudes, key for understanding the dynamics of ice sheet response to global change. NOAA negotiated the use of this grant to ensure it addressed NOAA's strategic goals.

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight20%

Explanation: Since its inception, NOAA has had clear long-term climate performance goals. These goals and strategies are clearly articulated in the 1998 NOAA Strategic Plan: 1) reduce uncertainty and implement seasonal to interannual climate forecasts, and 2) characterize agents and processes that force decadal to centennial climate change. NOAA's leadership in seasonal-interannual prediction is widely recognized and NOAA has the primary responsibility within the Federal Government to routinely provide climate forecasts and products to the Nation. NOAA's leadership in assessing the state of climate science, including monitoring global carbon dioxide levels, documenting and forecasting temperature trends, and understanding the role of climate forcing agents, has contributed much of the foundation for measuring climate change and stratospheric ozone depletion and understanding their causes.

Evidence: Since 1998, NOAA has correctly predicted the severity of the Atlantic hurricane season. Research by NOAA and NSF led to prediction breakthroughs in the early 1990's, culminating in the successful prediction of the 1997-98 El Niño event. Working to apply this breakthrough, NOAA-supported advances include an improved understanding of the impact of variability on water management systems, wildfire and agriculture management, and the implications of temperature on availability of future water supplies. NOAA Strategic Plans (http://www.noaa.gov/str-plan/planCover.html, http://www.spo.noaa.gov); Department of Commerce FY2000-06 Annual Performance Plans (http://www.osec.doc.gov/bmi/budget/budgetsub_perf_strategicplans.htm); Regional Integrated Sciences and Assessment: climate applications (http://www.risa.ogp.noaa.gov).

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight20%

Explanation: The program has met or exceeded its annual targets for 4 of 5 of its 2003 annual performance measures. The NOAA Climate Program maintains an annual operating plan of milestones used to track progress toward higher-level outcomes and long-term performance measures. In 2001, the Climate Program met 47 of its 50 annual milestones.

Evidence: See Measures Tab for data on annual performance goals; Annual Report of the State of the Ocean and the Ocean Observing System for Climate (http://www.oco.noaa.gov); State of Climate Reports (http://www.ncdc.noaa.gov/oa/climate/research/monitoring.html); NOAA FY04 Climate Operating Plan; Annual Performance Reports.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: YES Question Weight20%

Explanation: The NOAA Climate Program tracks increased efficiency in many ways. In its data management component, efficiency is tracked through documentation of increased ingest, archival, and access of data as a factor of time, leading to reduction in time while retaining customer satisfaction. In observations, efficiency is tracked by reducing the cost per observation.

Evidence: For example, through technology development, the size of standard surface drifting buoys was reduced by 25%, resulting in a drop in average price from $2150 per buoy in 2002 to $1800 per buoy in 2003. This allows deployment of about 75 more buoys each year at the same level of funding as the program moves toward global coverage -- the array is presently at 902 and 1250 buoys are needed for global coverage. Customer service satisfaction survey rates overall satisfaction at 83%., while volume of data collected has increased 62% from FY01 to FY03.

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**

Answer: LARGE EXTENT   Question Weight 20%

Explanation: NOAA performance compares favorably with other federal programs with similar purposes and goals. NOAA is recognized as a leader in climate science, both internationally and domestically. NOAA was selected to provide scientific leadership for the Intergovernmental Panel for Climate Change (IPCC) Working Group I and the Climate Change Science Program. NOAA is leading or co-leading 9 of the 21 CCSP Synthesis and Assessment products. NOAA's climate researchers are frequently cited in scientific journal articles, indicating the relevance of NOAA's work to the broader climate research community. Climate model comparisons indicate that NOAA's model results are comparable to similar global models developed by othe national and international entities.

Evidence: The Deputy Secretary of Commerce is alternating chair and vice-chair for the Interagency Working Group on Climate Change Science and Technology (alternates with DOE) and the Assistant Secretary of Commerce for Oceans and Atmosphere is director of the Climate Change Science Program; NOAA's role in IPCC resulted in over 325 scientific citations (increase from 250 during the 1995 Assessment, and 200 during the 1990 Assessment) http://www.ipcc.ch/about/bureau.htm. Ten NOAA Climate scientists were identified as 'The World's Most Influential Researchers' by the 'ISI Highly Cited' based on the 248 most-cited authors in geosciences over the period 1981 (http://isihighlycited.com/). In the most recent intercomparison of national and international climate models by the Department of Energy, the Geophysical Fluid Dynamic Laboratory model produced comparable results to the range of global models in analyses of surface temperature, pressure, and precipitation, Program for Climate Model Diagnosis and Intercomparison: http://www-pcmdi.llnl.gov

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: LARGE EXTENT   Question Weight 20%

Explanation: External reviews demonstrate that the program is effective, product-oriented, and responsive to recommendations for change. The US Global Change Research Program, and now the CCSP, has been repeatedly reviewed by the National Academy of Sciences. The NOAA Climate Program was reviewed by the Science Advisory Board Working Group on Climate and Global Change in July 2003. It noted, for example, "outstanding progress" in understanding and describing the El Niño-Southern Oscillation and "impressive cooperation" between organizational units in developing prediction products. The National Academy of Sciences has highlighted the critical importance of earlier stratospheric ozone depletion efforts.

Evidence: The Science of Regional and Global Change: Putting Knowledge to Work, NRC, 2001, p. 2 (http://books.nap.edu/books/0309073278/html/2.html#pagetop); Implementing Climate and Global Change Research: A Review of the Final U.S. Climate Change Science Program Strategic Plan (http://books.nap.edu/catalog/10635.html); Climate and Global Change Working Group Review; The Ozone Depletion Phenomenon (http://books.nap.edu/books/NI000196/html/8.html#pagetop).

PART Performance Measurements

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

Measure: U.S. Temperature Forecast Skill

Additional Information: Cumulative skill score computed over the regions where predictions are made

Measure Term: Long-term

Year	Target	Actual
1999	baseline	23
2006	22	

Measure: Percent of explained variance of the long-term trend for temperature changes throughout the contiguous U.S.

Additional Information: Annual measure for 9 above

Measure Term: Annual

Year	Target	Actual
2002	60%	85%
2003	70%	95%
2004	80%	96.7%
2005	96.7%	
2006	97%	

Measure: Determine actual long-term changes in precipitation throughout the contiguous U.S.

Additional Information: Unit of measure is % explained variance of the trend

Measure Term: Long-term

Year	Target	Actual
2002	25%	55%
2009	95%	

PART Performance Measurements

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	90%	82%	74%	

Measure: Percent of explained variance of the long-term trend for precipitation changes throughout the contiguous U.S.

Additional Information: Annual measure for 11 above

Measure Term: Annual

Year	Target	Actual
2002	25%	55%
2003	40%	84%
2004	55%	90.2%
2005	90%	
2006	91.2%	

Measure: Produce CCSP Synthesis and Assessment Products for which NOAA is the lead agency

Additional Information:

Measure Term: Annual

Year	Target	Actual
2004	baseline	0
2006	3	
2008	6	

Measure: Produce CCSP Synthesis and Assessment Products for which NOAA is a supporting agency

Additional Information:

Measure Term: Annual

Year	Target	Actual
2004	baseline	0
2006	5	

Year	Target	Actual
2008	6	

Measure: Reduce error in global measurement of sea surface temperature

Additional Information:

Measure Term: Long-term

Year	Target	Actual
2003	baseline	+/-0.7
2008	+/-0.2	

Measure: Reduce error in global measurement of sea surface temperature

Additional Information: Annual measure for 15 above

Measure Term: Annual

Year	Target	Actual
2003	baseline	+/-0.7
2004	+/-0.6	+/-0.63
2005	+/-0.5	
2006	+/-0.4	
2007	+/-0.3	
2008	+/-0.2	

Measure: New climate observations introduced

Additional Information:

Measure Term: Long-term

Year	Target	Actual
2001	120	132

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	90%	82%	74%	

Year	Target	Actual
2005	1014	

Measure: New climate observations introduced

Additional Information: Annual measure for 17 above

Measure Term: Annual

Year	Target	Actual
2001	120	132
2002	174	192
2003	275	282
2004	412	529
2005	1014	

Measure: Improve society's ability to plan and respond to climate variability and change using NOAA climate products and information (number of peer-reviewed risk and impact assessments/evaluations published and communicated to decision makers)

Additional Information:

Measure Term: Long-term

Year	Target	Actual
2004	baseline	28
2010	35	

Measure: U.S. Temperature Forecast Skill

Additional Information: Annual measure for 1 above.

Measure Term: Annual

Year	Target	Actual
1999	20	23
2000	20	27

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	90%	82%	74%	

Year	Target	Actual
2001	20	20
2002	20	18
2003	20	17
2004	21	17
2005	18	
2006	18	

Measure: Improve society's ability to plan and respond to climate variability and change using NOAA climate products and information (number of peer-reviewed risk and impact assessments/evaluations published and communicated to decision makers)

Additional Information: Annual measure for 20 above

Measure Term: Annual

Year	Target	Actual
2004	baseline	28
2005	28	
2006	32	
2010	35	

Measure: Volume of data ingested annually and placed into the archive (terabytes)

Additional Information:

Measure Term: Annual

Year	Target	Actual
2001	baseline	90
2002	100	120

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	90%	82%	74%	

2003	145	149
2004	200	206
2005	450	
2006	823	
2010	3700	

Measure: Reduce uncertainty in magnitude of North American Carbon Uptake

Additional Information: A 50% reduction would reduce uncertainty from +/-0.6 Gigatons carbon per year to +/-0.3 Gigatons carbon per year

Measure Term: Long-term

Year	Target	Actual
2001	baseline	
2008	+/-0.3	

Measure: Reduce uncertainty in magnitude of North American Carbon Uptake

Additional Information: Annual measure for 3 above. FY02 - establish 9 new sites and ocean tracks; FY03 - reduce uncertainty to +/-50%; FY04 - reduce uncertainty to +/-0.7 Gigatons carbon per year; FY05 - reduce uncertainty to +/-0.48 Gigatons carbon per year; FY06 - reduce uncertainty to +/-0.4 Gigatons carbon per year. Funding delays prevented establishment of target sites and ocean tracks in 2002.

Measure Term: Annual

Year	Target	Actual
2001	baseline	+/-0.6
2002	9 sites	sites ID'd
2003	+/-50%	8 sites
2004	+/- 0.7	+/- 0.5
2005	+/-0.48	
2006	+/-0.4	

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	90%	82%	74%	

Year	Target	Actual
2008	+/-0.3	

Measure: Assess and model carbon sources and sinks globally

Additional Information: Measure established in 2002 with goal of providing routine carbon inventories and maps

Measure Term: Long-term

Year	Target	Actual
2002	baseline	3 sites
2008	CO2 maps	

Measure: Assess and model carbon sources and sinks globally

Additional Information: Annual measure for 5 above. Involves developing coupled carbon-climate models and scenarios and improving ocean basin fluxes to +/-0.1 Petagrams carbon per year.

Measure Term: Annual

Year	Target	Actual
2002	baseline	3 sites
2003	model	model
2004	scenarios	
2005	datasets	
2008	CO2 maps	

Measure: Reduce uncertainty in model simulations of the influence of aerosols on climate

Additional Information: Baseline will be the IPCC Third Assessment Report (TAR)

Measure Term: Long-term

Year	Target	Actual
2001	baseline	IPCC
2010	40%	

PART Performance Measurements

Program: NOAA Climate Program
Agency: Department of Commerce
Bureau: NOAA/Climate Program
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Moderately
80%	90%	82%	74%	Effective

Measure: Reduce uncertainty in model simulations of the influence of aerosols on climate

Additional Information: Annual measure for 7 above; 2003 - develop observing capability; 2004 - characterize 85% of aerosols flowing off North America; 2005 - observe seasonal change at 1 site; 2006 - reduce uncertainty in models of aerosol-climate interactions by 15%

Measure Term: Annual

Year	Target	Actual
2001	baseline	IPCC
2002	field stdy	field stdy
2003	3 instrmts	3 instrmts
2004	85% descr	65% descr
2005	1 site	
2006	15% impr	
2007	15% impr	
2010	40% impr	

Measure: Determine actual long-term changes in temperature throughout the contiguous U.S. (target is to explain 98% of variance of the trend by 2009)

Additional Information: Unit of measure is % explained variance of the trend

Measure Term: Long-term

Year	Target	Actual
2002	60%	85%
2009	98%	

PART Performance Measurements

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	100%	73%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: NOAA is responsible for surveying and charting U.S. and territorial waters to the limits of the U.S. Exclusive Economic Zone (EEZ), an area of about 3.4 million square nautical miles. NOAA has a statutory mandate to provide nautical charts, hydrographic information and related products for the safe navigation of marine commerce, and to provide basic data for engineering and scientific purposes, and other commercial and industrial activities. The mapping and charting program acquires hydrographic and other data to maintain the marine navigational database for constructing and maintaining nautical charts and related marine products.

Evidence: The mapping and charting program of today derives from the Organic Act of 1807 (2 Stat. 4134) - Survey of the Coast. The Coast and Geodetic Survey Act of 1947 (C&GS) authorizes the provision of nautical charts and products for safe maritime navigation, hydrographic and topographic surveys, and analysis and prediction of tide and current data. The C&GS Act also authorizes developmental work to increase cartographic efficiency and engineering and scientific knowledge. The Hydrographic Services Improvement Act of 1998/2002 updated the C&GS Act to include testing, developing, and operating technologies necessary to ensure safe navigation.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: NOAA's mapping and charting program provides tools for safe commercial and recreational navigation on U.S. waters. NOAA's navigation information and products contribute the safe and efficient transport of goods through the Marine Transportation System (MTS).

Evidence: Over 95% by volume of U.S. international trade is maritime. The U.S. Marine Transportation System contributes roughly $750B to the U.S. GDP annually. The U.S. Coast Guard (USCG) requires that, in the interest of safety, current NOAA nautical charts be carried on all self-propelled vessels greater than 1600 gross tons, and recommends that all waterway users (commercial/recreational vessels of any size) carry up-to-date charts.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: YES Question Weight20%

Explanation: NOAA works closely with federal partners to ensure non-redundancy, as well as with neighbor countries, Canada and Mexico, to reduce overlapping efforts. NOAA is the only producer of nautical charts for all U.S. coastal waters; private sector chart producers may make selective decisions on which charts to produce based on buyer interest, leaving gaps in chart coverage. NOAA updates and disseminates information weekly/monthly/annually, versus several years to decades for other mapping programs.

Evidence: The National Imagery and Mapping Agency (NIMA) produces nautical charts for use by the military for international waters but relies on NOAA charts for U.S. waters. The U.S. Army Corps of Engineers (USACE) surveys the channels it maintains for navigation and provides that data to NOAA. NOAA surveys all navigationally significant waters up to and around federally maintained channels. USACE also produces some nautical charts, but only for inland waterways outside NOAA's area of responsibility. U.S. Geological Survey (USGS) topographic quadrangles do depict shoreline and nearshore waters, but USGS does not collect this data to the datum NOAA must use to delineate the legal shoreline, nor to NOAA standards, nor does USGS update it on a frequent basis. Commercial chart alternatives for coastal U.S. waters are copies of or are based on NOAA charts, which are not copyrighted. Commercial charts are not required to be built to the same standards as NOAA charts; may lack critical updates reported by NOAA and USCG on a weekly basis; do not include coverage of all U.S. waters; and will not meet USCG chart carriage requirements.

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	73%	Effective

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight: 20%

Explanation: NOAA is congressionally directed to use at least 50 percent contract work for surveys. In some cases contract work may be more expensive than other alternatives such as in-house work or vessel charters. This congressional direction does not allow for planning of contracts and in-house services to maximize efficiency and reduce costs.

Evidence: Congressional direction is contained in appropriations report language. A KPMG study examined the cost per square mile of using different surveying methods. The study found that contract surveys had higher costs on average than in-house surveys or time-chartering of vessels.

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight: 20%

Explanation: NOAA's mapping and charting program primarily benefits commercial shipping interests. Other users include the USCG, pilots, port authorities, ferry operators, small craft mariners, and non-navigation users, such as coastal zone managers, emergency planners, and scientists. To ensure that its resources address the program's purpose directly, and to ensure that nautical charting products and services reach the intended beneficiaries, NOAA undertakes periodic reviews of user needs and maintains ongoing links to users through its outreach division.

Evidence: The National Survey Plan prioritizes hydrographic survey areas according to those areas deemed to have the greatest dangers to marine navigation. NOAA has determined that commercial shipping is the most important user in terms of commerce, safety, and the protection of the marine environment. Small craft and recreational boaters follow. Aspects of marine navigation that are taken into consideration include cargo and other large vessel traffic; under-keel clearance constraints, the potential for dangerous rocks, reefs, or man-made dangers, and requests from maritime officials and constituents. For example, Alaskan waters are a high priority area; parts of Alaska have never been surveyed, but Alaskan waters are host to increasing numbers of vessels transporting oil and other hazardous materials, as well as cruise ship and fishing vessels.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 12%

Explanation: NOAA currently has two long-term performance measures. One tracks progress in surveying all navigationally significant U.S. waters with full bottom coverage. The second is a new measure that tracks progress in a four stage conversion of navigational data from paper-based formats to electronic, vector formats that enable more efficient transfer of the data to useful products for mariners. NOAA is also developing an outcome-based long-term performance goal to reduce the number of and harm from navigation-related accidents due to groundings and allisions (hitting fixed objects) through better navigation information services.

Evidence: Surveying needs have been identified and prioritized as navigationally significant and critical areas. This prioritization is inherently and meaningfully linked to achieving the outcome based goal of reducing harm from navigation-related accidents. NOAA's major goals for its marine transportation system services are promulgated in the NOAA 2003-2008 Strategic Plan. http://www.osp.noaa.gov/docs/NOAA_Final_Strategic_Plan_March31st.pdf. Baseline data for the goal to reduce the number of and harm from navigation-related accidents due to groundings and allisions will be gathered from the USCG accident database by U.S. Merchant Marine Academy (USMMA) faculty under the terms of a 2003 agreement between USMMA and NOAA.

PART Performance Measurements

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	100%	73%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 12%

Explanation: Targets to reduce the number of and harm from navigation-related accidents due to groundings and allisions will be developed after baseline data is gathered by USMMA faculty. The program does have ambitious targets for the other two long-term performance measures.

Evidence: NOAA tracks its progress in mapping and chart production on a quarterly basis, reports annually and upon request on performance measures, and submits updated goals during each annual budget formulation cycle. Performance measures are published in the NOAA Strategic Plan and the Department of Commerce Annual Performance Plan and Performance Accountability Report.

2.3 Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals? Answer: YES Question Weight: 12%

Explanation: NOAA sets annual performance goals for development of electronic navigation charts (ENCs) and printing of updated paper charts. The program also captures annual totals of square nautical miles surveyed each year for critical, other navigationally significant, Homeland Security, and other areas surveyed. In addition, NOAA maintains internal measures for its other program activities, including marine forecast model development, hydrographic survey contract awarding, and Coast Pilot updates.

Evidence: NOAA tracks its progress in chart production and survey accomplishments on a quarterly basis, reports annually and upon request on performance measures, and submits updated goals during each annual budget formulation cycle. Performance measures are published in the NOAA Strategic Plan and the Department of Commerce Annual Performance Plan and Performance Accountability Report.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 12%

Explanation: The baseline for NOAA's mapping and charting program is the number of chart editions currently produced and the number of ENCs in continual maintenance. The hydrographic survey program performance is measured in the number of square nautical miles of navigationally significant areas surveyed.

Evidence: NOAA tracks its progress on a quarterly basis, reports annually and upon request on performance measures, and submits updated goals during each annual budget formulation cycle. NOAA's targets and timeframes are based in part on funding levels, as well as analysis of past performance to establish goals for the future and anticipated efficiencies from technology improvements. Hydrographic survey data acquisition can vary greatly from year to year, depending on factors such as location of surveys, weather, equipment operability, and number/type of features located while surveying. Performance measures are published in the NOAA Strategic Plan and the Department of Commerce Annual Performance Plan and Performance Accountability Report.

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				**Rating**
1	2	3	4	Moderately
80%	100%	100%	73%	Effective

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**

Answer: YES Question Weight: 12%

Explanation: All partners commit to and work toward NOAA's mapping and charting goals. Program managers establish the annual mapping charting program goals after interaction with stakeholders and contractors to determine what is feasible and necessary to support the ultimate goal of safe navigation and reduced navigation-related accidents.

Evidence: NOAA traditionally holds annual workshops to hear from stakeholders and users on NOAA performance. NOAA also maintains open channels to its constituents via its regional Navigation Managers, who liaise with maritime community to keep abreast of current/future needs. Key partners are NOAA Stakeholders (the maritime community, including commercial and recreation boaters, pilots associations, etc.; the environmental community, including state and local planners); contractors; and government agencies from whom NOAA receives data for application to charts: USCG,USACE, Navy, NIMA. Goals are established by quantity/quality components written into the service contracts. The NOAA/University of New Hampshire Joint Hydrographic Center, which receives a grant from NOAA, is also committed to and continually working toward the goals set forth by NOAA to improve hydrographic data collection and application.

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**

Answer: YES Question Weight: 12%

Explanation: The mapping and charting program's redesign stems from recommendations made in a National Research Council (NRC) study that noted changes in customer requirements; a growing demand for customized and digital nautical information products; and advances in technologies both for acquiring survey data and for structuring, displaying, analyzing, and disseminating nautical information. The Hydrographic Services Improvements Act of 1998 provided Congress and NOAA an opportunity to evaluate NOAA's navigation programs as well. Additional internal reviews such as Management Control Reviews and NOAA Inspector General audits provide an objective look at program performance and processes. The mapping and charting program also conducts evaluations to fill gaps in performance information to support program improvements and evaluate effectiveness. Independent evaluations are conducted on an as-needed basis, but NOAA also continually seeks feedback from its customers regarding the program.

Evidence: The NRC study, Charting a Course into the Digital Era: Guidance for NOAA's Nautical Charting Mission, established a framework that NOAA followed in modernizing the program. The mapping and charting program also contracts with an independent survey firm to conduct annual surveys of mariners and navigation services users on the utility of NOAA nautical charts. The mapping and charting program has also participated in three recent Office of Inspector General (OIG) audits. As a result, NOAA has modified its reporting structure to account for surveys within all navigationally significant areas rather than just those done in critical areas, changed the method of reporting vessel monthly data acquisition accomplishments, and is in the process of re-analyzing the critical survey area using a state-of-the-art Geographic Information System. In 2000, the hydrographic surveys division underwent a Management Control Review (MCR) on contracting for hydrographic surveying and related services. The findings were primarily focused on insufficient personnel and inadequately documented procedures, and the program responded effectively by increasing staff devoted to the contracting program. One developing opportunity is the creation of a Hydrographic Services Review Panel Federal Advisory Committee that will be stood up by December 2003 to advise the NOAA Administrator on topics such as the National Survey Plan, technologies relating to operations, research and development, and dissemination of data pertaining to hydrographic surveying and data, nautical charting and other navigation data-related measurements. The Federal Advisory Committee was authorized under the 2002 Hydrographic Services Improvement Act.

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				**Rating**
1	2	3	4	Moderately
80%	100%	100%	73%	Effective

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**

Answer: YES Question Weight: 12%

Explanation: Each of the mapping and charting products and performance goals are tracked to separate funding lines, so that direct correlation can be made between funding and output. Funding levels for hydrographic surveys correlate with the number of square nautical miles surveyed. The number of square nautical miles of data collected can also depend on factors such as location of surveys, weather, equipment operability, and number/type of features located while surveying.

Evidence: NOAA's annual budget request for the mapping and charting program describes the annual performance goals, prior progress, and performance goals for the next five years based on out-year funding profiles. NOAA provides both base and change scenarios to illustrate the impact of program budget increases, decreases, and steady budgets.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?**

Answer: YES Question Weight: 12%

Explanation: The mapping and charting program is currently developing long-term outcome-based performance goals. The program has also developed its own mapping and charting plan to help guide the agency plans with a focus on stakeholder needs.

Evidence: Baseline data for the goal to reduce the number of and harm from navigation related accidents due to groundings and allisions will be gathered from the USCG Accident database by USMMA faculty under the terms of a 2003 agreement between USMMA and NOAA. NOAA is also currently revising the National Survey Plan to adjust to OIG recommendations and to incorporate additional feedback from customers and constituents.

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**

Answer: YES Question Weight: 14%

Explanation: The mapping and charting program collects and tracks performance metrics for each of its program and production goals. In addition, the program also actively solicits feedback and recommendations for improving products from key partners and customers. Frequently this feedback ties directly to mapping, charting, or process improvement.

Evidence: The program tracks quarterly performance metrics for its mapping, charting, and surveying activities as described in Section 2.3. The program also tracks metrics such as amount and type of incoming data, time spent to review that data and apply to charts, number of charts in continual maintenance mode, and number of corrections on a chart (indicating a greater need to print). These metrics help managers to gauge employee and contractor performance, identify potential production shortfalls early on for redress, and adjust personnel assignments based on target requirements. Navigation Managers attend port meetings within their respective regions to obtain feedback and needs from users of nautical charts and other NOAA navigation products. The program also uses performance information to highlight potential problems that can be averted through advance management. For example, an improved efficiency in data acquisition is generating a volume of data that will soon bottleneck the processing and production process. NOAA recognizes this and is in the process of re-engineering the production pipeline to become more efficient.

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	100%	73%	

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**

Answer: YES Question Weight: 14%

Explanation: Contracts are written with performance measures regarding cost, schedule and performance standards, and penalty clauses to hold contractors accountable. Hydrographic survey contractors must produce data to the specifications sited in the NOAA Hydrographic Specifications and Deliverables circular, and ENC contractors also have a set of specifications to which they must adhere. Decisions to award contracts also consider performance on previous contracts. The work of cartographic contractors undergoes the same review and quality assurance as government cartographers, with the same requirements for fixing problems and resolving issues. Production goals are set for all parts of the organization, and federal managers are held accountable for those goals.

Evidence: Contract payment is contingent upon delivery dates and quality. NOAA has held contractors accountable as per the criteria in the contract and sent charts back for recollection. The hydrographic survey services contracts are indefinite delivery contracts against which firm fixed price task orders are issued. If performance results do not meet specifications, contractors are required to fix the problems at their own expense. If the contract performs poorly or does not perform, NOAA will not issue that contractor additional task orders. NOAA's mapping and charting program has established clear levels of operational accountability in which the program manager is accountable for the timely and accurate completion of all products, and all employees are accountable for the timely and accurate completion of all assigned work. Employee performance plans include the ability to maintain a specific level of productivity and a maximum allowable error rate. Federal managers are evaluated on their ability to meet or exceed production performance goals set in the General Workforce Performance.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**

Answer: YES Question Weight: 14%

Explanation: Funds are all spent for the intended purpose under the mapping and charting program. Contract disbursement sometimes takes longer than expected depending on when appropriations bills are signed and funds are dispersed to NOAA. However, the program has taken steps, including re-direction of staff, in preparation of contract materials so that contract disbursement through NOAA is more expedient once funds have been appropriated.

Evidence: Throughout the year, the mapping and charting program reports quarterly on funds obligations and any variances which may occur by object class and account. NOAA's CAMS financial system improves on the older FIMA system to track variances and show spending reports.

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	73%	Effective

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?**

Answer: YES   Question Weight: 14%

Explanation: NOAA contracted KPMG to conduct a cost analysis of different surveying methods and used the results to pursue using chartered vessels as a cost effective method for completing survey work. Cartographic contracts are awarded on a competitive basis to ensure cost effectiveness. NOAA has built IT and technology review and improvement mechanisms into its charting program. The program's research and development component supports cartographic and hydrographic processes with new techniques and improved technology, such as methods to more efficiently and accurately measure depths, shoreline, and bottom characteristics and to locate underwater hazards. NOAA uses efficiency measures to track the timeliness of quality assurance and processing of survey data.

Evidence: Cartographic contracts are awarded competitively every 5 years to assure cost effectiveness and performance. The mapping and charting program periodically conducts internal reviews of production processes and systems. These reviews establish process improvement action plans. One such review was conducted in 1999 and another review is currently underway. The focus of these reviews is to improve efficiencies and streamline the existing production process/procedures for paper charts and ENCs. A streamlining process has begun that will incorporate these recommendations and future technologies. The program's hydrographic surveying contract effort just undertook a lessons learned exercise to educate program managers on improvements being made as a result of past experience.

3.5 **Does the program collaborate and coordinate effectively with related programs?**

Answer: YES   Question Weight: 14%

Explanation: The mapping and charting program is integrated with NOAA's water levels program and geodetic/positioning program through a unified strategic planning process and frequent meeting/planning sessions to coordinate on joint projects and technology development. NOAA also works on an external level to collaborate and coordinate with related federal and private programs.

Evidence: NOAA's mapping and charting program works closely with related NOAA and other federal programs, professional and recreational organizations, and private industry to better serve NOAA's navigation services customers and identify priorities. Internally, NOAA works with hydrographic, modeling, shoreline mapping, geodetic, and tides/water levels programs to form an integrated suite of services for mariners and other non-navigation users. On an external level, the NOAA charting program collaborates effectively with USCG and USACE, and actively participates on the federal Interagency Committee on the Marine Transportation System (ICMTS). The ICMTS Memorandum of Understanding was signed in April 2000 with the commitment to view the MTS as a system and coordinating related functions of 18 federal agencies to ensure that policies, strategies and goals are consistent with national needs. NOAA coordinates with professional and recreational organizations such as pilots' associations, harbor safety committees, and the US Power Squadrons for determining customer needs and forming partnerships. NOAA also works with private industry to encourage technology developments and commercialization of software and technologies.

3.6 **Does the program use strong financial management practices?**

Answer: YES   Question Weight: 14%

Explanation: The mapping and charting program is implementing a new financial management practice to ensure payments are made properly and to minimize erroneous errors.

Evidence: This practice includes the Department of Commerce (DOC)/NOAA CAMS financial management system.

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	100%	73%	

3.7 Has the program taken meaningful steps to address its management deficiencies?
Answer: YES Question Weight: 14%

Explanation: In addition to tracking DOC/NOAA strategic planning goals, program managers participate in internal planning sessions to define new goals and revisit current program objectives. The mapping and charting program is also taking steps to address significant management issues such as succession planning and workforce development, IT management, and project management by product, taking a systemic view of the entire program. The program has also had to develop contracting expertise to handle the shift in emphasis from 100% FTE to 50% FTE/ 50%contract labor.

Evidence: To address succession planning and workforce development, the mapping and charting program is instituting a cross-training program for new and journeyman FTE, as well as putting in place new IT and project managers to ensure performance goals are met. The mapping and charting program also created 2 positions and trained personnel as major Contracting Officer Technical Representatives to address deficiencies in its labor contracting expertise. A "Ping-to-Chart" data streamlining process has begun to more efficiently collect, process and apply data to the nautical chart and other navigation products and services. This process will eventually streamline the entire mapping and charting process so that all products can be built from a vector database, negating the need for the dual product line that NOAA now operates to fulfill the requirement for nautical charting products and services.

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?
Answer: LARGE EXTENT Question Weight: 20%

Explanation: The mapping and charting program's primary, outcome-based long-term performance measure is still under development. However, progress in the programs other long-term performance measures has been demonstrated.

Evidence: Performance goals are reported in Quarterly/Annual reports, annual audits, and budget requests showing past performance.

4.2 Does the program (including program partners) achieve its annual performance goals?
Answer: LARGE EXTENT Question Weight: 20%

Explanation: The mapping and charting program has met the majority of its annual performance goals.

Evidence: Performance goals are reported in Quarterly/Annual reports, annual audits, and budget requests showing past performance. Targets were not met for two performance goals because the mapping and charting program reprioritized resources to meet Homeland Security needs that had not been planned for.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?
Answer: SMALL EXTENT Question Weight: 20%

Explanation: The mapping and charting program has demonstrated some improvements in efficiencies through cost comparisons, competitive sourcing methods, and technology improvements. However, cost-effective measures could be used more actively to inform program management decisions. Few performance measures exist to track efficiency or cost effectiveness and in some cases measures do not demonstrate improvement.

Evidence: The mapping and charting program uses an efficiency measure to track the number of hydrographic surveys processed per cartographer as a measure of data processing efficiency. Due to changes in data type and diversion of resources for Homeland Security needs the program has not demonstrated improved efficiency in this area.

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	73%	Effective

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight20%

Explanation: The mapping and charting program compares favorably to other federal programs producing navigation data; the charting program is in fact an integrator for navigation data from a multitude of sources, public and private. No other federal mapping program has instituted an effective e-commerce or a functional print-on-demand capability as NOAA has done. The mapping and charting program also looks to other programs internationally to compare and learn from how other countries gather and produce their nautical charting data.

Evidence: Domestically, NOAA gathers data from disparate sources such as USCG, USACE, and other programs to incorporate into mapping and charting products. NOAA is the only agency producing ENCs and disseminating them to the public. NOAA is also the only agency producing paper charts and Print-on-Demand updated charts for public dissemination. NOAA's data requirements are generally to a higher standard than other programs. The mapping and charting program has looked into how other countries acquiring hydrographic data have dealt with the increase in data, and their methods and plans for electronic chart production, and NOAA's program compares favorably. NOAA's standards and products are on par with international expectations.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: YES Question Weight20%

Explanation: Annual audits indicate that the program is effective and producing results. In addition, from 1998-2001, the hydrographic surveys division was subjected to one independent external review, one cost comparison study, and one Management Control Review. While most had some suggestions for improving the program, there were many positive statements about program management.

Evidence: DOC/NOAA periodically initiates contact with independent audit firms such as KPMG to verify program results. A study by KPMG found the in-house NOAA hydrographic surveying program to be from 11% to 58% cheaper than contracting for similar services. When the Hydrographic Services Review Panel FACA is formed in December 2003 (established pursuant to Public Law 107-732 and in accordance with the Federal Advisory Committee Act) and begins providing feedback on the Nautical Charting program, this will be another way NOAA can determine if there are more effective ways of achieving the same results.

PART Performance Measurements

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	73%	Effective

Measure: Rate of harm from navigation-related accidents due to groundings or allisions

Additional Information: NOAA has initiated a project with the U.S. Merchant Marine Academy to analyze Coast Guard accident data for navigation-related events to determine a baseline and targets for accident reduction via improved utility of NOAA navigation products & services. USMMA faculty will provide initial data by the end of FY2004 to confirm whether this measure is the right approach and to provide targets for the measure.

Year	Target	Actual

Measure Term: Long-term

Measure: Increased level of efficiency in providing timely navigational products

Additional Information: This measure tracks progress in completing a four phase process of converting NOAA's navigational data from paper format to electronic, vector-based formats. The goal is to achieve a complete vector database able to output multiple products. The timeframe is bundled into 5-year increments due to the slow and complex nature of capturing measurable results.

Year	Target	Actual
1990-1995	25%	25%
1995-2000	50%	50%
2000-2005	75%	
2005-2010	100%	

Measure Term: Long-term

Measure: Survey the navigationally significant area with full bottom coverage and periodically re-survey high traffic areas that experience significant sea floor change (out of a total of 535,000 square nautical miles)

Additional Information: Current technology allows for near 100% coverage of the seafloor, which provides greater depth sounding accuracy. NOAA's goal is to survey navigationally significant areas with full bottom coverage and maintain a resurvey cycle in high traffic areas where silting, addition of man-made features, or other effects over time increase the uncertainty that the chart does not adequately represent the seafloor.

Year	Target	Actual
1994-2002	15,000	15,000
2012	43,000	
2120	535,000	

Measure Term: Long-term

PART Performance Measurements

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	73%	Effective

Measure: Number of lithographic editions printed

Additional Information: NOAA annually prints new editions of nautical charts with the greatest number of updates and new data, and those low in stock. NOAA continually maintains a suite of 1000 charts for paper/raster/Print-on-Demand provision.

Measure Term: Annual

Year	Target	Actual
2002	250	250
2003	250	250
2004	250	
2005	250	

Measure: Number of Electronic Navigation Charts (ENCs) in continual maintenance

Additional Information: ENCs, once built, must be kept in continual maintenance or they become obsolete. The target metric assumes FY2004 President's Budget increase of $2M for ENCs. At FY2004 funding levels, NOAA will reach its capacity to effectively maintain a partial ENC suite in FY2006. NOAA's goal is to provide full contiguous ENC coverage for U.S. coastal waters. NOAA estimates a total of approximately 1000 ENCS is required to achieve this goal.

Measure Term: Annual

Year	Target	Actual
2002	200	215
2003	335	335
2004	535	
2005	735	

Measure: Reduce the hydrographic survey backlog within navigationally significant areas (in square nautical miles surveyed per year)

Additional Information:

Measure Term: Annual

Year	Target	Actual
2001	1,505	2,963
2002	1,602	1,514

Program: NOAA Navigation Services
Agency: Department of Commerce
Bureau: National Oceanic and Atmospheric Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
80%	100%	100%	73%	Effective

2003	2,100	1,762
2004	2,700	
2005	3,025	

Measure: Number of hydrographic surveys approved for application to nautical charts per cartographer/physical scientist per year.

Additional Information: Hydrographic surveys are reviewed and quality assured before the data is applied to the nautical chart. Reengineering the review process "pipeline" and the development of new software tools is expected to result in efficiency gains over the next several years.

Measure Term: Annual (Efficiency Measure)

Year	Target	Actual
2002		1.72
2003		1.47
2004	1.56	
2005	1.72	
2006	1.88	

Measure: Number of source data applications to the NOAA chart suite per cartographer.

Additional Information: The number of changes and updates coming into NOAA for review and application to nautical charts is increasing at a rate of 13% a year. NOAA made 51500 changes, updates, and applications to its chart suite in FY 2003. As a result, program management requires that NOAA's cartographers (both in-house and contract) will have to become more efficient in analyzing and applying the data over time to maintain NOAA's continual maintenance status.

Measure Term: Annual (Efficiency Measure)

Year	Target	Actual
2002		465
2003		548
2004	620	
2005	700	
2006	791	

PART Performance Measurements

Program: NOAA Navigation Services

Agency: Department of Commerce

Bureau: National Oceanic and Atmospheric Administration

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	100%	100%	73%	

PART Performance Measurements

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

1.1 **Is the program purpose clear?** Answer: YES Question Weight20%

Explanation: The National Marine Sanctuary Program's (NMSP) purpose is defined by section 301(a)(4) of the National Marine Sanctuary Act (NMSA) ('Findings of the Congress'): A) Improve the conservation, understanding, management, and wise and sustainable use of marine resources; B) Enhance public awareness, understanding, and appreciation of the marine environment; and C) Maintain for future generations the habitat, and ecological services, of the natural assemblage of living resources that inhabit these areas.' The National Marine Protected Areas Center's (MPA Center) mission is to facilitate the effective use of science, technology, training, and information in the planning, management, and evaluation of the nation's system of marine protected areas.

Evidence: The text of the National Marine Sanctuaries Act (NMSA) [16 U.S.C.1431] can be found at http://sanctuaries.noaa.gov. The MPA center was authorized by Executive Order 13158, which was signed in May 2000 and formally endorsed by the Bush administration in 2001. The purpose of the Executive Order is to: (a) strengthen the management, protection, and conservation of existing marine protected areas and establish new or expanded MPAs; (b) develop a scientifically based, comprehensive national system of MPAs representing diverse U.S. marine ecosystems, and the Nation's natural and cultural resources; and (c) avoid causing harm to MPAs through Federally conducted, approved, or funded activities. The MPA Center was created to coordinate implementation of this Executive Order across Federal agencies. The text of Executive Order 13158 (May 2000), the MPA Center Strategic Plan, and the MPA Center Charter can be found at www.mpa.gov.

1.2 **Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight20%

Explanation: The NMSP addresses the needs and problems identified in the NMSA, "...(the) Nation recognizes the importance of protecting special areas of its public domain'certain areas of the marine environment (have) conservation, recreational, ecological, historical, scientific, educational ...qualities which give them special national significance...existing laws cannot'provide a coordinated and comprehensive approach to marine conservation and management." The MPA Center addresses the need to coordinate a national system of marine protected areas, improve the effectiveness of existing marine protected areas, and enhance coordination of Federal, state and tribal marine protected area management and policy. Unlike the NMSP, the MPA Center does not have direct responsibility for establishing or managing MPA sites.

Evidence: At each sanctuary, site-specific issues and needs are identified through a public process that involves local, regional, and national stakeholders. Site issues range from protection of vulnerable habitats, such as coral reefs and kelp forests, to preservation of maritime heritage resources, such as the Civil War ironclad, the USS Monitor. In February 2000, a workshop of leading marine scientists and managers organized the Marine Conservation Biology Institute and the Cousteau Society concluded that there was a need for a more coordinated approach to marine protected areas within the U.S., and that a national system of marine protected areas was needed. Similar conclusions were drawn by a National Academy of Sciences study (underway in 2000, published in 2001), the 1998 National Ocean Conference, and the U.S. Coral Reef Task Force.

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight20%

Explanation: The NMSP is the only Federal marine protected area program providing comprehensive, ecosystem-based management in Federal waters. The NMSP uses extensive formal and informal interagency coordination to prevent duplication, including cooperative management plan development and review, and development of Memoranda of Agreement for Federal and state agency and non-governmental partnerships. The MPA Center is the only program designed to coordinate a representative national system of MPAs and to look broadly at improving the effectiveness of MPAs across all levels of government and agencies.

Evidence: One standard in the NMSA for designating national marine sanctuaries is that existing state and/or Federal authorities are inadequate or need to be supplemented so that coordinated and comprehensive management can occur (NMSA section 303(a)). The NMSP targets a unique jurisdiction, the Federal waters throughout the EEZ. Other Federal programs either have more limited geographic scope or focus on more narrow interests. Executive Order 13158 calls for the creation of the MPA Center to bring together information, technologies and strategies relating to MPAs, and notes that "the work of the MPA Center is intended to support, not interfere with, agencies' independent exercise of their own existing authorities." The Executive Order calls on the Departments of Commerce (NOAA) and Interior to work with the Departments of Defense, State, and Transportation; US Agency for International Development; National Science Foundation; Environmental Protection Agency; and other pertinent Federal agencies to develop a national system of MPAs in consultation with states, commonwealths, tribes, Regional Fishery Management Councils and other entities.

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: The NMSA is designed to maximize net benefits to the nation by creating a program to protect significant marine resources for future generations and to maximize its operational ability and flexibility. The NMSA provides the necessary tools to help the NMSP reach its primary mandate of resource protection of nationally significant areas. These tools include adaptive management planning, advisory council development, economic analyses, management-needs driven science, permitting and enforcement, emergency response, and contingency planning. The chief functions of the MPA Center are coordinating the implementation of the Executive Order with Federal, state and tribal agencies; providing for stakeholder involvement through a Federal Advisory Committee and other mechanisms; developing the science-based framework for a national system of marine protected areas; and providing direct technical assistance and training. The structure of the Center was designed to fulfill these key functions.

Evidence: Sanctuaries have been designated either by Congressional action or directive or administratively by selection from the Site Evaluation List (SEL), a pool of potentially nationally significant areas. The SEL was completed in 1983 through a rigorous two-year process of regional evaluations by teams of scientists (based on nearly 20 criteria focusing on natural resource value, human use value, potential activity impacts, and management concerns) and public review and comment. Advisory councils established by the NMSP are exempt from the requirements of the Federal Advisory Committee Act, but still maintain the public input important to their effective operation. The NMSA also allows the NMSP to accept donations of services (including volunteers) and resources, and to apply for grants, thus maximizing the NMSP's ability to achieve statutory objectives.

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight:20%

Explanation: NMSP funds are allocated and tracked through the NMSP Annual Operating Plan (AOP) process to meet mandated requirements and identified program priorities. NMSP milestones are tracked in the National Ocean Service AOP within the context of the NOAA Strategic Plan. This ensures that the national goals for effective management of the NMSP not only meet the need of NMSP beneficiaries but also the long-term outcomes set by the NOAA strategic planning process. The principle beneficiary of activities conducted by the MPA Center is the general public, who will benefit from the development of a national system and from the increased effectiveness of existing marine protected areas. In order to achieve this, the MPA Center targets marine protected area managers and MPA programs at all governmental levels.

Evidence: The NMSP AOP is developed through a comprehensive, system-wide, requirements-driven process based on the sites' management plans, which are in turn based on the NMSP's requirements and goals as found in the NMSA. The AOP provides consistent operational details of activities, products, services, and expenditures across the NMSP. This approach ensures that NMSP resources are effectively targeted toward management priorities and goals and that partners and constituents focus on activities that further management goals. The work of the National MPA Center headquarters unit and the Science Institute primarily benefit MPA programs at all governmental levels and the general public. The services provided by the Center's Training and Technical Assistance Institute (TTA) are specifically targeted to managers of U.S. Federal, state, and local marine protected areas.

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight:11%

Explanation: The NMSP's long-term measures directly reflect its three primary mandates (see question 1.1). Due to the breadth of these mandates, multiple measures (both long-term and annual) are required to best track progress towards their achievement. The MPA Center is a new organization that developed long-term performance measures for the first time in August 2003 in the Protected Areas PBA. The measures address outputs that are directly linked to the desired outcomes of the program. Other measures are in development, and efficiency measures are being explored for applicable functions of the MPA Center.

Evidence: The FY2006 Protected Areas Program Baseline Assessment (completed in August 2003) is the product of a NOAA-mandated, internal process that ties specific results and requirements of each program to actual program mandates. Although many measures have been tracked internally for some time, the PBA serves as the formal basis for many of the long-term and annual measures for both NMSP and MPA Center. 'A Monitoring Framework for the National Marine Sanctuary System' describes the scientific methodology behind the rating system described in measures 1-4 . The creation of performance measures for the MPA Center is also guided by goals and objectives found in the MPA Center Strategic Plan (www.mpa.gov).

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Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 11%

Explanation: Most of the NMSP's outcome-based measures track actual changes in the environment resulting from management actions. Because sanctuaries are large and complex ecosystems affected by many variables (both anthropogenic and natural), these changes are often only recognizable over large time scales and require analysis of a wide variety of factors that affect the marine environment. Consequently, achieving outcomes, such as improving or maintaining water quality, are by their nature ambitious. The MPA Center has ambitious targets and timeframes for its long-term measures. For example, the Center has a goal to establish six regionally based management structures to link MPAs within a national system and, locally, to ecosystem-based management initiatives by 2010. This will demand a high level of coordination not only among the nation's 1,500 MPAs, but with other natural resource programs and initiatives with complementary conservation objectives.

Evidence: In certain cases, 'maintaining' environmental conditions can be an ambitious target. Because sanctuaries are not physically isolated from larger natural systems, sanctuary water quality, for example, can be noticeably affected by nutrients deposited for agricultural purposes hundreds of miles inland. Similarly, injuries sustained by humpback whales feeding in Alaska in the summer can affect the numbers counted in the Hawaiian Island Humpback Whale NMS where they winter. Sanctuaries are generally designed at a scope and scale where sufficient direct impacts within the boundaries of the site can be regulated and managed to make up for such variables occurring outside site boundaries. However, given the number of factors occurring outside site boundaries, in some cases, maintaining the current state of sanctuary ecosystems can be challenging. Further, habitats and ecosystems can reach a sufficiently healthy point where maintaining the present status, not improving it, is the appropriate action.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 11%

Explanation: The NMSP's annual performance measures demonstrate progress towards its three primary mandates (as identified in question 1.1). An annual increase in the percent of the sanctuary system characterized, for example, measures progress towards improving the NMSP's understanding of marine environment. Similarly, the annual efficiency measure on the correct and timely handling of permits is a direct measure of the program's ability to successfully analyze activities that are sustainable and compatible with the primary goal of resource protection. The MPA Center measures include the percent of the national inventory of marine managed areas completed and the number of national science strategies and regional research plans completed, which both support the goal of developing a national system of MPAs. Another measure, the number of trainings for MPA managers and staff supports the goal of increasing the effectiveness of existing MPAs.

Evidence: Implementation of the NMSP Report Card will significantly strengthen the resolution and quality of performance assessment by providing consistent criteria for annual management evaluation. The NMSP Annual Operating Plan identifies the management categories under which the various program performance measures are developed. The current status of sanctuary characterizations are identified in 'A Monitoring Framework for the National Marine Sanctuary System' and 'A Life Cycle Approach for Estimating Funding Needs in the National Marine Sanctuary System.' The MPA Center also uses an Annual Operating Plan to track activities supporting program measures.

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Section Scores				Rating
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2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight:11%

Explanation: All NMSP annual measures have identified baselines and ambitious targets. One example is 'Percent of sanctuary system adequately characterized.' Because many sanctuaries are large and contain a wide diversity of natural and cultural resources, comprehensive characterizations are resource intensive and take many years to complete. For the MPA Center, baselines and ambitious targets are available for the annual measures. For example, the Center measures progress toward completion of a national inventory of marine managed areas by 2005. This involves gathering, checking, and analyzing data from 35 coastal states, Federal agencies, and tribes.

Evidence: As another example of ambitious targets and timelines for the NMSP, it is currently believed that only one sanctuary would achieve an "optimal" rating for management effectiveness on the NMSP Report Card. Progressing to an 'optimal' rating will require considerable effort from the other 13 sites to improve their performance in areas such as scientific monitoring, education, and resource planning. For six sites to reach this rating in five years, it will require smart planning and focus by site managers and program staff. Achieving and maintaining 100% correct and timely handling of permits will require a combination of new technology, well-designed training programs, education of permittees, and efficient use of existing resources. Information on the MPA inventory is posted at www.mpa.gov.

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight:11%

Explanation: Partners are integral in furthering the NMSP and MPA Center missions, and in contributing toward achievement of annual and long-term goals. The NMSP has established a large number of partnerships (32 Federal and tribal, 127 state and local, and 209 non-governmental), many with formal Memoranda of Understanding (MOU) that have clear goals and objectives. Such partnerships enable the NMSP to greatly expand its capabilities through leveraging of resources. Contractors are committed to supporting the NMSP and MPA Center goals through the requirements of the contractual agreements that specify deliverables and timeframes for their efforts.

Evidence: A good example of partners working toward the NMSP's long-term goals is the Monterey Bay NMS Water Quality Protection Program (WQPP). Through a Memorandum of Agreement, the Sanctuary has formed a partnership of 25 Federal, state and local agencies, public and private groups 'dedicated to protecting and enhancing water quality in the Sanctuary and its watersheds.' (http://montereybay.noaa.gov/resourcepro/water-pro.html). The MPA Center contracts with the Coastal States Organization to work with coastal states to gather and quality control data on marine managed areas for the national inventory, essential information for developing the national system of MPAs. The Center is now in the process of signing an Inter-Agency Agreement with the Department of the Interior to facilitate joint planning and sharing of budget and staff resources, and Interior staff participate in Strategic Planning, establishment of performance measures, and tracking progress toward goals. The Center has established Criteria for Financial and Technical Support for MPA-related projects for other external partners that explicitly tie to its long term goals.

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2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**

Answer: NO

Question Weight: 11%

Explanation: External evaluations, NMSA reauthorizations, and management plan reviews work to help assess, adjust, and guide the NMSP. The NMSP relies on the first two types of evaluations to assess and suuport programatic improvements in the broad operation of the NMSP. It depends heavily on the management plan review process to develop the detailed local implementation of the NMSA as suited to each individual sanctuary. However, no formal independent evaluations of the MPA Center have been conducted.

Evidence: Four independent, external evaluations have been conducted on the NMSP since passage of the NMSA in 1972: the General Accounting Office in 1981, the External Review Team in 1993, the National Research Council (NRC) in 1997, and the National Academy of Public Administration in 2000. The NRC report cited that improving governance of coastal areas included a method for determining common national goals and interests and an opportunity for decision-making at the local level. These mechanisms are now embodied in the NMSP's management plan review process. The NMSP is reviewed on a regular 5-year cycle through the process of NMSA reauthorization, an opportunity for both Congress and the Administration to correct deficiencies and enhance program operations. Despite the lack of formal evaluations, the MPA Center receives reviews and comments on its work from a variety of stakeholder groups. The work plan of the Training and Technical Assistance Institute is driven by two needs assessments of coastal managers conducted by the Center in 2002 and 2003. The Science Institute is building national and regional MPA research strategies for natural and social science based on extensive regional stakeholder input. In addition, the Marine Protected Areas Federal Advisory Committee provides specific recommendations and guidance to the MPA Center.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**

Answer: YES

Question Weight: 11%

Explanation: Since 1999, the NMSP has been tracking its progress against two long-term goals, used as indicators of NMSP management capabilities, that were reported annually in the NOAA Budget. These measures will be phased out during the FY 2006 NOAA budget process and replaced with the long-term measures in the PART Measures Tab. NMSP budget requirements at the individual sanctuaries are developed through the AOP process. Each AOP category is directly linked to the goals in the NMSA and represents a specific program capability. The NMSP Report Card, which is built around each of these same capabilities, identifies a diverse array of annual and long-term performance goals. When fully implemented in FY2006, the Report Card will allow NMSP to collect performance data on measures that are reported NOS and NOAA-wide.

Evidence: The elements of the NMSP and MPA budget process that present resource needs, as described above, can be found in the NMSP Annual Operating Plan, Protected Areas Program Baseline Assessment, FY2006, PPBES Quad Charts, FY2006, and the NMSP Life Cycle Approach for Estimating Funding Needs, 2004. The MPA Center Program Charter and Strategic Plan are available at www.mpa.gov/mpa_center/about_mpa_center.html.

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2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 11%

Explanation: Since FY2000, the NMSP has developed an annual operating plan (AOP), which clearly links funding categories with program policies and goals and allows the program to monitor and respond to planning deficiencies. The NMSP has also developed a funding framework, which articulates the long-term direction and needs of the program. Management plan reviews, needs assessments and strategic planning documents focus on specific functional areas of the program on a 5-10 year planning horizon. These tools allow the NMSP to apply an adaptive, scientifically informed, ecosystem-based approach to management that considers short and long term goals for the program. The MPA Center developed a Program Charter in 2002 and a Strategic Plan in 2003. This is being updated in 2004, and will include additional long-term performance measures and annual performance measures. The program is also implementing a management structure based on the Center's three goals.

Evidence: High-level strategic goals for the NMSP are embodied in the NOS and NOAA Strategic Plans for 2003-2008. Although the NMSP had a strategic plan through FY2000, to meet current needs of the program it is developing a new strategic plan built around the NMSA and the functional management categories of the NMSP's AOP. Other examples of the NMSP taking steps to correct planning deficiencies include: updating the AOP process to provide better linkages of funding and spending to specific activities; and leadership team meetings resulting in comprehensive system-wide decisions on national needs and management issues and opportunities to improve the NMSP's performance. Multiple individual targeted planning and requirements documents, such as the 'Life Cycle Approach for Estimating Funding Needs,' the 'Small Boats Requirements Study FY2003-FY2013,' the 2003 Sanctuary Advisory Council Annual Report, the NMSP 10-year master facilities plan, and the Management Plan Handbook provide specific examples of the mechanisms used by the NMSP to correct strategic planning deficiencies. Many of these reports are available online at www.sanctuaries.noaa.gov/library/library.html.

2.RG1 **Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?** Answer: YES Question Weight: 11%

Explanation: All NMSP regulations are issued only after careful consideration of the need and scope for such regulations to implement a sanctuary's goals, ensure comprehensive conservation and management, and facilitate sanctuaries uses compatible with resource protection. Any proposed new regulation, or revision to existing regulations, are tailored to each sanctuary's unique needs and are fundamentally derived from the purposes and policies identified in the NMSA. The five-year management plan review is the principle vehicle for comprehensively assessing and evaluating the effectiveness of NMSP regulations. The NMSP can adapt to new challenges between reviews, case-by-case, through permits to allow otherwise prohibited activities if conducted in a certain manner, or through new regulations, if warranted. The MPA Center is not a regulatory program.

Evidence: There are numerous checks and balances in the NMSP regulatory development process to determine 1) if regulations are necessary and then 2) to develop them in an open and fair manner. First, regulations are developed and analyzed within a wide range of other management options such as internal policy change, education and outreach programs, and improved collaboration with other agencies. Second, if regulations are necessary to address a specific issue, the NMSP engages in an open rulemaking process that involves each sanctuary's Advisory Council, agency partners, and the general public. Finally, if rulemaking proceeds, NMSP must meet requirements (i.e., NEPA, Administrative Procedure Act, Regulatory Flexibility Act, and Information Quality Act, among others) to ensure regulations are necessary and developed transparently and reasonably. The NMSA is also mandated to facilitate all human uses to the extent they are compatible with the primary purpose of resource protection. Sanctuary regulations are detailed in 15 CFR Part 922, (available at www.sanctuaries.noaa.gov). The NMSP Management Plan Handbook, shows how regulations are reviewed as part of the management plan review process.

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3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?

Answer: YES Question Weight: 9%

Explanation: The NMSP has a number of processes that look at performance and adjust management decisions, including: actual performance measures; regular review of management plans; development of the Annual Operating Plan; and the NMSP Report Card mechanism that will be implemented in 2006. Performance information from NMSP program partners is also used to manage the program and improve program performance. The MPA Center has established annual performance measures, which are tracked to help improve performance. Long-term measures are being developed, and will be used to help manage the program when complete. Performance information from program partners is collected to help manage the program (e.g., evaluations of training workshops and milestones accomplished by contractors).

Evidence: The NMSP management plan review (MPR) process is a comprehensive formal evaluation of each site's annual and long-term planning, regulations, goals, and performance. The NMSA requires management plans to be reviewed every five years, during which time individual site management strategies are reviewed by program staff, the site's sanctuary advisory council, government and non-government partners and the public. These groups evaluate management plan progress in meeting stated goals and objectives for the site leading to revisions or new strategies as warranted. Contracts and grants require submission of reports to track deliverables and other specified progress on coorperative projects through contractors, state, Federal, and local government, and non-government partners. The NMSP has ended relationships with contractors who have not provided required deliverables. MOUs and MOAs between NMSP and partners are periodically reviewed to ensure specified goals and activities are being met.

3.2 Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?

Answer: YES Question Weight: 9%

Explanation: NMSP SES and senior managers are held accountable for performance through individual performance plans, which include, by reference, the relevant AOP. Contractors are held accountable for performance through deliverables specified in their contracts. Activities with NMSP partners are generally governed through formal MOUs or MOAs, which specify goals, authorities, and the responsibilities of each party. These are subject to periodic review to ensure required goals and activities are being met, and are amended or terminated if they are not. NMSP permits issued to partners and grantees also specify reporting requirements and can be revoked if terms and conditions are not in compliance. Sanctuary Advisory Council members are volunteers and must abide by the council charter. Members may be removed if they conduct activities contrary to the Charter. In the MPA Center, Federal managers are held accountable through individual performance plans, linked to the activities in the Annual Operating Plan and ultimately to the MPA Center Strategic Plan. As with the NMSP, contractors are held responsible for cost, schedule, and performance. Specific performance measures and milestones are noted in contracts and tracked on a monthly basis.

Evidence: Contractors are held accountable if requirements of a contract are not met. For example, RSIS, a principal personnel contractor, provides a monthly status report with its invoices. If there is a discrepancy between expectation and performance, invoices are adjusted or not paid until the matter is resolved. There have also been instances where contracts have been terminated because performance results were not met. Periodic analysis of NMSP MOAs and MOUs are used to ensure the goals of these instruments are being met. For example, the NMSP MOU with the State of Florida for cooperative enforcement of the Florida Keys NMS (FKNMS) includes a detailed statement of work outlining required results and requires the state to provide reports to NMSP on its progress towards meeting specified objectives.

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Section Scores				Rating
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100%	89%	100%	39%	

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?

Answer: YES Question Weight: 9%

Explanation: Both the NMSP and MPA center seek to obligate spending within the required fiscal year and have been successful at minimizing carryover across fiscal years. The NMSP Annual Operating Plan (AOP) process is a comprehensive mechanism that ensures program funds are obligated in a timely and effective manner. The AOP also tracks funds budgeted for certain activities and determines that object classes are actually spent as planned.

Evidence: Each NMSP AOP includes budgets and costs for each activity characterized by object class (accounting sections, such as Federal salaries, supplies, etc.). NMSP operating unit managers provide quarterly information on obligated funds to the NMSP Operations Team, which compares planned expenditures versus obligations. If discrepancies are found, the Operations Team works with the unit managers to review and correct the situation. In addition, NMSP senior management meets quarterly with the National Ocean Service Chief Financial Officer to review planned versus actual obligations. NMSP units are held accountable for meeting their budgets and are rewarded for a history of successful budgeting.

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?

Answer: YES Question Weight: 9%

Explanation: The NMSP measures efficiencies and maximizes cost effectiveness through, among other methods, its annual operating plan (AOP) process, review and issuance of permits, and contracting procedures. NMSP complies with NOAA procedures for the awarding of grants and contracts to ensure appropriate cost comparisons and competition, and does not use contracts when a more efficient and effective solution is available. The NMSP also works collaboratively with over 400 partners to extend its capabilities and utilizes their skills and abilities when available. NOAA reviews the MPA Center's Annual Operating Plan to ensure that projects are appropriate, that costs are reasonable, and that tasks are completed within the performance period. Competitive sourcing and cost comparisons are used to measure and achieve efficiencies and cost effectiveness.

Evidence: The NMSP uses standardized procedures and templates for the development and implementation of AOPs. Procedures have recently been established for acquiring and distributing AOP data through a Web-based portal. A similar online system is under development for the NMSP permitting process. These procedures are expected to significantly reduce the review time associated with paper generated permits and AOPs, allow information to be transferred quickly to multiple levels (program, line office, agency) and promote efficiency through the standardization of information needs. Contract arrangements are geared toward cost effective acquisition of services to meet program goals. NMSP complies with NOAA Acquisition Management Division and Regional Administrative Support Center contracting guidance and procedures for appropriate cost comparisons and competition needed to meet requirements of the Federal Acquisition Regulations. MOAs with partners require periodic reviews that, among other things, allow the NMSP to determine the cost effectiveness of these agreements.

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1	2	3	4	Adequate
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3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 9%

Explanation: The NMSA and National Environmental Policy Act mandate formal consultation and collaboration with related programs for many program activities. In addition, NMSP uses over 50 formal MOUs and MOAs to plan, execute, and regularly reevaluate key management activities in the sanctuaries in collaboration with other entities. The NMSP works with more than 400 separate partners from agencies, non-profits, and universities to achieve its goals. The MPA Center, housed at NOAA, coordinates across NOAA programs, as well as with pertinent Federal, state, territorial, and tribal MPA and MPA-support programs. At the Federal level it works closely with the Department of the Interior (DOI), as well as Minerals Management Service. The location of the MPA Center within NOAA allows it to draw on NOAA's resources and expertise in ocean and fisheries management, critical components of MPA coordination. In addition, the MPA Center has re-formed the Federal Interagency MPA Working Group to provide for ongoing coordination and collaboration with all Federal agencies in meeting joint requirements of E.O. 13158.

Evidence: Evidence of NMSP collaboration includes (1) collaboration with NOAA Fisheries and the Regional Fishery Management Councils during the site designation and management plan review processes; (2) a program-wide MOU with the National Park Service, which outlines the general joint relationship between the organizations and provides for site level sub-agreements; (3) Channel Islands NMS worked closely with the State of California to successfully designate marine reserves (no-take areas) in state waters of the Sanctuary and consider additional reserves in Federal waters; and (4) a partnership with the State of Florida provides an extensive on-the-water interpretive enforcement program that the NMSP would otherwise be unable to provide, the most comprehensive and effective enforcement program in the NMSP. The MPA Center's collaborative efforts have resulted in an improved understanding of spatial management in the United States (through the ongoing national inventory of marine managed areas), enhanced scientific understanding of MPA design and management issues (through collaborative research and planning efforts, such as the MPA Social Science Strategy), and through enhanced training and technical assistance capabilities (through partnerships with the US Fish and Wildlife's National Conservation Training Center.)

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 9%

Explanation: NMSP and MPA Center operating units plan and spend via annual operating plans. Spending is tracked within the NOAA financial system (CAMS) and is evaluated quarterly by the NMSP and MPA Center Financial Management Officers. Program managers perform quarterly reconciliation (comparing NMSP internal tracking against CAMS). When errors are discovered, the program contacts the appropriate NOAA Finance Office or Administrative Support Center to facilitate a correction. NMSP plans to make this a monthly exercise to even better improve financial management.

Evidence: NMSP and MPA Center continuously work with NOAA Finance to reduce infrequent errors. For instance, to help ensure accurate accounting, copies of the purchase order that the invoice is paid against are now included with the required receiving report. Contracts and purchase orders are subject to audit as set forth in the contract clauses. Contracts are awarded using market based competition, so that the program is getting the best price and value in meeting its requirements. Also, NOAA conducts an annual financial and performance audit to ensure strong financial management practices are being followed agency-wide. Financial tracking reports, contract documents, NOAA annual audited financial statements, and criteria for MPA Center Financial and Technical Support provide evidence for the comprehensive financial planned, tracking, and verification system used by these programs.

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Section Scores				Rating
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100%	89%	100%	39%	

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 9%

Explanation: Through the MPR scoping process, the Sanctuary Advisory Council working group process, and internal evaluation process, necessary adjustments are regularly made in the management of each site. On a system-wide level, NMSP annual operating plan development includes program-wide collaboration on and re-evaluation of achievements, deficiencies, and priorities through regular meetings of the Leadership Team (site managers, branch chiefs, and senior management). At NOAA and line office levels, program results are tracked quarterly and monthly. Both the NMSP and the MPA Center are part of the Protected Areas Program. The Protected Areas Program completed a Program Baseline Assessment (PBA) last year as part of NOAA's Program Planning, Budgeting and Execution System (PPBES). The PBA was focused on identifying program deficiencies, and ways to address them (both through increased funding and nonbudgetary approaches, such as sharing resources). The PBA will serve as guidance for addressing program management deficiencies over the coming year and will be updated annually.

Evidence: Section 304(e) of the NMSA requires five-year review of all sanctuary management plans (http://sanctuaries.noaa.gov). An example of management plan that has recently completed an MPR is Gray's Reef NMS (available online at www.graysreef.noaa.gov).

3.RG1 **Did the program seek and take into account the views of all affected parties (e.g., consumers; large and small businesses; State, local and tribal governments; beneficiaries; and the general public) when developing significant regulations?** Answer: YES Question Weight: 9%

Explanation: In the NMSP, the scoping process conducted during designation and management plan development and reviews requires extensive opportunity for public comment, response to public comments, and regulatory analyses. NEPA requires similar activities through its environmental impact assessment requirements, and section 303(b)(2) of NMSA requires NMSP to enter into formal consultation with other affected agencies when changing the existing terms of sanctuary designation. NMSP also conducts socioeconomic impact assessments above and beyond NEPA requirements. Through monthly meetings of each SAC, the annual meeting of the Advisory Council chairs, and Advisory Council working groups, the NMSP regularly seeks input from representatives of these sanctuary stakeholders when developing strategies to address management issues, including new regulations. The MPA Center is not a regulatory program.

Evidence: Scoping comments and responses from the Channel Islands NMS management plan review are instructive as to how public input through these comments is used to identify deficiencies in current NMSP management (http://channelislands.noaa.gov/manplan/comments.html). NMSA section 303(b)(2) identifies the consultation during designation requirement (http://sanctuaries.noaa.gov). NMSP Management Plan Handbook (3rd edition, February 2002) describes the method through which public input is integrated into the management plan and related regulations development process (http://sanctuaries.nos.noaa.gov/library/National/MP_handbook.pdf). A compilation of SAC recommendations developed as a result of program solicitation can be found in NMSP Sanctuary Advisory Council Annual Reports, 2003.

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3.RG2 **Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates R**

Answer: YES   Question Weight: 9%

Explanation: The NMSP prepares all required analyses as part of the development of any new proposed regulations. The NMSP exceeds the minimum requirements for these analyses. The MPA Center is not a regulatory program.

Evidence: Regulatory Flexibility Analysis for the Florida Keys NMS (http://fknms.noaa.gov/tortugas.welcome.html). The impact analysis for Channel Islands NMS management plan review process serves as another example of compliance with these mandates (www.marineeconomics.noaa.gov/reserves/analysis/analysis.pdf).

3.RG3 **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?**

Answer: YES   Question Weight: 9%

Explanation: The NMSP systematically reviews current regulations both at the individual site level, principally through management plan reviews, and program-wide through periodic comprehensive reviews of all sanctuary regulations. The MPA Center is not a regulatory program.

Evidence: Section 304(a) of the NMSA requires a management plan review at each site every five years, which specifically includes review of site regulations. Through this public process, NMSP receives input on the effectiveness of existing regulations and need for changes or new regulations. For example, as a result of the comprehensive joint management plan review of the Monterey Bay, Gulf of the Farallones and Cordell Bank sanctuaries, a number of regulatory changes are being considered to better address emerging management challenges such as invasive species. Program-wide regulatory reviews in 1993, 1995, and 2004 have streamlined NMSP regulations. For example, the 1995 review removed outdated regulations for the Site Evaluation List that was then not active or needed. It removed notification deadlines that had passed and combined many permitting and consultation requirements into a single national section.

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3.RG4 **Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?** Answer: YES Question Weight: 9%

Explanation: Since the NMSP goals of resource protection and facilitating uses compatible with resource protection can sometimes conflict, regulations are promulgated only after a thoughtful, transparent, public process has been undertaken and rulemaking is determined to be the most beneficial action. Socioeconomic analyses are an integral part of this process and the NMSP has produced a number of studies identifying the net benefits of its regulatory actions. Further, NMSP has developed procedures that minimize the public burden and encourage compliance with regulations. Most regulations and procedures of the NMSP actually impose few requirements for recordkeeping and reporting. The ones that do have information requirements have appropriate approvals under the Paperwork Reduction Act and have flexibility to increase ease of compliance and decrease cost and effort to the public. The MPA Center is not a regulatory program.

Evidence: The NMSP Management Plan Handbook provides detailed guidance for the conduct of regulatory analysis, including alternatives analysis (http://sanctuaries.nos.noaa.gov/library/National/MP_handbook.pdf). For example, a socioeconomic study of the impact of potential marine reserves was conducted in 1999. This research involved working with stakeholders, social scientists, and agency representatives to develop an MPA system that maximized ecological benefits while minimizing economic impact (www.marineeconomics.noaa.gov/reserves/analysis/analysis.pdf). In March 2003, stakeholders and experts met to design a monitoring program for the MPAs in the Channel Islands National Marine Sanctuary. Monitoring recommendations from this workshop, including options and costs, are presented in a report titled 'Socioeconomic Research and Monitoring Recommendations for Marine Protected Areas in the Channel Islands National Marine Sanctuary' (http://marineeconomics.noaa.gov/SocmonFK/CI_recom.pdf).

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight:17%

Explanation: Of the long-term measures included in the PART, the NMSP has been meeting targets through 2000. The NMSP is also on track to meet its 2005 targets for these measures. The MPA Center established long-term performance goals only in 2003 and has not yet begun measuring progress. However, it has made specific plans for how those goals will be accomplished.

Evidence: It should be noted that since 1999, the NMSP has been tracking its progress against two previous long-term goals that were reported in the NOAA budget annually and were used to formulate out-year budget requests. While not outcome-oriented, as required by today's more rigorous performance measurement standards, these output-based measures provided an indicator of improvement in development and management capabilities of the NMS System. These measures will have been accomplished at 100% by FY 2006 and will appear for the last time in the FY 2006 NOAA budget documents. The performance measures that appear in the PART Measures Tab will replace these measures as the 'official' measures for the NMSP. They will be included as the Program's measures during the FY 2007 NOAA budget process.

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

4.2 **Does the program (including program partners) achieve its annual performance goals?**

Answer: SMALL EXTENT Question Weight: 17%

Explanation: The NMSP and MPA Center have demonstrated progress for some of the annual performance measures. Others are new measures and the program has yet to measure progress. In some cases the programs have fallen short of their targets.

Evidence: The measures section provides quantified results for the annual measures of both programs. Additional evidence is found in the NOS Quarterly Reports (updated in the NOS on-line database), the NMSP Permitting database, the NMSP Education Program, and the NOS Annual Operating Plan.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**

Answer: SMALL EXTENT Question Weight: 17%

Explanation: The NMSP has improved its efficiency and effectiveness in the issuance of permits across the system, but fell short of the set target. Although no results were demonstrated in the first four years of tracking this measure, the Program has demonstrated a 25% increase in the number of permits that are issued both timely and correctly across the system over the past year.

Evidence: The measures section provides quantified results for the annual measures of both programs. Additional evidence is found in the NMSP Sanctuary Permitting and Information Tracking System (SPITS). Various mechanisms to improve cost effectiveness (e.g. competitive bids) have been implemented within the MPA Center. Because this is a new initiative, impacts will be identified as data is collected over the next few years. The MPA Center is also exploring what efficiency performance measures could be developed for applicable parts of the program.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**

Answer: SMALL EXTENT Question Weight: 17%

Explanation: This program does not meet the criteria for a "Yes" primarily because of a lack of existing analyses which specifically compare the effectiveness of the NMSP with other coastal or ocean managed areas run by other NOAA programs, the Department of Interior, or other Federal or state programs. One recent study, which critiqued the effectiveness of protecting the Northwestern Hawaiian Islands solely by Executive Order, recommends sanctuary designation under the NMSA over alternative statutory protections due to the NMSA's unique focus on marine ecosystem protection, enforcement penalty system, the overarching goal of conservation, and mandate for research. There is also evidence that other nations look to the NMSP as a source of 'best practices' in the management of marine areas. For example, South Africa and South Korea invited NMSP experts to assist them in preparing management plans for MPAs and Vietnam requested NMSP to assist with development of an inegrated coastal management plan. The MPA Center's role in coordinating a system of representative MPAs compares favorably to similar efforts in Canada and Australia, focusing not only on the designation of MPA sites by the Federal government, but also seeking to establish a national system that includes Federal, state, and tribal sites, as well as fisheries management areas. The 14 NMSP sites are expected to be part of the national system, but these are a small fraction of the 1,500 sites currently in the Inventory of Marine Managed Areas that will serve as the pool of candidate sites for the system.

Evidence: Information on NMSP assistance with South Africa in developing a management plan for the MPA at Aliwal Shoals is available at www.sanctuaries.nos.noaa.gov/special/south_africa/intro.html. Documentation of NMSP assistance to Vietnam can be found at 'Building Capacity for Integrated Coastal Management in Quang Ninh Province, Vietnam.' MPA Center comparisons are supported by Presentation by Canadian Government to Marine Protected Areas Federal Advisory Committee Presentation by Canadian Government to Marine Protected Areas Federal Advisory Committee.

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: SMALL EXTENT   Question Weight: 17%

Explanation: Several independent reviews of the NMSP have been conducted since its inception. These reviews have been primarily qualitative, but have indicated that the program has made some progress in achieving the intended purposes of the NMSA. The MPA Center has not yet had a formal evaluation of its progress. However, it has received substantial feedback from outside stakeholders on its progress to-date. Feedback has been received from the Marine Protected Areas Federal Advisory Committee, the State Advisory Group (formed to provide guidance on the inventory process), and through other stakeholder groups at meetings and conferences (e.g. Regional Fishery Management Councils).

Evidence: NMSP evaluations are found in 1) 'Protecting Our National Marine Sanctuaries,' National Academy of Public Administration, 2000; 2) 'Striking A Balance: Improving Stewardship of Marine Areas,' National Research Council, 1997; 3) "National Marine Sanctuaries: Challenge and Opportunity," External Review Team, 1993; and 4) 'Marine Sanctuaries Program Offers Environmental Protection and Benefits Other Laws Do Not,' a Report by the Comptroller General, 1981.

4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?

Answer: SMALL EXTENT   Question Weight: 17%

Explanation: The NMSP has limited formal information on whether program regulations maximize net benefits. However, sanctuary management plan reviews conducted subsequent to rulemakings include significant feedback from stakeholders and members of the regulated community on the effects of sanctuary regulations. Through this process NMSP is able to gather information on whether or not the regulations were successful in achieving programmatic goals while minimizing unnecessary socioeconomic costs. The MPA Center is not a regulatory program.

Evidence: In many cases, the cost of conducting a post-implementation analysis for the NMSP or similar program would likely cost more than the impact of the regulations themselves. However, in cases where socioeconomic impacts may be more substantial, the NMSP has or will put a monitoring or other study in place. These studies determine the socioeconomic costs of a regulation and the accuracy of the regulatory flexibility analysis for that regulation. For example, the creation of certain zones in the FKNMS in 1997 (and the Tortugas Ecological Reserve in 2001) that restricted or prohibited harvest of marine resources have been subject to extensive monitoring, including both biological (to determine the effectiveness the zones are having on the species they are intended to protect) and socioeconomic (to determine the costs to commercial fishermen who might be affected by creation of no-take zones by measuring average total harvest value). As another example, the CINMS uses the Sanctuary Aerial Monitoring Spatial Analysis Program (SAMSAP) to monitor commercial and recreational boater use inside and outside reserves areas to assess displacement and congestion impacts. The sanctuary is developing and plans to implement a more thorough monitoring effort in the near future, including funding an economic coordinator to compile and analyze economic data and conducting a in-depth analysis of private recreational boaters.

PART Performance Measurements

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

Measure: Number of sites in which water quality, based on long-term monitoring data, is being maintained or improved.

Additional Information: Water quality is an indicator of the sanctuary system's ability to maintain sanctuary habitat and ecological services. This measure assesses the status of water quality using such indicators as stressors, eutrophic condition, risks to human health and human impacts. These indicators are based on standards established by local, regional, and national institutions and agencies and vary greatly across the system and within specific sanctuaries. The NMSP and independent evaluators (universities, research institutions and environmental consultants) evaluate data to determine whether the condition is improving, remaining stable (maintaining), or deteriorating.

Measure Term: Long-term

Year	Target	Actual
1994	Baseline	1
2000	4	4
2005	6	
2010	9	
2015	12	

Measure: Percentage of MPA sites that have improved their management capability due to the MPA Center's training and technical assistance, enhancing their ability to conserve the nation's natural and cultural marine heritage.

Additional Information: Assumes approx. 1,500 MPA sites nationally. This is an ambitious measure-- currently about 27 sites a year receive technical assistance, with some additional sites receiving training. Experience with other training programs at NOAA's Coastal Services Center has shown that skills and knowledge acquired during training and technical assistance are subsequently applied by approximately 75% of participants in their coastal stewardship actions. Measure will be updated as the number of MPA sites is determined through the development of a formal MPA list, and as a cadre of managers are trained and training needs are re-evaluated.

Measure Term: Long-term

Year	Target	Actual
2010	30%	

Measure: By 2010, create six regionally based management structures to link MPAs within a national system and at the local level to ecosystem based management initiatives.

Additional Information: Provides staff and coordination capacity at the regional level to link individual MPAs into a national system of MPAs called for in Executive Order. Will result in increased stakeholder involvement, more coordinated scientific research, and better integration of management with related ecosystem objectives.

Measure Term: Long-term

Year	Target	Actual
2010	6	

PART Performance Measurements

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

Measure: Conduct 17 MPA trainings annually targeting MPA managers and staff to address priority needs identified in the Needs Assessments.

Additional Information: In a 2002 needs assessment, MPA staff identified a need for new skills and knowledge in order for MPA managers and staff to enhance their ability to conserve the nations natural and cultural marine heritage. Priority needs identified included technology skills (GIS, Data management), process skills (conflict management, negotiation, stakeholder involvement, evaluation of effectiveness) and social science methods (addressing visitor impacts, social assessment). Current and planned courses address these and other identified needs. On average there are 25 participants in each course; in FY 04 we reached 425 MPA managers & staff.

Measure Term: Annual

Year	Target	Actual
2002	Baseline	6
2003	17	17
2004	17	

Measure: Cumulative percent of categories completed of a comprehensive national inventory of marine managed areas for analytical purposes. (To be completed by FY06)

Additional Information: Describes degree of completion of Marine Managed Areas Inventory, scheduled to be complete by FY05. Categories of the inventory include Federal, state, and tribal marine managed areas.

Measure Term: Annual

Year	Target	Actual
2004		33%
2010	100%	

Measure: Cumulative number of national science strategies and regional research plans that address priority needs to support the creation of a national MPA system.

Additional Information: National and regional plans for natural and social science on MPA issues are being developed to guide national system development.

Measure Term: Annual

Year	Target	Actual
2003	2	2
2004	2	2
2006	14	

PART Performance Measurements

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

Measure: Number of sites in which habitat, based on long-term monitoring data, is being maintained or improved.

Additional Information: This measure assesses the status of habitat based on indicators of abundance and distribution, structure, contaminant levels and human impacts. The NMSP and independent evaluators (universities, research institutions, SAC research subcommittees, and environmental consultants) evaluate data to determine whether condition is improving, remaining stable (maintaining), or deteriorating. Obtaining monitoring data sufficient to document long-term trends and best inform management requires comprehensive monitoring over extended periods of time. Targets were established based on the year of sanctuary designation, the environmental and socio-political complexity of the site, and time required to implement and conduct a monitoring program and report on results (approximately 10 years).

Measure Term: Long-term

Year	Target	Actual
1995	Baseline	1
2000	3	3
2005	5	
2010	9	
2015	12	

Measure: Number of sites in which select living marine resources, based on long-term monitoring data, are being maintained or improved.

Additional Information: This measure assesses the status of living marine resources based on indicators of biodiversity, key species, extracted species, invasive species, health and human impacts. The NMSP and independent evaluators (universities, research institutions SAC research subcommittees, and environmental consultants) evaluate data to determine whether the condition is improving, remaining stable (maintaining), or deteriorating. Obtaining monitoring data sufficient to document long-term trends and best inform management requires comprehensive monitoring over extended periods of time. Targets were established based on the year of sanctuary designation, the environmental and socio-political complexity of the site, and time required to implement and conduct a monitoring program and report on results (approximately 10 years).

Measure Term: Long-term

Year	Target	Actual
1995	Baseline	1
2000	4	4
2005	6	
2010	9	
2015	12	

PART Performance Measurements

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

Measure: Percent of the sanctuary system adequately characterized.

Additional Information: Site characterizations identify such things as habitat, living marine resources, water quality, resource distribution and abundance, natural variation, and human influences. Characterization of both natural and cultural resources (as well as ecosystem processes) is the principal means by which the NMSP improves its understanding of the marine environment (as mandated by NMSA finding 301(a)(4)(A)). •Adequate• is based on management requirements articulated in the NMSP Life Cycle document. Because many of sanctuaries are large and contain a wide diversity of both natural and cultural resources, comprehensive characterizations are resource intensive and take many years to complete.

Measure Term: Annual

Year	Target	Actual
2002	Baseline	55%
2003	65%	63%
2004	70%	
2005	75%	
2006	80%	
2007	85%	
2008	90%	
2009	95%	
2010	100%	

PART Performance Measurements

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

Measure: By 2015, 1200 additional shipwrecks will be identified and evaluated within the nine national marine sanctuaries demonstrating "historic potential" (existence of shipwrecks).

Additional Information: The NMSP is mandated to "improve the conservation, understanding, and management• of historical, cultural and archaeological resources at each site (NMSA sec. 304). Shipwrecks constitute the largest element of the many potential maritime heritage resources present in the sanctuaries. In order to conserve, understand, and manage these resources, they must be located and inventoried, using acoustic seabed mapping and historical information, and identified and evaluated in terms of their potential historical value. NMSP establishes a baseline status of their condition to enable evaluation of the rate and characteristics of degradation over time. This information, along with characterizing the potential threats, is used to guide and inform management actions that will insure the preservation of these resources. The program estimates that an additional 1200 shipwrecks are located with the sanctuary system.

Measure Term: Long-term

Year	Target	Actual
1999	Baseline	158
2004		501
2015	1701	

Measure: Number of sanctuaries achieving and maintaining an "optimal" management rating.

Additional Information: Improving sanctuary management is mandated by NMSA section 301(a)(4)(A). To assess progress towards this requirement, the NMSP tracks improvements in a wide variety of core management abilities. Each of these categories represent specific requirements in the NMSA, such as monitoring, education, restoration, enforcement, and operations. A respective sanctuary or headquarters branch first scores each category individually. The total score across all categories is then averaged to determine an overall rating for the sanctuary or branch. "Optimal" is the highest of three possible ratings (an average score of 3.5 out of 4 points). This internal assessment, which will be implemented in 2005, will be done on an annual basis, in concert with the development of individual sanctuary and branch Annual Operating Plans.

Measure Term: Annual

Year	Target	Actual
2005	Baseline	
2006	2	
2007	3	
2008	4	
2009	6	

PART Performance Measurements

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

Measure: Percent of NMSP permits handled timely and correctly.

Additional Information: Criteria for the "timely" and "correct" issuance of NMSP permits varies depending upon the situation and permit type. This measure results in both enhanced customer (permit applicant) satisfaction and NMSP labor savings. It is also an indicator of improving sustainable use of the marine environment. A permitting database was developed in 1997 to improve efficiency and accountability in the permit process. By 2000, enough data was available to identify that no permits were being issued correctly or timely. To address this issue, the NMSP has held training session, is working to increase staff for permitting through a regional structure, enabling a web-based database, and developing a an online permit application system (which will further reduce permit processing time and labor).

Measure Term: Annual

Year	Target	Actual
2000	Baseline	0
2001	10%	0
2002	20%	0
2003	30%	0
2004	40%	25%
2005	60%	
2006	80%	
2007	100%	

Measure: Increase in the ocean literacy of students participating in National Marine Sanctuary Education Programs as compared to the general student population (at a single point in time).

Additional Information: The NMSP is mandated to enhance public awareness, understanding and appreciation of the marine environment. "Ocean literacy" is the awareness and understanding of a set of fundamental ideas about the ocean. Analysis of benchmark environmental literacy rates by independent research groups. indicates that citizens have a only superficial knowledge of the oceans and their problems. •Based on this analysis, the NMSP has established a set of ocean literacy evaluation questions. These questions have been tested by external reviewers to ensure that results are reliable and valid. Beginning in 2003, the NMSP adopted as its performance measure an increase by 20% in the ocean literacy rates of program participants compared to the general student population. A 20% increase in knowledge is the difference in two letter grades on the standard grading scale•the difference between an •A• and •C• level performance.

Measure Term: Annual

Year	Target	Actual
2002	Baseline	20%

Program: NOAA Protected Areas
Agency: Department of Commerce
Bureau: NOAA-NOS
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Adequate
100%	89%	100%	39%	

2003	20%	20%
2004	20%	
2005	20%	

Measure: Percentage of natural and cultural resource characterizations for U.S. biogeographic regions completed by MPA Center.

Additional Information: Biogeographic characterizations are needed to support the analysis of natural and cultural resources that should be protected by a national system of marine protected areas. These characterizations will allow the MPA Center to identify key resources and to specify which ones are currently not protected but should be part of a national system.

Measure Term: Long-term

Year	Target	Actual
2004	Baseline	
2010	100%	

OMB Program Assessment Rating Tool (PART)

Block/Formula Grants

Name of Program: Pacific Coastal Salmon Recovery Fund (PCSRF)

Section I: Program Purpose & Design (Yes,No, N/A)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	Yes	The program's purpose is to contribute to the recovery of Pacific salmonids through the restoration of habitat and improving and increasing the number of fish passages in order to reach healthy and self-sustaining stock levels.	MOUs between NMFS and the States (CA, OR, WA, & AK) and Tribes (Northwest Indian Fish Comm., Columbia River Inter-Tribal Fish Comm., & Klamath River Intertribal Fish Comm.). These MOUs contain detailed criteria and objectives that contribute to the recovery of numerous stocks.	20%	0.2
2	*Does the program address a specific interest, problem or need?*	Yes	The program addresses the Endangered Species Act (ESA) listings of Pacific salmonids and the burden (such as restoring habitat, providing increased fish passage, etc.) those listings have placed on state and local entities.	MOUs between NMFS and the States and Tribes.	20%	0.2
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	Yes	States (e.g. WA, OR) use competitive locally-based programs with scientific review to screen-out and fund only the highest priority projects contributing to salmon recovery. However, greater impact could be achieved by directing funds only to ESA listed salmon stocks.	MOUs between NMFS and the States and Tribes. FY 2001 funding totaled $90.0 million.	20%	0.2
4	*Is the program designed to make a unique contribution in addressing the interest, problem or need (i.e., not needlessly redundant of any other Federal, state, local or private efforts)?*	Yes	The program shares with states the costs associated with restoring salmon habitat and increasing the areas of habitat available to salmon. It complements other direct Federal restoration efforts, such as the Columbia River Basin Salmon Recovery efforts.	MOUs between NMFS and the States and Tribes.	20%	0.2
5	*Is the program optimally designed to address the interest, problem or need?*	No	The intent of the PCSRF is to engage local solutions to salmon recovery. Endangered stocks exist in CA, OR, and WA. However, a significant share of funds go to Alaska, which has no endangered salmon stocks in the coastal regions.	MOUs between NMFS and the States and Tribes.	20%	0.0

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Total Section Score				**100%**	**80%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section II: Strategic Planning (Yes,No, N/A)						
	Questions	**Ans.**	**Explanation**	**Evidence/Data**	**Weighting**	**Weighted Score**
1	*Does the program have a limited number of specific, ambitious long-term performance goals that focus on outcomes and meaningfully reflect the purpose of the program?*	Yes	The long term performance goal of the program is to contribute significantly (e.g., through restoration of habitat, opening of additional habitat, restoration of water flows needed for spawning and rearing, etc.) to the recovery and conservation of pacific salmon.	MOUs between NMFS and the States and Tribes.	14%	0.1
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	No	The two-year old program has not finalized annual measures yet. The MOUs between NMFS and the States establish criteria and goals for selecting local based projects that are designed to protect and restore Pacific salmonids which is the overall long-term mission/goal of the program. Performance reports from States/Tribes demonstrate annual performance towards achieving the overall goals.	MOUs between NMFS and the States and Tribes. Reports on activities and expenditures are submitted to NMFS semi-annually by each State and Tribe (listed above).	14%	0.0
3	*Do all partners (grantees, sub-grantees, contractors, etc.) support program planning efforts by committing to the annual and/or long-term goals of the program?*	No	Recipients of grant funds at the local level (sub-grantees) are bound by contracts that require performance reporting and focus on projects that provide for salmon recovery. However, funds to AK do not support endangered stocks, although they may increase total salmon numbers.	PCSRF Workshop report and attendance. MOUs with states.	14%	0.0
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	Yes	The States and Tribes work together and with NMFS and other federal and local entities in many forums on salmon recovery. Crosscutting salmon recovery strategies developed by Technical Recovery teams and in forums such as the "Shared Strategy" for Puget Sound salmon are incorporated into the priorities for the PCSRF.	Workshop Report on NMFS-Northwest Region website. http://www.nwr.noaa.gov/pcsrw/2002_workshop.htm	14%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Are independent and quality evaluations of sufficient scope conducted on a regular basis or as needed to fill gaps in performance information to support program improvements and evaluate effectiveness?*	No	The program is only about two years old; independent evaluations have not been completed yet. NMFS conducted a workshop in early 2002 to evaluate program performance. Since many of the projects are for habitat restoration, the determination of project effectiveness may be premature since it will take many years to see actual changes in salmon productivity as a result of restoration projects. However, output and proxy measures should be available.	Workshop Report on NMFS-NWR website.	14%	0.0
6	*Is the program budget aligned with the program goals in such a way that the impact of funding, policy, and legislative changes on performance is readily known?*	Yes	States and Tribes prioritize distribution of funds to priority projects designed to facilitate salmon habitat restoration, salmon research, and salmon enhancement, which are the legislative purposes of program. The distribution of funding by the Congress each year is reflected in the number/size of projects conducted by each State or Tribe.	State/Tribal Performance reports provided detailed information on activities and funding.	14%	0.1
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	Yes	The Administration has proposed in the Budget that funds be allocated by ESA needs and priorities rather than pro rata to states. Congress has not supported the changes.	President's Budget	14%	0.1
Total Section Score					**100%**	**57%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section III: Program Management (Yes,No, N/A)						
	Questions	**Ans.**	**Explanation**	**Evidence/Data**	**Weighting**	**Weighted Score**
1	*Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?*	Yes	States and Tribes provide performance reports semi-annually that NMFS uses to review program progress. Data is entered into State databases that are accessible by NMFS for monitoring program performance.	State/Tribal Performance reports	11%	0.1
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	Yes	Grants and sub-grants include terms and conditions for accountability. Grantees must provide semi-annual performance reports showing they met the term & conditions of the grant. Awards and OMB circulars include provisions for non-performance.	NOAA Financial Assistance Award - Standard Terms and Conditions.	11%	0.1
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	No	Grant disbursement has taken longer than expected even after two years of operation. As of the end of the third quarter FY2002, less than a third of FY2002 available program funds had been obligated.	SF-133s and SF-132s.	11%	0.0
4	*Does the program have incentives and procedures (e.g., competitive sourcing/cost comparisons, IT improvements) to measure and achieve efficiencies and cost effectiveness in program execution?*	No	Funds are allocated to states based on congressional desire, not program performance. Within states there are competitive processes to select projects that are most efficient and have the greatest probability of success for the budgets proposed by project proponents.	MOUs between NMFS and the States and Tribes. Appropriations language.	11%	0.0
5	*Does the agency estimate and budget for the full annual costs of operating the program (including all administrative costs and allocated overhead) so that program performance changes are identified with changes in funding levels?*	No	NOAA currently charges line offices for headquarters services on a formula basis, and costs are not directly tied to program activities. NOAA is in the process of converting to a fee-for-service approach that would allow for full cost accounting.	Services are charged to NOAA's line offices based on either percentage of total FTE or Budget Authority. As a result, other programs could be subsidizing other programs.	11%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	*Does the program use strong financial management practices?*	Yes	States have accounting systems that fall under the self-audit provisions of OMB.	NOAA Financial Assistance Award - Standard Terms and Conditions.	11%	0.1
7	*Has the program taken meaningful steps to address its management deficiencies?*	Yes	The States have revised their project selection processes to improve their program and address deficiencies such as increasing emphasis on watersheds and species that are at a high risk.	Revised MOUs and State Processes for distribution of PCSRF funds	11%	0.1
8 (B 1.)	*Does the program have oversight practices that provide sufficient knowledge of grantee activities?*	Yes	States and Tribes keep NMFS informed of their activities with PCSRF funds through periodic reports and the semi-annual reports required by the grant and MOUs.	State/Tribal performance reports and PCSRF Workshop report	11%	0.1
9 (B 2.)	*Does the program collect grantee performance data on an annual basis and make it available to the public in a transparent and meaningful manner?*	Yes	States and Tribes prepare semi-annual reports which are submitted to NMFS and are made available to the public.	State/Tribal Performance reports	11%	0.1
Total Section Score					**100%**	**67%**

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score

Section IV: Program Results (Yes, Large Extent, Small Extent, No)

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?*	No	The program is too new to be able to demonstrate significant progress toward outcome goals. Projects funded since inception of the PCSRF have restored salmonid habitat in important areas (e.g., ESA critical habitat), built local/state/tribal infrastructure and implemented processes for planning, assessment and monitoring.	Progress reports from PCSRF recipients.	20%	0.0

Long-Term Goal I:	Protect and restore salmonid freshwater and estuarine habitat.
Target:	Fund the best salmon habitat projects and activities at the local level using the best available science.
Actual Progress achieved toward goal:	States/tribes have funded over 600 projects that improved or opened access to freshwater habitat.
Long-Term Goal II:	Build local /state/tribal infrastructure to protect and restore salmonids.
Target:	Fund salmon recovery planning , enhancement and assessments and research and monitoring programs.
Actual Progress achieved toward	States/tribes have funded several hundred local based projects for planning, research and monitoring.
Long-Term Goal III:	Improve public understanding of salmon recovery.
Target:	Fund and undertake outreach and education projects.
Actual Progress achieved toward	States and tribes have undertaken a number of local level outreach and education programs.

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Does the program (including program partners) achieve its annual performance goals?*	No	Although the program has overall goals which the program is progressing towards, NMFS has not developed specific annual performance measures. NMFS intends to create annual performance measures in concert with the states and tribes at the upcoming December 2002 PCSRF workshop.	Annual reports.	20%	0.0

Key Goal I:	
Performance Target:	
Actual Performance:	
Key Goal II:	
Performance Target:	
Actual Performance:	
Key Goal III:	
Performance Target:	
Actual Performance:	

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	No	The program has not been able to allocate funds based on recovery needs of listed salmon stocks. However, the individual states have modified their processes as they gain experience with the program to improve processes and gain efficiencies.	Enacted appropriations language. MOUs were revised in FY 2001 and 2002 to reflect revisions to programs to enhance efficiencies. State process for project evaluation and selection have also changed since FY 2000 to reflect improvements and efficiencies.	20%	0.0
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	Yes	This program compares favorably with other programs aimed at salmon restoration. The Federal government has spent billions in direct salmon recovery efforts in the Columbia River Basin.	During PCSRF workshop, the PCSRF program was compared to the Northwest Power Planning Council's program to recover salmonids, and found to be comparably effective in selecting projects using science advisory committees and citizen input to foster local based salmon recovery efforts.	20%	0.2
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	No	Program is only about two years old; independent evaluations have not been completed yet. NMFS' evaluation (based on reports from the States and tribes) indicates the program is effective in achieving results.	Projects conducted with PCSRF funds were presented at the PCSRF workshop an in other scientific forums and found to have effective project planning and design to achieve goals for salmon restoration. NMFS review of performance reports also indicates the programs are effective in achieving desired results.	20%	0.0
Total Section Score					**100%**	**20%**

PART Performance Measurements

Program: Survey Sample Redesign
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	74%	

1.1 **Is the program purpose clear?** Answer: YES Question Weight20%

Explanation: The program selects new, updated statistical samples of the population for each decade to maintain the accuracy, relevancy and quality of the results of major federal surveys of families and households.

Evidence: Demographic Surveys Sample Redesign Goal Statement, FY 2004 budget submission to Congress

1.2 **Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight20%

Explanation: Statistical samples of the population need to be developed after each decennial to be representative of the location and composition of the American public. This prevents deterioration in the accuracy of the federally sponsored demographic surveys. The major household surveys requiring this sample redesign include the Current Population Survey, the Consumer Expenditure Surveys, the American Housing Surveys, the National Crime Victimization Survey, the National Health Interview Survey, and the Survey of Income and Program Participation.

Evidence: Demographic Surveys Sample Redesign Goal Statement, FY 2004 budget submission to Congress

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight20%

Explanation: The survey sample redesign program is the only program that develops samples for major federally sponsored demographic surveys. In developing these samples, the Bureau also ensures data confidentiality.

Evidence: Sample Redesign Memoranda of Understanding with sponsoring agencies (e.g. BLS, HUD, NCHS, BJS)Title 13 US Code

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: The 2000 survey sample redesign is adequate for completing the sample survey redesign using the 2000 Census. The program is working to shift from redesigning based on decennial data to redesigning on a more frequent basis using the American Community Survey and a continously updated Master Address File.

Evidence: FY2004-2008 Census Bureau Strategic PlanResearch Agenda for the 2000 Redesign"The Future of Sample Redesign" presentation given at the Interagency Committee Meeting on Survey Sample Redesign, Nov 12, 2002

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight20%

Explanation: Memoranda of Understanding (MOU) with sponsoring agencies contain reliability requirements and performance goals and milestones that seek to ensure that resources are effectively used.

Evidence: Sample Redesign Memoranda of Understanding with sponsoring agencies (e.g. BLS, HUD, NCHS, BJS)

PART Performance Measurements

Program: Survey Sample Redesign
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	74%	

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 12%

Explanation: The sample survey redesign program has one performance goal, to produce accurate, timely, and relevant statistics by developing new samples that reflect the current characteristics and geographic location of the population. Performance measures are the sample design requirements and goals including accuracy requirements and release schedules contained in Memoranda of Understanding with sponsor agencies.

Evidence: The DOC FY 2004 Annual Performance Plan and Census Bureau FY 2004-08 Strategic PlanSample Redesign MOUs with sponsoring agencies (e.g. BLS, HUD, NCHS, BJS)

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 12%

Explanation: In general, the long term sample redesign targets are ambitious and meet the needs of the sponsor agencies. Further, the release schedule is ambitious because the 2000 redesign program accelerates the release of two samples by a year as compared to the release schedule of the 1990 redesign program.

Evidence: FY 2004-08 Strategic PlanSample Redesign MOUs with sponsoring agencies (e.g. BLS, HUD, NCHS, BJS)

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 12%

Explanation: The survey sample redesign has established annual milestones including developing and releasing sample frames that contribute to desired long-term outcomes. Milestone schedules are contained in MOUs with sponsoring agencies.

Evidence: FY 2002 Congressional Budget Submission; Sample Redesign MOUs with sponsoring agencies (e.g. BLS, HUD, NCHS, BJS)

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 12%

Explanation: Annual targets for 2000 redesign activities are ambitious and meet the needs of sponsor agencies. Further, the annual targets for the release schedules are ambitious compared to the 1990 redesign activities.

Evidence: Sample Redesign MOUs with sponsoring agencies (e.g. BLS, HUD, NCHS, BJS)

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?** Answer: YES Question Weight: 12%

Explanation: The survey sponsors are consulted on a regular basis on statistical methodology for redesign of samples. Contracts for advisory and assistance services engage outside expertise in meeting annual and/or long term goals.

Evidence: Sample Redesign MOUs with sponsoring agencies (e.g. BLS, HUD, NCHS, BJS)Minutes of Sample Redesign Steering Committee Meetings with sponsoring agenciesContractual agreements documentation.

Program: Survey Sample Redesign
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	74%	

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**

Answer: YES Question Weight:12%

Explanation: There were external evaluations conducted for the 1980 cycle of sample redesign due to extensive design changes. However, with fewer changes in 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 through the Interagency Sample Redesign Steering Committee.Source and accuracy statements are also released with survey results. Census should consider more external evaluations as the program shifts from redesigning based on decennial data to redesigning on a more frequent basis using the American Community Survey and a continously updated Master Address File.

Evidence: Minutes of Sample Redesign Steering Committee Meetings with sponsoring agencies Panel on Current Population Survey Redesign Research

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**

Answer: YES Question Weight:12%

Explanation: The Census Bureau budget requests tie resource requests to the accomplishment of performance goals for new initiatives and incorporate unit costs for base and new activities. However, improvements can be made in tying base activities to annual and long term performance goals.

Evidence: FY 2004 Budget Request

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?**

Answer: NO Question Weight:12%

Explanation: The sample redesign program does not have a well-developed strategy in place for redesigning on a regular basis using the American Community Survey and a continuously updated Master Address File. The program is currently developing a strategy and should work to develop targets in budget and strategic planning documents.

Evidence: Census Bureau's Strategic Plan for 2004 - 2008

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?**

Answer: YES Question Weight:14%

Explanation: The program maintains a program management information system that manages the redesign work in order to complete it on time. This system helps the program conduct ongoing analysis and review of program management practices. The program also regularly updates survey sponsors on progress on sample redesign activities.

Evidence: Program Management Information System Documentation memoranda on survey managementMinutes of sample redesign steering committee meetings

Program: Survey Sample Redesign
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	74%	

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?**

Answer: YES Question Weight: 14%

Explanation: Annual performance plans for managers include goals and meaures that are linked to Census Bureau's strategic goals. Manager performance plans contain specific performance standards for the sample redesign program including project deliverables for the seven major sample redesigns. All contracts are carefully monitored and contractors are held accountable for cost, schedule, and performance.

Evidence: Employee performance plans

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?**

Answer: YES Question Weight: 14%

Explanation: Monthly and quarterly obligation reports indicate the Census Bureau funds programs in a timely and appropriate manner

Evidence: Approximately 98% of budgetary resources in the Periodics and Programs account was obligated at the end of FY 2003.

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?**

Answer: YES Question Weight: 14%

Explanation: In developing the 2000 redesign, the program improved efficiencies by creating an automated listing in the sample procedures, improving the stratification and sample selection and unduplication procedures, and incorporating a state based design for the SIPP into the current redesign at no additional cost to be able to provide state based estimates.The survey sample redesign program also competitively sources its information contracts and utilizes large in-place Bureau contracts to achieve efficiencies of scale.

Evidence: Research Agenda for the 2000 RedesignR&D 2007 contract and the Information Technology Services contract.

3.5 **Does the program collaborate and coordinate effectively with related programs?**

Answer: YES Question Weight: 14%

Explanation: The program collaborates and coordinates with other statistical agencies in developing and implementing sample redesign activities. Sample redesign requirements are developed and incorporated into MOUs with sponsor agencies. The program also regularly updates survey sponsors on progress on sample redesign activities.

Evidence: Interagency Sample Redesign Steering CommitteeMemoranda of Understanding with sponsoring agencies

3.6 **Does the program use strong financial management practices?**

Answer: YES Question Weight: 14%

Explanation: The program's financial management is reflected in Census Bureau's clean audit opinions.

Evidence: Clean audit opinions since 1999 reflected in the Bureau's Financial Reports.

Program: Survey Sample Redesign
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	74%	

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 14%

Explanation: In general, the survey sample redesign program has adequate program management. The Census Bureau has developed areas of competency that managers must meet in their jobs and several programs have been developed to meet training needs in competency areas.

Evidence: Project Management Master Certificate Program

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: LARGE EXTENT Question Weight: 20%

Explanation: The survey sample redesign program is on schedule to complete the samples for the seven major household surveys by 2005

Evidence: Sample Redesign MOUs with sponsoring agencies (e.g. BLS, HUD, NCHS, BJS)

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: LARGE EXTENT Question Weight: 20%

Explanation: The survey sample redesign program reports on redesign activities to the Interagency Survey Sample Redesign Committee meetings. Further, MOUs contain annual milestones. In general, the survey sample redesign program has met its annual performance goals.

Evidence: Sample Redesign MOUs with sponsoring agencies (e.g. BLS, HUD, NCHS, BJS), Progress reports to Interagency Survey Sample Redesign Committee

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: LARGE EXTENT Question Weight: 20%

Explanation: The survey sample redesign program has improved efficiencies because the 2000 redesign funding is comparable to the funding received for the 1990 redesign and the following operational improvements have been added: automated listing and sample selection of the primary sampling units, incorporation of a state based design into the SIPP, completing the samples for two surveys at an accelerated schedule.

Evidence: Research Agenda for the 2000 RedesignProgress reports to Interagency Survey Sample Redesign Committee

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight: 20%

Explanation: The program has the largest scope and most advanced model for redesigning samples.

Evidence: The program is regularly consulted by statistical programs and agencies world-wide on its sample redesign process.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: LARGE EXTENT Question Weight: 20%

Explanation: Evaluations completed by Sample Redesign Steering Committee Meetings indicate the redesigns are on schedule and meeting the needs of the sponsors.

Evidence: Minutes of Sample Redesign Steering Committee Meetings with sponsoring agencies

PART Performance Measurements

Program: Survey Sample Redesign
Agency: Department of Commerce
Bureau: Census
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	88%	100%	74%	

Measure: 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

Additional Information:

Measure Term: Long-term

Year	Target	Actual
2004	2 new samples	
2005	4 new samples	

Measure: Program milestones for 2000 census redesign activities including completing sampling unit stratification and selection for 7 major household surveys.

Additional Information:

Measure Term: Annual

Year	Target	Actual
2001	MOU milestones	Met
2002	MOU milestones	Met
2003	MOU milestones	Met
2004	MOU milestones	
2005	MOU milestones	

Measure: 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; (2) Consult with various external groups for external evaluations.

Additional Information:

Measure Term: Annual

Year	Target	Actual
2005	(1)	

PART Performance Measurements

Program:	US and Foreign Commercial Service (USFCS)
Agency:	Department of Commerce
Bureau:	International Trade Administration
Type(s):	Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

1.1 Is the program purpose clear? Answer: YES Question Weight20%

Explanation: The U.S.&FCS helps U.S. companies, particularly small and medium-sized enterprises (SMEs), make sales in international markets. US&FCS's purpose is clearly stated through statutory authority and provided to stakeholders and customers through its marketing materials.

Evidence: Sections 2301 and 4721 of the Omnibus Trade and Competitiveness Act of 1988 (P.L. 100-418).

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight20%

Explanation: In response to concerns about the effectiveness of government export promotion programs, overseas commercial work was transferred from State to the Commerce Department in 1980. The US&FCS program was established to: 1) promote exports of goods and services from the United States, particularly by small and medium-sized enterprises and 2) assist US exporters in their dealings with foreign governments.

Evidence: 1) 1989 GAO report. 2) Sections 4721 of the Omnibus Trade and Competitiveness Act of 1988 (P.L. 100-418). 3) The FY 2002 National Export Strategy indicates that only about 1% of U.S. small businesses export their product or service. 4) U.S. Exporting Companies: Initial Findings From 2001 Exporter Database, March 2003 indicates that, in 2001, 90% of all SMEs in the database conducted business from a single U.S. location. Without overseas operations, SMEs are less able to overcome foreign trade barriers and market imperfections than their larger company counterparts, which have overseas operations or foreign affiliates.

1.3 Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort? Answer: NO Question Weight20%

Explanation: Although US&FCS continues to improve its coordination with private and public trade promotion agencies, studies indicate that businesses serviced by US&FCS can also obtain similar services from state, local and private sector entities. For example, Customized Market Research, which provides firms with customized information on overseas markets, is also provided by at least 3 private firms. Another example is Platinum Key Services and Flexible Market Search which are two customized advisory services provided by US&FCS. A study found that many private sector entities were willing to offer a complete and extended level of effort for 3 to 6 months to a company tomestablish a foothold in an export market. Another example is US&FCS's Showtime service which provides U.S.companies a list of international trade events they can attend. The State of Maryland's Office of International Business also provides listings of international trade shows. In addition to export promotion consulting, FedEx and UPS do trade compliance and tariff consulting work for exporters.

Evidence: 1) According to the KPMG Fee Study (January 2003), in contrast to other federal agencies, a majority of ITA's products and services do not enjoy a monopoly in their markets because the majority of these products can be obtained elsewhere.2) Two University of North Carolina studies (1995 and 2002) indicated that, although exporters found government programs, such as US&FCS, to make a positive contribution to US exports, the private sector emerged as the clear leader of providing services to abroad. 3) State of Maryland http://www.choosemaryland.org/international/export/Trade%20Events/index.asp4) US Chamber of Commerce: http://www.uschamber.com/chambers/5) World Trade Centers Association: http://iserve.wtca.org/ 6) FedEx Trade Networks has over 330 locations worldwide and they office international trade consulting, trade seminars, information technology including fully integrated regulatory compliance tools for imports and exports as well as duty and tax collection. http//www.fedex.com/ 7) UPS (http://www.ups.com/) 8) Council of State Governments reports that states maintain over 200 independent overseas trade promotion offices (May 2002).

Program: US and Foreign Commercial Service (USFCS)
Agency: Department of Commerce
Bureau: International Trade Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: NO Question Weight20%

Explanation: Although US&FCS has streamlined and co-located offices, the agency could increase its efficiency if the agency had a better sense of how much it costs to provide its products and services. Although US&FCS currently charges fees for some products and services, the agency does not have a consistently-applied pricing or marketing strategy for its services domestically or abroad. The infrastructure for capturing cost and customer information are inadequate for making informed decisions. Some recommendations US&FCS should consider are:1) Standardize the management of portfolio of products/services and customer, market, cost and price information to ensure quality and reliability.2) Improve integration and functionality of customer management systems.3) Perform ongoing competitor and market analysis.4) Implement a product/service cost accounting system and cost accounting through performance goals and rewards.5) The program design and feedback relies primarily on customer service surveys. External third-party evaluations would assist US&FCS in assessing how effective its programs are over the long-term in assisting U.S. firms export. Ultimately, the ability to collect fees as a result of services rendered provide a market test that the customer finds the services valuable.

Evidence: 1) KPMG User Fee Study (January, 2003)2) Booz Allen Study (1998)3) GAO: U.S. Export Assistance Centers: Customer Service Enhanced But Potential to Improve Operations Exists (GAO/T-NSIAD-96-213)

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight20%

Explanation: In response to a fragmented structure of federal export promotion services, through the Trade Promotion Coordinating Committee, US&FCS joined with U.S. Export-Import Bank and Small Business Administration to establish a network of U.S. Export Assistance Centers to coordinate with themselves and other non-federal agencies, such as state agencies and world trade centers. To date, there are 12 USEAC offices where US&FCS is co-located with SBA and Export Import Bank to effectively target services to U.S. firms in a coordinated fashion. Furthermore, 69% of domestic offices are co-located with non-federal partners. US&FCS has also implemented new products and eliminated services as a result of past studies to better target resources. In addition to this structure, as mandated by law, ITA/FCS targets the businesses that can not afford private sector comparable services (primarily small to medium sized businesses). FCS is working on better defining its criteria for targetting assistance. Thirdly, FCS is evaluating how to better account for its cost and pass long an appropriate level of cost to the customer. Lastly, ITA is reviewing its organizational structure to determine how to better deliver its services.

Evidence: 1) Export Promotion: Governmentwide Strategy Needed for Federal Programs (GAO/T-GGD-93-7); Export Promotion: Federal Programs Lack Organizational and Funding Cohesiveness (GAO/NSIAD-92-49); Export Promotion: U.S. Export Assistance Centers Seek to Improve Services (GAO/NSIAD-99-180)2) 1998 Booz Allen report findings led to development of "Centers of Innovation" program to develop new products and services. Platinum Key Service and Flexible Market Research are results.

PART Performance Measurements

Program: US and Foreign Commercial Service (USFCS)
Agency: Department of Commerce
Bureau: International Trade Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 12%

Explanation: The purpose of US&FCS is to help U.S. companies, particularly small and medium-sized enterprises (SMEs), make sales in international markets. Although US&FCS has a number of quantifiable performance measures, the current measures do not tie to an overall long-term outcome that accomplishes the purpose of the program (e.g., By 2007, US&FCS will increase exports by U.S. firms by x%.). However, ITA/FCS have developed long-term performance measures to be included in the FY 2005 Annual Performance Plan, which includes a long-term measure that includes a market test of services.

Evidence: 1) ITA Strategic Plan (2002-2006)2) ITA's FY 2002 Annual Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02ita.pdf 3) ITA/FCS FY 2005 Annual Performance Plan.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 12%

Explanation: ITA collects data to monitor U.S. trade that can provide baseline data regarding the U.S. firms that seek to export. US&FCS's Strategic Plan identifies mission-focused goals such as "open markets" or "increase SME exporters and exports" and has recently devised long-term measures that identify timeframes which will be incorporated into its FY 2005 Annual Performance Plan. These long-term measures coincide with ITA/FCS's current annual measures.

Evidence: 1) 2001 US Exporter Database2) ITA Strategic Plan (FY 2002-2006)3) ITA's FY 2002 Annual Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02ita.pdf 3) ITA/FCS FY 2005 Annual Performance Plan.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 12%

Explanation: Although ITA measures are shared, US&FCS constitutes two-thirds of ITA's budget. As the primary export promotion agency at ITA, US&FCS is charged with increasing export transactions. To this end, US&FCS has six specific annual performance measures that demonstrate some progress in promoting exports. ITA's strategic plan articulates the following long-term goals: increasing trade opportunities by opening markets and providing leadership in promoting trade and broadening participation by increasing SNE exporters and exports and facilitate deal-making. Although the measures accommodate these goals, long-term quantifiable outcome measures (e.g., Increasing exports by x number by 200y) would better enable US&FCS to define its progress.

Evidence: 1) ITA's FY 2002 Annual Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02ita.pdf2) US&FCS Budget information, FY 1988-FY 20033) ITA Strategic Plan FY 2002-FY 2006.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 12%

Explanation: ITA's baseline is informed from performance in the previous year and calibrated every year as necessary. Annual targets appear to be ambitious but could be better linked to long-term outcome measures by articulating a specific long-term target.

Evidence: 1) ITA's FY 2002 Annual Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02ita.pdf

Program: US and Foreign Commercial Service (USFCS)
Agency: Department of Commerce
Bureau: International Trade Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**

Answer: YES Question Weight:12%

Explanation: Partners commit to the annual performance measures through performance documents, MOUs, or agreement letters. In the case of TPCC partners (SBA and Export Import Bank), US&FCS co-location increases these agencies' abilities to work toward annual performance goals. ITA/US&FCS could enhance partner outputs by clearly identifying long-term outcome goals that link with annual measures.

Evidence: 1) ITA Strategic Plan (2002-2006)2) US&FCS Memorandums of Understanding (e.g., National Association of Women-Owned Businesses) 3) Agreement letter and sample report between US&FCS and USDA FAS. 4) US&FCS and USAID partnership on Ecolinks program (e.g., FY 2002 Export Successes).

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**

Answer: NO Question Weight:12%

Explanation: US&FCS's primary assessment mechanism has been customer service surveys. Although these surveys yield relevant information, they do not provide an external assessment of US&FCS products and services and compare them to a long-term baseline on which to determine progress. Although numerous Office Inspector General performance and financial audits have been performed on aspects of US&FCS and the General Accounting Office (GAO) has examined export promotion coordination, comprehensive reviews of US&FCS's performance and validation of past performance have not been conducted. The absence of an an external assessment of the long-term effects of US&FCS services (e.g., sustainability of new to export firms as exporters US&FCS assists) makes it difficult to fully understand how effective US&FCS is in fulfilling its purpose.

Evidence: 1) Report Card on Trade I, 19952) Report Card on Trade II, 20023) IG Reports: http://www.oig.doc.gov/E-Library/Reports/Recent/body_recent.html4) GAO Reports on export promotion: www.gao.gov

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**

Answer: NO Question Weight:12%

Explanation: Although budget estimates include direct and indirect overhead cost, including rent, utilities, Departmental support and services provided to the US&FCS by the Department of State, US&FCS does not know how much it spends to provide its services so resource needs can not be tied to the budget.

Evidence: http://www.osec.doc.gov/bmi/budget/04APP/04ita.pdf

Program: US and Foreign Commercial Service (USFCS)
Agency: Department of Commerce
Bureau: International Trade Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 12%

Explanation: US&FCS has a bi-annual Strategic Plan that provides a mechanism for the program to review and recast annual priorities and identify opportunities to advance the ITA strategic mission. In addition to the bi-annual US&FCS Strategic Plan, the US&FCS has permanent members assigned to the ITA Strategic Planning Leadership Team (SPLT). The SPLT meets monthly to discuss key performance issues, evaluate performance targets and results. Issues identified above are being examined for appropriate action. ITA is also in the process of adopting a plan to implement appropriate recommendations from the recent KPMG Fee Study. This plan includes short-term goals (nominally increasing some fees), mid-term goals (standardizing fees and implementing cost-accounting to determine how much it costs to provide services) and long-term goals (e.g., x% fee-funded by 200y).

Evidence: ITA Strategic Planning Leadership Team

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 14%

Explanation: The US&FCS performance information is regularly collected from multiple sources including client surveys through the Client Relationship Management unit and Management and Performance Reviews by the Office of Planning and feedback solicited from partners. The US&FCS uses this performance information to manage the program and improve performance by integrating performance information in its program and resource-planning systems and in its accountability systems for offices and for staff.

Evidence: 1) Performance information on export successes and client satisfaction are entered into a common database using a standard format. 2) Specific reporting criteria and standards for products and services are defined in the US&FCS Operations Manual.3) US&FCS uses an economic model developed by Global Insights Inc. for decisions about overseas operations resource allocation. Global Insights Inc. also reviewed the domestic model used by the field.

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: YES Question Weight: 14%

Explanation: Federal managers and program partners are held accountable for cost, schedule and performance results through rigorous annual office-level and staff-level performance plans. Plans are clear, specific and performance-based. They follow standard templates to ensure consistency and mission-focus. An evaluation system is in place to hold staff accountable for performance and to recognize strong and weak performers. Federal managers are held accountable for cost through a de-layered management structure and cost-benefit resource allocation models.

Evidence: 1) Annual Performance Plans for all Senior Commercial Officiers includes a critical element dedicated to management and performance measures. Performance appraisals for trade specialists are linked to key performance measures (e.g., number of export successes) and banded to GS levels.2) Senior Federal managers heads each domestic and international office and are responsible for all expenditures. 3) US&FCS has redeployed resources, such as withdrawing an FSO from a foreign post, because few results were achieved.4) Management at all levels uses data from the US&FCS Client Management System, which records client information, to gauge performance and ensure agency goals are achieved.

Program: US and Foreign Commercial Service (USFCS)
Agency: Department of Commerce
Bureau: International Trade Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 14%

Explanation: The US&FCS obligates appropriated and trust funds in a timely manner based on annual fiscal plans detailing expected expenditures for all accounts. The US&FCS has established procedures for reporting and tracking expenditures in order to allow management to verify funds are spent appropriately and that obligations are consistent with the overall program plan. Independent auditors have verified that the US&FCS follows generally accepted accounting practices for the United States and that only limited amounts of unobligated funds remain at the end of each fiscal year.

Evidence: 1) In FY 2002, the US&FCS obligated 99.7% of its available operations and administration funds. This trend has been in place for several years [FY 2001-97% and FY 2000-97.2%] and includes all funds. 2) Independent auditors have verified that the US&FCS follows generally accepted accounting practices for the Untied States and as documented by KPMG in its 2002 Independent Auditors' Report of the Department's FY 2001 and FY 2002 consolidated financial statements and statement of net cost presented in the FY 2002 Performance and Accountability Report (http://www.osec.doc.gov/bmi/budget/02APPR/02ita.pdf).

3.4 **Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?** Answer: YES Question Weight: 14%

Explanation: The US&FCS encourages efficiencies and cost effectiveness through incentives that return a portion of achieved savings to the generating office and a de-layered management structure that delegates budget management to front line managers. The US&FCS also uses both cost comparisons and competitive sourcing to acquire cost-effective and expert services. FCS has also co-located offices in its U.S. Export Assistance Centers with Export-Import Bank, Small Business Administration, and local domestic Chambers of Commerce over the years and has reduced overhead costs in some instances as a result. US&FCS is working on determining a unit cost and implementing a standard pricing structure.

Evidence: 1) US&FCS streamlined and reallocated resources by severing 33 Foreign Service National and Personal Service Contractor positions, closed five constituent posts, three country operations, consolidated six domestic offices and reorganized a number of USEAC hubs to achieve greater efficiency (10/4/2001 reorganization)2) Reduced one layer of Office of Domestic Operations management, streamlined field regions from four to two, and reduced rent in ten domestic offices. Two-thirds of all ODO offices are co-located with strategic trade promotion partners. (4/29/2002 consolidation efforts) 3) Domestic offices that generate savings through their efforts receive 10% of the documented savings. 4) US&FCS is effectively converting work performed Foreign Service Nationals to Personal Service Agreements at overseas posts when appropriate.5) US&FCS privatized 40 trade missions since 1995.

Program: US and Foreign Commercial Service (USFCS)
Agency: Department of Commerce
Bureau: International Trade Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 14%

Explanation: Effective collaboration is supported and facilitated by the Trade Promotion Coordinating Committee (TPCC), an interagency committee chaired by the Secretary of Commerce. It was established under the Export Enhancement Act of 1992 to provide a unifying framework to coordinate the export promotion and export financing activities of the U.S. Government and to develop a government-wide strategic plan for carrying out such programs. US&FCS works closely with the TPCC in planning and implementing a wide range of collaborative activities at the Federal, State and local levels.

Evidence: 1) The 1993 National Export Strategy, developed by the TPCC, called for the establishment of Export Assistance Centers. Of the 108 Export Assistance Centers in the United States, two-thirds are physically co-located with Federal, State, or local partners.2) MOU among Commerce, Export-Import Bank, and Small Business Administration defines the roles of these agencies in 108 Export Assistance Centers (USEACs) in the United States. 3) MOU between US&FCS and Overseas Private Investment Corporation for joint training and marketing programs to best enable staff to cross-advertise products and services.4) Over the last three years, USDA's Foreign Agriculture Service and US&FCS have recently enahced their partnership through a joint team which include State Regional Trade Groups, and the National Association of State Departments of Agriculture. US&FCS and FAS have developed a matrix of services for food-related companies to facilitate provision of services to businesses.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight: 14%

Explanation: US&FCS is in conformity with the accounting principles generally accepted in the Untied States. Per findings of clean financial audits, strong procedures are in place to ensure funds are spent as intended. Financial contractors also use strong financial management practices, as evidenced by clean financial audits.

Evidence: 1) Inspector General's audit of FY 2002 Consolidated Financial Statements (1-16-2003, Audit Report No. FSD-15214-3-0002)2) KPMG 2002 Independent Auditors' Report of Department's FY 2001 and FY 2002 consolidated financial statements.

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 14%

Explanation: The US&FCS has systems for identifying and correcting deficiencies in program management, and takes prompt, effective action when deficiencies are identified. These systems serve to prevent problems from occurring or detect problems at an early stage before they become severe. Responses to previous questions document strong accountability systems (rigorous office and manager performance plans) and aggressive training programs to ensure managers develop and maintain top-quality skills, which are vital to foster managerial integrity to prevent problems from developing.ITA is also in the process of adopting a plan to implement appropriate recommendations from the recent KPMG Fee Study. This plan includes short-term goals (nominally increasing some fees), mid-term goals (standardizing fees and implementing cost-accounting to determine how much it costs to provide services) and long-term goals (e.g., x% fee-funded by 200y).

Evidence: 1) US&FCS Management and Program Reviews (MPRs) conducted annually on domestic and international offices and address management, program and administrative operations. Findings are used to develop training programs and improve administrative and funds management control. For example, exit certification for Senior Commerical Officers are being introduced in FY 2003 based on MPRs.2) GAO: Export Promotion: Government Agencies Should Combine Small Business Export Training Programs. September 2001. GAO-01-1023. Commerce and SBA implemented the findings by combining the training programs.3) Implementation of IG audit findings (e.g, US&FCS Italy's Effectiveness Can Be Further Enahnced By Focusing on Management and Program Improvements, IPE-14232, March 2002; US and Foreign Commercial Service Is Addressing Foreign Service Personnel Management Issues, #10829-9-0001, September 1999; Dallas USEAC is Rebuliding to More Aggressively Pursue Export Promotion Activities, #IPE-11006, September 1998)

Program: US and Foreign Commercial Service (USFCS)

Agency: Department of Commerce

Bureau: International Trade Administration

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: US&FCS's performance is subject to critical external factors in the trade environment which include relative strength of U.S. currency, fluidity of exchange rates, and economic shocks in foreign markets which may adversely affect the demand for US exports. US&FCS has demonstrated some progress in achieving its annual performance goals, and has introduced new long-term performance measures in the FY 2005 Annual Performance Plan that should enable the agency to better demonstrate progress towards achieving its articulated long-term goals.

Evidence: 1) 2001 US Exporter Database2) ITA Strategic Plan (FY 2002-2006)3) ITA's FY 2002 Annual Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02ita.pdf 4) ITA's FY 2005 Annual Performance Plan

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: Although US&FCS has demonstrated active partnerships with both private and public organizations, the absence of quantifiable long-term goals makes determining how well the annual performance goals are doing in order to that goal difficult to ascertain. Furthermore, the agency has two years of data that indicate that it has had uneven success. Although 5 of 6 measures in FY 2001 were met, only 1 of the 6 measures in FY 2002 was met.

Evidence: ITA's FY 2002 Annual Performance and Accountability Report: http://www.osec.doc.gov/bmi/budget/02APPR/02ita.pdf

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight20%

Explanation: Although US&FCS does not have an efficiency measure, the programs efforts to reduce overhead, co-locate with partners, employ PSCs overseas have led to increased efficiencies in the program and the agency's work toward achieving program goals. ITA/US&FCS should develop a unit cost measure (e.g., cost per export). US&FCS does not include a measure that indicates the counseling that they do for U.S. firms that do not export. A measure that includes a percent of total firms that export of total firms assisted may inform US&FCS's progress toward accomplishing its purpose. Consolidating the number of websites and web content into export.gov would assist potential and current exporters access to US&FCS information.

Evidence: [See Evidence for question 3.4]1) Reduced one layer of Office of Domestic Operations management, streamlined field regions from four to two, and reduced rent in ten domestic offices. Two-thirds of all ODO offices are co-located with strategic trade promotion partners. (4/29/2002 consolidation efforts) 2) Domestic offices that generate savings through their efforts receive 10% of the documented savings. 3) US&FCS is effectively converting work performed Foreign Service Nationals to Personal Service Agreements at overseas posts when appropriate.4) US&FCS privatized 40 trade missions since 1995.5) Four US&FCS websites currently display similar information and some sites connect to information others do not. www.usatrade.gov/ www.buyusa.gov/home/ www.buyusa.com

Program: US and Foreign Commercial Service (USFCS)
Agency: Department of Commerce
Bureau: International Trade Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?**

Answer: SMALL EXTENT — Question Weight 20%

Explanation: Although surveys of the US&FCS program report that SME users feel Commerce trade promotion programs have a positive impact more frequently than any other government resource and are the top provider of basic export information to businesses; studies also report that private service providers continue to account for the overwhelming majority of all services provided.

Evidence: 1) Report Card on Trade I, 19952) Report Card on Trade II, 20023) KPMG Fee Study, 2003

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: SMALL EXTENT — Question Weight 20%

Explanation: As stated above, surveys of exporters indicate that US&FCS program is rated by SME users as having a positive impact more frequently than any other government resource. However, as stated in qu. 2.6, US&FCS's primary assessment mechanism has been customer service surveys. Although these surveys yield relevant information, they do not provide a comprehensive independent assessment of US&FCS products and services. Although numerous Office Inspector General performance and financial audits have been performed on aspects of US&FCS and the General Accounting Office (GAO) has examined export promotion coordination, comprehensive reviews of US&FCS's performance and validation of past performance have not been conducted.

Evidence: 1) Report Card on Trade I, 19952) Report Card on Trade II, 20023) KPMG Fee Study, 20034) IG Reports: http://www.oig.doc.gov/E-Library/Reports/Recent/body_recent.html5) GAO Reports on export promotion: www.gao.gov

PART Performance Measurements

Program: US and Foreign Commercial Service (USFCS)
Agency: Department of Commerce
Bureau: International Trade Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

Measure: Number of transactions made as a result of ITA involvement

Additional Information: The number of export transactions executed by U.S. businesses directly resulting from counseling, matchmaking, research, information products or other trade promotion activities.

Measure Term: Annual

Year	Target	Actual
2001	9253	11,160
2002	12,300	12,178
2003	13,500	14,031
2004	15,000	

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.)

Additional Information:

Measure Term: Long-term

Year	Target	Actual

Measure: Number of U.S. firms exporting for the first time

Additional Information: The number of U.S. firms that transact an actual verifiable export sale for the first time.

Measure Term: Annual

Year	Target	Actual
2001	679	742
2002	800	699
2003	800	896
2004	810	

PART Performance Measurements

Program: US and Foreign Commercial Service (USFCS)
Agency: Department of Commerce
Bureau: International Trade Administration
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

Measure: Number of New-to-Market Firms

Additional Information: The number of firms that ITA assisted that were planning to export to a new market for the first time.

Measure Term: Annual

Year	Target	Actual
2001	54,779	63,719
2002	54,000	64,263
2003	Discontinued	Discontinued
2004	Discontinued	Discontinued

Measure: Number of U.S. exporters entering a new market

Additional Information: The number of U.S. firms that transact an actual verifiable export sale in a new market, or introduce new products line in a market to which it currently exports.

Measure Term: Annual

Year	Target	Actual
2001	4,540	5,386
2002	5,900	5,740
2003	6,500	6,278
2004	6,532	

Measure: Number of New-to-Export firms

Additional Information: The number of firms ITA assisted that were planning to export for the first time.

Measure Term: Annual

Year	Target	Actual
2001	30,336	20,422
2002	30,000	21,850

Year	Target	Actual
2003	Discontinued	Discontinued
2004	Discontinued	Discontinued

Measure: Number of new or enhanced ITA partnerships with public and private sector entities to promote US exports

Additional Information:

Measure Term: Annual

Year	Target	Actual
2001	New	New
2002	36	
2003	50	88
2004	45	

Measure: By 2007, the US&FCS will increase the baseline of the "Number of US firms exporting for the first time by 1% of the total exporting base. The US&FCS has targeted 5,000 firms to begin exporting over the next six years from a baseline of 400,000 SMEs that currently do not export.

Additional Information:

Measure Term: Long-term

Year	Target	Actual
2005	835	
2006	860	

Measure: By 2007, the US&FCS will increase the baseline of the "Number of US firms entering a new market" by 20% of the total baseline of firms exporting to only one market. The US&FCS has targeted 40,000 firms to enter more than one market over the next six years from a baseline of 200,000 SMEs that currently export to only one market.

Additional Information:

Measure Term: Long-term

Year	Target	Actual
2005	7,249	

Program: US and Foreign Commercial Service (USFCS)

Agency: Department of Commerce

Bureau: International Trade Administration

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
60%	75%	100%	33%	

2006	7,461

Measure: By 2007, the US&FCS will increase the "Number of transactions made as a result of ITA's involvement" by 43%. In FY 2001, the US&FCS completed 11,160 transactions and by 2007 the US&FCS has targeted 16,000 transactions. This constitutes a 43% increase over 2001.

Additional Information:

Measure Term: Long-term

Year	Target	Actual
2005	15,054	
2006	16,882	

PART Performance Measurements

Program: U.S. Patent and Trademark Office - Patents
Agency: Department of Commerce
Bureau: U.S. Patent & Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	86%	46%	

1.1 **Is the program purpose clear?** Answer: YES Question Weight20%

Explanation: USPTO administers the laws relating to patents (and trademarks) while ensuring the creation of valid, prompt, and proper Intellectual Property rights and by advising the administration on all domestic and all global aspects of Intellectual Property.

Evidence: USPTO's mission statement

1.2 **Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight20%

Explanation: USPTO addresses the promotion of industrial and technological progress in the US by providing intellectual property protection. The granting of a patent establishes the right to exclude others from making any use of the patented invention in return for a full and complete disclosure of the invention to society.

Evidence: USPTO's mission statement and U.S. patent law as codified in 35 U.S.C. "Patents"

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight20%

Explanation: USPTO is the only governmental agency in the United States which administers patent laws and grants patents.

Evidence: No other comparable U.S. Entity and the authority for the U.S. government to administer laws relating to trade and commerce are found in the commerce clause of the U.S. Constitution. 35 U.S.C. "Patents"USPTO Performance and Accountability Report

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: The patent program has established user fees that support the costs of administering the patent program that convey special benefits to recipients beyond those that accrue to the general public. However, due to problems meeting performance goals PTO began implementation of a new strategic plan in FY 2002 to accelerate implementation of e-government in patents, enhance examination quality, and restructure the patent fee schedule through legislative changes.

Evidence: USPTO 21st Century Strategic Plan, USPTO Performance and Accountability Report

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight20%

Explanation: The direct beneficiaries are customers (applicants) who pay fees for the patent program's products and services that convey special benefits to those entitled under the law. Publishing patents benefits the public by disclosing new technology and protecting Intellectual Property ownership rights.

Evidence: USPTO's mission statement; USPTO 21st Century Stategic Plan; U.S. patent law as codified in 35 U.S.C. "Patents"

Program: U.S. Patent and Trademark Office - Patents
Agency: Department of Commerce
Bureau: U.S. Patent & Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	86%	46%	

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight: 12%

Explanation: The patent program has the following long-term goals: Improve the quality of patent products and services and optimize patent processing times, and create a more flexible organization through transitioning patent applications to e-government operations. The specific long-term performance measures supporting these goals are 1) Improve the quality by reducing the error rate, 2) Reduce first action and total pendency, 3) Improve the efficiency of the patent processing system by enabling electronic processing for patents.

Evidence: USPTO Performance and Accountability report,USPTO 21st Century Strategic Plan

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight: 12%

Explanation: In general, PTO's long-term targets are ambitious. The targets for 2009 are the following: (a) 30% of patent applications filed electronically; (b) improve patent quality by reducing the error rate to 3%; (c) reduce average patent first office action pendency to 15.9 months; (d) reduce total average patent pendency to 29.5 months; and (e) achieve a cost of $3,685 per patent production unit.

Evidence: FY 2005 Budget Request and Agency Performance Plan.

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight: 12%

Explanation: USPTO has established several annual measures and goals that contribute to desired long-term results, including patent pendency, error rate, electronic filing and processing of patent applications, and unit costs per patent disposal.

Evidence: FY 2005 Budget Request and Agency Performance Plan.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 12%

Explanation: The FY 2005 patent program targets are: (a) 4% of patent applications filed electronically; (b) improve patent quality by reducing the error rate to 3.75%; (c) reduce average patent first office action pendency to 21.1 months; (d) reduce total average patent pendency to 31.1 months; and (e) achieve a cost of $4,052 per patent production unit. While some of the annual targets are less ambitious, as a whole, these targets are reasonable and incorporate planned increases in pendency, as PTO implements its strategic plan initiatives to complete patent e-Government and modify the patent examination process. Completion of the strategic plan initiatives should allow PTO to meet the long-term targets.

Evidence: The USPTO Performance and Accountability Report contain targets and actual performance results compared to annual performance goals. The FY 2004 and 2005 Agency Performance Plans contain most targets and baseline results.

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

Agency: Department of Commerce

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

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	86%	46%	

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**

Answer: YES Question Weight:12%

Explanation: USPTO partners with United States Trade Representative on international negotiations. The USPTO also partners with significant contractors to meet specific time frames for processing. To reduce workloads and duplication of efforts, USPTO has also undertaken a pilot project with the European Patent Office (EPO) and the Japanese Patent Office (JPO) to assess the benefits of mutual exploitation of patent search and examination results.

Evidence: USPTO 21st Century Strategic PlanUSPTO Record of Discussion with EPO and JPO

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**

Answer: NO Question Weight:12%

Explanation: In the past, the USPTO has not had regular, independent evaluations. The GAO and DOC Office of Inspector General have conducted infrequent reviews of PTO's performance. In the future, USPTO plans to perform independent reviews of proofs of concepts performed for The 21st Century Strategic Plan.USPTO also conducts internal reviews of the quality of patent examination by agency officials. These internal reviews focus on (1) identifying patentability errors, (2) assessing adequacy of the field of search and proper classification, and (3) assessing proper examination practice and procedures. USPTO contracts with independent auditors to audit annual performance and accountability reports and to compile the results of the annual customer satisfaction surveys.

Evidence: Government Accounting Office Audits/reports: GAO-02-907, Information on the US Patent and Trademark Office's Past and Future Operations, August 2002. Office of Inspector General audits/reports: BTD-14432-2-0001, Patent Examiner Hiring Process Should Be Improved., March 2002. FSD-14429, Minor Improvements Needed in Reporting Performance Results, March 2002.Patent Quality Review Reports. Patent Public Advisory Committee Annual Reports

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**

Answer: YES Question Weight:12%

Explanation: USPTO identifies program goals and performance measures by patent and trademark business in the preparation of its budget request and displays the funding associated with each of the major goals and objectives. USPTO has developed Activity Based Costing models that align all obligations within USPTO with either the patent or trademark business areas to determine actual expenses and forecast future budget obligations by revenue source.

Evidence: The FY 2004 and 2005 USPTO budget submission reflects the division of the agency budget into two business lines - Patents and Trademarks.

PART Performance Measurements

Program: U.S. Patent and Trademark Office - Patents
Agency: Department of Commerce
Bureau: U.S. Patent & Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	86%	46%	

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 12%

Explanation: In June 2002, USPTO developed the 21st Century Strategic Plan that promotes changes to trademark practices and procedures to improve quality, pendency, and fully implement e-government operations. The agency has developed detailed implementation plans to support and monitor the achievement of those initiatives. In February 2003, the USPTO published revised action papers and plans that addressed concerns of stakeholders in making changes to the trademark process. The USPTO plans to conduct a "proof of concept" and disclosing the results to stakeholders prior to implementing major new initiatives.

Evidence: USPTO 21st Century Strategic Plan

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 14%

Explanation: USPTO is designated a "performance-based organization" (PBO) and regularly collects data on productivity, pendency, quality, administrative, and financial performance for use by managers to review against baseline and annual targets. The agency also shares data with its international counterparts, including measures of performance and cost.

Evidence: Patent Application Location and Monitoring (PALM) reportsQuality Review reportsMonthly Process Production reports; American Inventor's Protection Act of 1999 PL 106-113

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: NO Question Weight: 14%

Explanation: Although performance plans at USPTO are linked to the organization's goals, performance plans of managers do not include cost efficiency goals. PTO is working to develop cost efficiency targets and incorporate them into performance plans.

Evidence: Employee Annual Performance PlansAnnual performance contract between the Commissioner for Patents and the Secretary of Commerce.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 14%

Explanation: USPTO develops operating plans for each organization based on appropriated funding levels and USPTO goals and priorities and periodically monitors spending against established program plans.

Evidence: Bi-weekly Execution reports produced by the Office of Corporate PlanningFY 2002 patent organization direct funds were 99.8% obligated through September 2002. As of May 15, 2003 74.3% of patent funds were used.Audited statements contained in the USPTO Performance and Accountability Report.

Program: U.S. Patent and Trademark Office - Patents
Agency: Department of Commerce
Bureau: U.S. Patent & Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	86%	46%	

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?

Answer: YES Question Weight: 14%

Explanation: USPTO has a consistent track record for competitively sourcing non-inherently governmental functions (e.g. mail, payroll, clerical support, Information Technology development and maintenance). USPTO has productivity performance measures that are appropriate for its mission and program objectives. USPTO has developed annual efficiency measures to evaluate the level of resources consumed and the unit costs of providing services that support the processing and examination of patents.

Evidence: USPTO Corporate Plans ad Budget RequestsUSPTO Performance and Accountability reportUSPTO's 21st Century Strategic Plan further increases competitive sourcing of patent classification and search functions.

3.5 Does the program collaborate and coordinate effectively with related programs?

Answer: YES Question Weight: 14%

Explanation: Though USPTO is the only federal entity that addresses patent law and policy, the USPTO regularly collaborates with its international intellectual property counterparts to share systems, exchange information, and discuss changes to patent laws and practices. To reduce workloads and duplication of efforts, PTO has also undertaken a pilot project with the European Patent Office (EPO) and the Japanese Patent Office (JPO) to assess the benefits of mutual exploitation of patent search and examination results. USPTO also consults with the Copyright Office of the Library of Congress on intellectual property policy formulation and proposed legislation and collaborates with other agencies to screen patent applications for security implications.

Evidence: Reports of annual trilateral meetings of USPTO, Japan Patent Office and European Patent Office and participation with working groups sponsored by the World Intellectual Property Organization.

3.6 Does the program use strong financial management practices?

Answer: YES Question Weight: 14%

Explanation: Although USPTO declared a material weakness under the FMFIA in FY 2002 due to DOC IG evaluations that found that eight critical information systems at PTO were not certified and accredited, this did not affect financial management practices. In FY 2002, the USPTO core financial system was maintained and operated off-site at the US Department of Interior. The FY 2002 Financial Statement audit revealed an unqualified audit opinion with no material weakenesses or reportable conditions. FY 2002 marked the 10th year of an unqualified audit opinion and 6th year without material internal control weakenesses supporting the financial management practices.

Evidence: USPTO Performance and Accountability ReportOffice of Inspector General/Government Accounting Office Audits/Reports For FY 2002OIG Report: OSE-15250 Independent Evaluation of USPTO's Information security Program Under the Government Information Security Reform Act (September 2002)

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: YES Question Weight: 14%

Explanation: The 21st Century Strategic Plan takes a proactive approach to strengthening program management through ensuring achievement of desired goals and objectives. This includes training and compensation initiatives to improve performance and ensure management officials have the skills, capabilities, and incentives needed to carry out the plan.

Evidence: USPTO 21st Century Strategic Plan

PART Performance Measurements

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

Agency: Department of Commerce

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

Type(s): Direct Federal

Section Scores				**Rating**
1	2	3	4	Adequate
100%	88%	86%	46%	

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: In FY02 and FY03, the patent program meet most of its performance targets. However, pendency remains high and the number of patent applications awaiting first action increased by 38,000 (9%) from FY 2002 to FY 2003. Full implementation of the strategic plan should improve pendency and qualilty by 2009. During FY 2003, PTO has also made progress implementing electronic processing for patents by implementing its electronic application processing.

Evidence: USPTO Performance and Accountability ReportUSPTO 21st Century Strategic Plan

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight20%

Explanation: In FY 2003, the patent program met three of its five measures under the goals of improving the quality of patent products and services and optimizing patent processing times. PTO did not meet its error rate target (an indicator of the quality of patents); but did meet its average total pendency target and first office action pendency target. However, patent processing times have increased between FY 2000 and FY 2003.

Evidence: USPTO Performance and Accountability Report

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight20%

Explanation: The strategic plan includes steps to improve efficiency and cost effectiveness, including implementing e-Government programs, continuing competitive-sourcing efforts, and conducting pre-employment testing of job applicants. To date, unit costs per patent disposed production unit have increased while average total and first office action pendency remain high.

Evidence: USPTO 21st Century Strategic Plan; USPTO Performance and Accountability Report.

4.4 **Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?** Answer: YES Question Weight20%

Explanation: There are no other similar Federal programs. However, USPTO compares favorably with the other two major international intellectual property offices. USPTO has the lowest pendency and lowest cost to the applicant for obtaining and maintaining a patent.

Evidence: USPTO data on costs and timeliness for Europe, Japan, and PTO in FY 2003 Budget Submission. (European Patent Office fees collected per 20 year-life of typical patent: $37K, Japanese Patent Office costs: $12K, and PTO costs: $8K).

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

Agency: Department of Commerce

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

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	86%	46%	

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

Answer: SMALL EXTENT

Question Weight20%

Explanation: PTO does not have regular, independent evaluations. However, several internal evaluations are conducted to examine progress meeting performance targets and PTO's 21st Century Strategic Plan was endorsed by industry and user groups as an effective approach to improving quality, reducing pendency, and achieving electronic filing and processing of applications. PTO should consider more external evaluations of the new initiatives within the strategic plan.

Evidence: Patent Quality Review ReportsUSPTO 21st Century Strategic Plan USPTO Performance and Accountability Report

PART Performance Measurements

Program: U.S. Patent and Trademark Office - Patents
Agency: Department of Commerce
Bureau: U.S. Patent & Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	86%	46%	

Measure: Applications Filed Electronically

Additional Information: Identifies USPTO's support of and applicants' willingness to operating in an e-government environment and will identify the percent of basic applications filed electronically.

Measure Term: Long-term

Year	Target	Actual
2003	2%	1.3%
2004	2%	
2005	4%	

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.)

Additional Information: Assesses product quality through internal reviews. An error is defined as at least one claim within the randomly selected allowed application that would be held invalid in a court of law, if the application were to issue as a patent without the required correction.

Measure Term: Long-term

Year	Target	Actual
2001	5.5%	5.4%
2002	5%	4.2%
2003	4%	4.4%
2004	4%	
2005	3.75%	
2006	3.75%	

PART Performance Measurements

Program: U.S. Patent and Trademark Office - Patents
Agency: Department of Commerce
Bureau: U.S. Patent & Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	86%	46%	

Measure: Reduce average first action pendency(First-action pendency is the average time, in months, from the filing date of the application to the mailing of the first office action.)

Additional Information:

Measure Term: Long-term

Year	Target	Actual
2001	13.9	14.4
2002	16.4	16.7
2003	18.4	18.3
2004	20.2	
2005	21.1	

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.)

Additional Information:

Measure Term: Long-term

Year	Target	Actual
2001	26.2	24.7
2002	26.1	24
2003	27.7	26.7
2004	29.8	
2005	31.1	
2006	31.3	

PART Performance Measurements

Program: U.S. Patent and Trademark Office - Patents
Agency: Department of Commerce
Bureau: U.S. Patent & Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	86%	46%	

Measure: Efficiency - cost per patent disposed

Additional Information: Relative indicator of the efficiency of the patent process.

Measure Term: Long-term

Year	Target	Actual
2001		$3,210
2002		$3,376
2003	$3,444	$3,329
2004	$3,502	
2005	$4,052	
2006	$4,824	

PART Performance Measurements

Program: U.S. Patent and Trademark Office - Trademarks
Agency: Department of Commerce
Bureau: U.S. Patent and Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	53%	Effective

1.1 **Is the program purpose clear?** Answer: YES Question Weight20%

Explanation: USPTO administers the laws relating to trademarks (and patents) while ensuring the creation of valid, prompt, and proper intellectual property (IP) rights and by advising the administration on all domestic and global aspects of IP.

Evidence: USPTO's mission statement

1.2 **Does the program address a specific and existing problem, interest or need?** Answer: YES Question Weight20%

Explanation: USPTO addresses the promotion of industrial and technological progress in the US by providing intellectual property protection. The federal register of trademarks is intended to provide notice of ownership and use in commerce to prevent others from adopting a conflicting or similar mark.

Evidence: USPTO's mission statement and U.S. trademark law as codified in 15 U.S.C. Chapter 22 "Trademarks"

1.3 **Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?** Answer: YES Question Weight20%

Explanation: The federal government is the authority for administering laws relating to interstate commerce. USPTO is the only federal agency that administers U.S. laws relating to trademarks. States have adopted their own laws and maintain their own trademark registers which offer intrastate protection.

Evidence: The authority for the U.S. government to administer laws relating to trade and commerce are found in the commerce clause of the U.S. Constitution. 15 U.S.C. Chapter 22 "Trademarks"USPTO Performance and Accountability Report

1.4 **Is the program design free of major flaws that would limit the program's effectiveness or efficiency?** Answer: YES Question Weight20%

Explanation: The costs of administering the trademark program are supported by user fees paid by owners interested in protecting the value of their investment by seeking federal registration of their trademarks. The trademark program also has improved its operating procedures and shows declining unit costs per trademark disposed. The new strategic plan contains modest revisions to existing trademark practices and products to further improve quality, pendency, and implementation of e-government. The program has demonstrated consistent increases in the use and acceptance of electronic filing and communications since FY 1999 and is in the process of transitioning internal operations to a fully electronic workflow.

Evidence: 15 U.S.C. Chapter 22 "Trademarks"USPTO Performance and Accountability Report

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: YES Question Weight20%

Explanation: The program is effective in the use of resources which are covered by user fees paid by applicants who are the direct beneficiaries of the special benfits that are conveyed to those entitled under the law. Federal registration provides public notice of marks in use which protects owners of marks and consumers in the market place.

Evidence: USPTO 21st Century Strategic Plan15 USC Chapter 22 "Trademarks"

PART Performance Measurements

Program: U.S. Patent and Trademark Office - Trademarks
Agency: Department of Commerce
Bureau: U.S. Patent and Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	53%	Effective

2.1 **Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?** Answer: YES Question Weight:14%

Explanation: Trademarks has the following long-term goals: Improve the quality of trademark products and services and optimize trademark processing times, and create a more flexible organization by creating an e-government operation. The specific long-term measures supporting these goals are 1) Improve the quality of trademark products and services by reducing the error rate, 2) Reduce first action and disposal pendency, 3) Improve the efficiency of trademark processing by increasing the number of applications and communications received and processed electronically.

Evidence: USPTO Performance and Accountability ReportUSPTO 21st Century Strategic Plan

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight:14%

Explanation: The trademark program revised its long term targets to address difficulties meeting performance targets in FY02 and FY03. In general, these revised targets are ambitious. Quality evaluation criteria were revised to set more rigorous and comprehensive standards to improve the quality of examination. Specific Trademark program targets for 2009 are: (a) 80% of trademark applications filed electronically; (b) improve trademark quality by reducing the deficiency rate, or error rate, on first actions to 4% and on final actions to 3.5%; (c) reduce average trademark first office action pendency to 3.9 months; (d) reduce total average trademark pendency to 20.7 months; and (e) achieve a cost of $TBD per trademark production unit.

Evidence: FY 2005 Budget request and Agency Performance Plan

2.3 **Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?** Answer: YES Question Weight:14%

Explanation: USPTO has established a number of annual goals that contribute to measuring progress towards achieving its desired long-term results including trademark pendency, error rate, electronic filing and processing of trademark applications, and unit costs per trademark disposal.

Evidence: FY 2005 Budget request and Agency Performance Plan

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight:14%

Explanation: The fiscal year 2005 Trademark program targets are: (a) 70% of trademark applications filed electronically; (b) improve trademark quality by reducing the deficiency rate, of error rate, on first actions to 7%, and on final actions to 4.5%; (c) reduce trademark first office action pendency to 5.8 months; (d) disposal pendency at 23.5 months; and (e) achieve a cost of $701 per trademark production unit. While some of the annual targets are less ambitious, as a whole, these targets are realistic and sound.

Evidence: The USPTO Performance and Accountability Report contains targets and actual performance results compared to annual performance goals. The FY 2004 and 2005 Agency Performance Plans contain most targets and baseline results.

Program: U.S. Patent and Trademark Office - Trademarks
Agency: Department of Commerce
Bureau: U.S. Patent and Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	53%	Effective

2.5 **Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?**

Answer: NA — Question Weight: 0%

Explanation: USPTO does not partner in a significant way with other agencies in the processing of trademark applications.

Evidence:

2.6 **Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?**

Answer: NO — Question Weight: 14%

Explanation: In the past, the USPTO has not had regular, independent evaluations. The GAO and DOC Office of Inspector General have conducted infrequent reviews of USPTO's performance. In the future, USPTO plans to perform independent reviews of proofs of concepts performed for strategic plan.USPTO conducts internal reviews of the quality of trademark examination. As a result of these internal reviews in the past year, USPTO has adopted more stringent criteria for evaluating and reporting quality results, including the use of "in-process" reviews to apply the results of its quality findings to target training and revise examination guides to further improve quality. USPTO continues to evaluate the quality elements and the criteria that are reviewed and the approach used to communicate the findings to better respond to customer feedback. USPTO contracts with independent auditors to audit annual performance and accountability reports and to compile the results of the annual customer satisfaction surveys.

Evidence: The Office of Trademark Quality Review conducts on-going reviews. The Trademark Public Advisory Committee, an industry oversight committee established by statute, advises the Director of the USPTO on the agency's operations, including its goals, performance, budget, and user fees. Assessments are reported in the USPTO Annual Performance and Accountability Report, the Customer Satisfaction Report and the annual Trademark Public Advisory Committee Report.

2.7 **Are Budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?**

Answer: YES — Question Weight: 14%

Explanation: USPTO identifies program goals and performance measures by patent and trademark business in the preparation of its budget request and displays the funding associated with each of the major goals and objectives. USPTO has developed Activity Based Costing models that align services that support the patent and trademark businesses to determine actual expenses and forecast future budget obligations by revenue source.

Evidence: The FY 2004 and 2005 USPTO budget submission reflects the division of the agency budget into two business lines - Patents and Trademarks.

Program: U.S. Patent and Trademark Office - Trademarks
Agency: Department of Commerce
Bureau: U.S. Patent and Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	53%	Effective

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 14%

Explanation: In June 2002, USPTO developed the 21st Century Strategic Plan that promotes changes to trademark practices and procedures to improve quality, pendency, and fully implement e-government operations. The agency has developed detailed implementation plans to support and monitor the achievement of those initiatives. In February 2003, the USPTO published revised action papers and plans that addressed concerns of stakeholders in making changes to the trademark process. The USPTO plans to conduct a "proof of concept" and disclosing the results to stakeholders prior to implementing major new initiatives.

Evidence: USPTO 21st Century Strategic Plan

3.1 **Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?** Answer: YES Question Weight: 14%

Explanation: USPTO is designated a "performance-based organization" (PBO) and regularly collects data on production, pendency, quality, administrative, and financial performance for use by managers to review against baseline and annual targets. The agency also shares data with its international components, including measures of performance and cost. However, recent problems meeting performance targets in the trademark operation indicate that the program did not adequately predict the backlog of unexamined new trademark applications and the inventory of uncompleted trademark applications at the end of FY02. In response, the trademark program has made adjustments to performance targets and management of the operation.

Evidence: USPTO Performance and Accountability Report;Trademark Reporting and Monitoring System (TRAM) reports Quality Review Reports American Invetors Protection Act of 1999 (AIPA) PL 106-113

3.2 **Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?** Answer: NO Question Weight: 14%

Explanation: Although performance plans at USPTO are linked to the organization's goals, performance plans of managers do not include cost efficiency goals. PTO is working to develop cost efficiency targets and incorporate them into performance plans.

Evidence: Employee Annual Performance PlansAnnual performance contract between the Commissioner for Trademarks and the Secretary of Commerce.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 14%

Explanation: USPTO develops operating plans for each organization based on appropriated funding levels and USPTO goals and priorities with routine monitoring of spending against established program plans.

Evidence: Bi-weekly execution reports produced by the Office of Corporate Planning.FY 2002 trademark organization direct funds were 99.7% obligated through September 2002. As of May 15, 2003 71.0% of trademark funds were used.Audited financial statements contained in the USPTO Performance and Accountability Report.

Program: U.S. Patent and Trademark Office - Trademarks
Agency: Department of Commerce
Bureau: U.S. Patent and Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	53%	Effective

3.4 Does the program have procedures (e.g. competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?

Answer: YES Question Weight:14%

Explanation: USPTO has a consistent track record for competitively sourcing non-inherently governmental functions (e.g. mail, payroll, clerical support, Information Technology development and maintenance). In the past year, the Trademark Organization reduced its space requirements as a result of its successful telecommuting program and effective use of Information Technology systems to allow examiners to perform the same job from a remote location. USPTO also has productivity performance measures that are appropriate for its mission and program objectives and has developed annual efficiency measures to evaluate the level of resources consumed and the unit costs of providing services that support the processing and examination of trademarks. Incentive awards paid to trademark examiners further encourage greater productivity which allows the agency to maintain a smaller staff relative to workloads.

Evidence: USPTO Corporate Plans and Budget requestsUSPTO Performance and Accountability ReportUSPTO's 21st CenturyStrategic Plan proposes to further increase competitive sourcing of trademark classification and pre examination functions.

3.5 Does the program collaborate and coordinate effectively with related programs?

Answer: YES Question Weight:14%

Explanation: USPTO is the only federal entity that addresses the administration of U.S. trademark law through the federal registration of trademarks. USPTO regularly consults and collaborates with international intellectual property counterparts to share systems, exchange information, and discuss changes to trademark laws and practice. USPTO also consults with the Copyright Office of the Library of Congress on intellectual property policy formulation and proposed legislation. USPTO partners with Customs and Border Protection of the U.S. Department of Homeland Security by assisting in the identification and eventual seizure of counterfeit goods and services imported into the U.S.

Evidence: Reports of annual trilateral meetings of USPTO Japan Patent Office and European Patent Office, and participation with working groups sponsored by the World Intellectual Property Organization.

3.6 Does the program use strong financial management practices?

Answer: YES Question Weight:14%

Explanation: Although USPTO declared a material weakness under the FMFIA in FY 2002 due to DOC IG evaluations that found that eight critical information systems at PTO were not certified and accredited, this did not affect financial management practices. In FY 2002, the USPTO core financial system was maintained and operated off-site at the US Department of Interior. The FY 2002 Financial Statement audit revealed an unqualified audit opinion with no material weakenesses or reportable conditions. FY 2002 marked the 10th year of an unqualified audit opinion and 6th year without material internal control weakenesses supporting the financial management practices.

Evidence: USPTO Performance and Accountability ReportOffice of Inspector General/Government Accounting Office Audits/Reports For FY 2002OIG Report: OSE-15250 Independent Evaluation of USPTO's Information security Program Under the Government Information Security Reform Act (September 2002)

Program: U.S. Patent and Trademark Office - Trademarks
Agency: Department of Commerce
Bureau: U.S. Patent and Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	53%	Effective

3.7 Has the program taken meaningful steps to address its management deficiencies?
Answer: YES
Question Weight:14%

Explanation: In the fall of 2003, the trademark program conducted an internal study that examined the reasons for not achieving all FY 2002 and FY 2003 performance targets leading to adjustments in targets and management of the operation. The program continues to look at alternative management tools and practices to help improve performance. PTO's strategic plan does contain some initiatives to strengthen program management, including training and compensation initiatives to improve performance and ensure management officials have the skills, capabilities, and incentives needed to carry out the plan.

Evidence: USPTO 21st Century Strategic Plan

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?
Answer: SMALL EXTENT
Question Weight20%

Explanation: In FY 02 and FY 03, the trademark program did not meet the average total and first office action pendency targets. The program has conducted an initial review of the causes of these performance problems, and has revised and increased its long-term targets. The program is continuing to examine ways to improve performance.

Evidence: USPTO Performance and Accountability ReportUSPTO 21st Century Strategic Plan

4.2 Does the program (including program partners) achieve its annual performance goals?
Answer: SMALL EXTENT
Question Weight20%

Explanation: In FY02 and FY03, average total pendency and first action pendency increased and targets were not met.

Evidence: USPTO Performance and Accountability Report

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?
Answer: LARGE EXTENT
Question Weight20%

Explanation: As the Trademark Business has moved forward to implement electronic processing it has reduced the associated operating costs by reducing and/or redirecting resources to other processes and functions. Unit costs per trademark disposed fell by 31% between FY 1999 and FY 2002.

Evidence: USPTO Performance and Accountability Report

4.4 Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?
Answer: YES
Question Weight20%

Explanation: There are no similar Federal programs. However, the Trademark Business compares favorably with the other two major international intellectual property offices in Japan and Europe. The Trademark Business has both the lowest pendency and lowest cost to the applicant for registering and maintaining a trademark.

Evidence: USPTO data on costs and timeliness for Europe, Japan, and USPTO in FY 2003 Budget Submission. (European Union's Office for Harmonization in the Internal Market trademark price: $4K, Japanese Patent Office trademark price: $4K, and USPTO trademark price: $2K).

Program: U.S. Patent and Trademark Office - Trademarks
Agency: Department of Commerce
Bureau: U.S. Patent and Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				**Rating**
1	2	3	4	Moderately
100%	86%	86%	53%	Effective

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**

Answer: SMALL EXTENT

Question Weight 20%

Explanation: Few regular, independent evaluations of USPTO's overall effectiveness and performance have been conducted. However, the Trademark Business undergoes internal quality assessment reviews on an ongoing basis, and has strengthened the criteria and uses the results to direct training to further improve quality. The Office of Inspector General conducted an assessment of data quality that focused on performance data and determined that appropriate measures were in place. The Government Accounting Office recently completed a review of USPTO Business and Strategic Plans. USPTO also conducts an annual independent survey of customers, the results of which are used to make changes in how programs are managed.

Evidence: Trademark Quality Review reportsOffice of Inspector General and Government Accounting Office audits/reportsAnnual Customer Survey Results

PART Performance Measurements

Program: U.S. Patent and Trademark Office - Trademarks
Agency: Department of Commerce
Bureau: U.S. Patent and Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	86%	86%	53%	Effective

Measure: Applications Filed Electronically

Additional Information: Indicator of the success of USPTO's efforts and applicants' willingness to communicate electronically based on the percent of applications filed electronically.

Measure Term: Long-term

Year	Target	Actual
2001		24%
2002	50%	38%
2003	80%	57.5%
2004	65%	
2005	70%	

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 the trademark registration.)

Additional Information: Based on a quality review, the percent of pending, registered, or abandoned applications containing an error that could affect the validity of the trademark registration. Measure revised for 2004 and 2005 to evaluate quality of final action.

Measure Term: Long-term

Year	Target	Actual
2001	6%	3.1%
2002	5%	4.3%
2003	4%	5.3%
2004	5%	
2005	4.5%	
2006	4.8%	

PART Performance Measurements

Program: U.S. Patent and Trademark Office - Trademarks
Agency: Department of Commerce
Bureau: U.S. Patent and Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	86%	86%	53%	

Measure: Reduce average first action pendency

Additional Information: Measures the average time in months from the filing date of the application to the mailing of the first office action.

Measure Term: Long-term

Year	Target	Actual
2001	6.6	2.7
2002	3	4.3
2003	3	5.4
2004	5.4	
2005	5.8	

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.)

Additional Information: Overall, or total pendency, is the average time in months from the filing date of the application to registration or abandonment of the application.

Measure Term: Long-term

Year	Target	Actual
2001	18	17.8
2002	16	19.9
2003	15.5	19.8
2004	21.6	
2005	23.5	
2006	18.7	

PART Performance Measurements

Program: U.S. Patent and Trademark Office - Trademarks
Agency: Department of Commerce
Bureau: U.S. Patent and Trademark Office (USPTO)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	86%	86%	53%	

Measure: Efficiency - cost per trademark registered

Additional Information: Relative indicator of the efficiency of the trademark process based on the unit cost of delivering outputs.

Measure Term: Long-term

Year	Target	Actual
2001		$501
2002		$487
2003	$683	$433
2004	$583	
2005	$701	
2006	$564	