

**NATURAL RESOURCES CONSERVATION SERVICE
ANNUAL PERFORMANCE REPORT
FISCAL YEAR 2001**

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INTRODUCTION

The Government Performance and Results Act of 1993 mandated that each agency of the Executive Branch prepare a 5-year Strategic Plan and an Annual Performance Plan and Report. The first revision of the Natural Resources Conservation Service (NRCS) Strategic Plan was completed in Fiscal Year (FY) 2000. This is the third NRCS Annual Performance Report.

Most annual performance objectives were achieved or exceeded.

The progress that has been made can be attributed to the hard work and commitment of many people, especially at the field level with support from conservation partners such as the local Conservation Districts, State Conservation Agencies, and Resource Conservation and Development Councils. Contributions of the partnership are included in many of the accomplishment data reported throughout the report. In addition, NRCS participated in the American Customer Satisfaction Index survey and received a rating of 81 from a sample of landowners who received conservation technical assistance. This score is well above the average for government agencies. Moreover, customers gave NRCS an extremely high rating of 90 on trust, which is measured by whether the customer will become an advocate for conservation technical assistance and request further services and information from the agency.

Table 1
NATURAL RESOURCES CONSERVATION SERVICE PERFORMANCE SUMMARY

Strategic Goals	Performance Objectives and Indicators	1999 Actual*	2000 Actual	2001 Target	2001 Actual
Goal 1: Enhance natural resource productivity to enable a strong agricultural and natural resource sector.	Objective 1.1 - Maintain, restore, and enhance cropland productivity.				
	Cropland where resource management systems were applied, acres.	8,680,000*	10,200,000	11,000,000	9,470,000
	Cropland where conservation was applied to fully protect against erosion damage, acres.	5,320,000*	4,100,000	5,000,000	3,470,000
	Objective 1.2 - Maintain, restore, and enhance irrigated land.				
	Irrigated cropland where irrigation water management was improved, acres.	NA	1,251,000	1,000,000	1,246,000
	Objective 1.3 - Maintain, restore, and enhance grazing land productivity.				
Goal 2: Reduce unintended adverse effects of natural resource development and use to ensure a high quality environment.	Grazing land where resource management systems were applied, acres.	7,900,000	10,700,000	11,000,000	11,290,000
	Objective 1.4 - Maintain, restore, and enhance forestland productivity.				
	Forestland where tree and shrub establishment was applied, acres.	NA	640,000	300,000	526,000
	Forestland where the stand was improved, acres.	NA	390,000	300,000	400,000
	Objective 2.1 - Protect farmland from conversion to non-agricultural uses.				
	Counties with Land Evaluation and Site Assessment systems developed, number.	NI	NA	50	19
Farmland protected from conversion under Farmland Protection Program, acres.	NI	NI	27,800	34,900	
Objective 2.2 - Promote sound urban and rural community development.					
Community development projects completed (RC&D), number.	NI	NI	2,513	3,043	
Urban and built-up land where erosion control measures were applied, acres.	NI	46,000	50,000	70,700	

Strategic Goals	Performance Objectives and Indicators	1999 Actual*	2000 Actual	2001 Target	2001 Actual
	Objective 2.3 - Protect water and air resources from agricultural non-point sources of impairment.				
	Buffers applied annually, acres.	NC	NC	250,000	524,000
	Agricultural land where systems that reduce potential for nutrient delivery were applied, acres.	2,700,000	4,400,000	5,000,000	5,400,000
	Agricultural land where pest management was applied, acres.	NA	4,400,000	4,000,000	5,400,000
	Objective 2.4 - Enhance animal feeding operations to protect the environment.				
	Waste management systems planned or applied, number.	6,170	11,000*	11,000	10,521
	Objective 2.5 - Maintain, restore, or enhance wetland ecosystems and fish and wildlife habitat.				
	Wetlands created, restored, or enhanced, acres.	270,000	290,000	250,000	362,000
	Land where measures to improve wildlife were applied, acres.	6,300,000	12,300,000	5,000,000	11,700,000
Goal 3: Reduce risks from drought and flooding to protect individual and community health and safety.	Objective 3.1 - Protect upstream watersheds from flood risks.				
	Watershed infrastructure rehabilitation projects installed, number.	NI	NI	11	0
	Flood control structures completed, number.	NI	NI	81	51
	Conservation Systems applied to address flooding concerns, acres.	NI	1,303,000	1,590,000	3,078,000
	Objective 3.2 - Protect watersheds from the effects of chronic water shortages and risks from drought.				
	Conservation systems applied to address water supply concerns, acres.	NA	6,500,000	5,385,000	8,620,000
	Water supply forecasts issued to address flooding concerns, number.	6,835	6,875	6,550	9,000

Strategic Goals	Performance Objectives and Indicators	1999 Actual*	2000 Actual	2001 Target	2001 Actual
Goal 4: Deliver high quality services to the public to enable natural resource stewardship.	Objective 4.1 - Deliver services fairly and equitably. Members of racial and ethnic minority groups, who applied a conservation system with NRCS assistance, number. Minority customers applying a system with assistance from an NRCS-administered financial assistance program. New NRCS offices established on reservation land.	NI NI NI	NI NI NI	10,000 2,500 5	5,341 1,995 4
	Objective 4.2 - Strengthen the conservation delivery system. Customers accessing NRCS technical data electronically: Water users and managers utilizing information developed by the snow survey and water supply forecasting program, number of homepage accesses. Customers accessing or downloading soils data -- total number of STATSGO and SSURGO downloads or CD orders.	43,800 2,611	55,261 11,505	85,000 10,510	69,300 34,700
	Customers accessing or downloading plant science information (PLANTS) database, customers.	720,000	745,000	750,000	1,230,000
	Objective 4.3 - Ensure timely, science-based information and technologies. National conservation practice standards reviewed to ensure they are current and reflect best available technology, number. Soil surveys available in digital form, cumulative number. Soils mapped or soil surveys updated in the fiscal year, acres.	NI 704 24,000,000	NI 941 24,391,000	36 1,220 24,000,000	11 1,080 24,400,000

Strategic Goals	Performance Objectives and Indicators	1999 Actual*	2000 Actual	2001 Target	2001 Actual
	New plant releases, number.	22	25	25	24
	Plant materials technology transfer: publications, number.	NI	NI	345	366
	Plant materials studies evaluated, number.	NI	NI	400	463

*** Fiscal Year 1999 data were collected at 287 PRMS Pilot sites and projected to reflect National accomplishments.**

NA - No available data, projections were not made.

NI - Not an indicator for this fiscal year.

NC - Data is not comparable due to a change in units used for measurement.

NATURAL RESOURCES CONSERVATION SERVICE MISSION

The Natural Resources Conservation Service provides leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.

NATURAL RESOURCES CONSERVATION SERVICE PROGRAMS

The Soil Conservation and Domestic Allotment Act of 1935 (Public Law 74-46) established the Natural Resources Conservation Service (NRCS) as the Soil Conservation Service (SCS). Pursuant to Public Law 103-354, the Department of Agriculture (USDA) Reorganization Act of 1994, (7 U.S.C. 6962), SCS became NRCS.

Conservation Operations

There are four programs in the Conservation Operations account, Conservation Technical Assistance, Soil Survey, Snow Survey and Water Supply Forecasting, and Plant Materials. These are the basic activities that support all NRCS programs and activities. **Conservation Technical Assistance (CTA)** provides the infrastructure through which NRCS is able to respond to the multitude of conservation needs across the Nation. CTA is authorized for conservation planning and application assistance to control soil erosion, improve water quality, and protect cropland, rangeland, and forestland and wildlife habitat. Through CTA, NRCS provides assistance to conservation districts, develops technical standards and technical guides, conducts resources inventories, and provides assistance to individuals to plan and manage their natural resources. This basic assistance includes assessing natural resource conditions and issues, and explaining the USDA programs that are available to address them. Technical assistance helps land users to assess conservation needs, consider alternative courses of action, set goals, and develop conservation plans. CTA supports the Food Security Act of 1985 as amended in 1990 and 1996. These “Farm Bills” require that NRCS determine the compliance with highly erodible land and wetlands conservation provisions of USDA program applicants. CTA also provides assistance in implementing conservation plans and follow-up assistance to maintain the conservation system and revise it when the operator’s situation changes. As a reimbursable activity under CTA, NRCS provides technical assistance to resource managers participating in programs administered by the Farm Service Agency, such as the Conservation Reserve Program, the Conservation Reserve Enhancement Program and the Emergency Conservation Program.

The **Soil Survey** and the **Snow Survey and Water Supply Forecasting** programs develop and disseminate basic information on soil resources and seasonal water supplies and provide recommendations for managing these resources. The **Plant Materials** program develops plants and plant science technologies for conservation systems using plant materials.

Water Resources Programs

NRCS programs that focus on water resources include **Watershed Surveys and Planning**, **Watershed and Flood Prevention Operations**, and **Emergency Watershed Protection**. Water resources activities focus on restoring the health of watersheds through a comprehensive planning approach. These programs assist communities to protect watersheds from damage caused by erosion, floodwater, and sediment, and to conserve and develop water and land resources. Resource concerns addressed include water quality, opportunities for water

conservation, wetland and water storage capacity, agricultural drought problems, rural development, municipal and industrial water needs, upstream flood damages, and water needs for fish, wildlife, and forest-based industries. Planning involves assisting local sponsoring organizations to develop plans for small watersheds (not larger than 250,000 acres). Surveys include river basin studies and floodplain management studies. Watershed and Flood Prevention Operations provide technical and financial assistance to local sponsors to install watershed improvement measures. Measures may include land treatment, structural, and non-structural measures. Emergency Watershed Protection provides immediate assistance to reduce threats to life and property in watersheds damaged by severe natural events such as floods, hurricanes, or droughts, and to restore damaged sites to pre-disaster conditions.

Resource Conservation and Development

The Resource Conservation and Development Program provides technical assistance to 348 Resource Conservation and Development Councils to plan, develop, and carry out programs for resource conservation and development. Projects must address land conservation, water management, community development, and land management elements.

Financial Assistance Programs

(Farm Bill Programs)

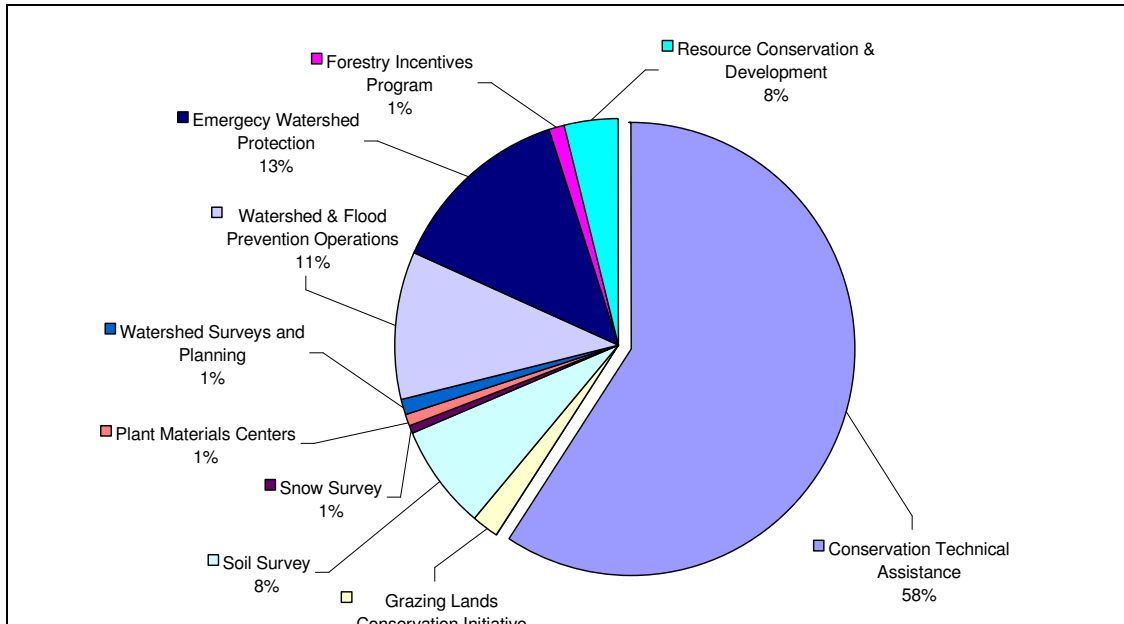
Since passage of the 1996 Act, the Secretary of Agriculture has assigned to NRCS the responsibility for administering a number of programs that provide both financial and technical assistance. The largest of these, the **Environmental Quality Incentives Program**, provides technical, financial and educational assistance to address priority natural resource concerns identified at the local level. These programs also include three that are primarily single purpose: the **Wetlands Reserve Program**, the **Wildlife Habitat Incentives Program**, and the **Farmland Protection Program**. NRCS also administers the **Forestry Incentives Program**, which was authorized by the Cooperative Forestry Assistance Act of 1978. All of these programs help participants plan and apply conservation to the land and provide financial assistance or incentives.

Other

In 1977 Public Law 95-192, the "Soil and Water Resources Conservation Act of 1977" said in part, "Resource appraisal is basic to effective soil and water conservation (and) a coordinated appraisal and program framework are essential." The most recent appraisal and report, titled "A Resource Conservation Act Report: Interim analysis of Conservation Alternatives" presents information gathered during 2000 and 2001, and discusses results of potential conservation initiatives that address many of the conservation needs.

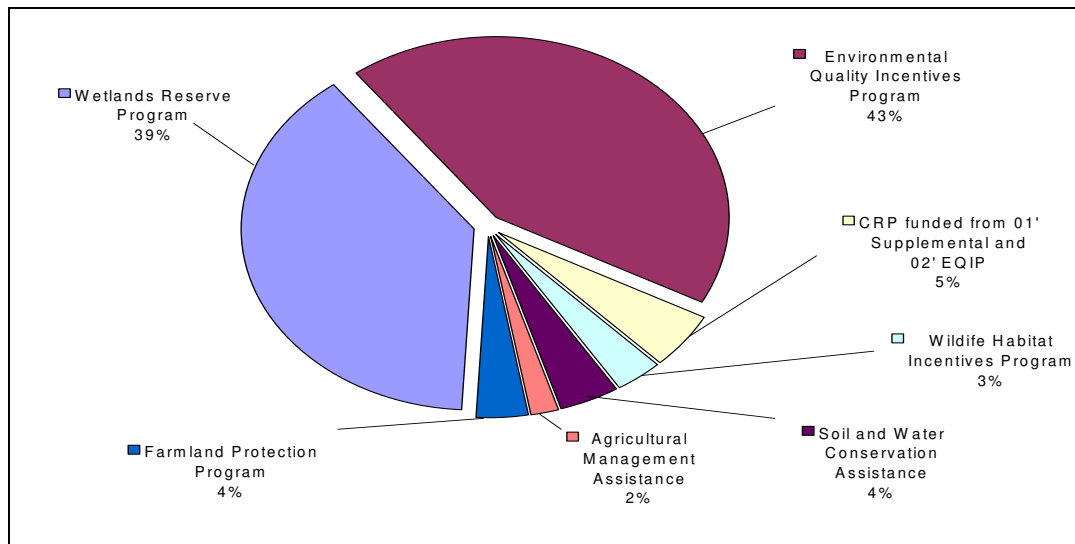
NATURAL RESOURCES CONSERVATION SERVICE FISCAL OBLIGATIONS

Figure 1: NRCS FY 2001 Discretionary Funds (% of total)



Discretionary Funds: NRCS receives appropriations from a variety of legislative sources. While nearly two-thirds of the agency’s funding is authorized by Public Law 74-46, there are a number of smaller appropriations that round out the agency’s capacity to carry out its natural resource conservation mission.

Figure 2: NRCS FY 2001 Mandatory Funds (% of total)



Mandatory Funds: These funds are associated with cost share programs and are derived from the Commodity Credit Corporation as directed by the Congress. The Conservation Reserve Program (CRP) represents technical assistance only. As the program is administered by the Farm Services Agency, which is responsible for the financial assistance components and rental payments.

FISCAL YEAR 2001 PERFORMANCE REPORT

Strategic Goal 1: Enhance natural resource productivity to enable a strong agricultural and natural resource sector.

Objective 1.1-Maintain, restore, and enhance cropland productivity.

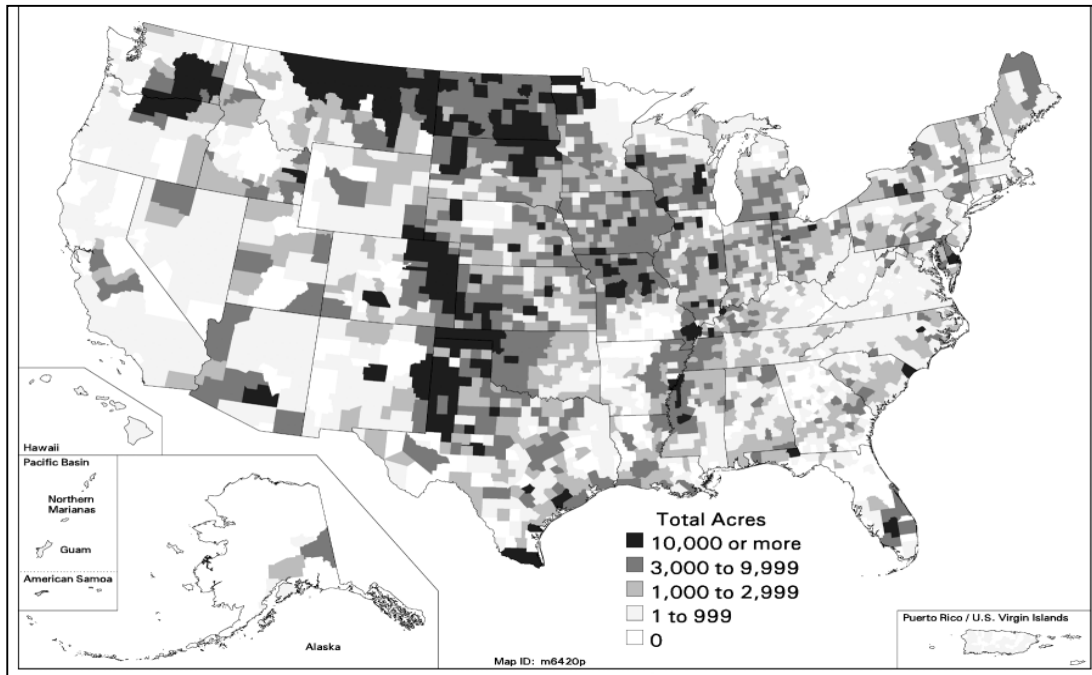
Indicator: Cropland where resource management systems applied:

Target: 11,000,000 acres

Actual: 9,470,000 acres

Analysis: 86 percent of the target was achieved. Reductions in Conservation Reserve Program activity and weakness in the farm economy were obstacles to fully achieving this target.

Figure 3: RMS Applied on Cropland



Indicator: Cropland where conservation was applied to fully protect against erosion damage:

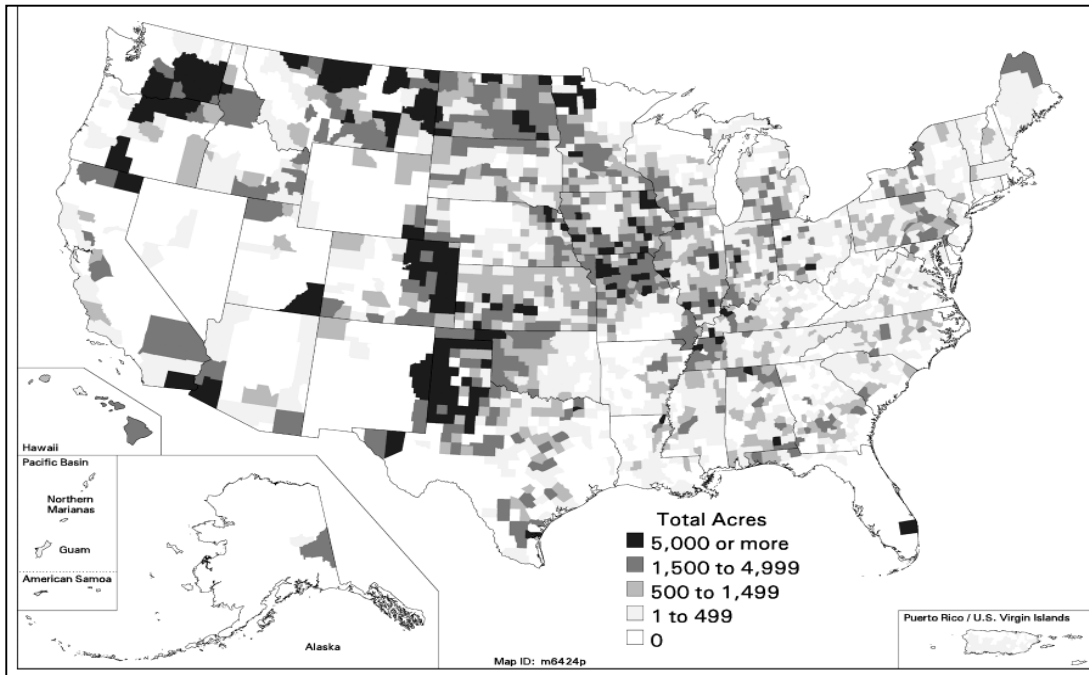
Target: 5,000,000 acres

Actual: 3,470,000 acres

Analysis: 69 percent of the target was achieved. In recent years CRP enrolled acres were a significant factor in reducing cropland erosion. Slowdown in CRP sign-ups on lands with highly erosive soils have required the treatment of land in smaller increments, and has increased the amount of time spent by conservationists in marketing conservation treatments.

The objective was not achieved.

Figure 4: Cropland Protected Against Excessive Erosion



Objective 1.2-Maintain, restore, and enhance irrigated land.

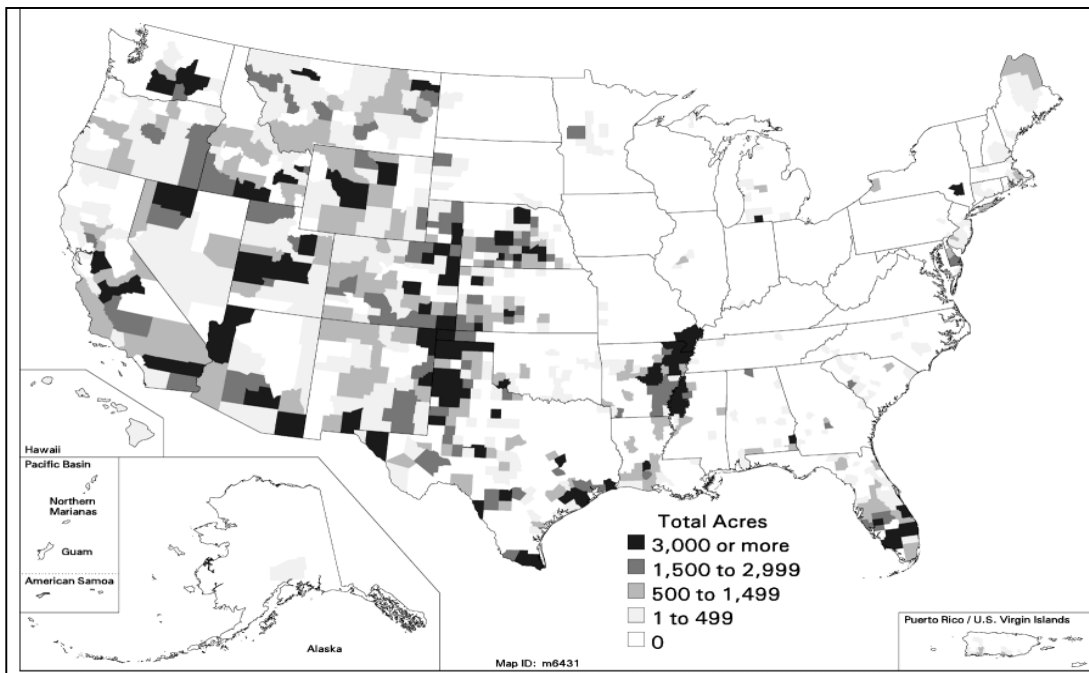
Indicator: Irrigated cropland where irrigation water management was improved:

Target: 1,000,000 acres

Actual: 1,251,000 acres

Analysis: The target was exceeded by 25 percent. Some irrigation management was reported in all but seven states. Generally, irrigation assistance is dominated in the Mississippi River Valley and the West. Florida accounted for just over 9 percent of the improved irrigation management systems, or about 4 percent of the acreage.

Figure 5: Irrigation Water Management Improved



The objective was achieved.

Objective 1.3-Maintain, restore and enhance grazing land productivity.

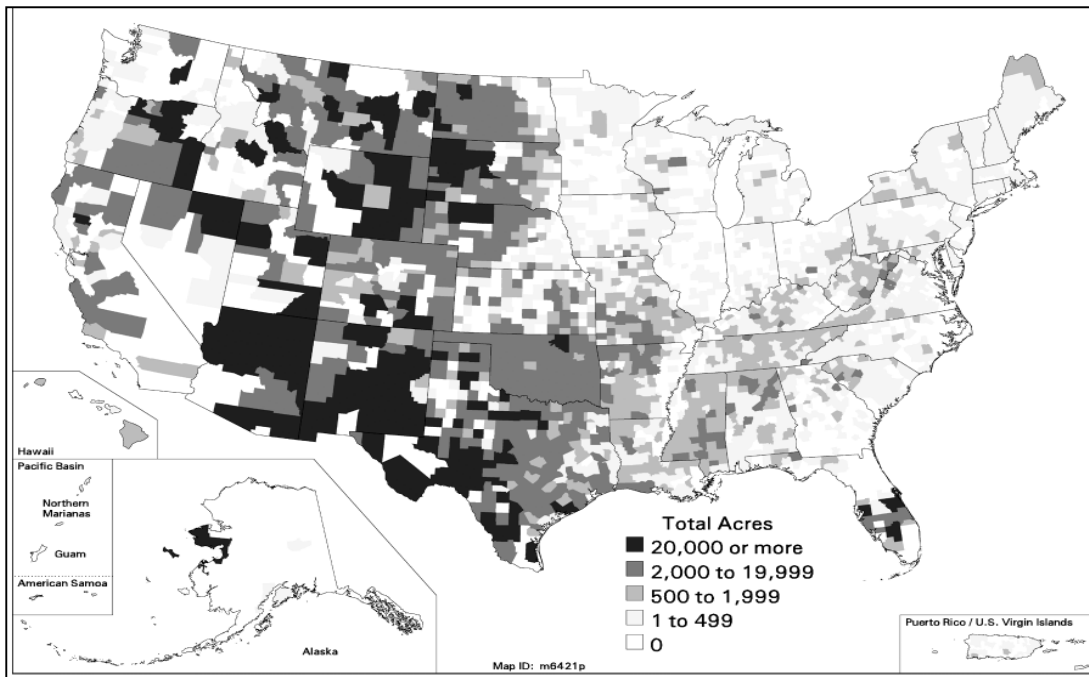
Indicator: Grazing land where resource management systems were applied:

Target: 11,000,000 acres

Actual: 11,290,000 acres

Analysis: The target was exceeded by almost 3 percent. The Southwestern states dominated the reported accomplishments on this indicator.

Figure 6: Resource Management Systems Applied on Grazing Land



The objective was achieved.

Objective 1.4-Maintain, restore and enhance forestland productivity.

Indicator: Forestland where tree and shrub establishment was applied:

Target: 300,000 acres

Actual: 526,000 acres

Indicator: Forestland where the stand was improved:

Target: 300,000 acres

Actual: 400,000 acres

Analysis: The targets were exceeded by 75 percent and 33 percent, respectively. Forestry related practices are particularly popular in the Southeast United States. This region accounted for approximately half of the achieved results.

Figure 7: Tree and Shrub Establishment

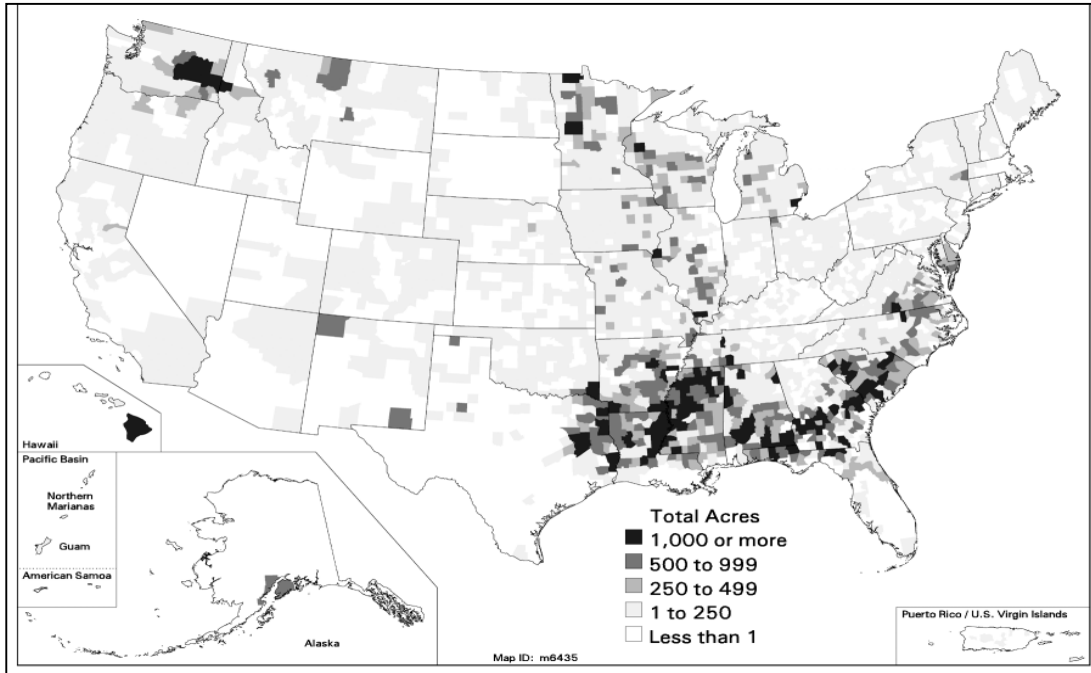
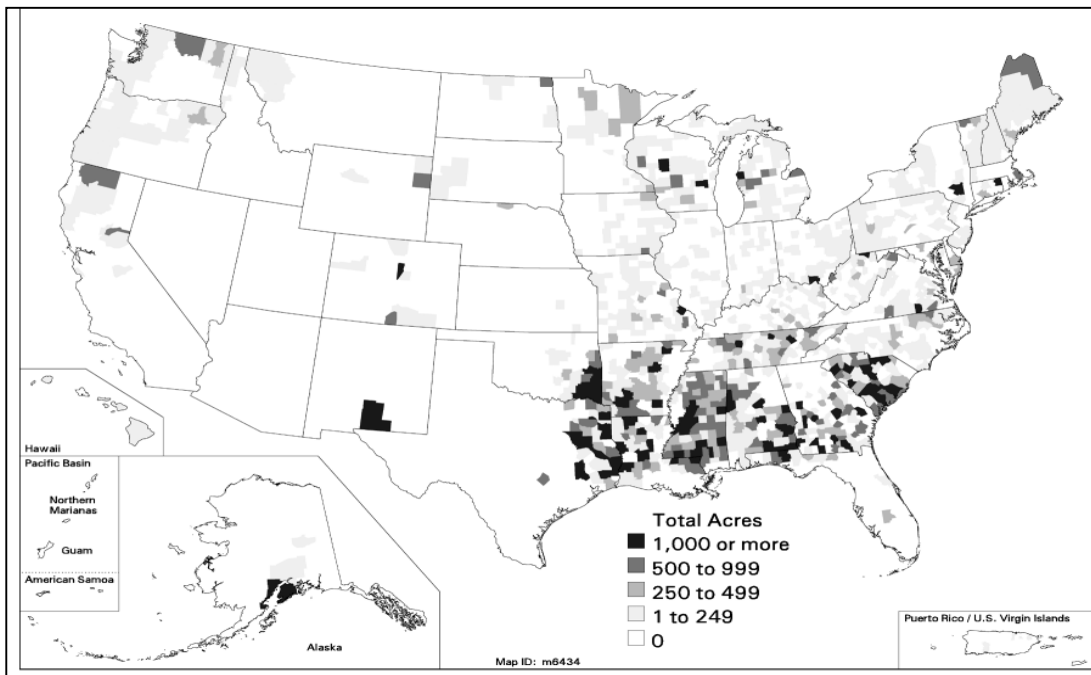


Figure 8: Forest Stand Improvements



There are four **objectives** and six indicators under the strategic goal “**Enhance natural resource productivity to enable a strong agricultural and natural resource sector.**” All targets were met with the exception of those associated with cropland productivity. Therefore, all objectives were achieved other than Objective 1.1 “Maintain, restore, and enhance cropland productivity”.

Strategic Goal 2: Reduce unintended adverse effects of natural resource development and use to ensure a high quality environment.

Objective 2.1-Protect farmland from conversion to non-agricultural uses.

Indicator: Counties with Land Evaluation and Site Assessment systems developed:

Target: 50

Actual: 19

Analysis: 38 percent of the target was achieved. The policy and instructions associated with this indicator were not issued until the third quarter of the year. It is anticipated that LESA system development will increase significantly during fiscal year 2002.

Indicator: Farmland protected from conversion under the Farmland Protection Program:

Target: 27,800 acres

Actual: 34,900 acres

Analysis: The target was exceeded by approximately 25 percent. There were 163 applications approved for the Farmland Protection Program from 28 states. Vermont, New Jersey, Pennsylvania, Maryland and Delaware combined for 52 percent of the approved applications and 56 percent of the approved acreage.

Because of the better than expected result in the enrollment of acres in contracts under the Farmland Protection Program in fiscal year 2001, the objective is considered to have been achieved.

Objective 2.2 - Promote sound urban and rural community development.

Indicator: Community Development Projects (RC&D) completed:

Target: 2,513

Actual: 3,043

Analysis: This target was exceeded by greater than 20 percent. Virtually all RC&D Areas reported completed projects in fiscal year 2001.

Indicator: Urban and built-up land where erosion control measures were applied:

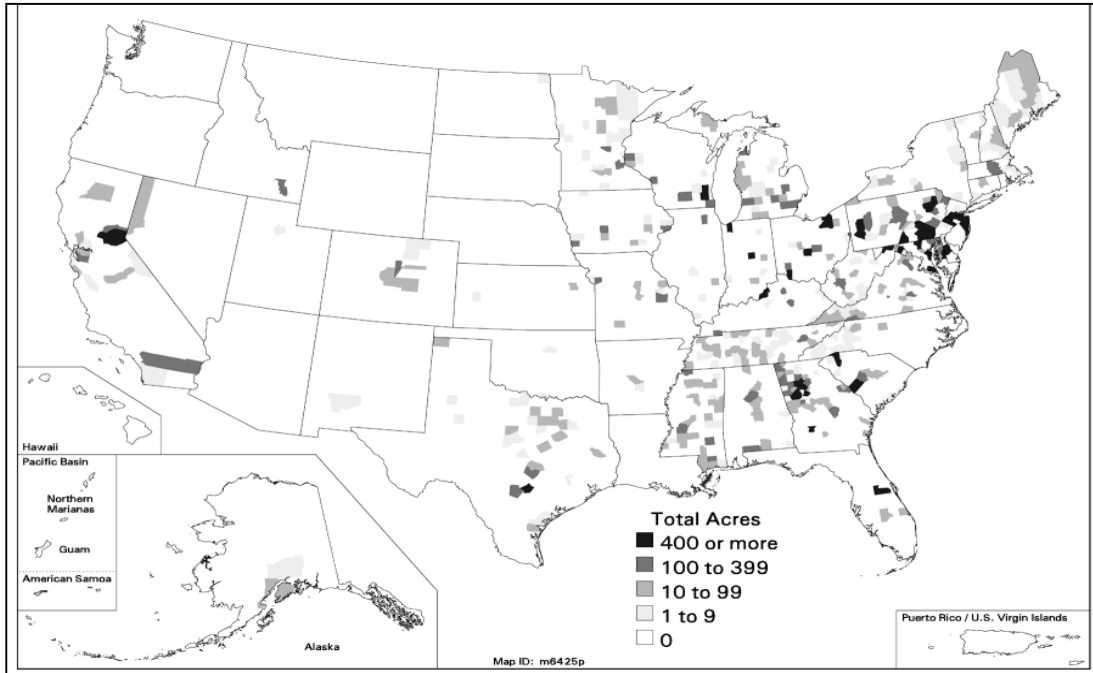
Target: 50,000 acres

Actual: 70,700 acres

Analysis: The target was exceeded by more than 40 percent. States in the East and Southeast Regions accounted for nearly 70 percent of the acreage accomplished.

The objective relating to urban and sound rural community development was achieved.

Figure 9: Erosion Control Applied on Urban and Buildup Land



Objective 2.3-Protect water and air resources from agricultural non-point sources of impairment.

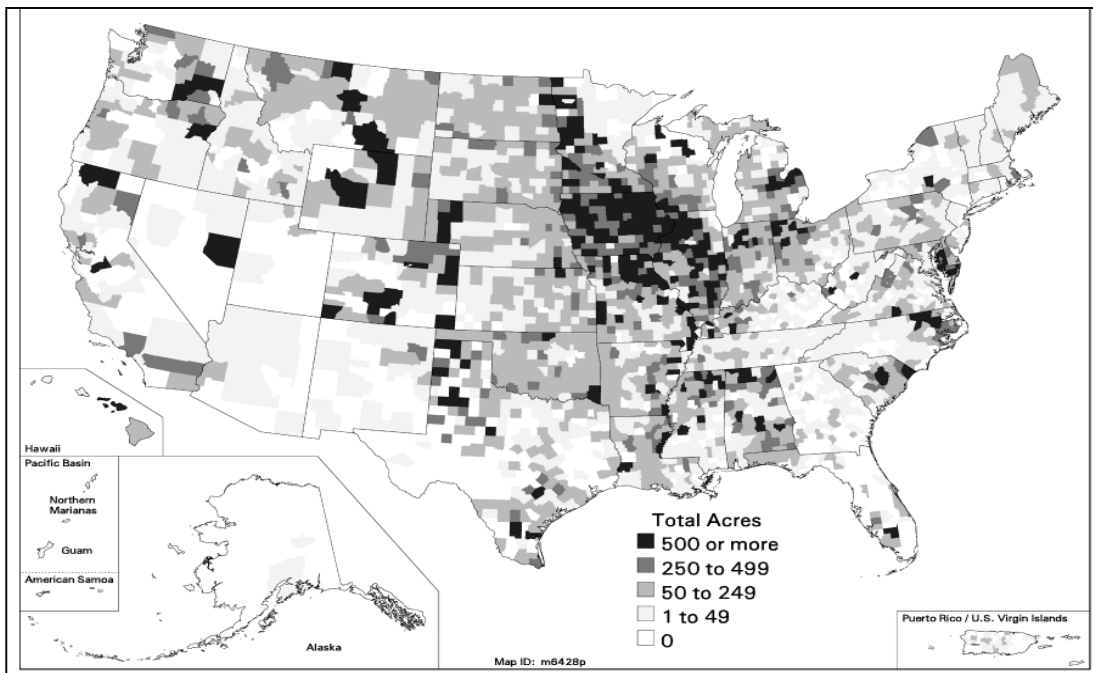
Indicator: Buffers applied annually:

Target: 250,000 acres

Actual: 524,000 acres

Analysis: The target was greatly exceeded due to a high degree of emphasis on the part of individual states such as Iowa and Missouri.

Figure 10: Buffers Applied



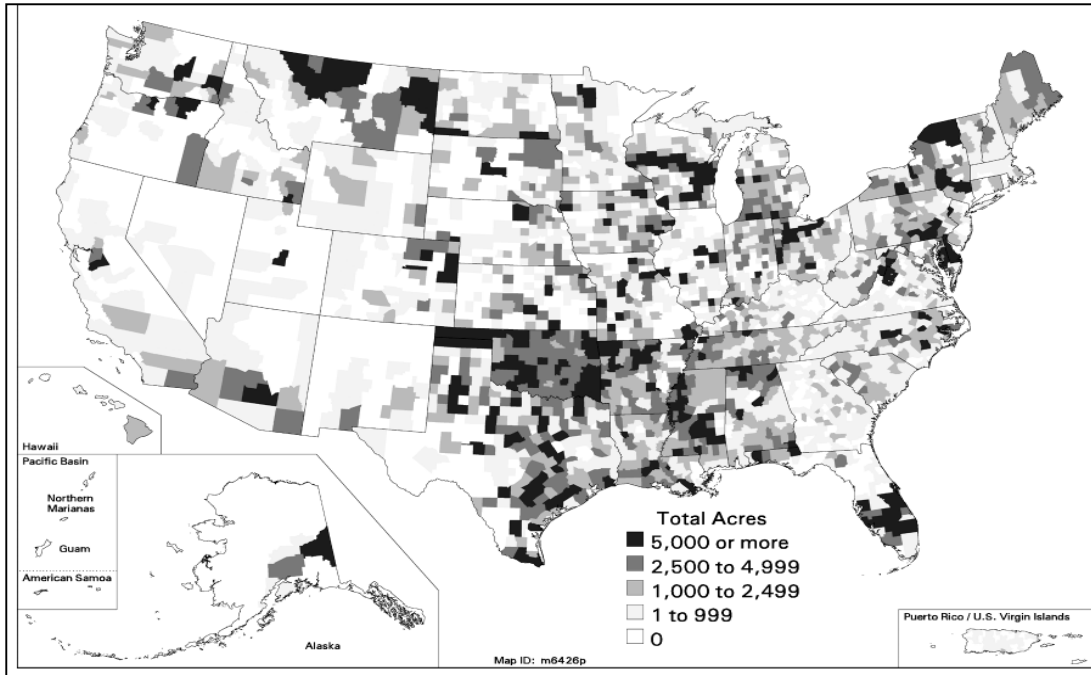
Indicator: Agricultural land where systems that reduce potential for nutrient delivery were applied:

Target: 5,000,000 acres

Actual: 5,400,000 acres

Analysis: The target was exceeded, some acreage was reported in every state. Counties with significant animal feeding operations tended to have the most activity.

Figure 11: Nutrient Management Applied



Indicator: Agricultural land where pest management was applied:

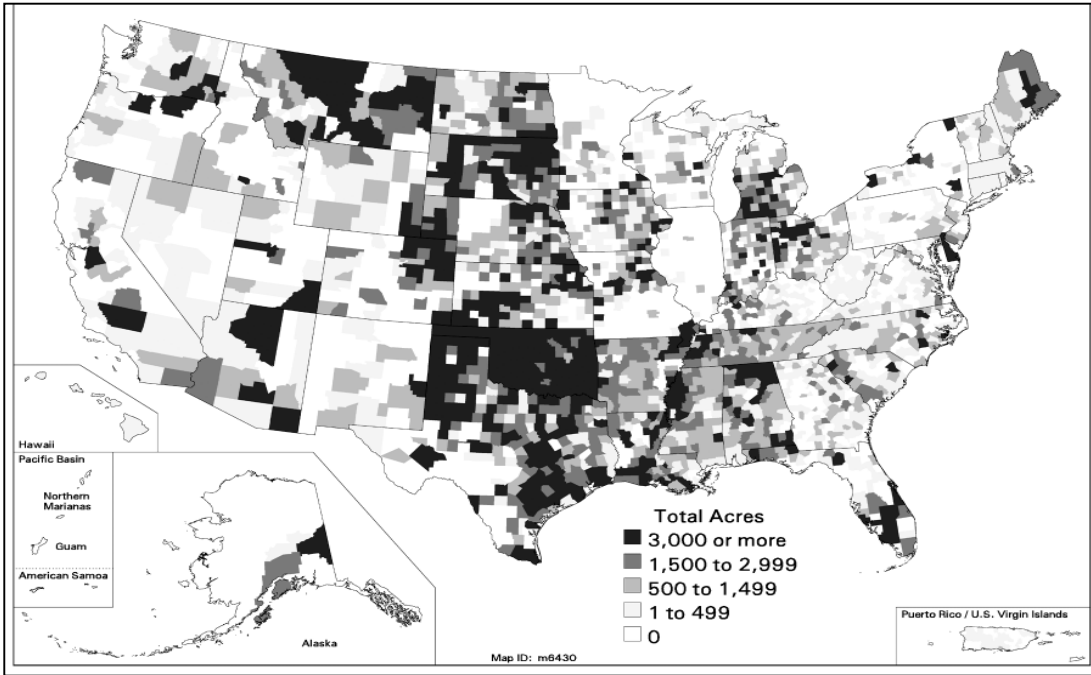
Target: 4,000,000 acres

Actual: 5,400,000 acres

Analysis: The target was exceeded by 35 percent, largely due to significant acreage reported by states in the Northern Plains and South Central Regions.

The objective for protecting water and air resources was achieved.

Figure 12: Pest Management



Objective 2.4 - Enhance animal feeding operations to protect the environment.

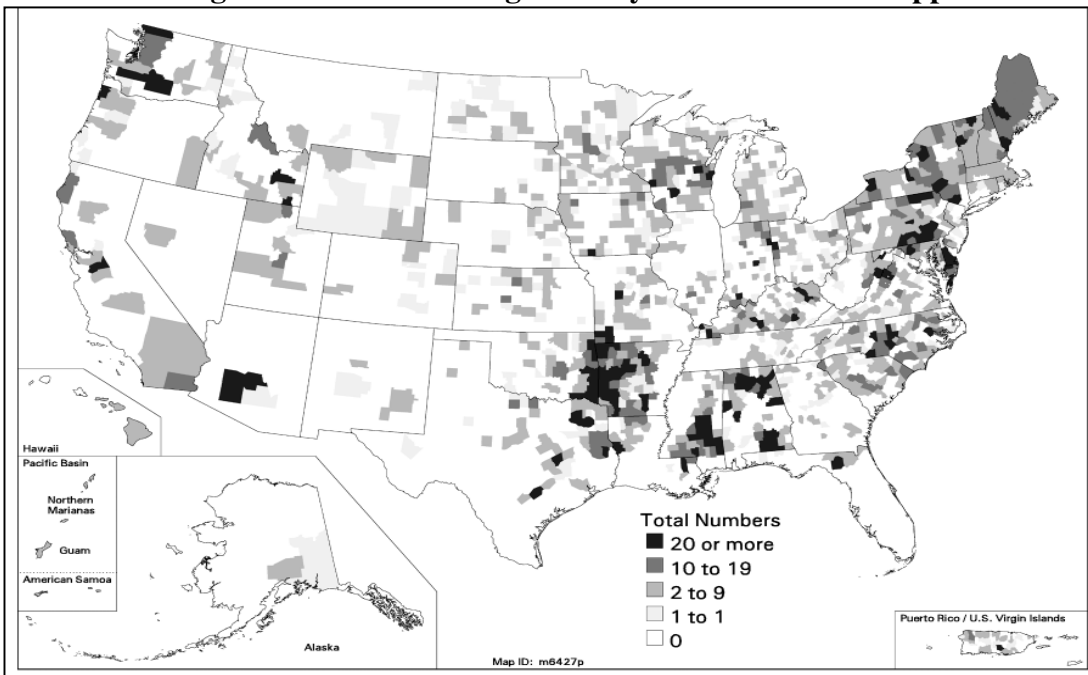
Indicator: Waste management systems planned or applied:

Target: 11,000

Actual: 10,521

Analysis: 96 percent of the performance target was achieved. Performance coincides with concentrations of hog and poultry producers and dairy farms.

Figure 13: Waste Management Systems Planned or Applied



Although performance fell four percent short of the target it was sufficient to consider the objective achieved.

Objective 2.5-Maintain, restore or enhance wetland ecosystems and fish and wildlife habitat.

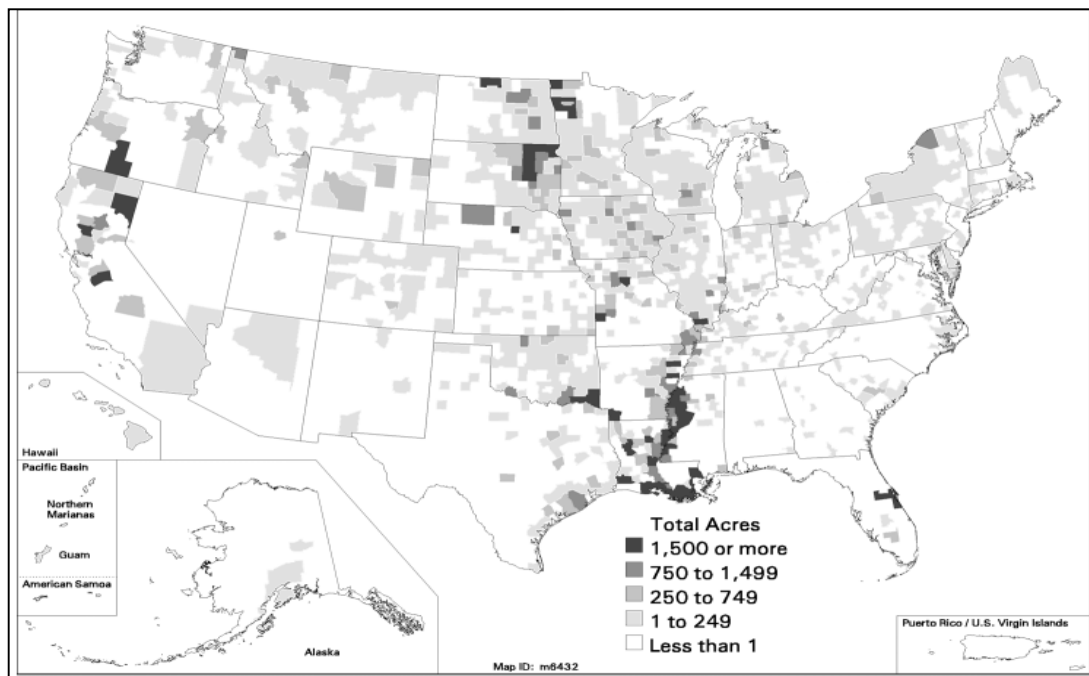
Indicator: Wetlands created restored or enhanced:

Target: 250,000 acres

Actual: 362,000 acres

Analysis: Target was exceeded by nearly 45 percent. This result can largely be attributed to an aggressive wetlands protection program in the State of Louisiana. It should also be noted that every state contributed to this indicator.

Figure 14: Wetlands Created, Restored, or Enhanced



Indicator: Land where measures to improve wildlife were applied:

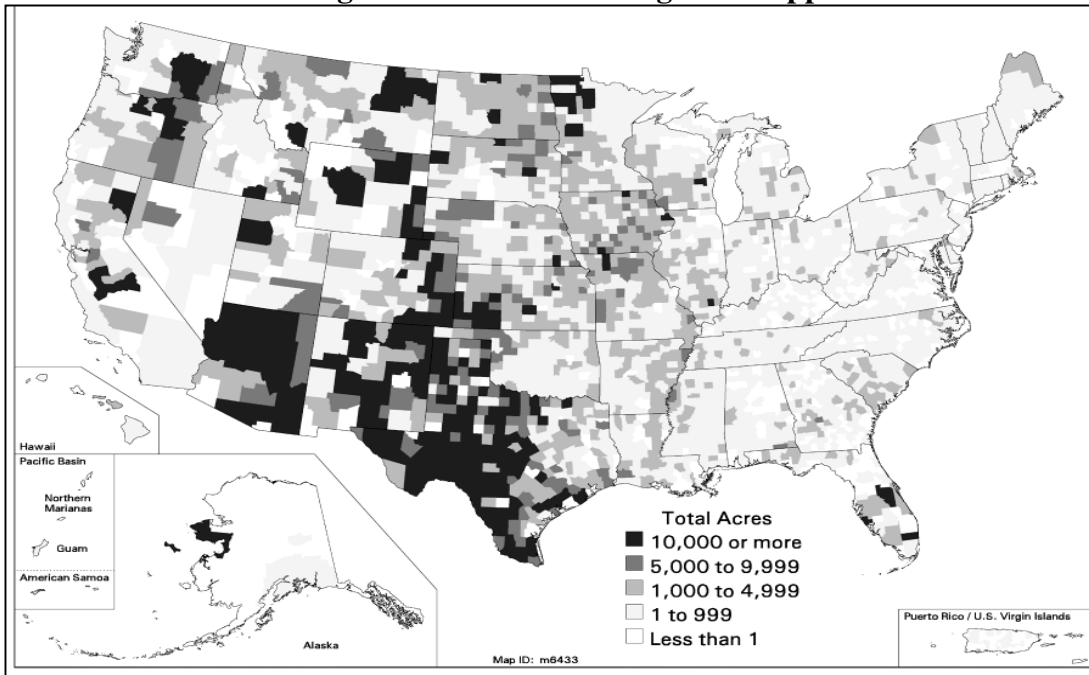
Target: 5,000,000 acres

Actual: 11,700,000 acres

Analysis: The target was exceeded by more than 100 percent. This application correlates with areas where large ranches are following prescribed grazing practices.

The objective was achieved.

Figure 15: Wildlife Management Applied



Strategic Goal 3: Reduce risks from drought and flooding to protect individual and community health and safety.

Objective 3.1 - Protect upstream watersheds from flood risks.

Indicator: Watershed infrastructure rehabilitation plans installed:

Target: 11

Actual: 0

Analysis: Environmental reviews, contracting requirements and funding uncertainties contributed to delays in completing construction of these projects. By the end of fiscal year 2002, virtually all of these projects will have been completed.

Indicator: Flood control structures completed:

Target: 81

Actual: 51

Analysis: 63 percent of the target was achieved. Several factors affect completion of construction work. These include the availability of federal and local funds, the contracting and bidding process, weather, and unanticipated situations that occur during the actual construction.

Indicator: Conservation systems applied to address flooding concerns:

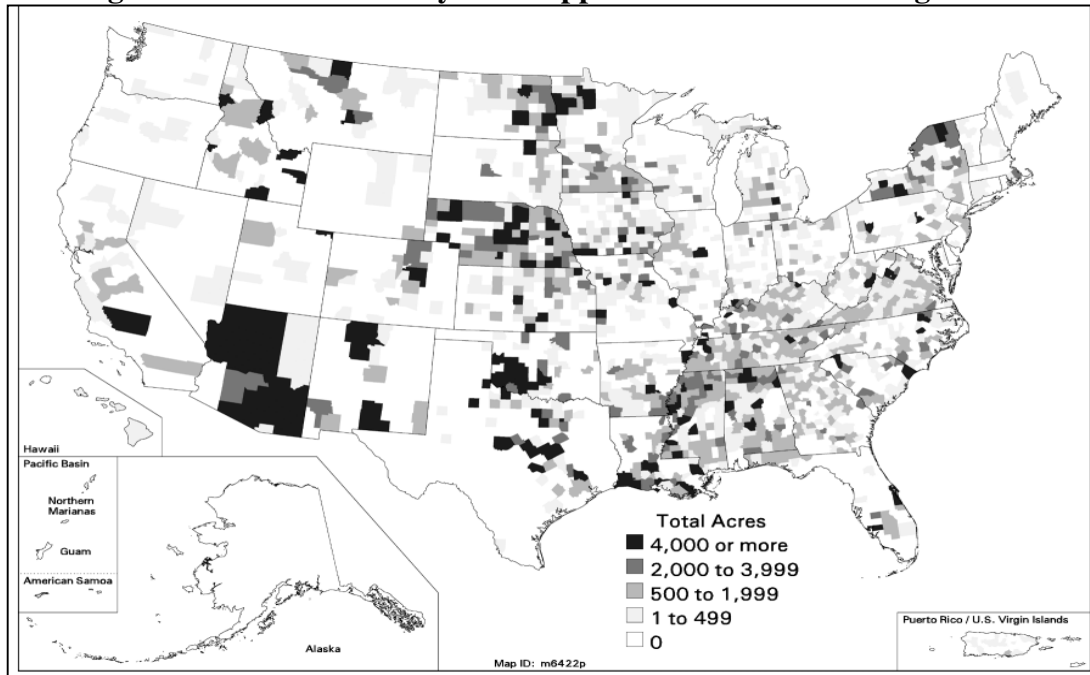
Target: 1,590,000

Actual: 3,078,000

Analysis: The target was exceeded by nearly 100 percent. State totals ranged as high as 796,000 acres and virtually every state contributed to the result.

This objective was not achieved.

Figure 16: Conservation Systems Applied to Address Flooding Concerns



Objective 3.2 - Protect watersheds from the effects of chronic water shortages and risks from drought.

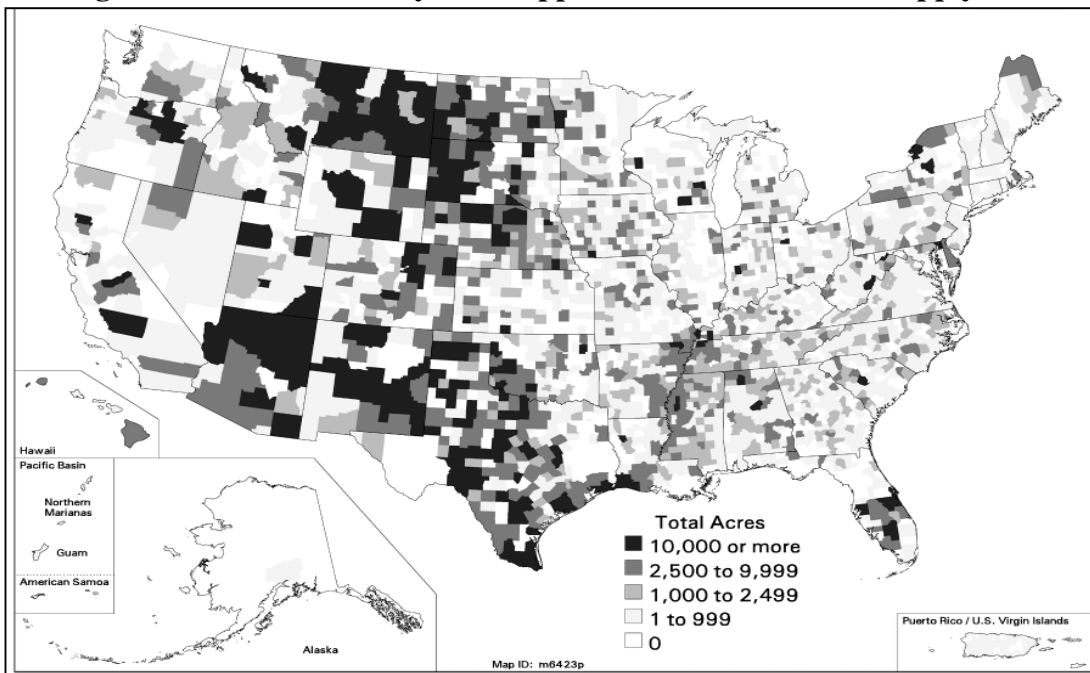
Indicator: Conservation systems applied to address water supply concerns:

Target: 5,385,000 acres

Actual: 8,620,000 acres

Analysis: The target was exceeded by 60 percent. Nearly 60 percent of the result was accomplished by farmers and ranchers in the Northern Plains and South Central Regions. Acres reported in Montana and Nebraska amounted to 14 percent of the national total.

Figure 17 Conservation Systems Applied to Address Water Supply Concerns



Indicator: Water Supply Forecasts issued:

Target: 6,550

Actual: 9,000

Analysis: The target was exceeded by 37 percent. Periods of abnormal precipitation prompt increased forecasting.

The objective aimed at reduced water shortages and drought risks was met.

Strategic Goal 4: Deliver high quality services to the public to enable natural resource stewardship.

Objective 4.1-Deliver services fairly and equitably.

Indicator: Members of racial and ethnic minority groups who applied a conservation system with NRCS assistance:

Target: 10,000

Actual: 5,341

Analysis: At 53 percent, performance fell considerably short of this target. There was insufficient historical data available to set the target. Moreover, unforeseen problems were encountered in recording and retrieving client data in the Performance and Results Measurement System that likely resulted in an undercount. This had to do with the classification of customers as "first time" customers. Only "first time" customers could be counted towards this target. The indicator did not account for the target. The indicator did not account for the randomness in terms of frequency or instances of customer assistance.

Indicator: Minority customers applying a system with assistance from an NRCS-administered financial assistance program:

Target: 2,500

Actual: 1,995

Analysis: Achievement was at 80 percent of target. While performance was better than the previous indicator, the same explanations regarding the data are applicable.

Indicator: New NRCS offices established on reservation land:

Target: 5

Actual: 4

Analysis: 80 percent of the target was achieved. In one case the tribe was not able to complete the agreement to establish an office due to other pressing concerns.

The objective was not achieved for fiscal year 2001.

Objective 4.2-Strengthen the conservation delivery system.

Indicator: Water users and managers utilizing information developed by the snow survey and water supply forecasting program:

Target: 85,000

Actual: 69,300

Analysis: Over 80 percent of the target was achieved. The target was greatly increased over the fiscal year 1999 and fiscal year 2000 actual results. The expectation of increased usage due to increased information technology was probably overstated.

Indicator: Customers accessing or downloading soils data -- total number of STATSGO and SSURGO downloads or compact disc orders:

Target: 10,510

Actual: 34,700

Analysis: The target was greatly exceeded due to increased demand for this information and improvements made to the accessibility and tracking features of the database.

Indicator: Customers accessing or downloading plant science information (PLANTS) database:

Target: 750,000

Actual: 1,230,000

Analysis: The target was exceeded by 64 percent. Once again the popularity of this database has been difficult to predict.

The Objective 4.2 is considered achieved.

Objective 4.3 - Ensure timely science-based information technologies.

Indicator: National conservation practice standards reviewed to ensure they are current and reflect best available technology:

Target: 36

Actual: 11

Analysis: Work was essentially completed on an additional 20 practice standards, however, they were not officially published until the first quarter of fiscal year 2002 due to administrative delays following the technical work and reviews.

Indicator: Soil Surveys available in digital form, cumulative number:

Target: 1,220

Actual: 1,080

Analysis: We are at 88 percent of the targeted level for digitized soil surveys. Quality reviews sometimes delay final acceptance of the product.

Indicator: Soils mapped or soil surveys updated in the fiscal year:

Target: 24,000,000 acres

Actual: 24,400,000 acres

Analysis: The target was met.

Indicator: New Plant releases:

Target: 25

Actual: 24

Analysis: 96 percent of the target was achieved. Final approvals and clearances can delay an official plant release.

Indicator: Plant materials technology transfer publications:

Target: 345

Actual: 366

Analysis: The target was exceeded by 6 percent.

Indicator: Plant materials studies evaluated:

Target: 400

Actual: 463

Analysis: The target was exceeded by nearly 16 percent.

Three of the targets were exceeded, two were narrowly missed and one was short due to processing time. The objective is considered achieved.

ASSESSMENT OF THE FISCAL YEAR 2001 DATA

The purpose of the annual performance report is to emphasize organizational and management accountability for program execution and results. In fiscal year 2000, the Performance and Results Measurement System (PRMS) was fully implemented at the field office level. Nearly 1.6 million records were entered into PRMS during fiscal year 2001. NRCS has invested in web-based information technology for field offices. Late in fiscal year 2001 NRCS initiated several improvements to the reporting system that were prompted by user feedback and recommendations resulting from a review of the PRMS conducted by the agency's oversight and evaluation staff. This review included on-site visits to 67 offices across the country. Major steps have been taken to link the PRMS with the agency's time and attendance reporting system. This linkage is expected to be complete during fiscal year 2002.

At the end of the fiscal year, each State conservationist was required to verify and validate the performance data that were reported within his or her state and provide explanations for instances where goals were significantly not met or exceeded. Staff of the Strategic Planning and Accountability functional area then analyzed the data. Although some discrepancies were noted, it was determined that there was no compelling basis to discount any of the reported results. The data were used without adjustments in this report and also were considered in establishing fiscal year 2002 targets.

NRCS is continuing efforts to improve the timeliness and quality of PRMS operations and data. We are committed to producing high quality performance data in order to achieve our legislated mandates including the Government Performance and Results Act, effectively manage programs and inform Congress, the Administration, the Conservation Partnership and the public. We have begun implementation of a quality assurance strategy for PRMS that features a four-tiered approach: data entry point mechanisms, quality gate mechanisms, state and regional level controls and national level controls.

Late in fiscal year 2000, NRCS designed and initiated a process to conduct an internal review of the PRMS by the agency's Oversight and Evaluation Staff. This review was largely carried out during the first quarter of fiscal year 2001. Moreover, a nationwide Field Office Operations Training Program was initiated in fiscal year 2000, which included training modules on the NRCS Integrated Accountability System with emphasis on PRMS. Steps such as these will ensure the credibility of our GPRA requirements. NRCS is also fully integrated into the U.S. Department of Agriculture GPRA process, and has contributed to the Department's Strategic Plan, Annual Performance Plan, and Annual Performance Report.

Work is underway to develop additional reporting tools that will allow tailoring of performance reporting at a local level, and for means and methods to measure performance outcomes. Moreover, improvements in the agency's Time Cost Accountability System (TCAS) will enable a closer association between time and activity information and performance and results. Quality assurance is being emphasized and tools will be implemented during the current year that will enhance data validation and verification.

FISCAL YEAR 2002 PERFORMANCE

The fiscal year 2002 Performance Plan reflects some changes in performance goals and indicators that resulted from the revision to the Natural Resources Conservation Service Strategic Plan (Fiscal Year 2000-2005) that was completed in September 2000. The current Strategic Plan identifies four strategic goals and 14 strategic objectives. Performance indicators and targets have been added to the Performance Plan to address conservation, watershed planning, and comprehensive nutrient management planning. We have relied more on a "bottoms up" approach in establishing the targets for fiscal year 2002. This was done to achieve a more balanced distribution of target shares across the various indicators and among NRCS offices. Progress towards these targets so far this year is summarized in Table 2 on the following page. PRMS has been redesigned and data entry was changed in various ways during the first quarter of fiscal year 2002 and therefore many offices did not begin reporting until late in the quarter. This explains why there is a significant lag between performance for this year versus the same period in fiscal year 2001.

**Table 2: National Fiscal Year 2002, 1st Quarter Progress
Reported: 10/1/2001 - 12/31/2001**

Performance Indicators	FY 2002 Performance Goal	Reported 1 st Quarter FY 2001	Reported 1st Quarter FY 2002	Percent FY 2002 Goal Achieved	FY 2002 to FY 2001 Pct. of 1 st Quarter
RMS Applied on Cropland (Ac.)	7,768,760	1,466,671	556,060	7%	38%
RMS Planned on Cropland (Ac.)	6,941,244	NI	267,002	4%	NI
RMS Applied on Grazing Land (Ac.)	10,382,458	1,529,346	620,900	6%	41%
RMS Planned on Grazing Land (Ac.)	8,913,528	NI	305,634	3%	NI
Conservation Systems Applied to address flooding concerns (Ac.)	2,013,538	87,605	114,961	6%	46%
Conservation Systems Applied to address water supply concerns (Ac.)	5,427,829	1,374,598	NA	NA	NA
Cropland Protected Against Excessive Erosion (Ac.)	DC	514,997	DC	DC	DC
Erosion Reduction on Cropland (Ac.)	6,756,409	DC	523,431	8%	NI
Erosion Control Applied on Urban and Built-up Land (Ac.)	71,544	2,291	670	1%	29%
Nutrient Mgmt Applied (Ac.)	4,630,792	694,212	286,239	6%	43%
Waste Management Systems Planned or Applied (No.)	IC	2,541	IC	IC	IC
Comprehensive Nutrient Management Plans Developed or Applied (Ac.)	7,854	NI	566	7%	NI
Buffers Applied (Ac.)	421,671	123,778	61,430	15	5%
Pest Mgmt Applied (Ac.)	4,186,984	881,181	339,658	8%	38%
Irrigation Water Mgmt Applied (Ac.)	1,049,873	172,004	142,523	14%	83%
Wetlands Creation, Restoration, or Enhancement Applied (Ac.)	274,958	58,085	38,690	14%	67%
Wildlife Habitat Mgmt Applied (Upland and Wetland Habitat) (Ac.)	7,116,018	1,764,000	754,101	11%	43%
Forest Stand Improve. Applied (Ac.)	351,128	67,200	15,777	4%	23%
Trees & Shrub Estab. Applied (Ac.)	386,655	44,018	191,121	5%	43%
Farmland Protected, FPP only (Ac.)	200	0	0	0	0
LESA Systems Developed or Updated (No.)	57	NA	3	5%	NA
Community Development Projects (RC&D) (No.)	2,908	DC	349	12%	DC
Watershed Infrastructure Rehabilitation Plans (No.)	22	0	0	0	0
Rehabilitation Projects Installed (No.)	13	0	0	0	0
Watershed Flood Prevention Structures Completed (No.)	115	NA	14	12%	NA
Watershed Plans and Surveys (No.)	50	NI	7	14%	NI

Water Supply Forecasts Issued (No.)	9000	NY	NY	NY	NY
Group and Area Plans Addressing Farmland Protection and Non-Ag Affects on Water Quality (No.)	539	NI	84	16%	NA
New Tribal Offices Established on Reservation Land (No.)	3	NA	0	0	NA
Water Users/Managers Using SNOTEL and Water Supply forecasts (No.)	17,000	NY	NY	NY	NY
STATSGO/SSURGO Downloads/CD orders (No.)	35,000	NA	26,673	76%	NA
New Plant Releases (No.)	32	0	3	9%	300%
Studies Evaluated (No.)	409	198	85	21%	43%
Written Titles (No.)	276	76	58	21%	95%
PLANTS Database Unique Customers (No.)	1,250,000	NA	317,500	25%	NA
NRCS Cons. Practice. Standards that are Current (No.)	36	NI	11	30%	NI
Soil Surveys in Digital Form (Cumulative No.)	1380	987	1114	11%	NA
Soil Survey Initial Mapping and Updating (Ac.)	22,023,000	2,830,823	2,972,971	13%	105%

NA = Not available.

NI = Not an indicator for that fiscal year.

DC = Definition change.

IC = Indicator change.

NY = Forecasts not made until 2nd quarter.

PROGRAM EVALUATIONS

NRCS conducts internal reviews and evaluations through a national Oversight and Evaluation Staff. The following reviews were conducted in fiscal year 2001:

- Technical Training Relating to Grazing, Forest, and Wildlife Lands
- Center and Institute Operational Processes Affecting Technology Development, Acquisition, Transfer, and Direct Assistance
- National Environmental Policy Act - NRCS Policy and Compliance
- National Conservation Program (NCP)

The follow-up actions have not been completed for three of the four reviews listed above. Results will be reported in the fiscal year 2002 Annual Performance Report. The review of the National Conservation Program (NCP) was completed as a Consultative and Advisory assignment. The NCP will be completed accordingly under the authority of the Soil and Water Resources Conservation Act of 1977 (RCA).

The results of reviews listed in the fiscal year 2000 Annual Performance Report are as follows:

- Quality Conservation Planning – The Agency issued new conservation planning policy that addresses planning certification programs.
- Technology Development and Delivery System – General Manual, Title 450 - Technology, is being developed regarding technology deployment and the process to provide technical training to employees.
- Conservation Planning Effectiveness – Agency Directives have been transmitted that reemphasize updating the Field Office Technical Guide and establishing planning goals in planning certification programs.
- Technical Quality of Conservation Practices – A follow-up Management Action Plan has been developed. Accomplishments will be reported in the fiscal year 2002 Annual Performance Report.
- Environmental Quality Improvement Program Streamlining – The agency has taken steps to implement all streamlining activities within its jurisdiction. Additional recommendations have been forwarded to the Department for consideration.
- Wetlands Reserve Program – Memoranda have been issued to ensure compatible use authorization decisions and the development of associated documentation. Six regional training teleconferences have been held.

- Integrated Accountability System – Agency actions include conducting Field Operations Training, improvements in accuracy and consistency of time charges by field staff, and revisions to the Field Performance Measures Business Definitions.

MANAGEMENT REVIEWS

NRCS conducts management reviews at the National Headquarters, regional, and State office levels to determine the operational effectiveness of programs, policies, disciplines, and offices. The following reviews were conducted during fiscal year 2001 and include accomplishments for follow-up actions identified during the review:

- Alabama – Expanded understanding of the Agency strategic plan and use of the Integrated Accountability System have provided the state leadership with improvements in identifying resource conservation issues, setting priorities and performance goals, and delivering field operations training to all field employees. Engineering approval authorities were reviewed, updated and approved for all field employees.
- Wisconsin State Office – Efforts to account for ongoing resource commitments have been enhanced by Integrated Accountability System improvements that track current and prior year contract activities for NRCS programs. In addition, a report describing the actual, full cost of NRCS programs has been developed and provided to leadership.
- Wisconsin Regional Office – Follow-up actions not complete. Complete actions will be reported in the fiscal year 2002 Annual Performance Report.
- Wyoming – Improvements made in the process to develop realistic and equitable performance goals for fiscal year 2002 based on previous year accomplishments, the goal checker tool, and related management information. State policy established for minimum data entry requirements to report progress in the Performance Results Measurement System (PRMS).
- Grazing Lands Technology Institute – Training provided for all Institutes, Centers, and Divisions on developing business plans in support of the agency's strategic plan and annual performance goals. Process established to obtain input from Institute staff in updating or developing future program policy and procedures related to grazing lands.
- New Jersey – State performance goals were revised and progress toward meeting these goals was reviewed bimonthly. Regional Office guidance and assistance was provided in developing fiscal year 2002 goals. Memorandum transmitted to states for identifying opportunities to remove barriers for farmers participating in federal programs. Additional accomplishments to be reported in the fiscal year 2002 Annual Performance Report.

- New York – The procedure for implementing Agency programs has been streamlined and compressed to ensure that field staff have sufficient guidance, regulations and the maximum allowable time for program delivery. Administrative and operations management tools have been developed and are being implemented. Human resource and training needs are being addressed through the implementation of a Core Training Curriculum database. Additional results will be reported in the fiscal year 2002 Annual Performance Report.

MANAGEMENT CHALLENGES

The Government Accounting Office's January 2001 update of its Major Management Challenges and Program Risks for USDA did not include any challenges that are unique to Natural Resources Conservation Service.

HIGH RISK AREAS

The General Accounting Office's January 2001 update of its High-Risk series did not identify any high-risk areas unique to the Natural Resources Conservation Service. The General Accounting Office identified two government-wide concerns, strategic human capital management and information security that Natural Resources Conservation Service is addressing in appropriate functional business plans.

REPORT PREPARATION

Only federal employees were involved in the preparation of this Annual Report.