OTHER INDEPENDENT AGENCIES

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: AmeriCorps

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 purpose of AmeriCorps is to meet community needs in education, public safety, the environment, homeland security and other human needs through direct and demonstrable service.	National and Community Service Trust Act of 1993 (P.L. 103-82)	20%	0.2
2	*Does the program address a specific interest, problem or need?*	Yes	AmeriCorps is designed to address unmet community needs in priority areas including education, public safety, the environment, homeland security and other human needs. Specific projects include tutoring children, serving in community policing projects and building or rehabilitating housing for the homeless. AmeriCorps also promotes responsible citizenship through civic engagement community service.	AmeriCorps State/National Direct Five-Year Evaluation Report (Sept. 1999); www.AmeriCorps.org.	20%	0.2
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	No	AmeriCorps accomplishments are difficult to measure, but its reported impact is small. According to a recent study, 83.9 million Americans volunteer. While that number may be slightly inflated and not representative of the number of people who volunteer intensively (as opposed to occasionally), still the nationwide impact of AmeriCorps is relatively small. AmeriCorps leverages its resources through its recruitment of additional volunteers; however, reliability of recruitment data is limited (estimates range from 7 to 12 recruits per member). CNCS is developing a methodology to better quantify its recruitment results. AmeriCorps results are reported in terms of the amount of services participants perform, rather than community or participant impacts.	"National Service Programs: Two AmeriCorps Programs' Funding and Benefits," GAO Report HEHS-00-33 (Feb. 2000). "Giving and Volunteering in the United States 2001", report by the Independent Sector.	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)?*	Yes	Unlike most volunteers, AmeriCorps members provide intensive, services to the community. A full-time AmeriCorps member commits to serving 1,700 hours/year (142 hours/mo). According to a report by the Independent Sector, overall, volunteers to formal organizations average about 24 hours/month. AmeriCorps State and National is not the only Federal program that incorporates this type of intensive service -- the Corporation's NCCC and VISTA programs have similar service components, similar participants and similar goals. However, though these programs have separate authorities and separate appropriations, CNCS avoids duplication and redundancy between them by running the three programs as if they were one, to the greatest extent possible. There is a single recruitment and on-line application process for all three; projects are selected for funding using the same board-approved funding criteria; outreach and public relations activities promote AmeriCorps broadly rather than as three separate programs; and a unified state planning process coordinates service activities at the state level.	"Giving and Volunteering in the United States 2001", report by the Independent Sector.	20%	0.2
5	*Is the program optimally designed to address the interest, problem or need?*	No	Congress currently is considering legislation to reauthorize AmeriCorps. The Administration's proposal and House bill include significant changes designed to strengthen effectiveness, including: (1) authorizing grants for homeland security; and (2) improving accountability through the establishment of direct, statutory authority to set national, outcome-oriented performance standards and take actions for non-performance (current authority limits performance related reductions and terminations to occur as part of the grant renewal cycle -- the statutory authority would allow mid-grant cycle corrections for compliance and performance).	H.R. 4854 - Citizen Service Act of 2002. "Principles and Reforms for A Citizen Service Act: Strengthening AmeriCorps," April 2002 legislative proposal by the Bush Administration. See www.nationalservice.org/about_leg.his-E17tory.html.	20%	0.0
Total Section Score					**100%**	**60%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section II: Strategic Planning (Yes,No, N/A)						
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?*	No	AmeriCorps has 6 goals: (1) Mobilizing Volunteers; (2) Meeting Community Needs; (3) Strengthening Communities; (4) Expanding Opportunities; (5) Encouraging Responsibility; (6) Supporting Service Infrastructure. These goals are neither specific nor measurable; all but one do not include numerical targets or timeframes; and no baseline exists against which progress can be measured.	CNCS FY 2001 Performance and Accountability Report.	14%	0.0
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	No	The services provided by AmeriCorps are enormously varied and often provided in small portions -- the effects on end beneficiaries are hard to detect. Presently, AmeriCorps' annual performance indicators measure outputs or intermediate outcomes such as: percent of members who earn an education award and percent of members using the education award funds for which they qualify. The Corporation's annual goals do not contribute to the long-term goals. CNCS has undertaken periodic evaluations to assess program outcomes in specific areas, but does not gather outcome data annually at this time. CNCS has recently completed a review of its performance measurement system, conducted by The Urban Institute, and will be incorporating recommendations to improve outcome measurements over the next fiscal year.	"National Service Programs: Two AmeriCorps Programs' Funding and Benefits," GAO Report HEHS-00-33 (Feb. 2000). "Outcome Indicators and Outcome Management", a report by the Urban Institute.	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?*	Yes	CNCS has a Web-Based Reporting System (WBRS) that captures grantee and sub-grantee program objectives which, while based on locally determined needs, must also derive from the strategic goals of AmeriCorps. All grantees and sub-grantees are required to report on-line: 1) member enrollment and exit data; 2) financial status reports; 3) project accomplishments; and 4) project progress reports.	CNCS FY 2003 Congressional Justification and Web Based Reporting System at http:wbrs.net.	14%	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	Coordination is fostered at the State and local level through a Unified State Plan process that requires States to develop a national service plan through an open, public process that encourages participation from national service programs within the State, diverse community based agencies serving underrepresented populations, the State Educational Agencies, community and faith based organizations, and non-profits. AmeriCorps is a prominent partner in USA Freedom Corps and was the lead agency responsible for creating a website that includes a comprehensive online system for finding volunteer opportunities. CNCS has a MOU with Federal Emergency Management Agency that specifies the support that AmeriCorps programs will provide to emergency management efforts. Also, AmeriCorps State and National is well coordinated with the other national service programs housed in the Corporation -- NCCC and VISTA. For example, there is a single application and recruitment process for these programs.	CNCS/FEMA MOU. Sect. 178(e)(1) of the National Community Service Trust Act of 1990 (Statutory requirement for unified State planning). www.usafreedomcorps.gov.	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	Since inception in 1994, CNCS has conducted a number of program evaluations including: surveys of members; a study of the effects of living allowances and educational awards on members; and a study of tutoring outcomes. Several studies are currently underway including a long-term study of member outcomes. The study will use national comparison groups to identify service impacts on: civic values and involvement; educational aspirations and achievements employment skills, aspirations and achievements; and life skills, social attitudes and behaviors. As part of PART discussions, CNCS has agreed to strengthen this study (which is currently solely based on participant responses to surveys) by verifying survey responses against relevant administrative and other records conditioned on CNCS maintaining its commitment to the original terms and conditions of confidentiality promised to respondents of this study.	Bibliography of Research on AmeriCorps, James Perry, School of Public and Environmental Affairs, Indiana University. Ongoing Studies: AmeriCorps Education Award Utilization; AmeriCorps Attrition Overview; Volunteer Generation Study; Citizenship Training Materials Implementation and Outcome Study; and Long-Term Study of Member Outcomes.	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?*	Yes	AmeriCorps' performance goals are stated in terms of inputs and outputs; they are tied to budget levels; and the impact of funding is known. However, goals should be changed to outcome measures that are aligned with the budget so that the impact of budget decisions on OUTCOMES are apparent. The Urban Institute report cited above will help CNCS move in that direction.	FY 2003 Budget Estimate and Performance Plan.	14%	0.1
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	Yes	AmeriCorps CNCS contracted with Urban Institute to develop a set of recommendations for tracking outcomes (as opposed to inputs and outputs) that the Corporation can use for program management purposes. That report is completed and CNCS expects to implement the recommendations in FY03.	"Outcome Indicators and Outcome Management", Urban Institute, July 15, 2002.	14%	0.1
Total Section Score					**100%**	**71%**

	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	Grantees complete either an annual or biannual Accomplishment Survey and are required to perform internal evaluations to assess performance and improve quality. Also, grantee progress reports are submitted annually and financial status reports are submitted twice a year. CNCS has a Web-Based Reporting System (WBRS) that captures grantee and sub-grantee program information. All grantees and sub-grantees are required to report on-line: 1) member enrollment and exit data; 2) financial status reports; 3) project accomplishments; and 4) project progress reports. However, while CNCS collects extensive information from grantees, it has not been using this information to manage the program to ensure obligations do not exceed available resources. In 2002, CNCS authorized member levels that exceeded available appropriations in the National Service Trust. However, this error was detected by CNCS prior to actual enrollments exceeding available appropriations and the CEO intervened immediately to prevent over-enrollment.	FY 2003 Budget Estimate and Performance Plan. Web Based Reporting System.	9%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	No	CNCS has identified a significant weakness in how it projects the number of AmeriCorps positions that can be supported by appropriations and its processes for reconciling positions with available dollars. In 2002, CNCS authorized member levels that exceeded available appropriations in the National Service Trust. However, this error was detected by CNCS prior to actual enrollments exceeding available appropriations and the CEO intervened immediately to prevent over-enrollment. Until now, grantees and subgrantees were held accountable for performance through a grantmaking process that considered progress toward reaching approved enrollment and attrition objectives, focusing on addressing UNDER-enrollments or high attrition. Attention was not paid to enrollments exceeding national maximums. CNCS has developed a corrective action plan to resolve these weaknesses and made appropriate organizational changes.	H.R. 4854 - Citizen Service Act of 2002. Also, the 2002 AmeriCorps Application Guidelines and the 2002 AmeriCorps grant provisions are available online at <www.americorps.org>. CNCS is soon to issue the 2003 AmeriCorps Application Guidelines that will include information about its initiative to strengthen accountability and performance of organizations that receive funds under the national service laws.	9%	0.0
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. AmeriCorps funds are provided as grants to States, non-profits and other organizations. The Corporation obligates its funds to eligible new and continuing grantees according to a timeline established as part of the grant application and review process. Each year this timeline establishes deadlines by which the Office of Grants Management must obligate funds. An electronic database tracks the deadlines. Over the past 2 years, about 93% of grants were obligated within established timeframes. Corporation staff tracks outstanding commitments to ensure obligations are made in a timely manner. CNCS staff review commitment reports every 2 weeks and follow-up on overdue obligations.	FY 2002 and FY 2001 NCSA Apportionments.	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	CNCS uses competitive sourcing to obtain training and technical assistance contractors to provide assistance and support to CNCS grantees. In addition, CNCS has contracted out much of its EDP system operations including its Office of Information Technology Help Desk, payroll processing, National Service Trust phone bank support, Internet support, and operations and maintenance of *Momentum* (the accounting system). CNCS is assessing whether additional contracting can improve cost efficiency of several additional administrative areas currently carried out by CNCS staff such as IT development and facilities and mail management.		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?*	No	CNCS has identified a significant weakness in its projection of financeable member positions. In 2002, CNCS authorized member levels that exceeded available appropriations in the National Service Trust. However, this error was detected by CNCS prior to actual enrollments exceeding available appropriations and the CEO intervened immediately to prevent over-enrollment. In addition, CNCS did not adequately consider or record obligations for education awards, focusing exclusively on appropriations available for grants and program costs. CNCS has developed a corrective action plan to resolve these weaknesses. Despite the above weaknesses, since FY 2000, CNCS has had cost accounting systems that report expenses using a cost accounting/cost allocation model that allocates expenses by program in accordance with Federal accounting standards (SFFAS Number 4, see evidence/data). Cost assignments are performed by tracing costs when feasible and economically practicable, assigning costs on a cause-and-effect basis, or allocating costs on a reasonable basis. In the future, CNCS will be able to provide comparative information on the costs of its programs and link costs to outcomes.	Statement of Federal Financial Accounting Standards (SFFAS) Number 4, Managerial Cost Accounting Conceps and Standards. FY 2003 Budget Estimate and Performance Plan. PWC report entitled, "CNCS Assessment of Cost Allocation Methodology, Final Report, October 9, 2001."	9%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6	*Does the program use strong financial management practices?*	No	CNCS received an unqualified audit for the second consecutive year and, in 2001, no material weaknesses were identified. In 2002, CNCS authorized member levels that exceeded available appropriations in the National Service Trust. However, this error was detected by CNCS prior to actual enrollments exceeding available appropriations and the CEO intervened immediately to prevent over-enrollment. In addition, CNCS has not reported federal obligations in the National Service Trust consistent with all federal requirements; and has not promulgated fund control regulations required under 31 USC 1514(a). CNCS has developed a corrective action plan to resolve these weaknesses that includes process and financial changes as well as implementation of an automated grants system that will provide accurate and timely data on enrollments and federal obligations.	OIG Audit Report Number 02-01 (March 15, 2002). CNCS financial statements are published in Annual Performance and Accountability Reports. The FY 2001 report published March 2002 is available at www.nationalservice.org/about then select "Strategic and Annual Plans & Reports."	9%	0.0
7	*Has the program taken meaningful steps to address its management deficiencies?*	No	CNCS has identified weaknesses in its process for reconciling approved positions with Trust funding. CNCS has developed a process to address the current situation and developed a corrective action plan to resolve these weaknesses. The plan includes process and financial management changes as well as implementation of an automated grants system that will provide accurate and timely information for management review and analysis related to member positions approved. While positive steps, it is too soon to determine whether these actions will effectively eliminate management deficiencies.	Annual Performance and Accountability Report (particularly on pp. 87-100). The FY 2001 report published March 2002 is available at www.nationalservice.org/about then select "Strategic and Annual Plans & Reports."	9%	0.0
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	CNCS uses a peer review process to review all new applications to AmeriCorps. A Board-approved set of selection and evaluation criteria is used by the peer reviewers in each program competition to determine the quality of applicants. Earmarks represent approximately 1.5% of the budget.	"Report on the Review of the Corporation for National and Community Service National Direct Grant Application Review Process." OIG Audit Report 01-31. June 28, 2001.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
9 (Co 2.	*Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process?*	Yes	CNCS has increasing encouraged community and faith-based organizations (FBOs) to apply for funding or have access to AmeriCorps resources through intermediaries (grantees that provide financial and technical support to community or FBOs that do not have the capacity to perform these functions but can benefit from the assistance of AmeriCorps members). As much of the outreach to new grantees occurs through state commissions, CNCS has undertaken efforts to assist them, and other grantees, in supporting community and FBOs including: the creation of a new Faith and Communities Engaged in Service (FACES) initiative; the development of 12 champion states to create model strategies and tools; the provision of TA to these organizations.	Information on the FACES initiative appears in CNCS 2003 AmeriCorps Application Guidance, which is on the website at www.americorps.org/resources/ then select "AmeriCorps Guidelines and Grant Applications."	9%	0.1
I0 (Co 3.	*Does the program have oversight practices that provide sufficient knowledge of grantee activities?*	No	As mentioned above, CNCS has identified significant weaknesses in the process that projects the rate at which grantees enroll AmeriCorps members. These weaknesses are under correction. Specifically, CNCS will develop procedures for earlier reporting of actual enrollments and will clarify for grantees the steps that constitute an enrollment. CNCS has a web-based reporting system that includes financial status reports, annual reporting of progress toward programmatic objectives, and member enrollment, attrition and completion data. CNCS performs administrative standards reviews on state commission grantees in a 3-year cycle that include on-site inspection by CNCS staff and outside experts. The OIG is conducting full scope audits of state commissions. Recent audit reports identify questioned costs and CNCS is engaged in audit resolution per OMB A-50.	OIG Audit Report Number 02-01 (March 15, 2002); OIG Audit Report 01-41 Summary of 37 State Commission, Pre-Audit Survey Reports.	9%	0.0
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?*	No	CNCS collects performance data on-line, but it is not transparent. Some data is aggregated at the national program level, some at the grantee level, while yet other performance is disaggregated at the state level in the State Profile reports.		9%	0.0
Total Section Score					**100%**	**36%**

	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)?*	No	CNCS plans to update its goals based on the Administration's Reauthorization Principles. Revised goals will reflect quantifiable standards for long-term outcome measures for AmeriCorps. There are independent evaluations that indicate positive findings for AmeriCorps in terms of recruiting volunteers, meeting community needs and encouraging responsibility, however, since there are no numerical targets or baselines for these goals it is difficult to assess progress.		20%	0.0

Long-Term Goal I:	Mobilizing Volunteers: AmeriCorps members help recruit and mobilize volunteers.
Target:	No numerical target.
Actual Progress achieved toward goal:	Unable to quantify since there is no baseline or target. For additional information, see Sect. I, Question 3 on current CNCS data on member recruitment efforts.
Long-Term Goal II:	Meeting Community Needs: AmeriCorps helps foster volunteer activity to meet critical needs in the areas of education, public safety, the environment, homeland security and other human needs through direct service.
Target:	No numerical target.
Actual Progress achieved toward goal:	Unable to quantify since there is no baseline or target. CNCS working to establish a baseline.
Long-Term Goal III:	Strengthening Communities: AmeriCorps unites a diverse group of individuals and institutions in a common effort to improve communities through service, especially through community organizations, both secular and faith-based.
Target:	No numerical target.
Actual Progress achieved toward goal:	Unable to quantify since there is no baseline or target.
Long-Term Goal IV:	Expanding Opportunity: AmeriCorps helps those who help America. Individuals who serve become better citizens. National service also uses the GI Bill model. In exchange for service, AmeriCorps members earn a scholarship that helps pay for college, training, or student loans.
Target:	No numerical target.
Actual Progress achieved toward goal:	Unable to quantify since there is no baseline or target. CNCS collects data on earning and usage of education awards which will be used to set targets and baselines.
Long-Term Goal V:	Encouraging Responsibility: National service demands responsibility. AmeriCorps members, through service and civic education, learn to take responsibility for helping to solve community problems, while becoming better citizens.
Target:	No numerical target.
Actual Progress achieved toward goal:	Unable to quantify since there is no baseline or target. CNCS working to establish a baseline through a longitudinal study.

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Long-Term Goal VI:	Support Service Infrastructure: Grantees and programs operate efficiently and effectively using appropriate management systems.				
	Target:	Target of $15,000 average budgeted cost per FTE member by 1999; Annual targets set for state commissions in compliance with state administrative standards.				
	Actual Progress achieved toward goal:	CNCS met its cost per FTE member target and has continued to improve upon it. In 2001, the average budgeted cost per FTE was $12,800. CNCS also tracks progress of state commissions in meeting administrative standards (18 states meet all standards; 31 are in progress toward meeting the standards; and 1 review will be conducted in fiscal 2003).				
2	*Does the program (including program partners) achieve its annual performance goals?*	No	The Corporation does not have a limited number of annual performance goals that demonstrate progress toward achieving its long-term goals. The annual and long-term goals are not related. CNCS received a "no" to Sect. II, Q. 2. Accordingly, guidance requires that they receive a "no" to this question. Of the annual goals that CNCS does have, AmeriCorps met two of the four annual performance goals set forth in the FY 2001 performance plan and missed meeting the other two by a small margin.	CNCS FY 2001 Performance and Accountability Report.	20%	0.0

Key Goal I:	**Number of Members Enrolled Annually**
Performance Target:	**43,000**
Actual Performance:	**44,683**
Key Goal II:	**Average percent of expected service time completed by AmeriCorps*State and National members**
Performance Target:	**85%**
Actual Performance:	**88.50%**
Key Goal III:	**Percent of members who complete a term of service and become eligible to receive an education award.**
Performance Target:	**75%**
Actual Performance:	**74.40%**
Key Goal IV:	**Number of State Commissions in compliance with the national State Commission administrative standards.**
Performance Target:	**14**
Actual Performance:	**13**

	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	The average budgeted cost per FTE AmeriCorps member (including all types of AmeriCorps members) has been steadily reduced over the last several years. CNCS agreed to achieve an average budgeted cost of $15,000 per full-time equivalent member by 1999 and it did so. For 2001, average budgeted cost per full-time equivalent member is $12,800. CNCS accomplished this by: (1) launching the "education award only" program in which the Corporation agrees to provide only up to $400 per full time member plus the education award while the grantee/subgrantee finances related costs; and (2) instituting caps on the average budgeted cost per member across all programs in a state and for national direct grantees ($12,400 per member in 2002).	GAO Report, National Service Programs: Two AmeriCorps Programs' Funding and Benefits, February, 2000, p. 26.	20%	0.2
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	No	It is difficult to measure the performance of AmeriCorps against similar programs because, as indicated above, the information that is regularly collected for the program (percentage of service time completed, percentage of ed. awards earned) is not indicative of program outcomes. On the information that is collected, AmeriCorps State and National's performance is roughly comparable to the performance of NCCC and VISTA.	Benefits, February 2000	20%	0.0
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	No	There are a limited number of rigorous studies to address this question. Results of the independent evaluations that do exist show some positive results for AmeriCorps -- but the methodology of these studies is not sufficiently rigorous to support a positive response to this question. For example, one study indicated that students participating in AmeriCorps tutoring programs improved their reading performance, however, this study focused on those AmeriCorps programs previously identified as stronger performers.	Abt Associates; 2001b; "AmeriCorps Tutoring and Student Reading Achievement, Final Report"; Cambridge, MA. Aguirre International; 1999; "*Making a Difference:* Impact of AmeriCorps*State/National Direct on Members and Communities 1994-1995 and 1995-1996"; San Mateo, CA. Dingwall, Mary and Flaherty, Tracy; 1997; "Findings from the 1996 Survey of AmeriCorps Members; Rockville, MD: Westat.	20%	0.0
Total Section Score					**100%**	**20%**

PART Performance Measurements

Program: Appalachian Regional Commission
Agency: Appalachian Regional Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	47%	

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

Explanation: Congress established ARC in 1965 to reduce the substantial socioeconomic gaps between Appalachia and the rest of the nation. The establishing legislation states "It is, therefore, the purpose of this Act to assist the region in meeting its special problems, to promote its economic development, and to establish a framework for joint Federal and State efforts toward providing the basic facilities essential to its growth and attacking its common problems and meeting its common needs on a coordinated and concerted regional basis." Although ARC has made progress in economically developing the region, substantial gaps still exist (see 1.2).

Evidence: A 1964 study discussed the long-standing deficits in Appalachia (Report of the Presdient's Appalachian Regional Commission). This report endorsed the Federal-State partnership model that eventually became the basis of the ARC. This report is available at http://www.arc.gov/index.do?nodeId=2255. See also findings and statement of purpose in the Appalachian Regional Development Act (ARDA), available at http://www.arc.gov/index.do?nodeId=1243.

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

Explanation: The Appalachian region historically has lagged behind the rest of the country in terms of employment, income, education, health, and quality-of-life. These problems have produced concentrated high poverty areas, persistent unemployment, low incomes, inadequate health care, educational disparities, and out-migration. Although investments in the region and growth in entitlement programs have increased parity between the region and the rest of the nation, the region still lags behind. For example: 1) ARC counties have a higher unemployment rate than the national average, and 145 counties exceed it by 150%; 2) ARC counties trail the rest of the nation by 18% in per capita income; 3) number of residents with a college degree is 70% of the national average; 4) Appalachian residents have higher rates of strokes, heart disease, diabetes, and other preventable diseases relative to the rest of the country; and 5) the region has substantial infrastructure needs, as 30% of households are not connected to centralized wastewater treatment and 15% in Central Appalachia lack both public water and wastewater services.

Evidence: FY 05 congressional justification. Overview of Appalachian statistics, http://www.arc.gov/index.do?nodeId=26.

PART Performance Measurements

Program: Appalachian Regional Commission
Agency: Appalachian Regional Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	47%	

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: 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. The multiplicity of federal programs imposes transactions costs on localities attempting to shift through the array of federal programs and creates limitations on creatively packaging federal resources. However, ARC does perform a unique function in coordinating federal resources to the region. Poor and highly distressed counties may be at a disadvantaged in identifying opportunities and making effective business cases for grant funds. Often they are unable to provide matching funds that are required by other grant-making agencies and institutions. In other cases, the funding needed to initiate an innovative solution is so small that it falls below the minimum amount provided by some agencies. ARC's consensus model ensures close collaboration and gives the Commission a non-federal character that distinguishes it from typical federal executive agencies and departments.

Evidence: Sept. 2000 GAO study. - Multiple Federal Programs Fund Similar Economic Development Activities. Ten agencies and 27 subagency units administer 73 programs that can be used to support one or more of the six activities directly related to economic development -- planning; constructing or renovating non-residential buildings; establishing business incubators; constructing industrial parks; constructing roads and streets and constructing water and sewer systems.For example, ARC, the Economic Development Administration, US Department of Agriculture and the Department of Housing and Urban Development all help finance infrastructure investments such as waste water treatment facilities. ARC differs from other Federal, State, local, and private efforts because it is based on a collaborative model involving partnership with other federal, state, local and private organizations. A 14-member Commission governs the partnership. It is comprised of: a federal co-chair, appointed by the President and confirmed by the Senate, and the thirteen Appalachian state Governors

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: ARC's program design is free of major flaws that limit effectiveness or efficiency. ARC is a federal/state partnership, with the Federal co-chair having veto power. The states contribute 50% of the operating costs. The competitive grants structure and the ability of the Federal co-chair to veto any project together ensure that projects that are most likely to help the region reach its long-term goals are achieved. ARC also ensures that localities are aware of other Federal, State, and private resources available to further develop the community and ARC provides the assistance necessary to ensure that the communities are able to apply for the available resources.

Evidence: Two independent studies found that ARC's coordinated investment strategy has paid off for the Region in ways that have not been evident in other parts of the country without a regional development approach. A study in 1995 funded by the National Science Foundation compared changes in Appalachian counties with their socioeconomic twin counties outside the Region over a 26-year period. This analysis, controlled for factors such as urbanization and industrial diversification, found that the Appalachian counties grew significantly faster than their economically matched counterparts outside Appalachia. A more recent similar analysis by East Carolina University compared Appalachian counties with matched non-Appalachian counties in the southeastern states, with similar findings.

PART Performance Measurements

Program: Appalachian Regional Commission
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Bureau:

Type(s): Competitive Grant

Section Scores				Rating
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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: ARC classifies all Appalachian counties by economic condition, using factors such as poverty, unemployment, and per capita income. Counties are arrayed on a continuum, including economically distressed counties, transitional counties, competitive counties, and attainment counties. At least 50% of ARC's grant funds flow to activities that benefit the region's distressed counties. It is important to note that project funds are used in distressed areas, even if those areas are in a non-distressed county, as competitive and transitional counties have pockets of distress within them. Distressed counties are eligible to receive up to 80% of the project cost from ARC, whereas transitional counties can only obtain up to 50% and competitive counties up to 30%. ARC funds do not support projects in attainment counties.

Evidence: Congressional Justification, Performance & Accountability Report, ARC Strategic Plan, establishing legislation. See http://www.arc.gov/index.do?nodeId=100.

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: ARC's long-term goal is to bring the region into parity with the rest of the nation, defined as the number of distressed counties relative to the nation. Long-term measures associated with these strategic goals include: (1) number of jobs created or retained, (2) number of citizens benefiting from enhanced education and job-related skills as a result of ARC investment, (3) number of households served with new or improved water and sewer infrastructure and (4) number of miles of the Appalachian Development Highway System completed. Overall, ARC's strategic plan focuses on the key outcomes of ARC. However, performance measures could be improved to include stronger indicators of economic and social change. For example, the number of jobs created could be supported by measures documenting trends in wage growth. The Appalachian Regional Commission is working with OMB and other federal agencies to define common performance measures for community and economic development programs.

Evidence: Congressional Justification, Performance & Accountability Report, ARC Strategic Plan. See http://www.arc.gov/index.do?nodeId=100.ARC has recently adopted a new Strategic Plan for 2005-2010. The four goals underpinning this plan include: (1) Increase job opportunities and per capita income in Appalachia to reach parity with the nation, (2) Strengthen the capacity of the people of Appalachia to compete in the global economy, (3) Develop and improve Appalachia's infrastructure to make the region economically competitive, and (4) Build the Appalachian Development Highway to reduce Appalachia's isolation. ARC developed targets and strategies to meet the long-term goals. For example, to support the goal of creating or retaining 120,000 jobs by 2011, ARC has developed strategies that include developing workforce training programs, improving access to investment capital for local businesses, and identifying local and regional assets for development.ARC funded a study of water and sewer infrastructure gaps in FY 2003.

PART Performance Measurements

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2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight 13%

Explanation: ARC's long-term targets are based on existing baselines and conditions, the potential for success in ARC's strategies, and the existence of exogenous conditions. The 2011 timeframe acknowledges that the problems are deeply-rooted and endemic, yet fixable. However, for most performance measures there is significant 'double-counting' of performance. For example, while ARC contributes less than 6 percent of federal dollars to projects encouraging job creation and retention and ensuring adequate water and sewage infrastructure, ARC claims 100 percent credit for number of jobs created and number of households served. While federal agencies should be in no way penalized for leveraging other federal dollars, ARC efficiency measures should consider all federal dollars. ARC, EDA, USDA, HUD and OMB are currently discussing appropriate metholodolgies for reporting performance.

Evidence: Congressional Justification, Performance & Accountability Report, ARC Strategic Plan. See http://www.arc.gov/index.do?nodeId=100.

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: ARC has recently refined its strategic plan and created a 'logic model' to align annual performance measures and strategies with long-term goals. Annual measures and targets include: (1) Create/retain 20,000 jobs for Appalachians, (2) position 20,000 Appalachians for enhanced employability (workforce training), (3) provide 20,000 households with basic infrastructure services, (4) provide broadband service to 5 communities for every $1 million invested, (5) build 25 miles of the Appalachian Development Highway System (ADHS), and (6) achieve a 4:1 average private sector investment ratio for projects. ARC is also using two efficiency measures: (1) ADHS miles completed per $100 million invested and (2) average grants processing time. The first efficiency measure attempts to assess whether the completion of the Appalachian Development Highway System is proceeding in a cost-efficient manner. Targets are estimated based upon terrain and route characteristics and cost of highway structures. To help measure the cost-effectiveness of federal economic development programs, ARC should track the cost per job created, measured by the amount of federal funds needed to create or retain one job. However, before any such measure is used, ARC should coordinate with other federal agencies to ensure a consistent methodology is being applied.

Evidence: "Moving Appalachia Forward" Appalachian Regional Commission Strategic Plan 2005-2010. Draft, October 1, 2004.FY 2003 Performance and Accountability ReportFY 2005 Budget Justification

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight 13%

Explanation: See the concerns raised on "double-coutning" in response to question 2.2.

Evidence:

PART Performance Measurements

Program: Appalachian Regional Commission
Agency: Appalachian Regional Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
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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: ARC ensures that its partners work toward its strategic goals through several mechanisms. First, ARC established and works with 72 local development districts (LDDs), which serve as multi-county planning and development organizations. These LDDs serve as the liaison between ARC and the localities and regions. Several ARC evalulates potential projects through a competitive process, and a primary consideration is whether a proposed project would further ARC's strategic goals and objectives. Third, grantees are required to include performance measures that support ARC goals and to report these measures as part of the grant approval and monitoring process. Finally, when more than one Federal agency funds a project, a Memorandum of Understanding ensures that one agency has the lead for supervising the project and all agencies agree to the expected outcomes of the project.

Evidence: State development plans, strategic plan, memoranda of understanding with LDDs and Federal agencies.

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: Evaluations focus on the extent to which the projects have achieved their objectives. Evaluations have addressed a wide range of outcomes, including the efficiency and economic benefits of the ADHS, the impact of public works projects on income and job creation, the educational benefits of ARC's education programs, and the results of ARC's economic diversification program. In addition, a 'twin counties' study compared actual changes in economic growth in Appalachia with the changes that would have occurred irrespective of ARC's programs. By comparing Appalachian counties with non-Appalachian counties with similar characteristics, the study assessed the extent to which ARC counties grew faster than their 'twins' by measuring growth rates over 22 years and considering 20 variables (e.g., per capita income, earnings by place of work, and population). While the study found that the counties of Appalachia grew faster than their control-group twins, the study did not uncover relationships between ARC's programs and economic development in the region. Additional research assessing trends in individual counties over time might provide greater understanding about the effectiveness of specific programs.

Evidence: In the last five years, ARC has conducted 32 evaluation and research studies that address program results and strategies. These evaluations have used a variety of techniques, and the most useful have established the counterfactual condition of what would have happened without ARC's involvement through a quasi-experimental or comparative framework. Evaluations have been conducted by independent outside researchers (commissioned by ARC to complete the evaluations) and have covered ARC's work over several decades.Isserman, A. and T. Rephann. The Economic Effects of the Appalachian Regional Commission: An empirical assessment of 26 years of regional development planning. APA Journal. (Summer) 1995: 345-363.

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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: Budget requests are tied to annual and long-term performance goals. For example, the FY05 budget links ARC's funding requests to specific strategies and performance measures and is allocated based on program evaluations. The expected economic benefits are quantified and presented with the performance measures. The budget also provides full costing of each performance goal.

Evidence: FY2005 Congressional Justification, available at http://www.arc.gov/images/newsandevents/publications/fy05budget/05budget.pdf

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

Explanation: ARC has conducted a year-long strategic planning revision process that has involved Federal, State, local, and regional representatives coming to agreement on a new strategic plan through a series of field forums. The new strategic plan became available in the summer of 2004. This plan takes into account the changing economic and community conditions in the region. The plan also reflects ARC's priorities (established through the field forums), focuses more on outcomes, and provides a tighter linkage between long-term goals and annual goals. ARC is also working with the Interagency Collaborative on Community and Economic Development (ICCED) and OMB on a cross-cut assessment of federal community and economic development programs. This assessment will, among other things, establish a common set of measures to assess program performance in this area.

Evidence: "Moving Appalachia Forward" Appalachian Regional Commission Strategic Plan 2005-2010. Draft, October 1, 2004.FY 2005 Budget Justification

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: ARC regularly collects performance data from grantees and validates these data through 50-60 site visits each year (about 10 percent of projects). Site visits are conducted two years after the award of a grant to give grantees time to finish projects and track outcomes. In addition, ARC uses ARC.net, its Management Information System (MIS) to track critical project performance information. ARC staff reviews performance measurement data generated by programs throughout the fiscal year to analyze trends and validate data. ARC used this information to inform its recent strategic planning revisions and routinely shares such information with program partners through 'best practices,' conferences and on-site validation visits with grantees. A recent example of how ARC has used performance information to improve program management and direction include recent evalautions on health disparities in Appalachia that resulted in ARC investing in a joint research project with the National Institutes of Health (NIH). In recent years, ARC's Policy Development Committee has also used research, evaluations, validation visits and staff monitoring to develop and revise program guidelines for revolving loan funds, tourism development, export trade and telecommunications.

Evidence: Congressional Justification, Annual Performance Plan, and other strategic planning documents. Best practices listed on ARC's online resource center at http://www.arc.govPerformance information is also shared in a number of best practice forums and conferences including:"The New Appalachia: Ideas that Work" (1999); (2001)The New Appalchia Conference Programs. Recent conferences has focused on (1) capacity building and collaboration, (2) education, and (3) telecommunications.

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80%	75%	100%	47%	

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: ARC routinely monitors the performance of all project managers to ensure they are focused on outcomes and adhere to the milestones and schedules outlined in planning documents. ARC withholds funds from underperforming projects and will cease funding projects if performance does not improve.

Evidence: FY 2003 Performance and Accountability ReportAppalachian Regional Developmeht Act of 1965 (as amended March 2002).

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

Answer: YES Question Weight 10%

Explanation: As a grant program, ARC is not expected to obligate all funds in the year in which they are appropriated; this is the nature of no-year funds. Since grant projects often take several years to complete, funds that are obligated in a timely manner can still straddle fiscal years. ARC works closely with Federal partners and states to obligate funds as quickly as possible and to ensure that funds are spent for intended purposes. Award recipients must produce periodic financial status reports, and the IG conducts field audits on 15 grants per year.

Evidence: ARC annually approves 100 percent of project dollars, but some of these funds must be obligated and deobligated by its Federal partner agencies. See ARC spending and audit reports.

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: ARC uses a strong "filtering process" that ensures that the grants that provide the greatest benefit-cost ratio to the Appalachian region are funded. First, states prepare investment plans that align with the ARC strategic plan. This ensures that priorities are aligned. States work with LDDs to identify the most efficient grant investment opportunities next. Finally, ARC reviews performance and related information about all proposed grants; the Federal Co-Chair may veto any grant that is not aligned or does not appear to offer a strong return-on-investment. In addition, ARC uses several efficiency measures in its strategic planning process. ARC considers the ADHS one of the most critical aspects of its work, and an efficiency measure related to it is ADHS miles completed per $100 million in investment. In addition, ARC uses average grant processing time as a matter of efficiency. Finally, the agency works closely with other Federal agencies (such as EDA, USDA, and HUD) to coordinate funds and not duplicate efforts, ensuring the most efficient use of its monies. ARC is also working with other Federal agencies on establishing a common methodology for calculating the cost per job created or retained as a result of program investment.

Evidence: See ARC strategic plan, ARC congressional justification, ARC Project Guidelines and MOUs with other Federal agencies.

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Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	47%	

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

Explanation: ARC has always emphasized collaboration with public and private resources to accomplish its mission. ARC was established to leverage resources and seek out partners to address Appalachia's problems. ARCs operations are based around a partnership model, with state and local governments working with the Federal government in the decision-making and governance structure. ARC coordinates extensively with other Federal agencies. About half of past ARC grants have been administered under agreement with 12 other Federal agencies. This achieves consistency in program objectives, creates efficiency in resource allocation, and aids in compliance with applicable laws such as environmental, safety, and labor requirements.

Evidence: ARC establishing legislation, ARC congressional justificationand MOUs with other Federal agencies.

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

Explanation: ARC's accounting system has been certified for government use by the Joint Financial Management Improvement Program. Policies and procedures are in place to ensure that payments are properly made to the intended parties. ARC undergoes an annual financial audit, and ARC's grant recipients' financial activities are independently reviewed by the IG periodically. ARC recieved a clean opinion on its latest financial statements (for FY03) and has no material internal control weaknesses.

Evidence: ARC provides comprehensive information about its financial management practices and performance in its Performance Accountability Report. Pages 58-83 of the PAR speak to ARC's financial report, including the report of the independent audit on page 59. The ARC website includes the OIG semi-annual reports. Financial management information is publicly available and transparent.

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

Explanation: ARC conducts formal and information meetings with division managers to identify vulnerable areas and potential control weaknesses, and has an internal management control committee to conduct reviews. ARC conducts program evaluations on an ongoing basis to examine the effectiveness of its programs and progress in achieving outcomes. Program management devidiencies, when identified, are included in these reveiws and acted upon. Recommendations included in the latest IG report are currently being implemented.

Evidence: For example, one nonmaterial weakness related to tracking of advanced payments for grantees came up in the last financial audit. In response, ARC has implemented improved procedures and data management to eliminate this condition. See ARC congressional justirfication, IG audits, and the Performance and Accountability Report (PAR)

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80%	75%	100%	47%	

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

Explanation: ARC awards grants based on a combination of formula allocation and competition. Each fall, ARC allocates its annual appropriation from Congress among the Commission's member states. Funds are distributed by formula in three broad categories: highways, area development, and LDD support. After states have received their allocations, the governors of those states work with LDDs to prepare strategy statements of how they plan to use ARC funds. These statements link state priorities to ARC's goals and include lists of projects that the governors will submit to ARC for funding to implement their development strategies. Each state's process is competitive. The Federal Co-Chairman then reviews and must approve the state spending plans; he or she has veto power over projects that are not in the best interest of the region. Each proposed project receives a thorough review by ARC program analysts. To be approved by ARC, the projects must both support the local state development plan and ARC's strategic goals.

Evidence: FY 2003 Performance and Accountability ReportAppalachian Regional Developmeht Act of 1965 (as amended March 2002).ARC Project Guidelines

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

Explanation: In general, grantee performance is carefully monitored, although improvements are still warranted. ARC's validation visits are a critical component of this process, and this provides ARC a chance to confirm program outcomes and better understand the consequences of its programming and make policy or procedural changes as the need arises. In situations where a project fails to meet proposed goals, ARC considers mitigating circumstances and looks for possible trends in an effort to assist other projects facing similar circumstances. Analysis from the field validation visits is compiled in an annual internal report. However, recent IG reports have cited a need to improve oversight of ongoing grants to ensure grantees meet reporting and documentation requirements. For example, IG reports cite instances where grantees have been given further funding although they had not yet submitted required status reports for previous expenditures and cases where inactive funds remain allocated to expired grants. The IG has recommended that ARC develop policies and procedures to obtain the accurate status of funds held by grantees at the end of the fiscal year. The IG has noted, however, that ARC has begun to take appropriate to bring program managers more directly into the oversight function and has not cited these areas as material.

Evidence: FY 2003 Performance and Accountability ReportInspector General's Semiannual Report to Congress (October 1, 2003-March 31, 2004).Appalachian Regional Developmeht Act of 1965 (as amended March 2002).ARC internal audit reports.

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: ARC collects grantee performance information using both interal and external methods. The agency collects grantee performance data and publishes it in its Performance and Accountability Report. Annually, ARC contracts with outside organizations to evaluate ARC programs. In addition, ARC places grantee performance information on its website (www.arc.gov).

Evidence: FY 2003 Performance and Accountability ReportGrantee information available on ARC's website

PART Performance Measurements

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1	2	3	4	Adequate
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4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: SMALL EXTENT Question Weight 20%

Explanation: ARC has recently refined its long-term measures and baselines have been established for FY 2004. However, data on socioeconomic conditions in Appalachia and results from recent performance evaluations suggest that ARC has made progress in addressing the needs of Appalachian communities. Since ARC was established the region's poverty rate has been cut in half, the infant mortality rate reduced by 67 percent, the percentage of adults with a high school education has doubled, and over 1.6 million new jobs have been created. A recent study comparing Appalachian counties with a similar set of counties outside the region shows that the counties of Appalchia grew faster than their 'control-group twins.' (Isserman & Rephann, 1995). More recently, the number of severely distressed counties has decreased from 121 in 2003 to 91 in 2004. However, it is difficult to attribute these changes directly to ARC investment, particularly since ARC's impact is relatively small--approximately $60 million (not including ADHS) out of $25 billion in Federal dollars going to the region. In the eight states participating in ARC's educational programs, college matriculation rates have increased 15-35 percent. This evidence suggests that ARC's programs are having an impact on the region.

Evidence: FY 2003 Performance and Accoutability ReportIsserman, A. and T. Rephann. The Economic Effects of the Appalachian Regional Commission: An empirical assessment of 26 years of regional development planning. APA Journal. (Summer) 1995: 345-363.Other ARC long-term measures assess the number of jobs created or retained, number of Appalachina benefiting from enhanced education and job-related skills, number of households with basic infrastructure services and the expansion in regional access as the Appalachian Highway System is completed. While these measures are important and must be tracked, success will also ultimately depend on longer-term socioeconomic trends in the region (e.g., per capita income, poverty rates and college graduation rates). Per PART guidance, ARC received a "small extent" because discussion are ongoing regarding developing an appropriate methodology for tracking performance. Furthremore, it is very difficult to establish a link between ARC and regional economic and social changes.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight 20%

Explanation: ARC has generally met or exceeded annual goals. However, as noted in answer to question 2.3, ARC and other federal agencies are currently discussing appropriate performance measures and methodology for community and economic development programs. Therefore, ARC has received a 'small extent' to this question. As ARC is only approximately 6 percent of funding for area development projects, performance measures should accurately reflect ARC contribution to outcomes and outputs. One alternative would be for ARC to calculate the federal cost per output or outcome, thereby crediting ARC with leveraging private investment, but also allowing for comparisons among federal community and economic development programs. However, as the Performance and Accountability Report demonstrates ARC is quite successful in meeting their annual targets and in general is tracking the right types of outputs and outcomes.

Evidence: Annual measures include:Education and Workforce Training' Number of employees receiving basic education and skills training and the number of participants obtaining or retaining employment as a result of labor force training projects' Number of students participating in school readiness, drop-out prevention, school-to-work transition and GEG programs and number of students documenting success in those program areas.Region's Physical Infrastructure' Number of households with basic services and infrastructure for water, sewerage, and waste management. Jobs and Income' Number of jobs created and retainedTransportation' Number of miles builds of the ADHS' ADHS miles completed per $100 million investmentOther' Average private sector investment ratio' Grants processing timeNOTE: ARC's Strategic Plan and FY06 performance plan have realigned measures and strategic goals from FY03 PAR

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

Answer: SMALL EXTENT

Question Weight 20%

Explanation: ARC has shown some increases in efficiency. For example, grants processing times have been reduced from 60 days to 45 days in 2004, with the goal to further reduce to 30 days. In addition, ARC tracks and measures efficiencies in the cost to complete the ADHS. While the number of miles completed per $100 million has decreased slightly, this is consistent with anticipated costs to complete the highway in areas with more difficult terrain and the cost of expensive highway structures. Finally, ARC has exhibited organizational efficiencies by becoming a flatter organization and allowing other federal agencies to manage grant projects. Staff has been reduced from a high of 125 FTE to 52 FTE. A measure tracking unit costs such as the cost per job created or retained and the cost per infrastructure investment would also help ARC track programmatic efficiencies over time.

Evidence: FY 2003 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: LARGE EXTENT

Question Weight 20%

Explanation: ARC's performance can be compared with other regional authorities (Denali Commission and Delta Regional Authority) as well as Federal partner programs (HUD, EDA, USDA-RD). While no comparative study has evaluated the relative strengths and weaknesses of community and economic development programs, ARC's strategic plans, competitive grant processes, performance measures and evaluations compare quite favorably with other similar agencies. As such, ARC has received a 'large extent' to this question.ARC's strategic planning process and organizational structure provide some unique advantages to its programs. Due to its partnership model, ARC provides a good forum to address the socioeconomic issues facing the region. ARC partners with federal, state, and local organizations and is quite effective at leveraging private and other federal funding to the region. Its 'bottom-up' approach that fits with ARC's overarching strategic framework helps ensure projects address local priorities but also regional strategic goals. However, comparisons between ARC and other federal programs could be improved, however, if agencies used similar methodologies for reporting performance. For example, it is difficult to assess per unit costs among the different federal programs.

Evidence: FY 2003 Performance and Accountability Report and Draft Strategic PlanPerformance and Accountability reports for EDA, HUD, USDAStrategic plans for Denali Commission and Delta Regional AuthorityIsserman, A. and T. Rephann. The Economic Effects of the Appalachian Regional Commission: An empirical assessment of 26 years of regional development planning. APA Journal. (Summer) 1995: 345-363.The Impact of CDBG Funding (October 2002) found at: http://www.huduser.org/publications/commdevl/cdbg_spending.htmlCost Per Job Associated with EDA Investments in Urban and Rural Areas (Pennsylvania State University, 2002)Public Works Program: Performance Evaluation (Rutgers University, 1997) Public Works Program: Multiplier and Employment-Generating Effects. (Rutgers University, 1998)

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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: Prior evaluations that have been completed include evaluations of ARC's telecom projects, vocations education/workforce training projects, educational projects, entrepreneurial initiative, infrastructure/public works programs, and ADHS. Evaluations generally use a comparative framework to compare what happened in ARC counties with what happened in similar but non-ARC counties, to estimate the counterfactual condition.

Evidence: ARC program evaluations have analyzed costs, benefits, and results, with the following key findings:' For every $1 invested, the Appalachian Development Highway System (ADHS), returned $1.18 in efficiency benefits, and $1.32 in economic development benefits, (Appalachian Development Highways Economic Impact Studies, July 1998);' ARC funded infrastructure and public works projects resulted in a benefit cost ratio for direct job creation of 5.4 to 1 and indirect job creation of 8.9 to 1 and personal income rose $9 per public dollar invested. (Evaluation of the Appalachian Regional Commission's Infrastructure and Public Works Program Projects, June 2000);' Almost three quarters of ARC funded educational projects met or exceeded expectations which included goals for educational attainment, job skills and wages, and family/individual well-being (Evolution of The Appalachian Regional Commission's Educational Projects, March 2001).

PART Performance Measurements

Program: Appalachian Regional Commission
Agency: Appalachian Regional Commission
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	47%	

Measure: Percentage of distressed counties in the nation that are in Appalachia.

Additional Information: All counties in nation are ranked in index based on unemployment rate, per capita income, and poverty rate. All counties are placed into quartiles, with the lowest quartile deemed distressed counties. ARC aims to minimize the percentage of counties in this quartile, as evidence of the improving conditions of Appalachia relative to the nation as a whole.

Year	Target	Actual	**Measure Term:** Long-term
2004	Baseline	21%	
2009	16%		

Measure: Number of new jobs created (cumulative)

Additional Information: Enhanced employability is a key aspect of improved regional development.

Year	Target	Actual	**Measure Term:** Long-term
2003	Baseline	23,358	
2011	120,000		

Measure: Number of citizens benefitting from enhanced education and job-related skills

Additional Information: Key element for improving regional economy

Year	Target	Actual	**Measure Term:** Long-term
2003	Baseline	53,258	
2011	120,000		

Measure: Number of new jobs created

Additional Information: Enhanced employability is a key aspect of improved regional development.

Year	Target	Actual	**Measure Term:** Annual
2003	30,000	23,358	

Program: Appalachian Regional Commission
Agency: Appalachian Regional Commission
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	47%	

2004	20,000
2005	20,000
2006	

Measure: Number of participants in job training and education programs that demonstrate results (i.e., expand worker skills, obtain a job, increase in educational attainment and achievement)

Additional Information: Workforce training and enhanced educational performance of the region's students are key to helping the region compete in the global economy

Year	Target	Actual	**Measure Term:** Annual
2003	17,500	53,258	
2004	35,000		
2005	35,000		
2006			

Measure: Number of households with basic infrastructure services

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2003	25,000	23,194	
2004	20,000		
2005	20,000		
2006	20,000		

PART Performance Measurements

Program: Appalachian Regional Commission
Agency: Appalachian Regional Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	100%	47%	

Measure: ADHS miles completed per $100 million invested

Additional Information: Goal is to maximize investment in Appalachian Development Highway System, which is intended to reduce the region's economic isolation.

Year	Target	Actual
2003	8 miles	4 miles
2004	8 miles	
2005	7 miles	
2006	7 miles	

Measure Term: Long-term

Measure: Average grants processing time

Additional Information: Time from receipts of grant application in proper order to disposition

Year	Target	Actual
Baseline	60 days	
2004	45 days	
2009	30 days	

Measure Term: Long-term

PART Performance Measurements

Program: Asset Management of AFRH Real Property
Agency: Armed Forces Retirement Home
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	71%	87%	Effective

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

Explanation: The purpose of AFRH's real property asset management program is to increase revenue, decrease costs, and provide quality, affordable, and facilities for our residents.

Evidence: Title 10 United States Code Section 411 authorizes the Secretary of Defense to dispose of any property of the Retirement Home, by sale, lease, or otherwise, that the Secretary determines is excess to the needs of the Retirement Home; proceeds from such a disposal of property shall be deposited in the AFRHTrust Fund.

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

Explanation: Asset management of real property is fundamental to AFRH's ability to remain solvent and change our operating model from "Survive" to "Thrive" in the 21st Century. The AFRH is at risk of becoming insolvent because annual operating costs and Capital programs exceed the Agency's annual revenue.

Evidence: The Inspector General inspection of 1999 identified significant cost savings which could be achieved by better management of facilities and personnel relocation.

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 Program's focus is on management of AFRH property assets.

Evidence: Title 10 United States Code Section 411 establishes the Armed Forces Retirement Home as an independent establishment in the executive branch.

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 purpose of AFRH's real property asset management program is to increase revenue, decrease costs, and provide quality, affordable, and facilities for our residents. The Program is organized to vacate identified facilities; target them for lease; renovate facility with leasee funding; and establish revenue stream after payback period.

Evidence: The Inspector General inspection of 1999 and the Most Efficient Organization study were used to insure program effectiveness and efficiency.

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: NO Question Weight20%

Explanation: The Program identifies what real property is essential to the core mission of the AFRH. Resources are being allocated consistant with risk management and core mission requirements; however, many actions are in the planning stage and remain to be proven.

Evidence: The Inspector General inspection of 1999, the Most Efficient Organization study, internal reviews and a Manning Analysis were used to determine determine core mission requirements and minimize risk to the AFRH mission.

PART Performance Measurements

Program: Asset Management of AFRH Real Property
Agency: Armed Forces Retirement Home
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	71%	87%	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: 13%

Explanation: This Program is associated with one Strategic Goal and the long-term performance measures are clearly defined by reducing square footage requirments to maximize resource utilization and a strategy to lease or sell all excess real property to minimize operational and capital costs while generating revenue.

Evidence: Two building structures in Gulfport have been identified for sale; by FY 2005, 88 percent of the real property at the Washington Campus will be used to reduce costs and generate revenue.

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

Explanation: Program timelines are aggressive and based on FY 2005 Budget Submission.

Evidence: By FY 2004, 88 percent of the real property at the Washington Campus will be used to reduce costs and generate revenue; FY 2005 Budget Submission will reduce annual operating costs by 20 percent.

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 program has two annual performance measures (real property facilities and square footage). All excess real property will be vacated; cost savings will be reflected in FY 2005 Budget Submission; sale and lease of excess property will begin in FY 2003.

Evidence: The program has a clear measurable outcome: vacate 13 buildings at the Washington Campus by FY 2004; sell two buildings at Gulfport in FY 2003; lease an additional 19 percent of the excess real property by FY 2005; program cost savings in FY 2005 Budget Submission; and program revenue consistent with future lease agreements.

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

Explanation: The Washington campus has 76 real property facilities; all excess real property (13 buildings or portions of facilities/buildings) will be vacated. Gulfport campus has two excess buildings. Cost savings will be reflected in FY 2005 Budget Submission; sale and lease of excess property will begin in FY 2003.

Evidence: The program is associated with the AFRH Strategic Plan and one Strategic Goal: "AFRH facilities are leveraged to maximize reaource utilization."

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:

Evidence:

PART Performance Measurements

Program: Asset Management of AFRH Real Property
Agency: Armed Forces Retirement Home
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	71%	87%	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: NO Question Weight 12%

Explanation: There are no regularly scheduled, independent performance reviews of AFRH's asset management of Federally-owned real property program.

Evidence: The Program was started in November 2002. No independent evaluations have been conducted of the Program within its first 9 months of operation.

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 budget-planning process is aligned with the program goals. Annual costs; cost savings; and expected revenues are included in Budget Submissions.

Evidence: AFRH's FY 2004 Budget Submission and Strategic Plan.

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

Explanation: AFRH will program annual funding to conduct independent evaluations to determine program improvements and evalutaate effectiveness of this Program.

Evidence: Quarterly, the AFRH leadership reviews its strategic plan and strategic goals to identify weaknesses in planning and performance.

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight 12%

Explanation: In FY 2002 the Department of Defense conducted a Most Efficient Organiztion Study and an Inspector General Inspection. In FY 2003 the Agency conducted internal analysis to finalize and determine specific objectives of this Program.

Evidence: the Program was started in November 2002. Numerous in house and an external study (Manning Analysis) have been and are being conducted to measure workload and minimize risk.

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 15%

Explanation: AFRH's senior management meets quarterly to review performance data. The Agency is moving to a new accounting system in April 2004 that will provide realtime financial data to enhance decision making. Performance data is also used by AFRH's leadership to insure real property asset management program continues to increase revenue, decrease costs, and provide both quality and affordable facilities for our residents.

Evidence: Reviewed at most recent Quarterly Strategic Planning meeting on 6-8 May 2003. Still work in progress, but timelines and performance information are reviewed and adjusted if necessary.

PART Performance Measurements

Program: Asset Management of AFRH Real Property
Agency: Armed Forces Retirement Home
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	71%	87%	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: NO Question Weight 15%

Explanation: AFRH has not demonstrated how managers are held accountable for cost or program overruns. AFRH has not identified how it establishes performance standards for managers incorporating program performance into personnel performance evaluation criteria.

Evidence: Still work in progress.; as a result of process reengineering and organizational restructuring Position Discriptions and Performance Plans are being rewritten. Each Performance Plan will address accountability for program results.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: NO Question Weight 14%

Explanation: Unobligated balances for capital projects are large and have not been obligated in the past for multiple reasons (e.g. Trust Fund balance, clear defined projects; manaagement decisions, etc.) All capital projects are being reevaluated, prioritized, and deleted if not consistent with the Agency's new operating model.

Evidence: AFRH's FY 2004 Budget Submission will reshape capital requirements and identify approved unprogrammed capital funding to support support capital projects.

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: Through this Program, AFRH will reduce workload for Campus Operations by 25 percent. Leasees will be responsible for renovation and maintenance of facilities. Cost savings will be be reflected in FY04 Budget Submission.

Evidence: AFRH's FY 2004 Budget Submission will reshape capital requirements to reflect asset management decision of AFRH real property.

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

Explanation: The Program works closely with other Federal programs.

Evidence: AFRH worked closely with the National Trust of Historical Preservation for the renovation of historical facilities on the Washington Campus. Renovation of the Lincoln Cottage begins this year.

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

Explanation: AFRH received a "Qualified Opinion" for FY 2001 and negative comments on the Inspector General Inspection conducted between June and July of 2002; however, the Agency has taken positive steps to correct weaknesses in this area. Starting in April 2004, the accounting function will be outsourced to the Bureau of Public Debit. The new accounting system will integrate multiple functions (payroll, procurment, credit card use, and travel). Financial Statements and Audits will be conducted per the CFO Act.

Evidence: Post Inspector General comments in FY 2003 refereced positive changes in this area.

PART Performance Measurements

Program: Asset Management of AFRH Real Property
Agency: Armed Forces Retirement Home
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	71%	87%	Effective

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight14%

Explanation: AFRH has many management improvements underway. Management has identified this Program as a Strategic goal and critical to the Success of the Agency; management is allocating additional time and resources to insure accountability is enforced and Capital programs fall within the vision of the new operating model.

Evidence: Management improvements underway include: reveiw and validation of all Position Discriptions; update of each Personnel Performance Plan; review and update of all capital programs; and a healthcare study to address capital requirements.

3.CA1 **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

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

Explanation: The Program was started in November 2002. Significant milestones have been accomplished to date.

Evidence: FY 2004 Budget Submission

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

Explanation: The Program was started in November 2002. Significant milestones have been accomplished to date.

Evidence: FY 2004 Budget Submission

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

Explanation: The Program was started in November 2002. Significant milestones have been accomplished to date; however, the operating model is new and remains to be proven.

Evidence: FY 2004 Budget Submission

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: Although the Program is in the early stages, significant cost savings have been identified to date and captured in the FY 2004 Budget Submission.

Evidence: FY 2004 Budget Submission

PART Performance Measurements

Program: Asset Management of AFRH Real Property
Agency: Armed Forces Retirement Home
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	71%	87%	Effective

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NA Question Weight: 0%

Explanation: The Program was started in November 2002. No independent evaluations have been conducted of the Program within its first 9 months of operation.

Evidence:

4.CA1 **Were program goals achieved within budgeted costs and established schedules?** Answer: YES Question Weight20%

Explanation: Although the Program was started in November 2002, significant milestones have been accomplished to date and cost savings identified in the FY 2004 Budget Submission.

Evidence: FY 2004 Budget Submission

PART Performance Measurements

Program: Asset Management of AFRH Real Property
Agency: Armed Forces Retirement Home
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	71%	87%	Effective

Measure: Percent of targeted Long-term leased square footage (520,822 sqft). Leasing of excess facilities increases revenues to the Homes, and reduces annual operational costs. Leasing blocked until 2005.

Additional Information:

Year	Target	Actual
2004	34%	34%
2005	1%	
2006	5%	
2007	27%	
2008	100%	

Measure Term: Long-term (Efficiency Measure)

Measure: Percent of targeted short-term leased square footage (29,069 sqft). Percent of total.

Additional Information: Established short-term lease to support long-term goals

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

Measure Term: Long-term (Efficiency Measure)

PART Performance Measurements

Program: Asset Management of AFRH Real Property

Agency: Armed Forces Retirement Home

Bureau:

Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	71%	87%	Effective

Measure: Sale or lease of real property (113 acres). Selling or leasing excess land generates additional revenue for the Homes and reduces infrastructure costs. Percent of total.

Additional Information:

Year	Target	Actual
2004	42%	42%
2005	100%	
2006		

Measure Term: Long-term (Efficiency Measure)

Measure: Reduce operational square footage (317,277 sqft). Eliminating unneeded operational space reduces operation and maintenance costs, and increases the inventory of revenue-producing lease space. Percent of total.

Additional Information:

Year	Target	Actual
2003	9%	10%
2004	39%	39%
2005	100%	
2006	100%	

Measure Term: Long-term (Efficiency Measure)

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

1.1 Is the program purpose clear? Answer: YES Question Weight 23%

Explanation: The Real Property Asset Management Program (RPAM) has a well defined and focused purpose that ties directly to GSA's and PBS's mission. PBS's mission is to deliver a superior workplace for the federal worker at superior value to the American taxpayer. RPAM's mission is to optimize the value of the portfolio for customer agencies and taxpayers.

Evidence: The GSA and PBS mission statements and the GSA strategic goals can be found in the FY2003 Performance and Accountability Report on pages 9-10. The FY2003 Performance and Accountability Report is available through the following website: http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2003GSAFullReport_R2F-aAB_0Z5RDZ-i34K-pR.pdfThe asset management program is also linked to the agency strategic goals including "achieve responsible asset management" and "operate efficiently and effectively."

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight 23%

Explanation: There is a continuing need to provide space for government agencies with long term requirements (20 years or greater) for space in a specific geographical location and/or when specialized space is required that is not readily available in the leasing market. The RPAM program meets this specific need with the owned inventory because it is more cost effective than leasing. Additionally, asset management needs to be performed for both leased and owned inventory.

Evidence: PBS has worked with several client agencies to assess their long-term space needs. For example, PBS has a Court's Five Year Plan outlining the court's additional space needs over the next 5 years and the Border Station's long term plan outlining the additional need the Department of Homeland Security has for space. Most 30-year present value cost comparisons show that ownership of real property is more cost effective than leasing, when there is a long-term need for the space.

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 10%

Explanation: PBS fills a unique role without unnecessarily competing with other Federal agencies or private industry as asset manager for over 65 agencies and 340 million rentable square feet of space. Additionally, because of its scale PBS is able to leverage and benefit marking rental rates to market and benchmarking to private industry standards, PBS is able to deliver quality space at a lower cost. However, GSA is unable to provide sufficient justification to justify that the fixed costs of this program are competitive.

Evidence: At the end of FY2003, PBS Operations & Maintenance Costs (using the Building Owners and Managers Association (BOMA) and Logistics Management Incorporated (LMI) analysis) cleaning, maintenance, and utilities were a combined 14.8 percent below private sector costs for similar types of
space.

Information on the Operations and Maintenance Measures demonstrating our competitiveness with private sector alternatives can be found on pages 43-44 of the FY2003 Annual Performance and Accountability Report available through the following website: http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2003GSAFullReport_R2F-aAB_0Z5RDZ-i34K-pR.pdf

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight 23%

Explanation: The Federal Buildings Fund (FBF) -- the funding mechanism for GSA's real property asset management -- was established to promote responsible asset management by adding accountability to agencies, requiring them to budget for their rent and services, and GSA to operate within the means of revenue collected. Currently, there is no evidence that a more efficient model exists to manage the portfolio. Furthermore, other countries have expressed interest in implementing GSA's user-pay model.

Evidence: The Public Buildings Amendments of 1972 authorized GSA to finance its real property management activities through user charges, set at commercially comparable rates, collected from agencies occupying GSA-controlled space through the Federal Buildings Fund. The Federal Buildings Fund is outlined in Title 40 Chapter 10 Subchapter II Sec. 490 (f) of the US Code. This information is available at: http://www4.law.cornell.edu/uscode/40/490.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 Weight 23%

Explanation: PBS's business model ensures that every dollar authorized goes right back into federal buildings and that all resources are used to support a customer's chosen housing solution. To ensure efficient resource allocation in FY2002 PBS introduced the Portfolio Strategy for Restructuring and Reinvesting in the owned inventory. Since implementation, the number of performing properties has increased with resources being targeted to performing assets that meet the long term customer need and asset strategy as presented in the Asset Business Plan (ABP).

Evidence: Portfolio Restructuring Results Presentations (From FY2002-FY2004, rentable square footage of performing assets increased by over 10%. Reinvestment dollars spent in performing assets increased by 7%.) PBS also has Asset Business Plans (ABPs) for each government owned asset outlining a strategy and holding period to ensure that reinvestment dollars are appropriately directed to assets that will remain under the custody and control of GSA.

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: PBS has two long-term performance measures focused on results and accountability. These outcome measures were approved by OMB for the FY2005 Congressional Budget Justification.

Evidence: The FY2005 Congressional Budget Justification for PBS outlines two long-term performance measures that have been approved by OMB that will help PBS achieve its overall mission of "delivering a superior workplace to the Federal worker and at the same time superior value to the American taxpayer."The two goals are located on page 232 (FBF-3) at:http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2005CongJust_R2E-s65_0Z5RDZ-i34K-pR.pdf

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight:11%

Explanation: PBS has developed specific quantifiable targets relative to its long-term performance measures with ambitious targets and timeframes to promote continual improvement. OMB approved these targets as part of GSA's FY2005 Congressional Budget Justification.

Evidence: The targets and timeframes for these measures are also outlined in the FY2005 Congressional Budget Justification on page 232 (FBF-3) at:http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2005CongJust_R2E-s65_0Z5RDZ-i34K-pR.pdf

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: GSA has annual performance measures targeted to achieving progress towards its long term goals. The targets were developed to ensure that PBS will achieve its long-term goals by 2010. I many cases the measures are directly tied to the long-term goals.

Evidence: The Return On Equity long-term measure has a goal of 80% of government owned assets achieving an ROE > 6 percent by 2010. There are annual performance goals outlining targets for the % of assets achieving an ROE > 6 percent for each year up to 2010. FY2003 Annual Performance and Accountability Report outlines PBS performance on key measures on pages 36-44 at:http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2003GSAFullReport_R2F-aAB_0Z5RDZ-i34K-pR.pdfThe FY 2005 Congressional Budget Justification shows the current measures on page 232 (FBF-3) at:http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2005CongJust_R2E-s65_0Z5RDZ-i34K-pR.pdf

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight:11%

Explanation: GSA has established baselines and specific quantified annual targets for its annual measures. Quarterly, actual results are compared against targets to ensure continued improvement. Targets are set and recalibrated periodically to offer balance between ensuring continued improvement and movement toward long-term outcome goals and motivating the program to stretch and achieve efficiencies - a reasonableness test. The annual goals were developed to follow standard real estate industry practices and in many cases have been vetted with the private sector to ensure they are stretch goals. When the measures have been met or exceeded for multiple measurement periods, the measures are rebaselined and targets are strengthened.

Evidence: The Return On Equity measure was vetted through Ernst & Young Kenneth Leventhal Real Estate Group (EYKL) to ensure the appropriateness of the 6% target. The tenant customer satisfaction survey is being rebaselined to include only satisfaction scores of 4 and 5 instead of 3, 4, and 5. The Operating Cost measure is an example of where PBS wants to ensure that services such as cleaning and critical maintenance are not reduced to the point that they impact the operations of the building or tenant satisfaction. While current spending is below the 12 percent target, PBS is looking to increase spending on building maintenance to help maintain the inventory and prevent larger reinvestment liabilites.FY2003 Annual Performance and Accountability Report outlines PBS performance on key measures on pages 36-44 and the FY 2005 Congressional Budget Justification shows the current measures on page 232 (FBF-3) at:http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2005CongJust_R2E-s65_0Z5RDZ-i34K-pR.pdf

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

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: GSA uses performance-based contracts for cleaning, maintenance, and major repairs. By building in measures and incentives to these contracts PBS makes sure all partners fully support and are committed to the achievement of both the annual and long term goals.

Evidence: GSA's commercial facilities management contract specifies what level of cleaning is required (e.g., glass to be free of dust), and requires evaluations of customer satisfaction of services performed which links to the annual performance 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:11%

Explanation: PBS has engaged in a series of discussions and progressive evaluations of the asset management program with various private and governmental agencies for independent assessments of the Asset Management Program. These groups include the Counselors of Real Estate, AEW Capital Management, Ernst & Young Kenneth Leventhal Real Estate Group, Signet, the GSA Inspector General, and the General Accounting Office. The private sector studies were performed by reputable firms using methodologies firmly entrenched in private sector real estate fundamentals. While several of the studies have been focused on specific elements of the asset management program, together they constitute a comprehensive review covering everything from utilization, acceptable rates of return.

Evidence: PBS engaged EYKL to discuss the benefits of using a portfolio management metric to assist in measuring financial performance of the owned portfolio. EYKL used a group of real estate industry experts to develop a recommendation for a Return On Equity (ROE) metric that would enable PBS to compare the relative amount of annual cash flow from operations that each asset generates in relation to the amount of equity that is deployed in each asset. PBS incorporated EYKL's recommendation. In fact this work documented previous discussions held with EYKL and validated PBS's approach to measure performance against an industry benchmark to identify assets that fall below acceptable performance thresholds. Other evaluations include: Reviews of the Portfolio Strategy for Restructuring and Reinvesting in the Owned Inventory by the Counselors of Real Estate, EYKL and Signet.AEW Capital Management performing Portfolio Integration Projects for Region 4, 5, 7 and 11 to evaluate the PBS portfolio management approach Audits of the asset management program by the Inspector General as outlined in the FY2004 Management Control Plan and GAO.

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: GSA's Fiscal Year 2005 Budget justification provides an integrated performance budget, aligning resources with long-term performance goals. The budget request was developed through our Performance Management Process for strategic planning, budgeting and program evaluation.

Evidence: The FY 2005 Congressional Budget Justification for PBS outlines the linkage between the budget request and the long-term outcome goals by tying specific dollar amounts to the various measures. For example the long-term goal on maintaining operating costs 12 percent below private sector is linked to $710 million that will be used to operate and maintain PBS buildings. The links to all of the measures are outlined on pages 285-288 (FBF 56-59) at:http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2005CongJust_R2E-s65_0Z5RDZ-i34K-pR.pdf

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight:11%

Explanation: After receiving a no answer on 2.1 in the FY2004 PART, GSA worked to develop new long-term goals with specific targets that are outcome oriented. These new goals were approved by OMB and are included in the FY2005 Congressional Budget Justification.

Evidence: The new long-term goals were approved by OMB and are outlined in the FY2005 Congressional Budget Justification on page 232 (FBF-3) at:http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2005CongJust_R2E-s65_0Z5RDZ-i34K-pR.pdfThe new long-term goals are:1) Achieve a viable self sustaining inventory with an average return on Equity of at least 6% by FY2010 for 80% of government owned assets2)Reduce energy consumption by 35% by 2010 over the 1985 baseline while maintaining operating costs 12% below private sector and customer satisfaction levels at or above 80%

2.CA1 Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity? Answer: YES Question Weight:11%

Explanation: Alternatives -- renovation, acquisition, leasing -- are compared as part of GSA's cost-benefit analyses for repair and alteration capital projects. GSA also performs a series of asset diagnostics each year to determine the fair market value, physical condition, and functional replacement value of the inventory. These diagnostics are used to perform additional analysis to determine our Return On Equity (ROE) thus ensuring continued ownership provides the best value for the American taxpayer.

Evidence: As a part of the Strategy for Restructuring and Reinvesting in the Owned-Inventory, PBS applies a series of diagnostic tests to all assets in the owned inventory designed to ensure that each asset is generating sufficient revenue covering its operating expenses, reinvestment needs, and meet a minimum rate of return (6%). By applying these tests, PBS segments its portfolio into categories. Non-performing assets are examined to evaluate alternative housing solutions. Reinvestment dollars are targeted toward performing properties that pass each of the financial tests and for which there is a long-term federal need.PBS also requires Asset Business Plans for each government owned asset including a strategy.All capital projects are subject to analysis from The Automated Prospectus System (TAPS) and Expert Choice tools that evaluate lease versus build versus renovate alternatives.

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:13%

Explanation: GSA's senior management has ongoing and quarterly meetings to analyze and discuss performance data. Performance data is also used by program managers overseeing GSA's government-owned real property inventory in several ways, such as using customer satisfaction data to set funding priorities for repair and alteration projects and comparing cleaning costs against industry standards.

Evidence: GSA benchmarks vacancy rates to the private sector using COSTAR and Torto Wheaton market data; benchmarks cleaning, maintenance, and utility costs to the private sector using BOMA data; and tabulates customer satisfaction results using Gallup data. These results are used monthly and/or quarterly for senior management reviews to ensure the agency is on track to meet its annual performance goals.

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

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:13%

Explanation: PBS' "Linking Budget to Performance" program (LB2P) provides incentives for regions to meet or exceed performance targets. These metrics hold managers accountable for: customer satisfaction ratings, funds from operation (FFO) for individual assets, Operations & Maintenance costs, and completion of Repair & Alteration projects on time and within budget. PBS has adopted performance-based contract clauses to ensure contractors are also held accountable for cost, schedule, and performance results.

Evidence: PBS LB2P guidance and year end reports outline the rules for the program and establish regional and national targets for key performance measures. The program also establishes the amount of additional funding each region can receive based upon their performance. For example a regional target for Funds From Operations was $93 million dollars and they were eligible for $457K for meeting or exceeding their target in FY2003. PBS also outlines performance expectations from our vendors by using the performance-based service provider contract.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:13%

Explanation: PBS obligates its funding in a timely manner and spends it for the purpose as appropriated by Congress. For example: in FY2003 PBS obligated 98% of the Minor Repair & Alteration funds allocated by Congress (outperformed goal by 3%). Similarly, Major Repair & Alteration projects are required to submit a spending plan detailing monthly budgeted obligations.

Evidence: PBS has added a measure to the FY2004 LB2P Guidance for Minor Repair & Alterations (BA54) program requiring that 75% of obligated funds be used to complete budgeted projects. Additionally, Major Repair & Alteration projects are required to have a spending plan. All projects with significant variance from spending plan are required to submit an explanation. This data is tracked internally by the Budget Division of PBS' CFO's Office.

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

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:13%

Explanation: PBS has achieved cost savings through comparisons, competitive sourcing and direct conversions over the past two decades. Operationally, GSA has outsourced a substantial number of the functions related to Operations and Maintenance of its assets and benchmarks those costs against market conditions . PBS uses private sector ANSI / BOMA benchmarks to ensure operations and maintenance costs are competitive. PBS finished FY2003 at 14.8% below private sector. PBS has implemented a Human Capital Strategy to reengineer business processes, improving organizational efficiencies.

Evidence: GSAs Competitive Sourcing Team develops the GSA FAIR Act Inventory annually to determine if government personnel should perform commercial activities. Through competitive sourcing, PBS has outsourced most of the building operations and maintenance functions. PBS competitively bids all contracts for Operations & Maintenance, utilizing a performance-based contract. PBS also bundles Operations & Maintenance contracts from a single service provider for groups of assets in the same locale in order to achieve cost effectiveness and reduce overhead. These expenses are then benchmarked to the private sector using BOMA benchmarks to ensure costs remain competitive.Information on the FY2003 Fair Act inventory can be obtained at: http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/GSA%202003%20FAIR%20Act%20and%20IG%20Inventories_R2F-aRP_0Z5RDZ-i34K-pR.docInformation on operating and maintenance costs can be located on pages 45-46 of the FY2003 Annual Performance and Accountability Report available through the following website: http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2003GSAFullReport_R2F-aAB_0Z5RDZ-i34K-pR.pdfIn addition, PBS has undertaken a new human capital strategy. This effort involves examining each business process and making improvements as needed. It also entails examining the skills of associates and ensuring associates with the best skill matches are in the correct positions. Associates with a skill gap are then given the appropriate training to enhance their skills.

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

Answer: YES Question Weight:13%

Explanation: The asset management program collaborates with other programs within GSA to ensure the effective management of our inventory throughout the life-cycle of the asset from acquisition through disposal. By coordinating with the new construction program, GSA can ensure that new buildings are constructed in a timely manor to replace or add to existing inventory to meet customers' needs. The asset management program also works closely with the disposal program to quickly redeploy government assets when they are no longer needed by federal tenants. Finally, we collaborate with the leasing program to find alternative housing solutions when a government owned solution is not the most effective way to meet our customers' housing needs. GSA also collaborates with other government entities such as the United States Postal Service (USPS) to exchange properties as our customer bases change and needs shift.

Evidence: Coordinated planning with Judiciary Agencies has allowed PBS to project, deliver, and operate required space for Federal Courts through the development of the "Courts Five-Year Plan."PBS has negotiated several successful transfers of assets (Memos of Understanding) with the USPS in order to achieve improved cost effectiveness in asset management and to further the missions of both agencies. For example, the two agencies have exchanged properties to optimize their portfolios. PBS has acquired properties in Statesville, NC and Harrisonburg, VA where GSA tenants have a continuing federal need and the USPS has acquired properties in Enterprise, OR, Johnson City, TX, Fort Worth, TX, and Baudette, MN where the USPS requires facilities.

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 13%

Explanation: Clean audit opinions have been given to GSA for the past 15 years and no material weaknesses have been identified.

Evidence: GSA received a clean audit opinion for FY2003 from PriceWaterhouseCoopers (PWC). "In our opinion, the consolidated, combined and individual financial statements referred to above, present fairly, in all material respects the financial position of GSA, the [Federal Buildings Fund] FBF, the [General Supply Fund] GSF, and the [IT Fund] ITF at September 30, 2003.These findings can be found on page 118 of the FY2003 Performance and Accountability Report http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2003GSAFullReport_R2F-aAB_0Z5RDZ-i34K-pR.pdf

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 13%

Explanation: A reportable condition was identified in the FYs 1998, 1999, 2000, 2001, and 2002 audits pertaining to the integrity of the Rent data. In the FY2003 Performance and Accountability Report, PWC indicates the issue with controls over the rent data has been corrected. Another reportable condition was found by auditors in FY 2001, 2002, and 2003 citing a lack of consistency in transferring a "Substantial Completion Date" for capitalized construction projects to the Real Property Accounting Depreciations System (RPADS). A new release of the Inventory Reporting Information System (IRIS) was implemented in March of 2004 that makes the substantial completion date mandatory and automatically sends the information to FMIS.

Evidence: PBS has implemented several initiatives to improve the integrity of the Rent data, such as billing client agencies directly from the rates specified in their Occupancy Agreements (OAs). On page 126 of the FY2003 Performance and Accountability Report (located at: http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2003GSAFullReport_R2F-aAB_0Z5RDZ-i34K-pR.pdf), PWC stated "We believe item (3) [Controls over the integrity of rent data] has been corrected." The latest release of IRIS FY2004 addressed the other reportable condition over the transfer of substantially complete construction projects by automating the transfer of completion dates from IRIS to the accounting system.

3.CA1 Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals? Answer: YES Question Weight: 13%

Explanation: GSA uses performance-based contracting for the cleaning, maintenance, and repair of its facilities to clearly define deliverables and performance expectations. GSA has credible goals to ensure cost and schedule is comparable to other similar construction programs. GSA tests project budgets against other similar projects and data sources and has demonstrated that construction durations are within industry norms for other similar project types. GSA has developed a construction cost benchmarking system for repair and alteration projects to ensure that costs for specific work items are within reasonable ranges. Each project's detailed cost breakdown will be reviewed by the Office of the Chief Architect to verify reasonable conformity with the instituted cost benchmark.

Evidence: GSA's commercial facilities management contract requires the cleaning of glass and adjacent surfaces to be "clean and free of dirt, dust, streaks, watermarks, spots, and grime and shall not be cloudy." GSA has contracted with private sector professionals to develop the benchmarking system for the defined work items that typically comprise GSA repair and alteration projects based on market based cost analysis. Examples of the cost items being benchmarked for repair and alteration projects include building enclosure repair and/or replacement, mechanical system upgrades, electrical system upgrades, premiums for after hours work, among other cost categories.

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: YES Question Weight:17%

Explanation: PBS has developed, and OMB has approved, a set of clearly defined, long-term goals towards which PBS has made significant progress and is on track to meet all long-term performance goals.

Evidence: PBS's FY2004 PART Remediation Plan issued to OMB, showed that PBS had met or exceeded the annual goals that are linked to its long-term stretch goals for all the measures except energy consumption. PBS is still on track to meet the energy goal by buying off-grid or green energy, using bulk purchase, and implementing new technologies. These goals are shown in the FY 2005 Congressional Budget Justification on page 232 (FBF-3) at:http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2005CongJust_R2E-s65_0Z5RDZ-i34K-pR.pdf

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: LARGE EXTENT Question Weight:17%

Explanation: In FY2003, PBS achieved its targets for 2/3rds of the annual performance goals linked to the long-term goals for FY2010. PBS also achieved 7 out of 8 performance goals in the FY2003 Annual Performance and Accountability Report.

Evidence: FY2003 Annual Performance and Accountability Report showed PBS met its annual goals for the Ordering Official Survey, Customer Satisfaction, Cost Escalations for R&A Projects, Funds From Operations, Potential Revenue, Non-Revenue Producing Space in the Government Owned Inventory, the Percent of Government Owned Assets with a Return On Equity of at least 6 percent, and the cost of maintenance services in office and similarly serviced space at a cost below private sector benchmarks as discussed on pages 36-44. The FY2003 Annual Performance and Accountability Report available through the following website: http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2003GSAFullReport_R2F-aAB_0Z5RDZ-i34K-pR.pdf

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight:17%

Explanation: PBS has demonstrated a track record in improving efficiencies and cost effectiveness by achieving most program goals each year. For example, GSA continues to have operating costs 12% below private sector benchmarks (currently at 14.8%). Further, GSA has pursued cost savings via comparisons, competitive sourcing and direct conversions over the past two decades.

Evidence: GSAs Competitive Sourcing Team develops the GSA FAIR Act Inventory annually to determine if government personnel should perform commercial activities. Through competitive sourcing, PBS has outsourced most of the building operations and maintenance functions. PBS competitively bids all contracts for Operations & Maintenance, utilizing a performance-based contract. PBS also bundles Operations & Maintenance contracts from a single service provider for groups of assets in the same locale in order to achieve cost effectiveness and reduce overhead. These expenses are then benchmarked to the private sector using BOMA benchmarks to ensure costs remain competitive. At the end of FY2003, PBS operating expenses were 14.8 percent below private sector. Information on the FY2003 Fair Act inventory can be obtained at: http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/GSA%202003%20FAIR%20Act%20and%20IG%20Inventories_R2F-aRP_0Z5RDZ-i34K-pR.docInformation on operating and maintenance costs can be located on pages 45-46 of the FY2003 Annual Performance and Accountability Report available through the following website: http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2003GSAFullReport_R2F-aAB_0Z5RDZ-i34K-pR.pdf

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

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: 17%

Explanation: GSA's RPAM program compares favorably to other federal and private programs in terms of vacancy rates and operating expenses. Marking rental rates to market also allows our program to compare favorably to both governmental and non-governmental real estate programs. Additionally, GSA has processes in place that ensure the most efficient housing solution is met. As required by OMB Circular A-94, TAPS performs a 30-year present value life cycle cost comparison of project alternatives. Furthermore, Expert Choice models weigh different selection criteria to facilitate efficient decision making.

Evidence: The FY2003 Annual Performance and Accountability Report outlines the results for key performance measures demonstrating our competitiveness with private sector alternatives. At the end of FY2003, PBS Operations & Maintenance Costs (using the Building Owners and Managers Association (BOMA) and Logistics Management Incorporated (LMI) analysis) were 14.8 percent below private sector costs for similar types of space.PBS achieved 8.9% vacancy in government-owned assets in FY2003. This is well below the private industry range of 10-15% vacancy from COSTAR. Information on operating and maintenance costs can be located on pages 45-46 of the FY2003 Annual Performance and Accountability Report available through the following website: http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2003GSAFullReport_R2F-aAB_0Z5RDZ-i34K-pR.pdf

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?
Answer: LARGE EXTENT
Question Weight: 17%

Explanation: PBS has engaged in a series of progressive evaluations of the asset management program from various private and governmental agencies including the IG, GAO, AEW Capital Management, EYKL, and Signet. For example the GAO audit on vacant and under utilized properties at GSA, VA and USPS noted "We applauded GSA's efforts to restructure its real property portfolio and its current progress in reducing vacant assignable space."

Evidence: The IG audited the PBS portfolio restructuring initiative and concluded "Overall, with refinement, the structured analysis imposed by the initiative will benefit fund performance." PBS has undertaken initiatives to implement several of the IG's recommendations such as performing a structured analysis of the leased inventory and regularly auditing leases that have a negative Net Operating Income. Other evaluations include: Reviews of the Portfolio Strategy for Restructuring and Reinvesting in the Owned Inventory by the Counselors of Real Estate, EYKL and Signet.AEW Capital Management performing Portfolio Integration Projects for Region 4, 5, 7 and 11 to evaluate the PBS portfolio management approach Audits of the asset management program by the Inspector General as outlined in the FY2004 Management Control Plan and GAO.

4.CA1 Were program goals achieved within budgeted costs and established schedules?
Answer: LARGE EXTENT
Question Weight: 17%

Explanation: GSA achieved most of its goals for projects remaining within budgeted costs and established schedules. GSA also created a measure to track the regional program planning and execution of the non-prospectus (minor) reinvestment program. Preliminary results show that funds are obligated in a timely manner and that money is being spent on planned projects.

Evidence: The FY2003 Performance and Accountability Report outlines PBS performance on key measures related to costs and schedule on pages 36-44. For instance, the escalation rate for the over 40 major repair and alteration projects was 0.6% well below the 4% target. The FY2003 Annual Performance and Accountability Report available through the following website: http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/2003GSAFullReport_R2F-aAB_0Z5RDZ-i34K-pR.pdf

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

Measure: Achieve a viable self sustaining inventory with an average return on Equity of at least 6% by FY2010 for 80% of our government owned assets

Additional Information: Increase the percentage of government-owned assets with an Return On Equity (ROE) of at least 6%

Year	Target	Actual
2003	62%	66%
2004	65%	
2005	68%	
2006	71%	
2007	74%	
2008	77%	
2009	80%	
2010	80%	

Measure Term: Long-term

Measure: % of Escalation on Prospectus Projects

Additional Information: This measure monitors project cost performance over time (monthly basis) allowing action to be taken to get projects back on budget before completion occurs.

Year	Target	Actual
2004	4%	0.60%

Measure Term: Annual

Measure: Operating Cost - with a target % below industry average

Additional Information: This measure shows operating cost (cleaning, maintenance and utility) for office & office-like space comparable to the Private Industry on a per square foot basis.FY04 National Target -14.8% below industry

Year	Target	Actual
2003	12%	14.8%

Measure Term: Annual

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

2004	13%

Measure: Improve energy reduction in standard facilities

Additional Information: Percentage reduction in energy consumption from FY 1985 baseline

Year	Target	Actual	**Measure Term:** Annual
2003	25.0%	18.6%	

Measure: Owned assets with ROE >6%

Additional Information: Percentage of government-owned assets achieving an ROE >6%

Year	Target	Actual	**Measure Term:** Annual
2003	62%	66%	

Measure: Owned assets with positive Funds from Operations

Additional Information: Percentage of government-owned assets achieving a positive FFO

Year	Target	Actual	**Measure Term:** Annual
2003	82%	73%	
2004	75%		
2005	80%		
2006	85%		
2007	90%		
2008	90%		
2009	90%		

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

Measure: Reduce energy consumption by 35% by 2010 over the 1985 baseline

Additional Information: Reduce energy consumption while keeping costs competitive and customer satisfaction levels up.

Year	Target	Actual
2003	25%	19%
2004	22.6%	22.4%
2005	30%	
2006	31%	
2007	32%	
2008	33%	
2009	34%	
2010	35%	

Measure Term: Long-term

Measure: Maintain operating costs 12% below private sector

Additional Information: Reduce energy consumption while keeping costs competitive and customer satisfaction levels up.

Year	Target	Actual
2010	12%	14.8%

Measure Term: Long-term

Measure: Maintain customer satisfaction at or above 80%

Additional Information: Reduce energy consumption while keeping costs competitive and customer satisfaction levels up.

Year	Target	Actual
2010	80%	89%

Measure Term: Long-term

PART Performance Measurements

Program: Asset Management of Federally-Owned Real Property
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
90%	100%	100%	84%	

Measure: Improve Customer Satisfaction

Additional Information: Percentage of tenants that rate services as satisfactory or better

Year	Target	Actual	**Measure Term:** Annual
2003	85%	89%	

Measure: Vacant Space (available and committed)

Additional Information: This measure calculates the amount of vacant space in Government owned and Leased facilities.

Year	Target	Actual	**Measure Term:** Annual
2003	9%	8.30%	

Measure: Funds from Operations (FFO)

Additional Information: This measure is generated at the building level and computed as rent revenue minus operating and administrative expenses. FFO represent the cash earned in the current year and available to reinvest in our inventory.

Year	Target	Actual	**Measure Term:** Annual
2003	$1.44B	$1.48B	

Measure: % of Minor R&A Budget Obligated on Planned Projects by the end of the Fiscal Year

Additional Information: Measures the amount of BA54 money spent on planned projects in a given FY.

Year	Target	Actual	**Measure Term:** Annual
2004	Baseline		

Measure: Construction R & A On-Schedule

Additional Information: This measure monitors the project schedule performance over time (monthly basis) providing an earlier warning when a project schedule starts to slip so corrective action can be taken to get the project back on schedule before completion occurs.

Year	Target	Actual	**Measure Term:** Annual
2003	83%	78%	

PART Performance Measurements

Program: Community Supervision Program
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Community Supervision Program
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	100%	27%	

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

Explanation: The Court Services and Offender Supervision Agency's Community Supervision Program (CSP) provides supervision and support services for probationers, parolees, and offenders on supervised release sentenced by the District of Columbia (D.C.) Superior Court, as well as providing pre-sentence investigations to the court.

Evidence: National Capital Revitalization and Self-Government Improvement Act of 1997 (P.L. 105-33, Chapter 3), CSOSA Mission Statement (contained in Strategic Plan, FY 2000 - FY 2005).

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

Explanation: CSOSA was established as part of a Federal effort to relieve D.C. of several criminal justice functions. CSOSA supervises approximately 14,000 offenders at any given time. These offenders must be appropriately managed to safeguard the public and treated to decrease the probability of reoffense.

Evidence: CSOSA Strategic Plan, FY 2000-FY 2005; Community Supervision Program Case Management Activity Report, March 2004

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: CSP is the sole provider of community supervision for offenders sentenced under the D.C. Code. CSOSA has also developed additional service capacity in some areas (e.g., drug treatment) where services are available to D.C. residents through local programs but sufficient capacity does not exist to provide services to offenders.

Evidence: Certification Report, July 2000; FY 2005 budget request (CSF 3, "Treatment and Support Services")

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: From its inception, CSP focused on proven strategies: risk assessment-based classification combined with needs assessment; close supervision combined with graduated sanctions for non-compliance; drug testing and treatment; and community-based partnerships. These four basic operational strategies form the basis for CSP's program model and the foundation of its performance measurement system.

Evidence: CSOSA Strategic Plan; "The Underlying Philosophy Behind 'What Works'" (summary paper)

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: CSP has based its program on reliable risk and needs assessment ("The Screener"). Initial risk screening results determines the frequency of a defendant's contact with his/her supervision officer. The Screener is also used to predict the likelihood of rearrest, assess the offender's functional needs in 15 specific areas, and develop a prescriptive supervision plan.

Evidence: Auto Screener draft screen shots; Addiction Severity Index instrument

PART Performance Measurements

Program: Community Supervision Program
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Community Supervision Program
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	100%	27%	

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: CSP has five intermediate outcome measures that reflect the purpose of the program: decrease in rearrest; decrease in drug use; decrease in multiple technical violations; increase in employment and job retention; and increase in education levels. These five outcome measures support CSP's single long-term outcome measure: reduction in recidivism among violent and drug offenders under CSP supervision.

Evidence: CSOSA Strategic Plan, CSP FY 2005 Performance Plan and Report, 2005-2010 Strategic Plan

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight 13%

Explanation: The process of establishing targets and timeframes for both intermediate and long-term outcome measures has been incremental. CSP does not have reliable baseline data for its long term outcome and thus cannot measure progress toward that target.

Evidence:

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: CSP has 17 intermediate performance measures. These measures have been refined and revised through the initial strategic planning period, as data availability improved and programs were fully implemented. CSP is currently revising the measures based on the capabilities of its automated case management system.

Evidence: FY 2005 Performance Plan and Report

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight 13%

Explanation: Of the 17 performance measures, baselines and targets have been established for six. For the remaining measures, data problems have prevented the establishment of reliable baselines. CSP is revisiting the measures to assess their viability given their current data capability. CSP intends to develop baselines and targets for all measures selected during 2005.

Evidence:

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: CSP's partners include government and contract service providers, the Pretrial Services Agency, and other criminal justice agencies. CSP and its partners collaborate through the Criminal Justice Coordinating Council on a variety of initiatives. CSP's contracted service providers are subject to annual performance reviews to ensure that services are provided in accordance with both CSP and national standards.

Evidence: Index of active Memorandi Of Understanding; contractor quality assurance instrument.

PART Performance Measurements

Program: Community Supervision Program
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Community Supervision Program
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	100%	27%	

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 13%

Explanation: Only three CSP program components have been evaluated independently: presentence investigations, the Assessment and Orientation Center program, and the "Screener." CSP established an Office of Research and Evaluation in 2002 which is currently developing an agency-wide evaluation plan that features independent, external studies.

Evidence:

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 13%

Explanation: CSP currently organizes its budget requests and performance measures around the four Critical Success Factors (CSFs) that represent the agency's primary operating strategies. CSP is working to establish long term goals and better align performance targets with resource allocation and requests.

Evidence:

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

Explanation: Since the implementation of its automated case management system, Supervision Management and Automated Record Tracking (SMART), in 2002, CSP has made significant progress in its ability to conduct meaningful performance measurement. Establishing and staffing an Office of Research and Evaluation have also enabled CSP to set priorities and begin designing protocols for more rigorous performance measurement and evaluation.

Evidence: FY 2005 Performance Plan and Report

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: CSP uses the SMART program to regularly create reports used to manage the program and improve performance. For example, regular caseload reports are used to ensure that supervision offices are deployed to maintain the optimum caseload. Also, CSP routinely collects and uses data from partner agencies, as outlined in MOUs.

Evidence: Sample caseload report, sample rearrest report, sample RAV compliance report, sample U.S. Attorney's release memo, sample Public Law Statistical Report, SMART Note #54 (RAV Preparation)

PART Performance Measurements

Program: Community Supervision Program
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Community Supervision Program
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	100%	27%	

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: CSP evaluates the performance of all staff involved in supervision using a system that ties job responsibilities and tasks to the agency's Critical Success Factors. Managers are evaluated according to performance contracts containing specific targets to improve performance on key output measures. Also, CSP's treatment providers are subject to quality assurance reviews.

Evidence: General Supervision CSO Evaluation Instrument; sample performance contract for Community Supervision Services; Quality Assurance audit form; treatment outcome data form

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

Explanation: CSP obligates funds for authorized purposes within appropriated amounts apportioned by the Office of Management and Budget. CSP's obligation authority pertains to the supervision and provision of related services to adult offenders under our purview. The CSP purchase process provides funds availability and appropriateness controls for all obligations. For FY 2003, CSP had obligated 99.8% of its annual appropriated funding by the end of the fiscal year.

Evidence: Funds Control Policy; unqualified independent audit opinions, October 1997 thorugh 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 designing and deploying its automated case management system, SMART, CSP has implemented a number of IT improvements that increase the efficiency and cost effectiveness of program execution. Recent enhancements have also increased the efficiency of treatment referral processing, as well as the obligation of treatment funds and de-obligation of those funds if the offender is a "no-show." These processes now occur in close to "real time," compared to a previous delay of up to two weeks while paperwork was processed and transmitted.

Evidence: SMART Operating Manual

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

Explanation: CSP partners with the Metropolitan Police Department (MPD), training MPD recruits, presenting high-risk cases within each Police Service Area, and conducting joint field visits. CSP also maintain an active presence in the community through Community Justice Action Networks, which are active in each police district. CSP's success at establishing effective partnerships led to a leading role in the District's Comprehensive Reentry Strategy for Adults which included the Office of the Mayor; the Corrections Trustee; DC Prisoners Legal Services Project; the DC Department of Corrections; the DC Department of Mental Health; and the Federal Bureau of Prisons.

Evidence: 2005 Performance Plan and Report; sample letters of support; Comprensive Reentry Strategy final report

PART Performance Measurements

Program: Community Supervision Program
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Community Supervision Program
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	100%	27%	

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

Explanation: CSOSA's Funds Control Policy requires an annual audit of its budgetary financial statement. An independent auditing firm has conducted four independent audits of CSOSA's Statement of Budgetary Resources. In each audit, no material waknesses were identified, and CSOSA received unqualified opinions. Beginning with FY 2004, the Accountability of Tax Dollars Act of 2002 (P.L. 107-289) requires CSOSA to submit comprehensive annual audited financial statements to Congress and the Office of Management and Budget(OMB). CSOSA will prepare and audit its first set of comprehensive statements in FY 2004.

Evidence: Funds Control Policy; unqualified independent audit opinions, October 1997 thorugh FY 2003.

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

Explanation: CSP has undertaken a number of initaitives to improve program management and increase the quality and use of performance data. For example,The Standards and Compliance Unit, recently relocated to the Office of the Director, conducts performance audits, develops operating procedures, and undertakes special projects to review compliance with key policies.

Evidence: SMART data quality report; Standards and Compliance Unit functional statement; sample performance contract for Community Supervision Services

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

Explanation: CSP has not demonstrated progress toward its long-term performance goal of reducing recidivism among violent and drug offenders by 50 percent. This is primarily because data was not available to establish a baseline recidivism rate. CSP is working towards establishing baseline data for this outcome measure.

Evidence:

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight 20%

Explanation: CSP has met or exceeded its annual performance goal for 5 of 17 measures.

Evidence: FY 2005 Performance Plan and Report

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: SMALL EXTENT Question Weight 20%

Explanation: CSP's computerized case managements system, SMART, has increased operational efficiency significantly by automating the case record system and increasing officers' access to drug testing data, eliminating the need to do separate computer searches or to submit a request for that data. CSP intends to establish efficiency measures once their baseline data is reliable.

Evidence: SMART users' manual

PART Performance Measurements

Program: Community Supervision Program
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Community Supervision Program
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	100%	27%	

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: CSP's program compares favorably to other, similar programs in several areas: CSP's average caseload of approximately 50 active cases per officer, as opposed to 105 in Maryland, ensures that meaningful supervision can occur ; CSP uses the preferred approach supported by research (combining diligent surveillance drug testing with sanctions and treatment).

Evidence: Information on caseloads and "Proactive Community Supervision" in Maryland obtained through state agency web sites.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight 20%

Explanation: Although independent evaluation has concluded that CSOSA's Assessment and Orientation Center program is effective, the study only represents one aspect of the total supervision program. The Office of Research and Evaluation is currently developing a comprehemsive evaluation plan for CSP.

Evidence:

PART Performance Measurements

Program: Community Supervision Program
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Community Supervision Program
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	100%	27%	

Measure: Rearrest rate - Percentage of supervised offenders rearrested during the measurement period.

Additional Information: Percentage of supervised offenders rearrested during the measurement period. (Data for parolees only.)

Year	Target	Actual
2002		14%
2003		15%
2004	15%	18%
2005	15%	
2006	15%	

Measure Term: Long-term

Measure: Technical violations

Additional Information: Offenders receiving three or more tehcnical violations within the reporting period.

Year	Target	Actual
2001	baseline	NA
2002	baseline	NA
2003	baseline	NA
2004	baseline	NA
2005	baseline	NA

Measure Term: Long-term

PART Performance Measurements

Program: Community Supervision Program
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Community Supervision Program
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	100%	27%	

Measure: Drug Use

Additional Information: Percentage of eligible offenders testing positive during reporting period

Year	Target	Actual
2001	baseline	31%
2002	baseline	68%
2003	baseline	64%
2004	baseline	
2005	baseline	

Measure Term: Long-term

Measure: Employment/Job Retention

Additional Information: Percentage of offenders under supervision employed during reporting period and increased job retention period.

Year	Target	Actual
2001	baseline	
2002	baseline	
2003	baseline	
2004	baseline	
2005	baseline	

Measure Term: Long-term

Measure: Education Levels

Additional Information: Increased education levels among offenders placed in programming.

Year	Target	Actual
2001	baseline	

Measure Term: Long-term

Program: Community Supervision Program
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Community Supervision Program
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	100%	27%	

2002	baseline
2003	baseline
2004	baseline
2005	baseline

Measure: Recidivism

Additional Information: Reduction in recidivism among violent and drug offenders under supervision.

Year	Target	Actual
2001	baseline	
2002	baseline	
2003	baseline	
2004	baseline	
2005	baseline	

Measure Term: Long-term

Measure: Drug testing - Percentage of offenders on active supervision who are drug tested at least monthly.

Additional Information: Al l eligible offenders on active supervision are drug tested at least monthly.

Year	Target	Actual
2002	50%	48%
2003	50%	78%
2004	80%	80%
2005	85%	

Measure Term: Annual

Program: Community Supervision Program
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Community Supervision Program
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	100%	27%	

2006	85%

Measure: Treatment program completion - Percentage of offenders placed in contract treatment programs who satisfactorily complete the program.

Additional Information: Offenders placed in contract treatment programs satisfactorily complete the program.

Measure Term: Annual

Year	Target	Actual
2002	50%	53%
2003	60%	53%
2004	60%	64%
2005	65%	
2006	70%	

PART Performance Measurements

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	Demonstrated

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

Explanation: The purpose of the Community Development Revolving Loan Program (CDRLF) is to support the efforts of participating low-income designated credit unions to provide basic financial and related services to residents and to stimulate economic activities in the communities they service. These efforts are intended to increased income, ownership and employment opportunities for low-income residents, and to stimulate other economic growth.

Evidence: NCUA Rules and Regulations §705.2; Federal Register Vol. 52, No. 73 dated Thursday, April 16, 1987. Deloitte & Touche Independent Auditor's Reports for Years Ended December 31, 2003, and 2002.

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

Explanation: The program benefits credit unions that serve low-income customers. Only credit unions with a low-income designation can participate in the Fund's program. To obtain their designation, 50.1% of the members of a low-income designated credit unions (LICUs) must have an income at or below 80% of the national median household income. (LICUs currently amount to approximately 10% of the credit union population.) CDRLF makes below-market loans and technical assistance grants available to qualifying LICUs to promote their self-sufficiency and tpo support efforts to maintain parity with mainstream credit unions. Through supporting LICUs, the program seeks to ensure that the basic financial services needs of low-income communities are served.

Evidence: CDRLF FY 2005 Budget Justification, dated October 1, 2003, June 30, 2004, financial call report information. http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf

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: CDRLF program is duplicative of certain aspects of Treasury's CDFI Fund. CDFI Fund builds capacity through financial assistance and technical assistance investments in CDFIs and proposed CDFIs. Although certain credit unions qualify for benefits under CDFI Fund, in the past, few LICUs have benefited under CDFI Fund due to limited capacity. Low-income designated credit unions are generally smaller in asset size and do not have expertise in applying for or receiving outside funding. An advantage of having CDRLF as a part of NCUA ' the federal financial regulator and deposit insurer of the credit unions in the United States -- is access to agency staff and the examination and supervision data to monitor and assess the condition of the LICUs and ability of LICUs to achieve grant/loan purpose.

Evidence: General Guidelines for Revolving Loans -- http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003. General Guidelines for the Technical Assistance Program for Credit unions (http://www.ncua.gov/CreditUnionDevelopment/Programs/TA-Guidelines.pdf, http://www.ncua.gov/letters/2001/01-CU-14.pdf) NCUA Rules and Regulations §705.2

PART Performance Measurements

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	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's policies, procedures, and initiatives were revised in 2001 and are posted on the website and have routinely been provided to low-income designated credit unions. The loan and grant requests and approval amounts are posted monthly on the web, along with the financial statements of the program. An annual CPA audit is performed to assess the validity of the data and the strength of the internal controls of the program. An assessment of the grant program was recently completed by an NCUA Economic Development Specialist outside of the Office of Credit Union Development.

Evidence: http://www.ncua.gov/RegulationsOpinionsLaws/rules_and_regs/NCUA6.pdf,http://www.ncua.gov/letters/2001/01-CU-14.pdf, http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003. NCUA Rules and Regulations §705. Deloitte & Touche Independent Auditor's Reports for Years Ended December 31, 2003, and 2002. Memo from Director LaCreta to Executive Director Skiles dated March 23, 2004, with attachment, Subj: Technical Assistance Grant Program Assessment 1995-2003

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: NCUA's Office of Credit Union Development (OCUD) has rules and regulations in place to: ensure that resources are effectively targeted, review the appropriateness of the loan and grant requests, analyze the priority of the need and whether the credit union has the capability of self-funding the request, and make available CDRLF funding.

Evidence: http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003. http://www.ncua.gov/RegulationsOpinionsLaws/rules_and_regs/NCUA6.pdf, http://www.ncua.gov/letters/2001/01-CU-14.pdf, NCUA Rules and Regulations §705.

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 13%

Explanation: Specific long-term performance measures are not in place. CDRLF is designed to facilitate the providing of that service through the low-income designated credit unions. Per the NCUA Strategic Plan -- 2003-2008, NCUA has the long-term objective of enabling credit unions to extend their financial service to those with modest means.

Evidence: NCUA Strategic Plan -- 2003-2008

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight 13%

Explanation: While CDRLF has specific annual measures and targets that correlate to NCUA's Strategic Plan, timeframes for quantifiable long-term outcomes have not been developed to mark whether LICUs have achieved parity in financial growth with mainstream credit unions.

Evidence: NCUA Strategic Plan -- 2003-2008

PART Performance Measurements

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	Demonstrated

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: CDRLF has seven annual measures that provide quantifiable means of assessing its positive impact in the credit unions' community. As exhibited in the Measures tab, the seven annual measures include percentage increases in: LICUs, loans, shares, assets, average share balance, member-business loan balances, and members.

Evidence: Office of Credit Union Development 2004 Objectives and Goals, distributed via memo to Executive Director J. Leonard Skiles on January 2, 2004.

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

Explanation: NCUA's Draft 2005 Annual Performance Plan incorporates new annual measures to coincide with agency goals. These goals include use of funds for LICUs.

Evidence: NCUA Strategic Plan -- 2003-2008, Office of Credit Union Development 2004 Objectives and Goals, distributed via memo to Executive Director J. Leonard Skiles on January 2, 2004.

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 13%

Explanation: The grantees do not commit to the program's performance measures. These measures were developed simulatenously with this PART. The program has been designed to augment the credit union borrower/grantee's own funds to further the service initiative it wishes to pursue. In the case of those technical assistance grant requests for urgent priority funding -- such as audits, and recordkeeping reconcilements -- the credit union must demonstrate that problems have been adequately addressed and improvements have been made in operations.

Evidence: http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003, http://www.ncua.gov/org/orgchart/ocud/TA-Guidelines.pdf, http://www.ncua.gov/letters/2001/01-CU-14.pdf, NCUA Rules and Regulations §705. Memo from Acting Director LaCreta to Executive Director Skiles dated May 9, 2001, re: CDRLF Community Impact Assessment, Memo from Director LaCreta to Executive Director Skiles dated March 23, 2004, with attachment, Subj: Technical Assistance Grant Program Assessment 1995-2003

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: An annual audit of the program is performed by a CPA, who reviews the financial condition of the program and assesses whether the program is following the objectives as outlined. In addition, an Inspector General (IG) audit was performed in 2003.

Evidence: Deloitte & Touche Independent Auditor's Reports for Years Ended December 31, 2003, and 2002. IG Audit -- December 31, 2003

PART Performance Measurements

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	Demonstrated

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: Congressional budget requests for CDRLF are only for the anticipated grant and loan needs of the program. Projections included in the presentations reflect the usage, supported by listing of all requesters, including requested amounts, purpose, and approved amounts. Adminstrative costs are absorbed through the agency's operating budget, with budget requests supported by anticipated resource needs that include CDRLF program needs.

Evidence: FY 2005 Budget Justification -- Congressional submission. Calendar year 2004 OCUD Budget Request -- August 2003.

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

Explanation: New performance measures were developed to correct CDRLF deficiencies in strategic planning. An evaluation of the grant program was completed by a regional NCUA Economic Development Specialist during the first quarter of 2004 to assess the impact of the technical assistance program since 1995. A survey of CDRLF was conducted in 2000/2001 to determine the impact CDRLF has had on the communities those low-income designated credit unions serve. Further surveys are planned.

Evidence: http://www.ncua.gov/CreditUnionDevelopment/Programs/TA-Guidelines.pdf, http://www.ncua.gov/letters/2001/01-CU-14.pdf, NCUA Rules and Regulations §705. Office of Credit Union Development 2004 Objectives and Goals, distributed via memo to Executive Director J. Leonard Skiles on January 2, 2004. Memo from Director LaCreta to Executive Director Skiles dated March 23, 2004, with attachment, Subj: Technical Assistance Grant Program Assessment 1995-2003.

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: NO Question Weight: 8%

Explanation: While NCUA collects credible performance data on the financial condition of the LICUs as well as information on the use of loan and grant funds, NCUA does not monitor the status of the LICU designation. After the initial desgination, NCUA does not monitor whether an LICU still has a membership where at least 50.1% of the members earn less than 80% of the national median income. NCUA receives quarterly financial and statistical call reports from all federally insured credit unions which provides the program with timely information on the condition of LICUs. This information is routinely used to assess the condition of those credit unions that have outstanding loans from CDRLF to determine any change in risk to repayment and identify the best potential borrowers from CDRLF. The program also uses the information to assess the progress of LICUs on an annual basis. The recent TA grant program assessment was developed through the use of the above information that resulted in recommendations ' and subsequent changes -- for the TA grant program's improvement.

Evidence: Quarterly 5300 financial call reports, examination report system, http://www.ncua.gov/CreditUnionDevelopment/Programs/TA-Guidelines.pdf, http://www.ncua.gov/letters/2001/01-CU-14.pdf, http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003.

PART Performance Measurements

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	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: 8%

Explanation: The OCUD Director is delegated by the NCUA Board the authority to administer CDRLF loan and grant components and is charged with achieving the goals established within the annual plan. The performance of the director is compared to those goals. The performance of the managers, CEOs, and officials of the grantee credit unions are judged on any subsequent request for grants from CDRLF. Grants will be denied should it be demonstrated that the grantee did not achieve the objectives of the requests submitted.

Evidence: Delegations of Authority, OCUD Director Performance Standards, http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003, http://www.ncua.gov/CreditUnionDevelopment/Programs/TA-Guidelines.pdf, http://www.ncua.gov/letters/2001/01-CU-14.pdf, Examination Reports

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

Answer: YES Question Weight: 8%

Explanation: Both loan and grants are used for their intended purpose. The loan component of CDRLF requires submission of a Community Needs Plan to identify potential needs and opportunities within the community and potential uses for the loan funds. The grant component is designed as a reimbursable expense program, with the specific goal of processing request within 15 days. Prior approval is required to participate in the program and funds are disbursed upon completion of goods/service procurement and proof of expenditure. Goods/services can then be evaluated by visiting field examiners. Appropriations are clearly identified on the monthly financial statements with the computer system designed to credit the relevant appropriation for the approved grant/loan. In recent years, the program has not used all its loan funds due to decreased demand caused by low interest rates. It is expected that the demand for loan funds will increase with rising interst rates. Grants have been obligated in a timely manner.

Evidence: http://www.ncua.gov/CreditUnionDevelopment/Programs/TA-Guidelines.pdf, http://www.ncua.gov/letters/2001/01-CU-14.pdf, monthly financial statements -- http://www.ncua.gov/ReportsAndPlans/CDRLF/statements.html

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: 8%

Explanation: The program is designed to provide prompt responses to requesters, with technical assistance to be provided within 15 business days and loans within 30 business days. Automation has been used to further improve operations. Assessment of technology needs continue to determine best use of resources. The program's administrative costs are absorbed by the agency's operating budget, with that budget being provided through operating fees charged to credit unions. The office's 2004 administration budget of $800,000 includes costs for CDRLF program along with the cost for the agency's program to further financial service by all credit unions into underserved areas.

Evidence: FY 2005 Budget Justification -- Congressional submission. Calendar year 2004 OCUD Budget Request -- August 2003. http://www.ncua.gov/letters/2001/01-CU-14.pdf

PART Performance Measurements

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	Demonstrated

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 8%

Explanation: On January 27, 2002, NCUA entered into a confidentiality agreement with CDFI to disclose examination information on credit union applicants for CDFI awards. This effort was furthered through an agreement on March 19, 2003, to share examination information on current credit union CDFI awardees. A Memorandum of Agreement with the IRS was signed in September 2002 to further partnering initiatives, including the Volunteer Income Tax Assistance Initiative (VITA) program. Other initiatives (Neighborhood Reinvestment Corporation/USDA/HHS) have also been coordinated.

Evidence: CDFI/NCUA confidentiality agreements dated January 27, 2002, and March 19, 2003. IRS/NCUA Memorandum of Agreement dated September 4, 2002. TAG Initiative -- Volunteer Income Tax Assistance Initiative -- August 2003.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 8%

Explanation: Annual CPA audits conducted by a large, reputable firm have provided repeated unqualified reports. Internal control functions are strong, although limited staffing precludes segregation of all duties. Reconcilements and restriction of disbursements provide adequate checks and balances.

Evidence: Deloitte & Touche Independent Auditor's Reports for Years Ended December 31, 2003, and 2002. IG Audit -- Agreed Upon Procedures As of December 31, 2003.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 8%

Explanation: NCUA requires all regulations to be reviewed on a three-year basis. CDRLF is controlled under 705 of NCUA Rules and Regulations, with the program assessed through the annual CPA audit. Deficiencies in the program have been addressed through the revision of the office's mission and objective, development of procedures for CDRLF. These procedures clearly defined the objectives and procedures of the program, and resulted in the further developing of initiatives with a focus on furthering financial service in low-income areas. The website was designed to provide all relevant information concerning the program to all parties. An evaluation of the grant program was completed by a regional NCUA Economic Development Specialist during the first quarter of 2004. The evaluation assessed the activities of the technical assistance program since 1995.

Evidence: Deloitte & Touche Independent Auditor's Reports for Years Ended December 31, 2003, and 2002. IG Audit -- Agreed Upon Procedures As of December 31, 2003. http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003, http://www.ncua.gov/letters/2001/01-CU-14.pdf, http://www.ncua.gov/CreditUnionDevelopment/Programs/TA-Guidelines.pdf, http://www.ncua.gov/AboutNcua/org/ocud.htm

3.CO1 Are grants awarded based on a clear competitive process that includes a qualified assessment of merit? Answer: YES Question Weight: 8%

Explanation: Procedures for the grant program are clearly defined in the Letter to Credit Unions issued in 2002. The loan component procedures are available on the web and are included in the application. The requests are reviewed by former safety and soundness examiners familiar with the conditions of those credit union applicants.

Evidence: http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003. http://www.ncua.gov/letters/2001/01-CU-14.pdf, http://www.ncua.gov/org/orgchart/ocud/TA-Guidelines.pdf

PART Performance Measurements

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	Demonstrated

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: YES Question Weight: 8%

Explanation: Grants are provided as a reimbursement for goods or services pre-approved where justification of expenditure is required. Loan recipients are required to submit Community Needs Plans -- to assess impact on the field of membership -- on an annual basis and are subjected to safety and soundness examination. The program's analysts have intimate knowledge in the operation of low-income designated credit unions. The analyst staff and the director have experience as safety and soundness examiners for financial institutions. With this experience, and direct access to the examination and superivsion history of the credit unions -- along with contact with current regional office and field staff -- management capabilties, challenges, and opportunities are well known.

Evidence: Deloitte & Touche Independent Auditor's Reports for Years Ended December 31, 2003, and 2002. http://www.ncua.gov/AboutNcua/org/ncua_board/lacreta.html, Delegations of Authority, OCUD Director Performance Standards, http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003, http://www.ncua.gov/org/orgchart/ocud/TA-Guidelines.pdf,, http://www.ncua.gov/ref/letters/01-CU-14.pdf., Examination Reports

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: 8%

Explanation: Financial and statistical reports are collected on a quarterly basis, with financial performance reports readily available through the NCUA website. Examination reports are confidential but available to OCUD staff when completed -- generally on an annual basis

Evidence: Quarterly 5300 financial call reports, examination report system, http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003, http://www.ncua.gov/ref/letters/01-CU-14.pdf., http://www.ncua.gov/org/orgchart/ocud/TA-Guidelines.pdf,

3.CR1 **Is the program managed on an ongoing basis to assure credit quality remains sound, collections and disbursements are timely, and reporting requirements are fulfilled?** Answer: YES Question Weight: 8%

Explanation: The loan component of the CDRLF is designed to provide funding opportunities to LICUs while limiting risk to CDRLF. Loans are based on financial/managerial/operational strength of the LICU applicant and the purpose of loan. LICU borrowers are reviewed on an exception basis from information available from NCUA's examination and insurance related activities, with deliquent payments promptly identified, and appropriate notification to borrower. Tardy notification is shared with examination staff, which adds a level of scrutiny on the condition of LICU borrower. Follow-up on reporting requirements are provided through OCUD Instruction and are routinely monitored.

Evidence: http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003. OCUD Instruction OCUD-2 dated July 7, 2003.

PART Performance Measurements

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	Demonstrated

3.CR2 **Do the program's credit models adequately provide reliable, consistent, accurate and transparent estimates of costs and the risk to the Government?** Answer: YES Question Weight: 8%

Explanation: Loan underwriting is based on the CAMEL rating to ensure risk is mitigated. CDRLF assesses the conditions of LICU borrowers on a quarterly basis through the review of the quarterly financial call reports and recent examination and/or supervision reports, and it contacts regional directors for an assessment of potential risk in portfolio. The exam discloses the financial condition of the credit union, including net worth, as well as the examiner's rating of the management's capability of operating the credit union. A loan loss reserve/allowance is maintained and routinely adjusted based on risk within the portfolio. Financial and statistical information for CDRLF is maintained on NCUA's website and updated on a monthly basis. This information is vaildated through an annual CPA audit.

Evidence: http://www.ncua.gov/CreditUnionDevelopment/Programs/CDRLP.pdf; Community Development Revolving Loan Fund Guidelines revised October 2002, with revised loan documents of November 2003. OCUD Instruction OCUD-2 dated July 7, 2003. Deloitte & Touche Independent Auditor's Reports for Years Ended December 31, 2003, and 2002.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight20%

Explanation: Credit unions participating in the program are demonstrating improved service to their members, but specific long-term performance goals have not been established.

Evidence: Survey results from CDRLF participants -- memo from Acting Director LaCreta to Executive Director Skiles dated May 9, 2001. Memo from Director LaCreta to Executive Director Skiles dated March 23, 2004, with attachment, Subj: Technical Assistance Grant Program Assessment 1995-2003.

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

Explanation: The program met or exceeded all of its annual targets. Agency results reflect achievement of these objectives, and a study of those credit unions receiving TA grants demonstrates improved conditions of those institutions.

Evidence: Memo from Acting Director LaCreta to Executive Director Skiles dated May 9, 2001, re: CDRLF Community Impact Report, Memo from Director LaCreta to Executive Director Skiles dated March 23, 2004, with attachment, Subj: Technical Assistance Grant Program Assessment 1995-2003. NCUA Combined Annual Performance Report 2003 and Initial Annual Performance Plan 2004

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

Explanation: Congressional funding increases have not resulted in increased resource needs to process requests. Automation has been used to further improve operations. An assessment of technology needs continues to determine best use of resources.

Evidence: Congressional budget request 2004. OCUD budget request 2004.

PART Performance Measurements

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	Demonstrated

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: As designed, the program attempts to make full use of the information available internally concerning the condition of the credit union requesters. This, in conjunction with the experience and knowledge of staff, provides for a clear understanding of the needs and capabilities of requesters. Further, the office's efforts in partnering and outreach with other organizations -- public, private, and non-profit -- augments expertise in areas relating to community development.

Evidence: The dyamic in having NCUA, the federal financial regulator and deposit insurer of the credit unions in the United States, administer the CDRLF is not readily replicable. NCUA Rules and Regulations §705.

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: The program receives annual unqualified CPA audits and has received IG Audits concerning the program.

Evidence: Deloitte & Touche Independent Auditor's Reports for Years Ended December 31, 2003, and 2002. IG Audit -- December 31, 2003.

PART Performance Measurements

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	Demonstrated

Measure: Percentage increase in low-income designated credit unions (LICUs).

Additional Information: Providing basic financial and related services in low-income communities through the increase of LICUs. The CDRLF was created to assist low-income designated credit unions in furthering financial service in low-income areas. The increasing number of LICUs reflects increased financial service in low-income areas.

Year	Target	Actual	**Measure Term:** Annual
2003	Baseline	6.3%	
2004	6%		
2005	6%		

Measure: Percentage increase in loans at low-income designated credit unions (LICUs).

Additional Information: Keeping with providing basic financial and related services in low-income communities, loan availability for provident and productive purpose is the hallmark of credit unions. The CDRLF provides seed capital and TA assistance to LICUs to assist in the granting of loans.

Year	Target	Actual	**Measure Term:** Annual
2003	Baseline	17.4%	
2004	6%		
2005	6%		
2006	6%		

Measure: Percentage increase in shares at low-income designated credit unions (LICUs).

Additional Information: Share increase reflects improved ownership within the field of membership for LICUs, thus supporting the goal of providing basic financial and related services in low-income communities. The CDRLF provides seed capital and TA assistance in furthering financial services offered.

Year	Target	Actual	**Measure Term:** Annual
2003	Baseline	18.2%	
2004	7.5%		
2005	7.5%		

PROGRAM ID: 10002340

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	Demonstrated

2006	7.5%

Measure: Percentage increase in assets at low-income designated credit unions (LICUs).

Additional Information: Increase in assets demonstrates greater involvement by members at LICUs, improving viability and providing for increased services to members and potential members within the field of membership.

Year	Target	Actual
2003	Baseline	18.3%
2004	8%	
2005	8%	
2006	8%	

Measure Term: Annual

Measure: Percentage growth of average share balance in LICUs

Additional Information: An increase in average share balance reflects increased ownership on a per person basis.

Year	Target	Actual
2003	Baseline	7%
2004	7%	
2005	7%	
2006	7%	

Measure Term: Annual

Measure: Percentage growth of member-business loan balances in LICUs

Additional Information: Increased member business lending in LICUs reflects funding made available for small businesses thereby stimulating economic activities

Year	Target	Actual
2003	Baseline	22.7%

Measure Term: Annual

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	Demonstrated

2004	10%
2005	10%
2006	10%

Measure: Percentage growth of membership in LICUs

Additional Information: Increased membership reflects added involvement in the financial mainstream, moves individuals away from alternative financial service providers (i.e. check cashers, etc.), and provides greater opportunities for homeownership, increased employment.

Year	Target	Actual
2003	Baseline	10.1%
2004	2%	
2005	2%	
2006	2%	

Measure Term: Annual

Measure: Average time (in days) to processing technical assistance grants

Additional Information:

Year	Target	Actual
2003	15	
2004	15	
2005	15	
2006	15	

Measure Term: Annual

PART Performance Measurements

Program: Community Development Revolving Loan Fund -- Loan and Technical Assistanc
Agency: National Credit Union Administration
Bureau: Office of Credit Union Development
Type(s): Credit Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	63%	92%	80%	Demonstrated

Measure: Average time (in days) to processing loan requests

Additional Information:

Year	Target	Actual
2003	30	
2004	30	
2005	30	
2006	30	

Measure Term: Annual

PART Performance Measurements

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
90%	50%	76%	55%	Demonstrated

1.1 Is the program purpose clear? Answer: YES Question Weight 30%

Explanation: The purpose of the Federal Election Commission (FEC) is to enhance voluntary compliance with the Federal Election Campaign Act (FECA) and promote timely disclosure of campaign finance information from federal elections. The program examines campaign finance documents and imposes monetary penalties for violations of federal laws and regulations in an effort to increase voluntary compliance.

Evidence: FEC Strategic Plan; Federal Election Campaign Act (FECA) of 1971 and 1974, as amended; regulations implementing FECA.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight 30%

Explanation: Disclosure and compliance is a legal requirement under FECA and is intended to ensure integrity of the federal election campaign finance process.

Evidence: 2 U.S.C. 434

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 30%

Explanation: The FEC is the sole authority for ensuring compliance with federal campaign finance laws and regulations.

Evidence: 2 U.S.C. 437g

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: NO Question Weight 10%

Explanation: Enforcement can be limited due to an even split in party affiliation among commissioners. FECA mandates that no more than 3 commissioners can come from the same party. Enforcement can be relaxed b/c of possible 3-3 votes at the commissioner level.

Evidence: 2 U.S.C. 437c

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: NA Question Weight: 0%

Explanation:

Evidence:

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 15%

Explanation: Although the FEC has two succinct strategic goals (ensure compliance with FECA and expedite disclosure of campaign finance information), it does not yet have long-term performance measures that cover a distinct period of time (see question 2.8 for planned corrective actions).

Evidence:

PART Performance Measurements

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
90%	50%	76%	55%	Demonstrated

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight 15%

Explanation: Since the program lacks long-term performance measures, it does not have associated targets.

Evidence:

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 15%

Explanation: Although the FEC lacks long-term performance goals, it has a limited set of annual performance goals that demonstrate progress towards achieving the commission's strategic goals. Specifically, measures of substantive case closings and civil penalties assessed attribute to the desired outcome of promoting voluntary compliance with FECA.

Evidence: FY 2004 Budget Submission

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight 15%

Explanation: The FEC sets targets for its annual measures; most targets are refined on an annual basis to demonstrate improvement (see measures tab).

Evidence: FY 2004 Budget Submission

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:

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 10%

Explanation: Although the FEC has an internal Inspector General, there is no history of regular, independent evaluations of the enforcement program.

Evidence:

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: There is no direct link between budgetary resources and attaining annual or long-term goals. The commission, however, is working to align its budget with its performance goals (see question 2.8).

Evidence:

PART Performance Measurements

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
90%	50%	76%	55%	Demonstrated

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight 20%

Explanation: The FEC is developing long-term goals that will tie directly to its annual goals. This process also will entail linking budget resources with performance targets.

Evidence:

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: The Enforcement Priority System (EPS) targets resources to the most significant cases and provides real-time information on case status and statistics. The Case Management System (CMS) allows the FEC to better manage case load and assists in targeting cases by issue to build case law (see question 3.4 for further discussion).

Evidence:

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 10%

Explanation: The commission monitors and reports program costs across the organization, but performance evaluations of managers are not linked to program performance goals.

Evidence:

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 9%

Explanation: All funds are obligated in support of FEC mission and program objectives. There is no history of Anti-Deficiency Act violations.

Evidence: Statements of budget execution

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: CMS tracks number of cases active, dismissed, closed with substantive action, length of time in which a case is open, and case-closing costs. The implementation of EPS, a system that uses a triage process to assign casework, has also resulted in efficiencies.

Evidence:

PART Performance Measurements

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
90%	50%	76%	55%	

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

3.6 **Does the program use strong financial management practices?** Answer: NO Question Weight: 5%

Explanation: OMB exempted the commission from its FY 2003 financial audit requirement. However, the FEC will have audited financial statements for FY 2004.

Evidence:

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight20%

Explanation: The FEC is instituting a new budget system that will better track program costs across organizational lines and will audit its financial statements in FY 2004.

Evidence:

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: Most recently, the FEC held public hearings and meetings on Bipartisan Campaign Reform Act (BCRA) regulations. The public was further engaged when interim rules were published for comment.

Evidence: Public hearings and meetings; FEC website includes interim and final regulations

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: As an independent agency, the FEC is not required to prepare regulatory impact analyses required by Executive Order 12866. However, commission rulemaking must adhere to the Regulatory Flexibility Act. Although the FEC certifies its regulations "do not have a significant economic impact on a substantial number of small entities," the program lacks thorough evidence that economic analyses are conducted.

Evidence: FEC website and Federal Register publications

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 FEC's Office of General Counsel regularly reviews current regulations for necessary revisions and changes.

Evidence: FEC website provides an extensive list of new and revised regulations; 11 CFR (Code of Federal Regulations)

PART Performance Measurements

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
90%	50%	76%	55%	Demonstrated

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: The FEC allows alternative methods for complying with reporting requirements, including electronic and paper means. Therefore, the regulated community can chose the most cost effective method for filing reports.

Evidence: House campaign filings are traditionally submitted via electronic means and Senate reports tend to be filed in paper form.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight30%

Explanation: Since the program lacks long-term performance measures and targets it can not demonstrate that it has achieved results (see questions 2.1 and 2.2).

Evidence:

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight30%

Explanation: The FEC annually meets its goals for substantive case closings and civil penalties assessed, which promote the desired outcome of enhancing voluntary compliance (see measures tab).

Evidence: FEC 2004 Budget Submission

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

Explanation: The Case Management System tracks number of cases active, dismissed, closed with substantive action, length of time in which a case is open, and case-closing costs. In addition, the Enforcement Priority System uses a triage process to assign casework. Both IT systems have helped the commission achieve efficiencies (as seen with increases in closed cases) although the savings are unquantifiable (see question 3.4).

Evidence: FY 2004 Budget Submission and related performance measures; CMS and EPS (internal databases)

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:

Evidence:

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight: 5%

Explanation: The enforcement program at the FEC has not been subject to independent reviews (see question 2.6).

Evidence:

PART Performance Measurements

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
90%	50%	76%	55%	Demonstrated

4.RG1 **Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?** Answer: NO Question Weight 10%

Explanation: FEC rulemaking must adhere to the Regulatory Flexibility Actand the commission certifies its regulations "do not have a significant economic impact on a substantial number of small entities." However, the program lacks evidence that economic analyses are conducted (see question 3.RG2).

Evidence:

PART Performance Measurements

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
90%	50%	76%	55%	Demonstrated

Measure: Percent of closed cases with substantive action

Additional Information: This measure tracks performance in closing cases with substantive action versus outright dismissals.

Year	Target	Actual
1999	>50%	51%
2001	>50%	62%
2002	>50%	65%
2003	55%	79%
2004	55%	
2005		
2006		

Measure Term: Annual

Measure: Increase total civil penalties assessed

Additional Information: Egregious violations of FECA are subject to monetary penalties, which the FEC often imposes. The desired outcome is that increases in civil penalties will enhance voluntary compliance among the election community.

Year	Target	Actual
2000		$1.092 million
2001		$1.436 million
2002		$1.462 million
2003	$1.975 million	$2.774 milion
2004	$2.000 million	
2005		

Measure Term: Annual

PART Performance Measurements

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
90%	50%	76%	55%	Demonstrated

2006	

Measure: Decrease elapsed time (in days) it takes to close cases with substantive action. FY 1995-2000 vs FY 2001-2003: 20% improvement on average; 32% for median days to close substantive case.

Additional Information: Measures efficiency by tracking time in with which it takes to close cases. The expected outcome is to enhance voluntary compliance by timely enforcement of the FECA. FEC measures elapsed days from a the case is initiated to closure (whether dismissed or closed with substantive action). The commission also captures average and median days elapsed. Measure is in percent improvement in shortening elapsed days, or days to close cases.

Year	Target	Actual	**Measure Term:** Annual
2004	10%		
2005	5%		
2006	5%		

Measure: Percent of enforcement cases in active status (47% average for FYs 95-01)

Additional Information: This measure tracks the percent of the caseload that is activated and actively pursued. The outcome of the use of the EPS, and the ADR and Admin Fines programs, is that OGC Enforcment resources are used to actively pursue significant cases that establish clear consequences for violtions of the FECA.

Year	Target	Actual	**Measure Term:** Annual
2001	50%	52%	
2002	50%	67%	
2003	50%	65%	
2004	50%		
2005	55%		
2006			

PART Performance Measurements

Program: Compliance -- Enforcement
Agency: Federal Election Commission
Bureau:

Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
90%	50%	76%	55%	Demonstrated

Measure: Increase total caseload and total cases closed

Additional Information: This measure is an indicator of total FEC enforcement presence, and reflects the impact of the ADR and Admin fines programs. The expected outcome is that an enhanced enforcement presence leads to better voluntary compliance, particularly with regard to timely filing (Admin. fines.)

Year	Target	Actual
2000	150-200	195
2001	150-200	518
2002	150-201	229
2003	150-202	377 (est.)
2004	250	

Measure Term: Annual

OMB Program Assessment Rating Tool (PART)

Regulatory Based Programs

Name of Program: Consumer Product Safety Commission

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 Consumer Product Safety Act (PL 92-573) clearly states the program purpose: to (1) protect against the unreasonable risk of injury associated with consumer products; (2) assist consumers in evaluating the safety of products; (3) develop uniform safety standards and minimize conflicting State and local regulations; and (4) promote research into the causes of and prevention of injury.	The authorizing legislation is CPSA, FHSA, PPPA, FFA, and the Refrigerator Safety Act.	20%	0.2
2	*Does the program address a specific interest, problem or need?*	Yes	There continue to be substantial consumer product-related deaths and injuries from over 15,000 consumer products under sole CPSC jurisdiction. CPSC concentrates in these hazard areas covering all types of consumer injuries: fire and electrocutions, children's, chemical, and household/recreational. Hazard reduction efforts are chosen based on these CPSC criteria (from CFR 16 1009.8 and senior managers input): (1) Measurement of performance; (2) Frequency and severity of injuries; (3) Causality of injuries; (4) Chronic illness and future injuries; (5) Cost and benefit of CPSC action; (6) Unforeseen nature of the risk; (7) Vulnerability of the population at risk; (8) Probability of exposure to hazard; and (9) Time to achieve goal.	Each year, there are on average over 23,000 deaths and over 31 million injuries related to consumer products under CPSC's jurisdiction (2003 Budget Request). They account for roughly 15 percent of all deaths resulting from injury and half of medically attended nonfatal injuries. According to CPSC estimates in the Revised Injury Cost Model (December 2000), the cost of these deaths and injuries, and related property damage amounts to over $500 billion annually. To estimate medically attended injuries, CPSC employs the Injury Cost Model (ICM), which uses empirically derived relationships between emergency department injuries reported through the National Electronic Injury Surveillance System (NEISS) and those treated in other settings (e.g. doctor's offices). The injury cost estimates are made up of four components including medical costs, work losses, pain and suffering, and legal costs.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	Yes	The legislation creating CPSC has provided the Commission with a wide variety of tools to reduce consumer product hazards. For example, CPSC can work to establish voluntary and/or mandatory product safety performance standards (but it must defer to a voluntary standard if the standard is found to be effective; the ratio of voluntary to mandatory standard is 5 to 1); CPSC has the authority to recall defective products or order corrective actions (Of the annual 300 recalls and 700 corrective actions, most are conducted voluntarily). Firms also must report to CPSC potential product hazards or violations of product standards. CPSC also conducts consumer information campaigns to inform consumers of standards and recalls as well as other safety information, such as the annual fireworks safety program. Finally, CPSC works with States and local governments to secure greater compliance with CPSC recalls and dissemination of safety information.	Since its inception in 1973, CPSC has played a significant role in the 33% decline in deaths and 23% decline in injuries related to consumer products. Recent evaluations of the results of CPSC's activities on three products (cribs, baby walkers, child-resistant cigarette lighters) report an estimated total annual savings between $1.7 and $1.9 billion dollars. CPSC estimates that past work on reducing hazards in fire and electrocutions, child head injuries, child poisonings, CO poisonings, and fireworks save the nation over $13 billion annually (2001 Annual Performance Report).	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	CPSC is the only Federal agency that has the authority to identify and regulate a wide range of consumer product hazards. To accomplish this task, CPSC has developed data collection systems and product hazard expertise. While individual states may set their own safety standards, once CPSC issues a mandatory rule or defers to a voluntary standard, the CPSC action preempts states rules (Section 26, CPSA). As such, CPSC provides a nationwide level playing field for consumers and businesses (both domestic and foreign). CPSC works with the states to avoid duplication of effort during the development of regulations. CPSC partners with states and local jurisdictions to expand enforcement powers and the effectiveness of product recalls. CPSC works cooperatively with and through national standards groups and regional building code groups to improve safety standards.	CPSC makes recommendations for safety standards to private standards groups and regional building code groups for voluntary safety standards. However, no other federal, state, local or private group has the authority to set mandatory safety standards, obtain recalls of hazardous products, and assess penalties for products under CPSC's jurisdiction. As mentioned, CPSC works with both state and local groups to implement recalls and safety standards. An example of this is the contracting between CPSC and states to conduct establishment inspections. CPSC also partners with all 50 states to conduct the annual Recall Roundup campaign. Another example is in the development of a possible upholstered furniture flammability safety standard. CPSC has been working with the State of California to share research information and reduce duplication of effort. Duplication of effort is reduced by sharing information on research findings so that neither CPSC nor the State of California have to duplicate research efforts, as well as California issuing a regulation that may be preempted if CPSC issues a rule.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Is the program optimally designed to address the interest, problem or need?*	Yes	No other efficient or effective approach to resolving product hazards is known at this time. The tools provided in the CPSA and the emphasis placed on voluntary standards represent an optimal design to reduce consumer product hazards.	No evidence is available that would suggest that other mechanisms, such as grants, loans, litigation, & tax policy are more feasible or economical. CPSC's use of voluntary and mandatory standards, recalls, and consumer information provides an approach that is both efficient and effective in balancing the needs of consumers and industry.	20%	0.2
Total Section Score					**100%**	**100%**

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?*	No	Aside from service quality and customer service goals that provide services to industry and consumers, CPSC has five consumer product-related hazard-reduction long-term goals. While these goals have been established with clear time frames and directly and meaningfully support the agency's mission, the goals can not currently be considered ambitious and therefore, do not adequately challenge program managers to continuously improve program performance. When CPSC developed its first strategic plan, it set strategic targets that its agency experts believed were achievable but ambitious based on available data and resources. CPSC selected hazard reduction goals that it believed could be achieved within a ten-year time period. While some goals were achieved by 2000, data problems prohibited CPSC from adjusting targets until the scheduled Strategic Plan update due to OMB in March 2003.	CPSC's long-term performance goals are to: (1) Reduce the non-arson fire-related death rate by 10% by 2005. (2) Reduce the electrocution death rate by 20% by 2004. (3) Reduce the non auto carbon monoxide poisoning death rate by 20% by 2004. (4) Prevent any increase in the death rate to children under 5 years from unintentional poisoning by drugs and other hazardous household substances through 2006. (5) Reduce the product-related head injury rate to children by 10% by 2006. (1) Non-arson fire related deaths are below the target of 10.3 per million set for 2005. (2) The death rate for electrocutions is below the target of 7.1 per 10 million set for 2004, indicating that the goal could be more ambitious. (3) Carbon monoxide poisoning deaths have declined only slightly since 1995, yet they are below the target of 6.9 per 10 million set for 2004. (4) The death rate of children under age 5 related to unintentional poisonings has been nearly level since 1994, yet below the target of 2.4 set for 2006. (5) Head injury rates for children under age 15 related to a selected set of 71 products have increased since 1996 and in fact are now significantly higher than the rate of injury in 1990 (an almost 5 percent increase).	9%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	Yes	CPSC's annual performance goals are discrete, quantifiable, and measurable, and directly support the agency's mission. CPSC developed intermediate outcome goals based on the key activities used to reduce injuries and deaths, such as the number of voluntary standards recommendations and the recall of hazardous products.	CPSC tracks deaths and injuries related to their strategic goals and provides this trend information in its plans and reports. This information is tracked annually.	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	In addition to partnering with other federal agencies, CPSC spends approximately $3 million annually on non-federal contracts. Most contracts are for specific purposes such as purchasing administrative services or specific support to compliance investigations to assess the financial ability of a manufacturer to conduct a recall. CPSC contracts for the administration of their hotline, spending roughly $500,000. For that performance, there is a strategic goal and annual performance goals.	For CPSC's hotline, there is a target of 90% satisfaction of hotline callers. Annual goals in support of the hotline strategic goal include responding to after-hours voicemail by the next business day 85% of the time and processing product incident reports taken over the hotline within 8 working hours 85% of the time.	13%	0.1
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	Yes	CPSC shares a common goal with the US Fire Administration and the Centers for Disease Control and Prevention, for example, that focus on reducing fire-related deaths. They also work with other Federal agencies on an as needed basis. An example of this is partnership between CPSC and HUD and the US Army on smoke detectors because both HUD and the US Army have large housing inventories.	CPSC has developed Memoranda of Understanding (MOU) with various agencies as appropriate. For example, CPSC has a long standing MOU with the U.S. Fire Administration to address hazards of particular interest to both agencies. They also have a 2002 MOU with the U.S. Fire Administration and the Centers for Disease Control and Prevention that establishes a management process to develop joint fire prevention activities and allocate resources.	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	CPSC does not contract out for evaluations to be performed by an independent, non-biased party. CPSC conducts regularly scheduled evaluations from their Office of Planning and Evaluation, which has the responsibility of conducting evaluation studies to determine how well the Commission fulfills its mission. In addition, evaluations are conducted by various staff offices and the Inspector General, an independent office that reports directly to the Chairman.	CPSC usually does not contract out for evaluations. Rather, the agency relies on several in-house offices (Planning and Evaluation, Inspector General, Data Systems) to provide "arms-length" analysis and support as well as to oversee the integrity of the data. In addition, evaluations of reductions in injuries and deaths are based on objective data that has been subject to rigorous quality control checks and is carefully reviewed through a formal clearance system. CPSC recently completed an impact evaluation of the cigarette lighter and baby walker standards. They also currently have, in draft, a comprehensive evaluation of their electrocution program. CPSC points out that all three evaluations demonstrated positive benefits of CPSC's activities.	13%	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?*	Yes	The CPSC strategic goals are long term goals and, except for those areas where evaluations were conducted, there is no conclusive evidence available that suggests there is a positive correlation between the impact of annual funding and performance. CPSC's budget structure reflects their strategic goals. The program costs shown in the budget represent 100% of the resources needed to achieve that goal, including overhead costs. The agency believes they would be able to show further reductions in deaths and injuries, however, with an increase in resources to attack product safety hazards. The Commission staff have prepared candidate projects that were not included in the CPSC budget request due to budget limitations.	CPSC integrated its Budget and Performance Plan in its current format in the FY2000 budget cycle. CPSC changed its budget programs from functional activities (e.g., compliance/consumer information) to program outcomes (e.g., reducing fire-related deaths) to provide a results-orientated presentation of resources. In most cases, the agency was able to predict levels of outcomes given levels of resources. In the agency's 2004 plan, for example, CPSC is requesting additional funds to increase the number of on-site investigations and estimates the number of additional investigations as well. For infrastructure increases, such as information technology, however, it is not able to predict the specific impact on program outcomes.	13%	0.1
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	Yes	CPSC's planning process is managed by its Office of Planning and Evaluation, with reviews by the Commissioners, other senior management, and the Inspector General. CPSC has taken meaningful steps to address data problems that prevented the agency from adjusting its strategic goals when the goals were at or near their targets. This will result in a change in targets as of March 2003.	CPSC waited to change its strategic target for reducing fire-related deaths because GAO criticized the agency's procedure for collecting information about these deaths. The agency addressed this problem by developing the methodology and procedures for collecting a census of fire deaths, completed in 2001. In 2002, CPSC tested the new procedure by conducting a pilot study and recently received the first round of new data to be analyzed for data quality and completeness. CPSC also waited to change its targets for CO poisonings and electrocution deaths because, in 1999, there were major changes in the way that deaths were being classified throughout the U.S. by the World Health Organization. These changes could affect death reduction trends. For example, for CO deaths, the new system does not distinguish between CO deaths from car exhaust, which is not in the agency's jurisdiction, and other CO deaths. CPSC compared the old and new data and developed new methodologies to analyze the new data. The agency's initial analysis shows discontinuities due to the change in the classification system and changes in methodology because of that system.	13%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
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	CPSC's legislation requires the agency to rely on voluntary standards before issuing a mandatory standard, thus it is unlikely there are any superfluous regulations. Regulations promulgated by CPSC only cover gaps in product safety not covered by voluntary standards or instances of non-conformance to a voluntary standard.	CPSC's legislation both authorizes the agency to issue rules as appropriate, as well as to directing them to issue certain rules (e.g., bicycle helmets). The legislation also requires the agency to include findings that address how the regulation accomplishes program goals.	13%	0.1
Total Section Score					**100%**	**91%**

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	For each performance goal, CPSC collects credible performance data in a systematic way subject to quality controls. CPSC uses this information in management processes such as their mid-year review and the development of their annual operating plan to make resource allocations or take appropriate management action. Baseline data are used to develop performance goals in their strategic and annual plans. Feedback from program partners, such as voluntary standards groups, are routinely incorporated into performance plans.	CPSC uses performance data when developing its operating plan as well as when holding midyear review of their operating plan. While CPSC's strategic performance goal for head injuries indicated a different trend than originally hoped for, their management initiated a study to determine what the agency can do to reverse that trend. Finally, the IG audit of electrocution data found that the data used to measure annual goals was credible with few exceptions.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	Yes	CPSC identified managers that are responsible for achieving key program results and has established performance standards for those managers. Performance feedback is provided to managers through the Executive Director's weekly meetings. During the midyear review process, the Office of Planning and Evaluation assesses up-to-date program performance. CPSC works with its partners in a collaborative, voluntary way, and while they provide CPSC with feedback, the agency has no authority to force them to report information.	CPSC added a key characteristic for SES managers to hold them accountable for progress towards annual performance goals that states: "Meets the relevant goals outlined in the annual Performance Plan. Assures progress toward accomplishing the organization's program goals described in the Strategic Plan and annual Performance Plan. Evaluates methods and procedures and makes modifications where necessary." A tracking system is used by the agency to monitor progress. When a manager does not meet a goal, the Office of Planning and Evaluation analyzes the data and works with the manager to determine why the goal was missed, what will be done to correct the process, or determine if the goal needs to be adjusted for future plans.	11%	0.1
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	Yes	All funds are obligated in a timely manner. CPSC's funds control system reviews obligations to be consistent with the program plan. Unobligated funds remaining at the end of the year are consistently $50K or less. CPSC also has a schedule for contract obligations that align with the overall program plan.	CPSC prepares monthly reports and conducts a mid-year review that compares actual spending to program operating plans. These operating plans are based on Congressional Justifications and Appropriations.	11%	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	All of CPSC's project work in support of their strategic goals is planned and executed using measurable accomplishments such as milestones and resources. Their program progress is monitored by senior staff and by agency reviews. They also have efficiency measures for certain services to consumers and industry. For example, CPSC sets efficiency targets for Fast Track recalls, and for Clearinghouse and Hotline work. They have sought improvements in their program management through IT investments. CPSC has improved operations by improving database applications, implementing a teleworking program for agency field staff and improved information collection and dissemination capabilities through the CPSC public website.	CPSC regularly tracks efficiency performance measures for services to consumers and industry. Examples of these measures include "responding to after-hours voicemail messages the next business day"(hotline) and "providing responses to requests for information in writing within 5 business days" (Clearinghouse). CPSC also measures consumer and industry satisfaction with these services. These outcomes are documented in its performance plans and reports. In support of its programs, CPSC contracts for services on a competitive basis, including: Compliance litigation support ($200,000): Database programming services ($500,000); Data analysis services ($300,000); Consumer information services ($700,000); and various administrative service contracts ($1 million).	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
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	CPSC has a systematic way of determining/estimating the full cost of achieving specific performance levels. When CPSC cites costs by program all direct and indirect costs known to the agency are included.	This level of information is available in CPSC's annual budget submissions.	11%	0.1
6	*Does the program use strong financial management practices?*	Yes	CPSC's financial management is free of any material internal control weaknesses. They have procedures in place to ensure that payments are made properly for the intended purpose to minimize erroneous payments.	An audit on the Commission's compliance with the Prompt Payment Act was issued in 1995 by the agency's Inspector General's Office. No material weaknesses were reported in the audit. Current procedures require that payments be approved by an authorized official, audited by Finance staff and reviewed by the Certifying Officer. This process has been successful in preventing and detecting erroneous payments. Payment and obligation data are also reconciled monthly by each CPSC office. Results are reported to the Division of Financial Services for review, analysis and appropriate action as necessary.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
7	*Has the program taken meaningful steps to address its management deficiencies?*	No	CPSC systematically reviews its program management by employing a series of review activities throughout the annual operating cycle.	At the Commissioner level, program plans are reviewed and approved at the start of the year. At midyear and end-of-year, the staff must report to the Commission on program progress. At mid-year, program adjustments are made as appropriate. Weekly, the Executive Director meets with program service managers to identify any problems that have developed prior to the midyear and end-of-year reviews by the full Commission. The program managers use several tracking systems and databases to determine staff progress on meeting project and activity benchmarks approved at the start of the operating plan. Also, the Inspector General and Office of Planning and Evaluation conduct audits and evaluations of selected areas throughout the operating plan cycle. Finally, under the Federal Manager's Financial Integrity Act (FMFIA), each CPSC office conducts an annual internal review and certifies compliance in a letter to the Executive Director and the Chairman.	5%	0.0
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	To-date, CPSC has not promulgated any rules that meet the significant threshold in Executive Order 12866. In drafting mandatory regulations, however, CPSC does seek the views of affected parties through solicitation of comments in Federal Register notices and by other means. CPSC staff analyzes these comments, and where appropriate, will make recommendations for revision to the proposed regulation.	CPSC pointed out numerous examples where the views of affected parties were taken into account. CPSC highlighted two examples in particular. In November 1998, CPSC issued a rule to require child-resistant ("CR") packaging for minoxidil preparations. Comments received by the Commission in response to the proposed rule indicated that the proposed effective date of one year was too short, and that more time was necessary to incorporate a new spray applicator that would be child-resistant. After reviewing the process for commercialization of a CR finger sprayer, the Commission agreed that more than one year was needed. The Commission, therefore, allowed companies to request a stay of enforcement to provide additional time to produce CR finger sprayers and extender sprayers. With regard to the potentially significant rulemaking currently in progress on upholstered furniture, CPSC contacted and successfully solicited comments from affected parties on specific technical issues, and conducted a public hearing on one such issue. Further, CPSC staff held numerous pub	5%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
			representatives of small businesses, a wide range of other industry groups, fire safety organizations, state and foreign government agencies and consumer representatives. The CPSC staff has worked continuously with industry throughout the rulemaking to incorporate their views and technical expertise into the process.		
9 (Reg 2.) *Did the program prepare, where appropriate, a Regulatory Impact Analysis 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?*	No	CPSC does prepare a regulatory analysis for all CPSA, FFA, and FHSA rules, as required by these acts. CPSC does not, however, conduct a regulatory analysis for all of its PPPA and Congressionally mandated rules. For Congressionally mandated rules, such as the bicycle helmet rule, Congress directs CPSC not to follow the cost/benefit provisions of the CPSA. For rules under the Poison Prevention Packaging Act (PPPA), the legislation does not require cost/benefit analysis, however, it is not prohibited. Under the PPPA, there are several findings that the Commission does consider though, as required. The findings have elements related to the economics of issuing a PPPA rule. In addition to hazard information, for example, the Commission must consider the findings with respect to the following four specific questions. 1) Is the rule technically feasible, practicable, and appropriate? 2) Is the rule reasonable? 3) What are the manufacturing practices of affected industry?	CPSC is not prohibited by statute from doing cost/benefit analysis for PPPA rules. CPSC states that it is conceivable though, that if the agency denied a petition on the basis that the costs of a given PPPA rule exceeded its benefits, a reviewing court could overturn the petition denial on the grounds that they should not have used an extra-statutory basis for the denial. One example of a final rule, "Household Products Containing Hydrocarbons, Final Rule," Federal Register, October 25, 2001 showed no such analysis. The agency did, however, certify that the rule would not have a significant economic impact on a substantial number of small entities. In addition to the PPPA, the agency has issued a dozen Congressionally mandated rules since its inception. With regard to Congressionally mandated rules, where CPSC is directed to promulgate those rules, such	5%	0.0
		4) What is the nature and use of the household substance? As with all rules, the Commission would also have to consider the impact of the rule on small businesses pursuant to the Regulatory Flexibility Act.	as "Garage Door Openers" and "Bicycle Helmets", the agency is directed not to apply sections 7 and 9 of the CPSA that require cost/benefit analysis.		

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
10 (Reg 3.) *Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?*	Yes	In accordance with the annual budget, operating plan, and performance plan cycles, CPSC reviews selected mandatory and voluntary standards to assure that they are necessary and conducts annual field programs to monitor industry compliance with various regulations. In the course of those activities, if it finds evidence that supports the need to revise a specific regulation, it initiates action. In addition, the technical staff of the Commission works closely with committees that establish voluntary safety standards for the types of products subject to mandatory regulations to address potential hazards that those regulations do not cover. As part of the rulemaking process, the Office of General Counsel writes all the rules for the agency based on staff input and reviews those rules for consistency. CPSC's enforcement program proactively tests and seeks out problems with rules found in the marketplace. Based on evidence gathered from this work, rules are revised accordingly. As part of the annual budget, operating plan, and performance plan cycles, CPSC reviews selected mandatory and voluntary standards to assure that they are necessary. CPSC also reviewed all its rules in compliance with the Regulatory Flexibility Act and continues to comply with that Act. Specific regulations that require manufacturers to keep records are reviewed every three years when the Commission seeks OMB approval under the Paperwork Reduction Act to continue them.	Although rulemaking takes up less than 5% of the agency's annual budget eighteen of its regulations have been reviewed since 1996, including cribs, baby walkers, clothing textiles, cigarette lighters, and garage door openers. A detailed review of the Commission's regulation on flammability of clothing textiles, for example, showed that the procedures and test equipment specified in the standard have become outdated. This resulted in confusion by industry and other affected parties in how to apply the standard's requirements. As a result of this review, the staff sent a briefing package to the Commission that recommended the publication of an advance notice of proposed rulemaking to update the standard to reflect current technologies and consumer practices. In early September 2002, the Commission voted to issue an ANPR. The annual operating plan in CPSC's Compliance area selected approximately 5 voluntary standards to review to see if industry is complying with the voluntary standard. If deficiencies are found, the standard will be referred to CPSC staff to make recommendations for revision.	5%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
11 (Reg 4.) *In developing new regulations, are incremental societal costs and benefits compared?*	No	While regulatory analyses are conducted for all rules promulgated under the CPSA, FHSA, and FFA, CPSC does not conduct an analysis of incremental societal costs and benefits for PPPA and Congressionally mandated rules. However, under PPPA, cost/benefit is not required, although there are several findings that the Commission must consider that have elements related to the economics of issuing a rule (See Section III, question 9).	CPSC has provided examples of rules where cost-benefit analysis was conducted, specifically with regard to a rule on cigarette lighters, such as those requiring disposable cigarette lighters and multi-purpose lighters to be child resistant. Alternatives included whether to include different types of lighters such as novelty lighters and 'luxury' lighters. The decision on what types of lighters were to be included in the rule was based on a comparison of the expected cost and benefits. The analysis of incremental societal costs and benefits and alternatives are contained in the staff briefing packages to the Commission and are publicly available. Analyses such as these are not conducted however, for rules under the Poison Prevention Packaging Act (PPPA) or Congressionally mandated rules, as indicated in the response to question 9 above.	5%	0.0
12 (Reg 5.) *Did the regulatory changes to the program maximize net benefits?*	No	The statutory standard of benefits bearing a reasonable relation to costs is much less stringent than either maximizing net benefits or the Executive Order 12866 standard of benefits justifying costs. CPSC's authorizing legislation requires that the Commission make a finding that the benefits of regulatory programs bear a reasonable relation to costs. In addition, section 9(f)(3)(f) of the CPSA requires the Commission to find, as to every consumer product safety rule, that the rule imposes the least burdensome requirement that prevents or adequately reduces the risk of injury.	CPSC conducted several evaluations and reviews of regulations. For example, in 2000, CPSC staff conducted an evaluation of the child resistant cigarette lighter rule that became effective in 1994. The report concluded that the rule was effective in reducing fire losses caused by young children playing with lighters and that in 1998 alone, 100 deaths were prevented because of the lighter safety standard.	5%	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?*	Yes	When the CPSC proposes regulations, alternative methods of complying are considered. Also, record keeping, reporting, and testing cost burdens to regulated industries are proposed for comment, and the cumulative burden is estimated. Interested parties submit comments with regard to these requirements and the final rule, to the extent possible, minimizes these burdens.	An example of this is the Commission issuance of a mandatory standard for bicycle helmets in 1998. This standard requires that bicycle helmets sold in the U.S. meet certain performance criteria, including provisions for impact cushioning and retention system strength. The rule requires that manufacturers maintain test records that demonstrate that their products comply with the standard. To lessen the burden on industry, these test records may be maintained in either paper or electronic form, and the manufacturer has the flexibility to provide the records to the Commission in either electronic or paper form.	5%	0.1

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Total Section Score				**100%**	**80%**

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	Historically, CPSC has shown positive trends in its long term goals. Its head injuries goal for children under age 15 was a notable exception, however, where the number has actually risen. The goals were established in 1997. Currently, the goals do not meet the standard for ambitious. CPSC is now revising its strategic plan and setting new targets in time for sending a draft to OMB on March 1, 2003 as required. Expert staff have formed hazard teams and are reviewing the data, hazard patterns and potential projects to identify new and/or revise old strategic goals, and set attainable targets. The Commissioners will review staff recommendations and will make the final decision on the CPSC's strategic goals and targets.	Trends are documented in CPSC's Strategic Plan, performance plans and performance reports.	10%	0.0

Long-Term Goal I:	Reduce the rate of death from fire-related causes.
Target:	20% death rate reduction from 1995 to 2005.
Actual Progress achieved toward goal:	Fire related deaths are below the target of 10.3 per million set for 2005.
Long-Term Goal II:	Reduce the rate of death from electrocutions.
Target:	20% death rate reduction from 1994 to 2004.
Actual Progress achieved toward goal:	The death rate for electrocutions is lower than in previous years, however, the goal of 7.1 per 10 million by 2004 was reached in 1997.
Long-Term Goal III:	Reduce the rate of head injury to children under 15 years old.
Target:	10% reduction in the rate from 1996 to 2006.
Actual Progress achieved toward goal:	Head injury rates for children under age 15 related to a selected set of 71 products have increased since 1996 and are now higher than the rate of injury in 1990 (an almost 5 percent increase.) CPSC has been successful in reducing head injuries to children for some products (e.g., baby walkers), however, they
Long-Term Goal IV:	The rate of death from unintentional poisonings to children under 5 years old from drugs and other hazardous substances will not increase beyond 2.5
Target:	No increase above the rate of 2.5 deaths per million children (per year) from 1994 to 2006.
Actual Progress achieved toward goal:	The death rate of children under age 5 related to unintentional poisonings has been nearly level since 1994, yet they are below the target of 2.4 set for 2006.
Long-Term Goal V:	Reduce the rate of death from carbon monoxide poisoning.
Target:	20% death rate reduction from 1994 to 2004.
Actual Progress achieved toward goal:	Non-fire carbon monoxide deaths have declined only slightly since 1995, yet they are below the target of 6.9 per million set for 2004.
Long-Term Goals: Service:	Maintain success with the timeliness, usefulness of CPSC services for industry and consumer satisfaction with CPSC services.
Target:	Targets ranged from 80% to 90% for timeliness and satisfaction.
Actual Progress achieved toward goal:	CPSC met or exceeded all of its strategic goals for services.

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Does the program (including program partners) achieve its annual performance goals?*	Large Extent	CPSC's long-term performance goals are to: (1) Reduce the non-arson fire-related death rate by 10% by 2005. (2) Reduce the electrocution death rate by 20% by 2004. (3) Reduce the non auto carbon monoxide poisoning death rate by 20% by 2004. (4) Prevent any increase in the death rate to children under 5 years from unintentional poisoning by drugs and other hazardous household substances through 2006. (5) Reduce the product-related head injury rate to children by 10% by 2006.	CPSC sets multiple annual performance goals for each strategic goal for the key activities they use to reduce hazards (e.g., voluntary standards recommendations, recalls, consumer information) and for CPSC services. Since 1999, CPSC met or exceeded most of its annual goals. Note that CPSC does not have annualized hazard reduction goals because the impact of most of its activities may take years to be seen.	23%	0.2
	Key Goal I:	Pursue for recall or other corrective action products that present a substantial risk of fire-related death and injury or violate mandatory safety standards.				
	Performance Target:	505 corrective actions				
	Actual Performance:	601 corrective actions				
	Key Goal II:	Respond to requests for fire-related publications				
	Performance Target:	160,000 fire-related publications				
	Actual Performance:	259,500 publications				
	Key Goal III:	Initiate a recall within 20 days under the Fast Track Product Recall program.				
	Performance Target:	90% of the recalls.				
	Actual Performance:	95% of the recalls.				
		Footnote: Performance targets should reference the performance baseline and years, e.g. achieve a 5% increase over base of X in 2000.				
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	Yes	CPSC has increased the output of a number of agency activities while maintaining a level number of FTEs. These improvements include: (1) conducting an increased number of in-depth investigations while decreasing the time to complete them; (2) responding to an increased number of reported incidents and consumer complaints; (3) responding to an increased number of reports of potentially hazardous products by an increase in the number of recalls and (4) responding to an increased number of emails from consumers and industry.	CPSC's actual FTEs used increased by one in 2001 compared to 2000. CPSC's increased productivity is detailed as follows: (1) an increase of 9% in the number of completed in-depth investigations, from 3,465 in 2000 to 3,771 in 2001. At the same time, the percent of these investigations completed in 45 days or less increased from 84% in 2000 to 95% in 2001; (2) an increase of 40% in the number of reported incidents and consumer complaints reviewed for emerging hazards and responded to by CPSC staff, from over 8,500 in 2000 to almost 12,000 in 2001; and (3) an increase of 30% in the number of emails, from 9,400 in 2000 to 12,200 in 2001; (4) a 15% increase in the number of recalls from 246 in 2000 to 283 in 2001. Of these recalls, 72% were conducted under our Fast Track Program in 2001 compared to 61% in 2000. (CPSC adopted an alternative procedure for reports, called the Fast Track Product Recall Program, filed pursuant to Section 15(b) of the Consumer Product Safety Act (CPSA), 15 U.S.C. § 2064(b), for firms that initiate acceptable corrective action within 20 working da of their report.	23%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	N/A	While there are other regulatory agencies, such as OSHA, they do not have the same legislation or product jurisdiction as CPSC. There are also other agencies whose mission is consumer safety, such as CDC and the U.S. Fire Administration , but these agencies do not have the same authority as CPSC (e.g., they cannot investigate, regulate or work with voluntary-standards setting groups.)	CPSC developed a cross-cutting analysis in their Annual Performance Plans for those strategic goals that are similar to other federal agencies. CPSC's activities do not overlap with other agencies' activities. In the case of CDC and USFA, there are cooperative agreements in place. Through these agreements, CPSC has input into CDC and USFA programs	0%	
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	Yes	CPSC has completed a number of evaluations that are product-specific, surveys of consumers and industry, and tracking of the timeliness of services that are all linked to agency actions.	Examples of evaluations that are product-specific include baby walkers and cigarette lighters. The various evaluations completed by CPSC are publicly available and most are on CPSC's website.	23%	0.2
6 (Reg 1.)	*Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?*	Large Extent	For regulations initiated by CPSC, where cost-benefit comparisons are conducted, the benefits to health and safety outweighed the incremental costs. The incremental societal costs of compliance over baseline costs increased less than the benefits of reduced deaths and injuries as a result of program changes.	Regulatory analyses for CPSC regulations predicted that benefits exceeded costs and that the regulation chosen increased net benefits compared to the alternative actions. Furthermore, follow up evaluations of several rules such as the requirements for child resistant closures, power mower blade stop, and child resistant disposable cigarette lighters supported the findings of the regulatory analyses.	23%	0.2
Total Section Score					**100%**	**75%**

PART Performance Measurements

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not
80%	30%	70%	7%	Demonstrated

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

Explanation: ONDCP's authorizing statute directs the Counter'Drug Technology Assessment Center (CTAC) to serve 'as the central counter'drug technology research and development organization of the United States Government.' The statute also specifies the following six specific responsibilities of CTAC: identify and define the short-, medium-, and long-term scientific and technological needs of Federal, State, and local drug supply reduction agencies; identify demand reduction basic and applied research needs and initiatives; in consultation with affected National Drug Control agencies, prioritize the needs identified according to fiscal and technological feasibility; oversee and coordinate counter drug technology initiatives with related activities of other Federal civilian and military departments; provide support to the development of the national drug control performance measurement system; and submit requests to Congress for the reprogramming or transfer of funds appropriated for counter drug technology research. Grant authority appears to be derived from annual appropriations acts.

Evidence: Authorizing Statute (21USC1703); various annual appropriations acts.

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

Explanation: In FY 2004 more than ten Federal drug control agencies requested $1B for drug-related research, the overwhelming majority of which was for demand reduction research. The potential for overlap, inadequate coordination, and missed opportunities is substantial. CTAC's responsibility is to attempt to alleviate these potential problems.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

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: ONDCP/CTAC's R&D responsibilities do not excessively overlap with other Federal programs. The responsibility for coordinating Federal counter'drug technology research and development is CTAC's alone. The R&D funding that it provides is less than 2% of Federal funds for drug control research. In recent years, the majority of that funding has been used to provide neuroimaging technologies to research centers that support the efforts of NIDA-funded research teams to further the knowledge related to substance abuse and addiction.

Evidence: Authorizing Statute (21USC1703); CTAC Research and Development Blueprint Update, 2003 (ONDCP)

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 CTAC R&D program is free from major design flaws and there is no evidence that another approach to coordinating Federal drug control research would produce better results.

Evidence: Authorizing Statute (21USC1703)

PART Performance Measurements

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not
80%	30%	70%	7%	Demonstrated

1.5 **Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?** Answer: NO Question Weight 20%

Explanation: ONDCP does not prioritize R&D proposals submitted to CTAC by Federal agencies. Annual meetings of the Interagency Working Group for Technology (IAWG-T), which is comprised of representatives from each of the Federal drug control agencies, is reported to be the established mechanism for meeting this responsibility. At those meetings, participating agencies propose research and development projects to meet their needs. Those proposals that have multi-agency support are included in a Broad Agency Announcement (BAA), which requests proposals for all the R&D needs identified by the IAWG-T members. However, there is no evidence from the program documents that the needs identified by the IAWG-T are prioritized by ONDCP/CTAC. Responses to the BAAs are reviewed by agency staff and other experts to determine whether they are possible within the resources available and other experts and to assess the technical merits of the proposal.

Evidence: CTAC Research and Development Blueprint Update, 2003 (ONDCP); discussions with ONDCP/CTAC staff.

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: CTAC has recently established long-term performance measures that reflect the two goals of the R&D program: improving the quality of drug abuse and drug addiction research and improving the quality of drug-related criminal investigations. Although the measures are output measures, they are appropriate for R&D programs due to the often very long-term and indirect effects of funded research.

Evidence: ONDCP FY 2005 Performance Plan and discussions with ONDCP/CTAC staff.

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight 10%

Explanation: CTAC does not currently have specific targets and timeframes in place for its R&D grant component. However, targets and timeframes are under development.

Evidence: ONDCP FY 2005 Performance Plan and discussions with ONDCP/CTAC staff.

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: CTAC has recently established annual measures that reflect the two goals of the R&D program: improving the quality of drug abuse and drug addiction research and improving the quality of drug-related criminal investigations.

Evidence: ONDCP FY 2005 Performance Plan and discussions with ONDCP/CTAC staff.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight 10%

Explanation: CTAC does not currently have baselines and targets in place for all of its R&D annual measures. However, targets and timeframes are under development.

Evidence: ONDCP FY 2005 Performance Plan and discussions with ONDCP/CTAC staff.

PART Performance Measurements

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not
80%	30%	70%	7%	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: 10%

Explanation: CTAC long-term and annual goals have been established very recently and CTAC does not currently have procedures in place to require grantees to commit those goals. CTAC is developing those procedures at this time.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan)

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: 10%

Explanation: There has not been an independent evaluation of CTAC's responsibilities other than the 1998 GAO report.

Evidence: "Drug Control: Planned actions Should Clarify Counterdrug Technology Assessment Center's Impact," GAO (February 1998)

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: ONDCP has not provided budget requests that make clear the impact of funding, policy, or legislative decisions on expected performance and explains why the requested performance/resource mix is appropriate. This is largely due to the absence of adequate program performance measures in past years.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight: 10%

Explanation: CTAC has established acceptable long-term and annual performance measures, is developing baselines, targets, and timeframes for those measures, and has committed to improving program descriptions and documentation made available to the public.

Evidence: Discussions with ONDCP staff.

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: Question Weight: 0%

Explanation:

Evidence:

PART Performance Measurements

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not
80%	30%	70%	7%	Demonstrated

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: NO Question Weight 10%

Explanation: No comparisons with other programs appear to have been made. Information provided by CTAC only describes other programs and offers no assessments of their relative benefits.

Evidence: Information provided by CTAC on other agency programs is found in Appendix C of the CTAC Research and Development Blueprint Update, 2003 (ONDCP) .

2.RD2 **Does the program use a prioritization process to guide budget requests and funding decisions?** Answer: NO Question Weight 10%

Explanation: As indicated in response to question 1.5 above, ONDCP does not prioritize R&D proposals submitted to CTAC by Federal agencies.

Evidence: CTAC Research and Development Blueprint Update, 2003 (ONDCP); discussions with ONDCP/CTAC staff.

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: ONDCP/CTAC holds monthly and quarterly meetings with technical and contracting agents to review progress and plans for funded projects. Although these meetings do not review true outcome information, the R&D programs are assessed on the use of process measures.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan)

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 10%

Explanation: CTAC contracting technical agents have full authority to terminate any project for cost, schedule or performance reasons and that it has periodically recalled funds from an agent for cost, schedule or performance reasons pending resolution of identified issues. However, ONDCP has not incorporated performance measures into the performance standards for CTAC staff.

Evidence: The assessment is based on discussions with the agency and program manager vacancy announcements.

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

Explanation: CTAC uses interagency agreements to transfer appropriated funds to its technical and contracting agents. These agreements are prepared in advance of apportionment so that funding may be transferred as soon as it becomes available. There have been no negative findings from audits or other financial reviews.

Evidence: Treasury reports on obligations.

PART Performance Measurements

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not
80%	30%	70%	7%	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 10%

Explanation: Currently, CTAC does not have any efficiency measures and targets, such as per-unit cost of outputs, timing targets, program overhead costs, average times to fund competitive awards, or other indicators of efficient and productive processes germane to the program.

Evidence: Discussions with ONDCP staff.

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

Explanation: CTAC participates in periodic reviews, meetings, and other forums sponsored by agencies with related programs. CTAC uses these meetings to identify research needs and issues BAAs seeking proposals to address those needs.

Evidence: Discussions with ONDCP staff.

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

Explanation: CTAC's Technical and Contracting agents, are audited by the Defense Contract Audit Agency. No material internal control weaknesses, reports of erroneous payments, or the failure of financial management systems to meet statutory requirements have been identified.

Evidence: Army Audit Agency (AAA) audits, per ONDCP Financial Management Staff.

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

Explanation: CTAC has committed to improving program descriptions and documentation made available to the public.

Evidence: Discussions with ONDCP staff.

3.CA1 **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

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

Explanation: CTAC's technical and contracting agents use competitive procurement procedures (Broad Agency Announcements, Sources Sought and RFPs) to contract for R&D efforts. Each proposal is evaluated by government subject matter experts and awards are based on best overall value to the government.

Evidence: Review of CTAC Broad Agency Announcements (BAA), discussions with ONDCP staff.

PART Performance Measurements

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not
80%	30%	70%	7%	Demonstrated

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

Explanation: CTAC holds monthly meetings with technical and contracting agents to report on overall progress. In accordance with CTAC's requirements, these agents hold quarterly program reviews for each project.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

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: Development program. However, the measures were just recently established and there are no performance data available. Previous performance measures were reported annually in the CTAC "Blueprint." However, that information was very limited.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

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: NA Question Weight: 0%

Explanation: The CTAC R&D program is a competitive grant program.

Evidence: Discussions with ONDCP staff, program documents.

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

Explanation: CTAC has recently established adequate long-term performance measures but has not yet developed the targets and time frames for those measures.

Evidence: Discussions with ONDCP staff.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight 20%

Explanation: CTAC has recently established adequate annual measures performance measures but has not yet developed the targets and time frames for those measures.

Evidence: Discussions with ONDCP staff.

PART Performance Measurements

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not
80%	30%	70%	7%	Demonstrated

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

Explanation: No evidence of any efficiency measures and targets, such as per-unit cost of outputs, timing targets, program overhead costs, average times to fund competitive awards, or other indicators of efficient and productive processes germane to the program.

Evidence: Discussions with ONDCP staff.

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 has been no comparison of CTAC's R&D program to similar programs run by other agencies.

Evidence: Discussions with ONDCP staff.

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

Explanation: There has been no independent evaluation of CTAC's responsibilities other than the 1998 GAO report.

Evidence: Discussions with ONDCP staff.

4.CA1	**Were program goals achieved within budgeted costs and established schedules?**	Answer:	Question Weight: 0%

Explanation:

Evidence:

PART Performance Measurements

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not
80%	30%	70%	7%	Demonstrated

Measure: Number of peer-reviewed publications based on CTAC-funded research.

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2003	Define Goal		
2004	Establish Targets		

Measure: New research institutions equipped within budget and on-time.

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2003	Define Goal		
2004	Establish Targets		

Measure: Percentage of systems developed by CTAC that are purchased by Federal LEAs, thereby validating the project as useful to and supported by client agencies.

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2003	Define Goal		
2004	Establish Targets		

Measure: Percentage of CTAC supply-reduction R&D funding allocated to agency-identified projects.

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2003	Define Goal		

PART Performance Measurements

Program: CTAC Counterdrug Research & Development
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Research and Development

Section Scores				Rating
1	2	3	4	Results Not
80%	30%	70%	7%	Demonstrated

2004	Establish Targets

PART Performance Measurements

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	60%	11%	Demonstrated

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

Explanation: The general purpose of ONDCP's CTAC Technology Transfer Program is to provide technologies directly to state and local law enforcement agencies (LEAs). However, the lack of authorizing language clearly describing the purpose of the program resulted in varied definitions of the program purpose. ONDCP has developed a mission statement for the Technology Transfer Program that establishes the purpose of the program as "transferring technologies to state and local law enforcement agencies that may otherwise be unable to benefit from the developments due to limited budgets or a lack of technological expertise to expand the investigative capabilities of state and local law enforcement.

Evidence: ONDCP FY 2004 Congressional Budget Submission/Performance Plan; CTAC Research and Development Blueprint Update, 2003; and various annual appropriations acts.

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

Explanation: Salaries and general overhead constitute the largest share of State and local law enforcement agency (LEA) budgets and leave relatively little for the purchase of drug-crime fighting technologies. In addition, local political considerations often make it difficult for local law enforcement officials to purchase needed technology rather than hiring additional officers. CTAC funds the development, testing, and distribution of effective investigative technology to help supplement LEA budgets.

Evidence: Historically, surveys and censuses of local law enforcement agency budgets by the Bureau of Justice Statistics (BJS) have found that approximately 85 percent of the typical agency's budget is allocated to salaries and other general overhead expenses, leaving little funding available to procure technologies to expand investigative capabilities. According to BJS staff, recent surveys haven't been asking for that data because there was relatively little variation in the responses received.

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: There are other Federal programs that either directly transfer technology to State and local law enforcement agencies or provide funds to purchase equipment, but those programs are sufficiently distinct from the TTP that there is no substantial overlap. For example, the $190M Law Enforcement Technology Program, part of the Justice Department's Community Oriented Policing Services (COPS) program, provides funding for law enforcement technology. However, these grants are typically used for administrative equipment rather than investigative equipment and are intended to move officers from paperwork to spending more time on the street. For example, an August 2000 NIJ study indicated that 79 percent of COPS technology grant recipient agencies used funds for the purchase of mobile computers. In addition, unlike many State and local assistance grant programs, the appropriation for the TTP has not been earmarked by the Congress for specific grantees.

Evidence: "National Evaluation of the COPS Program Title I of the 1994 Crime Act," National Institute of Justice. Discussions with ONDCP staff.

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: There is no clear evidence that another approach or mechanism would be a more efficient/effective mechanism to transfer investigative technology to state and local law enforcement agencies.

Evidence:

PART Performance Measurements

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	60%	11%	Demonstrated

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: NO Question Weight 20%

Explanation: The lack of authorizing language has caused ambiguity concerning purpose and intended beneficiaries of the program. As a result, ONDCP has operated the program essentially on a first-come, first-served basis. ONDCP has begun to developing procedures to target its resources more effectively, including devising a means to improve the ability to distinguish the relative merits of the requests received.

Evidence: ONDCP FY 2004 Congressional Budget Submission/Performance Plan and CTAC Research and Development Blueprint Update, 2003.

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: ONDCP has established a new long-term performance measure for the technology transfer program - - the percentage of recipient agencies that report improvement relative to officer safety, investigative capability, and investigative effectiveness from use of CTAC sponsored equipment and training.

Evidence: ONDCP FY 2004 Congressional Budget Submission/Performance Plan; CTAC Research and Development Blueprint Update, 2003; and discussions with ONDCP staff.

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

Explanation: This is a new target, and ONDCP has not established a baseline due to lack of relevant information. Baselines will be established following a review of data collected from TTP recipients during FYs 2003 and 2004.

Evidence: ONDCP FY 2004 Congressional Budget Submission/Performance Plan; CTAC Research and Development Blueprint Update, 2003; and discussions with ONDCP staff.

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: ONDCP has established new annual performance measures for the technology transfer program. These measures include: Maintain administrative expenses at less than 10 percent of total program funds expended; provide 95% of TTP recipients with equipment they report has provided a technological solution to an investigative requirement; and provide 95% of TTP recipients with training in use of the TTP equipment they report was adequate based on experience using the equipment in the field.

Evidence: ONDCP FY 2004 Congressional Budget Submission/Performance Plan; CTAC Research and Development Blueprint Update, 2003; and discussions with ONDCP staff.

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

Explanation: This is a new target, and ONDCP has not established a baseline due to lack of relevant information. Baselines will be established following a review of data collected from TTP recipients during FYs 2003 and 2004.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

PART Performance Measurements

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	60%	11%	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: ONDCP has just recently developed adequate long-term and annual measures for the TTP and there has not been sufficient time for CTAC partners to review and commit to the goals. Previously, ONDCP did not have adequate measures for the CTAC program. Consequently, the program must receive a "no" answer for this question.

Evidence: See above.

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: There has not been an independent evaluation of CTAC's TTP.

Evidence: Discussions with ONDCP staff.

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: ONDCP has not provided budget requests that make clear the impact of funding, policy, or legislative decisions on expected performance and explain why the requested performance/resource mix is appropriate. This is largely due to the absence of adequate program performance measures in past years.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan)

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

Explanation: ONDCP staff have begun to define a limited number of specific, ambitious long-term performance goals and a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals. ONDCP staff have also committed to improving the information that the TTP collects and using that information to review program performance.

Evidence: Discussion with ONDCP staff.

PART Performance Measurements

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	60%	11%	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: NO Question Weight 10%

Explanation: Until the Summer of 2003, ONDCP did not have meaningful, ambitious performance targets for the CTAC TTP and has relied on survey responses from TTP recipients as a gauge of the program's performance. The measures generally reflect only 'customer satisfaction,' are limited in both number and scope, and rely exclusively on unverified self-reported responses from TTP recipients. There is no indication these data have been used to improve program performance. ONDCP has agreed to improve the management measures and to collect and analyze them on a regular basis in the future.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

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 10%

Explanation: ONDCP procedures governing the distribution of CTAC funds includes a broad description of services to be provided by the entities that serve as CTAC agents, including: special instructions placing restrictions on funds to be spent for travel and administrative support; details on reporting requirements; a termination clause; and a requirement that the agent adhere to DOD regulations for program and financial management. However, performance standards for ONDCP managers who are responsible for achieving key TTP program results have not been established.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

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

Explanation: CTAC uses interagency agreements to transfer appropriated funds to its technical and contracting agents. These agreements are prepared in advance of apportionment so that funding may be transferred as soon as it becomes available. There have been no negative findings from audits or other financial reviews.

Evidence: Treasury reports on obligations.

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: ONDCP established efficiency measures and targets for the TTP in Summer of 2003. That measure requires ONDCP to keep administrative costs to less than 10% of program expenditures.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan)

PART Performance Measurements

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	60%	11%	Demonstrated

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

Explanation: CTAC staff participate in organizations established by LEAs such as the TPC (Technology Policy Council) chaired by the National Institute of Justice and technology committees of the IACP (International Association of Chiefs of Police) and NSA (National Sheriff's Association). CTAC also attends Advanced Planning Briefings to Industry such as those held by TSWG (Technical Support Working Group - DOD). These meetings enable ONDCP to identify technologies desired by law enforcement.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

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

Explanation: CTAC's Technical and Contracting agents, as members of the Department of Defense use DOD financial management practices. No material internal control weaknesses, reports of erroneous payments, or the failure of financial management systems to meet statutory requirements have been identified.

Evidence: Army Audit Agency (AAA) audits, per ONDCP Financial Management Staff.

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

Explanation: ONDCP staff have begun to define a limited number of specific, annual performance goals and measures. ONDCP staff have also committed to reviewing and revising where necessary the information that the TTP collects to determine program performance.

Evidence: Discussions with ONDCP staff.

3.CO1 Are grants awarded based on a clear competitive process that includes a qualified assessment of merit? Answer: NO Question Weight 10%

Explanation: ONDCP operates an aggressive outreach program for the TTP and applications to the program are reviewed on a first-come, first-served basis. ONDCP requires that each request be reviewed by one of ten active-duty law enforcement officers. These reviewers provide their expert judgment as to whether: the technologies requested will improve the operational capabilities of the requesting department or organization; the organization has the requisite infrastructure to integrate the technology into its daily operations; and the equipment is too complex for the organization. However, because the requests for assistance have exceeded the available funding, many LEAs cannot be given the equipment requested. ONDCP is working to establish adequate criteria to weigh the relative merit of applications.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

PART Performance Measurements

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	60%	11%	Demonstrated

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

Explanation: ONDCP contracts with five former-senior law-enforcement officials to follow-up with recipient agencies. ONDCP also requires recipients to complete an "evaluation" 90-, 180-, and 270-days after receiving the technology. The 90-, 180-, and 270-day evaluation forms request specific objective and quantifiable data regarding results achieved with use of TTP equipment. Agencies also provide information on the number of cases in which TTP equipment was employed and details of specific operational experience with the technology. ONDCP is also developing more relevant post-award data collection to improve its knowledge of grantee activities.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

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: A series of evaluation forms are collected from recipient agencies but they are not regularly analyzed and are not made available to public in an accessible manner, such as via a web site or widely available program reports. The lack of public access to such data, and other CTAC information, has been a consistent problem with the CTAC programs. ONDCP has committed to improving all forms of CTAC communication with the public.

Evidence: ONDCP FY 2004 Congressional Budget Submission (includes Performance Plan); CTAC Research and Development Blueprint Update, 2003 (ONDCP) ; discussions with ONDCP staff.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight 33%

Explanation: ONDCP has established a new long-term performance measure for the technology transfer program. However, the measure was just recently established and there are performance data available.

Evidence: See question 2.1

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight 33%

Explanation: ONDCP has established a new annual performance measure for the technology transfer program. However, the measure was just recently established and there are performance data available.

Evidence: See question 2.3

PART Performance Measurements

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	60%	11%	Demonstrated

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

Answer: NA Question Weight: 0%

Explanation: The CTAC TTP program has an established history of using approximately 90% of funding for equipment and training and only small amounts, generally about 10%, being required for administrative costs. Expecting further improvements beyond this level may be unrealistic.

Evidence: National Drug Control Strategy Counterdrug R&D Blueprint Update, February 2003, (p. 10; "Effectiveness and Interest in 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: NA Question Weight: 0%

Explanation: As stated in response to question 1.3, other Federal programs that either directly transfer technology to State and local law enforcement agencies are sufficiently different from the TTP program that no explicit comparison can be made. In addition, unlike many State and local assistance grant programs, the appropriation for the TTP has not been earmarked by the Congress for specific grantees.

Evidence: See questions 2.1 and 2.3

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

Answer: NO Question Weight33%

Explanation: There has been no independent evaluation of CTAC's TTP.

Evidence:

PART Performance Measurements

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	60%	11%	Demonstrated

Measure: Percentage of agencies that report improved officer safety, investigative capability, and investigative effectiveness due to technologies received from the TTP. (Under development.)

Additional Information:

Year	Target	Actual
2003	Establish Targets	Done
2004	95%	
2005	95%	
2006	95%	
2007	95%	

Measure Term: Long-term

Measure: Administrative costs as a percent of total program funds expended.

Additional Information:

Year	Target	Actual
2003	Establish Targets	
2004	10%	
2005	10%	
2006	10%	
2007	10%	

Measure Term: Long-term (Efficiency Measure)

PART Performance Measurements

Program: CTAC Technology Transfer Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	60%	11%	Demonstrated

Measure: Percentage of TTP recipients that report TTP equipment has provided a technological solution to an investigative requirement.

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2003	Establish Targets		
2004	95%		
2005	95%		
2006	95%		
2007	95%		

Measure: Percentage of TTP recipients who report that the training received for use of the TTP equipment was adequate based on experience using the equipment in the field.

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2003	Establish Targets		
2004	95%		
2005	95%		
2006	95%		
2007	95%		

PART Performance Measurements

Program: Delta Regional Authority
Agency: Delta Regional Authority
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	38%	50%	13%	Demonstrated

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

Explanation: The Delta Regional Authority (DRA) is a federal-state partnership serving a 240-county/parish area in an eight-state region. Led by a Federal Co-Chairman and the governors of each participating state, the DRA is designed to remedy severe and chronic economic distress by stimulating economic development and fostering partnerships that will have a positive impact on the region's economy. The DRA will help economically distressed communities to leverage other federal and state programs which are focused on basic infrastructure development and transportation improvements, business development, and job training services. Under federal law, at least 75 percent of funds must be invested in distressed counties and parishes and pockets of poverty, with 50 percent of the funds earmarked for transportation and basic infrastructure improvements.

Evidence: Conference Report on H.R. 4577 (P.L. 106-554); available at http://www.dra.gov/enablinglegislation.php

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

Explanation: DRA targets distressed counties, defined in statute as "the most severely and persistently distressed and underdeveloped [with] high rates of poverty or unemployment." Of the 240 counties in the region, 227 are distressed. DRA must spend at least 75% of its federally-appropriated funds in economically distressed counties, parishes, and areas.

Evidence: GIS income and earnings maps at http://www.dra.gov/regionaldata.php

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: 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. While the Delta Regional Authority focuses on economic development in the Delta, there are a number of other federal programs that address the same needs and provide the same types of assistance including EDA, USDA, and HUD. The Federal government invests approximately $17 billion each year in community and economic development in distressed communities through approximately 30 grant and loan programs and tax incentives across 11 agencies. While the Delta Regional Authority provides a unique regional coordination role, federal economic and community development programs are largely uncoordinated, loosely targeted and not focused on results.

Evidence: Other relevant Federal programs include the Economic Development Administration within the Department of Commerce, the Rural Utilities Service with the Department of Agriculture, and the Community Development Block Grants program at the Department of Housing and Urban Development, among others.

PART Performance Measurements

Program: Delta Regional Authority
Agency: Delta Regional Authority
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	38%	50%	13%	Demonstrated

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: DRA's current voting structure expires at the end of 2004. Currently, the federal co-chair has 1/2 vote with the rest of the eight states collectively given the remaining 1/2 vote. This structure gives the federal co-chair ultimate veto authroity and accountability over DRA funds. However, with the end of this structure the federal co-chair will only be given one vote out of a total of nine, thus leaving to question the federal government's authority over the adminstration of federal grant dollars. While the collaborative partnership model between the federal government and the states is the strength of the DRA, a better approach is that taken by the Appalachian Regional Commission.

Evidence: DRA establishing legislation.The Applachian Regional Commission's federal co-chair has ultimate veto authority over ARC grant funds.

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: At least 75 percent of the appropriations go to distressed counties, per the authorizing legislation. 96 percent of grants in FY02 went to distressed counties and isolated areas of distress, as did 94 percent in FY03.

Evidence: Conference Report on H.R. 4577 (P.L. 106-554); available at http://www.dra.gov/enablinglegislation.php

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: See attached measures table. The Delta Region has been targeted for economic development resources in order to increase the region's self-sufficiency. These three outcome measures are proxies for that level of self-sufficiency: (1) increase per capita income within DRA region to equal or exceed that of the eight states that comprise the region by 2025.(2) decrease levels of unemployment and underemployment within the DRA region to that of the eight statses by 2025.(3) decrease dependency on federal support and transfer payments to a level similar to the entire eight states by 2025.However, one important long-term measure is missing -- jobs created as a result of DRA investments. DRA and OMB should work together to establish a meaningful measure for jobs created as DRA currently collects such information from grantees.

Evidence: 2004 Delta Regional Authority Comprehensive Action Plan

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

Explanation: DRA has set up ambitious targets in five-year increments. NOTE: The targets are relative to what is predicted to happen in the eight states as a whole, and the aim is to get the DRA region equal to the eight-state region. Thus, for example, the unemployment rate in the eight states over time is expected to increase, so the DRA unemployment targets also allow for an increase.

Evidence: 2004 Delta Regional Authority Comprehensive Action Plan

PART Performance Measurements

Program: Delta Regional Authority
Agency: Delta Regional Authority
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	38%	50%	13%	Demonstrated

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 13%

Explanation: DRA does not have annual performance measures to achieve its long-term goals; rather, it uses five-year goals to define progress toward achieving long-term goals. According to PART guidance, a yes requires "annual performance measures that are discrete, quantifiable, and measurable." DRA and OMB should work together to establish annual goals necessary to achieve the five-year targets outlined in 2.2. For example, DRA collects grantee information on such outputs/outcomes as number of jobs created or retained and number of people trained.

Evidence: 2004 Delta Regional Authority Comprehensive Action PlanDRA FY2003 Federal Grant Program Performance Projections

2.4 Does the program have baselines and ambitious targets for its annual measures?

Answer: NO Question Weight 13%

Explanation: If a program receives a no on 2.3, it must receive a no on 2.4.

Evidence:

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: DRA conducts a pre-screening process through the Local Development Districts (LDDs) , in which applicants must state the DRA goal that the project furthers. Once a pre-application package is deemed eligible by DRA, it is submitted to the states for their review and nomination. States are required to submit state plans to DRA and projects that are nominated by states for DRA federal funding must align with DRA and state priorities. Once projects are nominated by individual states they are voted upon by DRA's board (eight state representatives and one federal co-chair). Applications include the number of jobs anticipated to be created or retained as result of DRA funding assistance, and grantees must submit performance information to DRA that includes information on the population served and the jobs created or retained or the number of people trained.

Evidence: Establishing legislation, pre-application package information available at http://www.dra.gov/2004preapplicationpackage.php, DRA state plans, available at http://www.dra.gov/drastateplans.php

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 13%

Explanation: There has not been an independent evaluation that meets the quality, scope and independence standards and which evaluates program impact, relevance or effectiveness. However, this is largely due to the fact that DRA has only recently established a federal grant program. Financial audits, however, are conducted.

Evidence:

PART Performance Measurements

Program: Delta Regional Authority
Agency: Delta Regional Authority
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	38%	50%	13%	Demonstrated

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 13%

Explanation: Budget requests are not aligned with long-term goals and are not linked to the accomplishment of annual goals.

Evidence:

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: NO Question Weight 13%

Explanation: To date, DRA has not taken any substantive action on improving strategic planning. The President's Budget for FY 2005 recommended a shift in emphasis from grantmaking to multi-state planning and coordination or regional investments from other public and private institutions. As such, DRA will be working to align its budget request with grant and coordinatioin activities and the long-term goals of the DRA.

Evidence:

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: DRA tracks families affected, jobs created, jobs retained, and people trained for the projects it funds.

Evidence: 2003 grant summary report.

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 10%

Explanation: Although DRA monitors projects and tracks performance, grantees and program managers are not held accountable for cost, schedule and performance results.

Evidence:

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

Explanation: The Director of Finance and Administration handles all approvals for payment of Federal funds. Each request for disbursement is checked for accuracy and follows a payment protocol in which the Federal Co-Chair, Director of Finance and Administration, and Executive Director all review requests for payment/invoices for accuracy and authorenticity.

Evidence: Smith, Turner & Reeves study on financial reporting procedures of the Delta Regional Authority.

PART Performance Measurements

Program: Delta Regional Authority
Agency: Delta Regional Authority
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	38%	50%	13%	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 10%

Explanation: DRA has not put in place efficiency measures and targets; it does not have regular procedures in place to measure and achieve efficiencies and cost effectiveness. DRA maintains that it is a very efficient organization, and by statute it must limit overhead to 5% (lifted in FY 04); however,because it does not have procedures to measure and achieve efficiencies, it must receive a no for this question. Examples of procedures DRA could undertake include tracking per unit costs and grant processing times.

Evidence: DRA establishing legislation.

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

Explanation: DRA regularly coordinates with other Federal agencies, such as USDA HUD, and EDA. DRA by its nature is a coordinating body, and it works closely with states and local development districts to coordinate funding.

Evidence: Memorada of agreement between the Federal co-chair of DRA and the Under Secretary of Rural Development of USDA, and between DRA and the local development districts. State plans, available at available at http://www.dra.gov/drastateplans.php

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

Explanation: Study by private CPA firm overall gave DRA's financial management practices a clean bill of health. Grants administration is DRA's primary focus; grants are carefully documented, and many are administered by USDA. DRA is working to implement a system to monitor the administering entity. In addition, DRA uses GSA's Administration Finance Center and Liaison Division to assist in accounting and financial management practices.

Evidence: Smith, Turner & Reeves study on financial reporting procedures of the Delta Regional Authority.

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

Explanation: DRA has hired two project coordinators to provide strengthened grant oversight, although at this time it is unclear what concrete actions have been taken to improve oversight (see answer to question 3.CO.2). In addition, DRA has also taken steps to strengthen capacities to serve as a regional coordinator of other public and private funding. For example, DRA will be hosting its first annual conference around a number of themes, such as improving access to health care, to educate and increase collaboration among stakeholders.

Evidence:

PART Performance Measurements

Program: Delta Regional Authority
Agency: Delta Regional Authority
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	38%	50%	13%	Demonstrated

3.CO1 **Are grants awarded based on a clear competitive process that includes a qualified assessment of merit?** Answer: NO Question Weight 10%

Explanation: The DRA statutue sets the priorities for funding, but a competitive evaluation process of all grant applications does not occur. Rather, DRA decides whether projects are qualified and then forwards the applications to the eight State governers to select the projects. It is unclear what kind of a ranking system the states use to select projects. The Federal Co-Chair does have veto authority over projects, but this authority ends after December 31, 2004.

Evidence: Conference Report on H.R. 4577 (P.L. 106-554); available at http://www.dra.gov/enablinglegislation.php

3.CO2 **Does the program have oversight practices that provide sufficient knowledge of grantee activities?** Answer: NO Question Weight 10%

Explanation: DRA has hired two project coordinators, and each is responsible for four states in the region. However, DRA has yet to explain the specific steps these coordinators take to ensure proper oversight of grantee activities. Other economic development agencies, such as the Economic Development Administration and the Appalachian Regional Commission, confirm numbers reported by grantees, perform audits on a random sample of grantees, and provide technical assistance to grantees in order to provide oversight and guidance.

Evidence:

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: DRA does not provide the public with annual perforamance data. However, as seen on 3.1, DRA does collect this information, and it should make it available to the public through its website. (For projects that take more than a year to complete, it should provide interim numbers.)

Evidence:

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

Explanation: Performance data on long-term measures is not yet available.

Evidence:

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

Explanation: The Delta Regional Authority has not established any annual performance measures.

Evidence:

PART Performance Measurements

Program: Delta Regional Authority
Agency: Delta Regional Authority
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
60%	38%	50%	13%	

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

Answer: SMALL EXTENT

Question Weight 20%

Explanation: DRA does not quantify its efficiency (through efficiency measures).

Evidence:

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: No evaluations have been conducted comparing the performance of DRA with other regional development agencies, such as ARC and the Denali Commission. However, the Commission has established ambitous long-term meausres that address the purpose of the program. Funds are also well targeted to areas of distress. However, DRA has not yet established annual performance measures to assess progress in achieving long-term goals and there are no evaluations to date that assess the program's effectiveness.

Evidence: PART assessments for EDA, ARC, Delta Regional Authority, CBDGStrategic Plans for HUD, EDA, ARC

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

Answer: NO

Question Weight 20%

Explanation: As a relatively young entity, no evaluations that are sufficient in quality or scope have been conducted.

Evidence:

PART Performance Measurements

Program: Delta Regional Authority
Agency: Delta Regional Authority
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	38%	50%	13%	Demonstrated

Measure: Median per capita income level in all 8 states

Additional Information: Increasing income levels is a proxy for the self-sufficiency of the region.

Year	Target	Actual	**Measure Term:** Long-term
2000	Baseline	$22,728	
2005	$26,220		
2010	$30,249		

Measure: Average unemployment rate in all eight states

Additional Information: Increasing employability is a proxy for the self-sufficiency of the region

Year	Target	Actual	**Measure Term:** Long-term
2000	Baseline	5.5%	
2005	5.6%		
2010	4.9%		
2025	5.0%		

Measure: Obtain parity in Per Capital transfer payments between the eight states that comprise the DRA and teh DRA. 2000 Per Capita Transfer Payments for the eight states that comprise the DRA is $3,878 and is $4,190 for the DRA.

Additional Information: Transfer payments are a proxy for the self-sufficiency of the region.

Year	Target	Actual	**Measure Term:** Long-term
2000	Baseline	$3,878	
2005	$4,515		
2010	$4,774		

PART Performance Measurements

Program: Delta Regional Authority
Agency: Delta Regional Authority
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
60%	38%	50%	13%	Demonstrated

2025	$6,764

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

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

Explanation: The Denali Commission's mission is to: (1) deliver the services of the Federal Government in the most cost effective manner practicable by reducing administrative and overhead costs, (2) provide job training and other economic development services in rural communities, particularly distressed communities (many of which have a rate of unemployment that exceeds 50 percent), and (3) promote rural development, provide power generation and transmission facilities, modern communications systems, water and sewer systems and other infrastructure needs.The Denali Commission partners with tribal, federal, state, and local governments and collaborates with Alaskans to improve the effectiveness and efficiency of government services, to develop a well-trained labor force employed in a diversified and sustainable economy, and to build and ensure the operation and maintenance of Alaska's basic infrastructure.

Evidence: Denali Commission establishing legislation, available at http://www.denali.gov/Legislation.cfm?Section=DC_Act and "purpose" section of Denali Commission website, http://www.denali.gov/Legislation.cfm?Section=DC_Purpose.

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

Explanation: Specific issues and needs addressed by the Denali Commision include:(1)Lack of a well-trained labor force in rural Alaska. In 2002 over 70% of residents in 54 rural Alaska communities were unemployed and over 70% of residents in 128 rural Alaska communities made less than minimum wage of $14,872. (2)Lack of diversified economy in rural Alaska communities. Twenty-seven percent of rural Alaska households are below the poverty line. Jobs are also much harder to come by in remote rural areas, yet 42 percent of the Native Alaskan population lives in remote areas. (3) Insufficient public infrastructure in rural Alaska communities impacts the quality of life of Alaskans and hinders economic development opportunities. Alaska's infrastructure needs have been estimated at $13 billion. Specifically, primary health care facility needs are estimated at approximately $145 million, which takes into consideration the physical condition of clinics and the isolation of communities from primary health care facilities. New hospital needs are estimated at $322 million. (4) Government Services are not efficiently delivered to rural Alaska communities. The Denali Commission works to systematize planning and coordination on a local, regional and statewide basis to achieve the most effective results from investments in infrastructure, economic development, and training.

Evidence: Memorandum of Understanding page 2 section B states the recognition by all state and federal agencies that planning and coordination will achieve effective resultsThe Denali Commission Distressed Community Criteria 2004 Update compiled by the State of Alaska Department of Labor and Workforce Development shows unemployment and earnings for rural Alaska communitiesStatus of Alaska Natives Report: 2004 Volume 1 page 13 shows the 2000 Census Poverty statistics for Rural AlaskaDenali Commission Strategic Plan Appendix A page 20-26 provides further evidence of identified need in rural Alaska infrastructure Development as referenced in the explanation

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

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: 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. While the Denali Commission focuses on economic development in Alaska, there are a number of other federal programs that address the same needs and provide the same types of assistance including EDA, USDA, and HUD. For example, funding for health care facilities is provided by the Denali Commission, USDA's Community Facilities program and HUD's Indian Community Development Block Grant program. The Federal government invests approximately $17 billion each year in community and economic development in distressed communities through approximately 30 grant and loan programs and tax incentives across 11 agencies. While the Denali Commission provides a unique coordination role, federal economic and community development programs are largely uncoordinated, loosely targeted and not focused on results.

Evidence: Sept. 2000 GAO study. - Multiple Federal Programs Fund Similar Economic Development Activities. Ten agencies and 27 subagency units administer 73 programs that can be used to support one or more of the six activities directly related to economic development -- planning; constructing or renovating non-residential buildings; establishing business incubators; constructing industrial parks; constructing roads and streets and constructing water and sewer systems.

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 Denali Commission requires all programs and projects to leverage additional funding and resources to match the Commission's federal investment. In addition the Commission partners with other Federal, State or private agencies to deliver services. This effective approach is evident in the Denali Commission Strategic Plan which has the following three relevant guiding principles: 1) 'The Denali Commission will generally not select individual projects for funding nor manage individual projects, but will work through existing state, federal or other appropriate organizations to accomplish its mission' 2) "Priority will generally be given to projects with substantial cost sharing.' 3) 'The Denali Commission will give priority to funding needs that are most clearly a Federal responsibility.'

Evidence: Denali Commission Act of 1998

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

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 Denali Commission funds projects in 'rural communities, particularly distressed communities,' the intended beneficiaries as defined in the Denali Commission Act of 1998. While the Commission has established Distressed Community Criteria defined as per capita income no greater than 67% of U.S. average, 150% of U.S. average or greater of poverty rate, and 3-year unemployment rate of 150% of U.S. avereage or greater, only 44% of that funding going to distressed communities. A non-distressed community is subject to a 50% match for health facilty develpment, whereas a distressed community is only required to produce a 20% cost-share match. The Denali Commission uses distressed community criteria to guide investments, but has developed "needs assessments" to address the two areas--rural communities with inadequate access to health facilities and communities with inadequate bulk fuel facilities. While both distressed and non-distressed communities fit these criteria, the Commission has identified its targeted beneficiaries as those rural communities with inadequate health facilities and bulk fuel facilities. However, OMB and the Commission should continue to work to identify best practices in targeting funds to help meet the Commission's long-term goal of moving communities from a non-attained economic situation to an attained economic situation.

Evidence: Denali Commission Act of 1998 outlines the intended recipients in the Purpose of the Act: "To provide job training and other economic development services in rural communities particularly distressed communities (many of which have a rate of unemployment that exceeds 50 percent)". See http://www.denali.gov/Legislation.cfm?Section=DC_Act.Distressed Community Criteria compiled by the State of Alaska Department of Labor and Workforce Development.Alaska Rural Primary Care Facility Needs Assessment. Performed by a multi-agency steering committee made up of the Denali Commission, Alaska Native Tribal Health Consortium, Indian Health Service and State of Alaska Department of Health and Social ServicesBulk Fuel Storage Deficiency Rankings List conducted by the Alaska Energy Authority and Alaska Village Electric Cooperative. Denali Commission Pie Chart on Distressed Community funding

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 5-year Strategic Plan identifies four long-term goals. Long-term performance measures address the purpose of the program and focus on outcomes. These measures include:1. reduction in the number of distressed communities2. reduction in the percent of bulk fuel facilities not in compliance with U.S. Coast Guard and EPA standards3. increase in the percent of inadequate health facilities that have been renovated or constructed to an adequate status4. percent increases in employment and wages 5 years after Denali Commission job training

Evidence: •
Denali Commission Strategic Plan identifies 4 strategic goal areas: 1) develop Alaska's physical infrastructure, focusing on health and bulk fuel storage; 2) increase employability of Alaskans through job skills training and experience working on Denali Commission projects 3) increase the economic vitality of Alaska with financial and technical resources; and 4) ensure that federal and state resources and used efficiently. These long-term goals are measured through specific long-term performance measures outlined in the explanation section. For backup, see:4-Year Bulk Fuel Plan7-Year Health Facilities Plan as contained in the Denali Commission Strategic Plan (page 22)Alaska Rural Primary Care Facility Needs Assessment.Distressed Community Criteria.State of Alaska Department of Labor and Workforce Development Wages and Employment Report.

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

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

Explanation: The Commission has established ambitous targets and timeframes given significant reductions in funding levels.

Evidence:

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: Annual measures include:Goal 1 (Infrastructure): a) number of bulk fuel facilities constructed or renovated; b) number of primary health care facilities constructed. These lead to the ultimate outcome of ensuring Alaskan access to basic infrastructure needs. The long-term targets for each of these infrastructure goals are based on independent needs assessments.Goal 2 (Employability): a) percentage increase in wages 7-12 months after Denali Commission training; b) median earnings 7-12 months after Denali Commission training.Goal 3 (Economic Vitality): The Denali Commission does not have specific short-term measures related to this, although it has a long-term measure (number of distressed communities) that addresses this issue. The Commission should develop an annual measure to correspond with the long-term measure such as 'number of jobs created or retained.' Goal 4 (Efficiency of Operations): a) cost/participant of Denali Commission training; b) percentage of funding spent on overhead; c) ratio of FTEs to projects.

Evidence: Although the Denali Commission lacks long-term performance measures, it has clearly-articulated long-term goals and uses the measures outlined in the explanation to this question to reach those goals. The goals are listed in the evidence section of 2.1.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight 13%

Explanation: All measures have baselines and annual targets. Some targets warrant highlighting -- for example, the target for the percent of funding spent on overhead is the statutory requirement; this is not "ambitious," but mirrors the ceiling set by the establishing legislation. In addition, the 2004 target the ratio of FTEs to project is "under development," although fiscal year 2004 is more than three-quarters over. In the future, DC should ensure that targets are established before the start of the fiscal year.

Evidence:

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 Commission has in place, where appropriate, performance measures in awards to partners and grant recipients. The award to the Alaska Department of Labor to manage the Commission's training activities requires them to produce the median income and employment numbers used for the long and short term measures of the Commission. For energy projects, grantees are required to submit cost and schedule information into the project database on a quarterly basis. This database tracks such performance as average cost to produce a gallon a fuel.

Evidence: Denali Commission's Financial Assistance AwardsOn-line Reporting "Wizard" Various Inter-agency agreements and Memorandum of Understanding (MOU) report card

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

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 13%

Explanation: The Denali Commission has not created a schedule of independent impact evaluations of its programs. Currently, Commissioners conduct a review on a quarterly basis, the Inspector General conducts project audits and an independent advisory committee reviews energy facility program development and health care issues. However, these do not qualify as evaluations of sufficient quality, scope, and independence. While many of these reviews highlight important issues, they do not assess how Denali's collective activities are improving economic conditions in rural Alaskan communities. Rather, the Denali Commission should look to conduct a program evaluation that assesses the impact of programs on Alaskan communities by focusing on how Denali affects and influences the desired outcomes (e.g., health care, jobs, safety, etc.). This evaluation should help the Denali Commission fill gaps in performance information, examine the ways in which the Denali Commission is being effective, and identify areas in need of improvement (e.g., targeting, leveraging, duplicating successful development strategies, etc.).

Evidence: Denali Commission Auditability AssessmentInspector General 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 13%

Explanation: The Commission's budget request and justification do not break down program funding by strategic goal or link to the strategic planning process. Budget requests do not explain how funding levels impact performance or explain why the funding request is appropriate given expected performance.

Evidence: FY2005 Budget Justification.

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

Answer: YES Question Weight 13%

Explanation: The Denali Commission has developed and utilized a 'needs assessment' process to prioritize bulk fuel and health projects. In addition, the Commission developed a work plan for fiscal year 2005 and a five-year strategic plan (2005-2009). These plans define the desired conditions the Denali Commission is working to achieve and set forth annual performance measures for FY 2005. In addition, the Denali Commission is working with OMB to develop an appropriate program evaluation to examine trends in rural Alaskan communities and assess the extent to which activities the Commission is investing in are having an impact on helping to meet these communities' needs.

Evidence: FY 2005 Work Plan and 5-Year Strategic Plan.FY 2005 budget justificationDenali Commission Investment Policy

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

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: The Denali Commission established an On-line Project Database that maintains performance information from all financial award recipients and makes that data accessible to the Commission staff, partner agencies and the public. The information collected from this on-line reporting process is delivered directly to Program Managers. Included in this data collection is information on the cost, schedule and scope of every project Denali funds.The Commission uses these data to improve performance and efficiency. For example, the Commission used data on the cost per square foot of facilities to implement a cost containment policy that now outlines the approved costs per unit for all energy projects and requires approval from the Commission for any project that deviates from these standards. The Denali Commission's investment policy is also used to improve performance and efficiency. The investment policy guides funding decisions for the Commission and sets the guidelines for community size, environmental threats, population trends and other factors that the Commission uses to make investment decisions.

Evidence: Denali on-line project database system, available at: http://steller.denali.gov/dcpdb/index.cfm?action=dsp&type=home&CFID=46389&CFTOKEN=38607961Denali Commission's Investment Policy (April 2004)Cost Containment Policy (revised April 2002)

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: The on-line project database collects information from grantees that demonstrate whether they are meeting the approved cost, schedule and performance outlined in their financial assistance award. Projects that do not submit information are suspended from receiving further payments.The Commission has suspended drawdown privileges of several award recipients in the past for non-compliance. This action prevents a recipient from drawing any additional federal funding until compliance is achieved. The Commission has also withdrawn or delayed projects in the past for issues such as misuse of materials, failure to acquire land and lack of required reporting. The Commission conducts initial business planning review, and if this identifies the project as non-sustainable, then the Commission terminates project funding. Partners must engage in a planning and design phase and agree to cost and performance expectations prior to the funding of a project.

Evidence: On line Project DatabaseDenali Commission Investment PolicyExample of Letters sent to recipients suspending US Treasury's Automated Standard Application for Payments (ASAP) privileges

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

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

Explanation: Federal funds are obligated in a timely manner. The Denali Commission obligates funds throughout the fiscal year as they become available and carries forward less than 1% of un-obligated funds each year. The Denali Commission Act mandates that overhead be limited to 5%, with over 95% of funds going to the programs themselves. Program funds are allocated among programs according to the Strategic Plan, Work Plan and Denali Commission approval. Within each program area, funds are allocated to specific projects according to the Health Facility Needs Assessment and Bulk Fuel Deficiency Rankings established in cooperation with other State and Federal agencies. When award progress reports are submitted by recipients, reported expenditures are cross-checked and validated against the draw-downs, creating an auditable trail of where and for what purpose funds were spent. The Denali Commission's Inspector General receives all of the Single Audits from the Federal Clearinghouse when Denali Commission is identified as a major program and then communicates any necessary corrective action with the Chief of Staff, who follows up as needed.

Evidence: Inspector General audits

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: The Denali Commission adopted a Cost Containment Policy for Energy Projects that ensures that all projects meet cost containment benchmarks outlined. The Commission also passed an Investment Policy, which ensures that federal funds are focused on communities that are not threatened by environmental, size or other conditions that would make the federal investment vulnerable. Sustainability is the foundation on which all investments made by the Commission are based. The Commission adopted a Sustainability Resolution in its first years that outlines the ways in which grantees must pass strict measures of business planning, operations and maintenance review, and other procedures to ensure that the federal investment will be sustained for the life expectancy of such a facility and have sufficient funds for renewal and replacement of the facility in the future. Finally, the Commission is bound by statute to limit the percent of funds spent on overhead to less than five percent. Other efficiency measures assess the number of FTEs needed per project and the cost per participant for job training activities.

Evidence: Denali Commission Cost Containment PolicyDenali Commission Investment PolicyDenali Commission Sustainability Resolution and Policy

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

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

Explanation: Coordination and collaboration with other State, Federal and partner agencies is key to Denali Commission activities. The Commission has established a Memorandum of Understanding (MOU) with all State and Federal agencies to coordinate resource allocation. The MOU has led to meaningful implementation and standing committees to encourage coordination and collaboration of State and Federal agencies in Denali Commission program areas and general development of Alaska communities. A Report Card of the MOU is produced on an annual basis to review specific results from agency coordination and collaboration under the MOU. An example of increased coordination and collaboration through this MOU process is improvements made in housing development and water treatment infrastructure investments. In the past, the State of Alaska Village Safe Water (VSW), which is responsible for development of rural water and sewer systems, was not allowed to provide assistance to connecting homes to water and sewer infrastructure, so new houses built by the HUD were not connected to water and sewer. Through the MOU work group of Housing and Infrastructure as reported in the MOU Report Card, VSW can now provide housing connections for HUD housing resulting in delivery of services to residents.

Evidence: The Denali Commission Act of 1998 and the Denali Commission Strategic Plan identify Goal #2 as 'improve coordination to enhance delivery of government services.' Denali Commission's State and Federal Agency Memorandum of Understanding (MOU)Memorandum of Understanding Report Card which demonstrates coordinated federal and state agency activity that was conducted as a result of the MOUAlaska Energy Authority Financial Assistance AwardAlaska Village Electric Cooperative Financial Assistance AwardAlaska Native Tribal Health Consortium Financial Assistance AwardAlaska Department of Health and Social Services Financial Assistance AwardAlaska Department of Labor and Workforce Development 'Training For Jobs' FY04 Training ProposalAlaska Growth Capital Financial Assistance AwardUSDOL Draft Interagency AgreementDHHS 'HRSA Interagency AgreementHUD Draft Interagency AgreementUSDA-RUS Interagency AgreementEPA Interagency Agreement

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

Explanation: Strong financial management practices are in place to ensure that proper payments are made for the intended purposes, the US Treasury's Automated Standard Application for Payments (ASAP) system is utilized. Recipients are required to enroll in the system with Treasury and have unique identifiers for each financial assistance award, causing recipients to drawdown funds only against specific awards. Use of the ASAP system reduces the risk of erroneous payments. When award progress reports are submitted by recipients, reported expenditures are cross-checked and validated against the draw-downs, creating an auditable trail of where and for what purpose funds were spent. The Denali Commission employs a financial management system that meets all statutory requirements. All required federal financial reports are generated from the system. Financial information in both the web-based project database and the financial management system is updated at least weekly by the contracted accountancy service with direct information from the ASAP system. Figures are cross checked by the Grants Administrator and Director of Operations & Finance. As the Denali Commission has not yet been audited, no audit statements can be offered, but OMB will carefully assess any future audits.

Evidence: On-line Project DatabaseDenali Commission Pre-Audit

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight10%

Explanation: The Denali Commission's 'system' for identifying management deficiencies is the actual Denali Commission itself, which meets at least twice annually and is provided a review of program activities and passes policies and resolutions that address any management deficiencies. Realizing that infrastructure development in rural Alaska was vulnerable to lack of proper operations and maintenance due to limited skills and knowledge in the communities, the Commission adopted a Sustainability Resolution in September 2001 that defines the Commission's commitment to sustainability including: analyzing and ensuring that all costs associated with operations and maintenance of the facility will be paid for during the life of the facility and a requirement for business plans before construction. To ensure wise use of federal resources the Commission recently adopted a formal Investment Policy (April 2004) that sets guidelines for evaluating project costs and scope of work pursuant to population, environmental threats such as erosion and other limiting factors. The Commission adopted a Cost Containment Policy in April 2002 after realizing that projects of similar scope had varying total costs. The Cost Containment Policy sets benchmarks that must be met for energy projects.

Evidence: Nelson Lagoon Bulk Fuel Storage Project Business Operating Plan City of Sand Point Primary Care Facility Business Plan is attachedDenali Commission Sustainability Resolution and PolicyDenali Commission Investment PolicyDenali Commission Cost Containment PolicyFinal Denali Commission Project Cost Containment Assessment Projects in Various Alaska Villages April 8, 2002Final AEA Bulk Fuels Program Management Audit 1999 Commission Funded Bulk Fuels Projects Various Alaska Villages August 2000

3.CO1 Are grants awarded based on a clear competitive process that includes a qualified assessment of merit? Answer: YES Question Weight10%

Explanation: The Denali Commission has programs related to its four goal areas, each with a different approach to competitively awarding funding. As previously described, an independent needs assessment list has been completed for both Power and Bulk Fuel by the Alaska Energy Authority in conjunction with many State and Federal agencies. This list identifies the communities with the most need, based on the deficiency of facilities. Funding is not guaranteed to communities even if they are at the 'top of the list' but instead first must pass the Commission's Sustainability Policy, Investment Policy and Cost Containment Policy. Therefore the Commission's Energy Program is based on a needs list and is 100% peer reviewed by Partner agencies. The Denali Commission's Health Facility Program is managed competitvely through the use of a Health Care Steering Committee which is made up of all State, Federal, and private experts in the field of health. The Commission allocates 100% of funding in this competitive manner. In addtion 100% of the funds used for economic development are awarded through a competitive process and reviewed by an independent panel.

Evidence: Grant Applications4-Year Bulk Fuel Plan7-Year Health Facilities Plan as contained in the Denali Commission Strategic Plan (page 22)

3.CO2 Does the program have oversight practices that provide sufficient knowledge of grantee activities? Answer: YES Question Weight10%

Explanation: The Commission has a Project Database that requires recipients to provide regularly scheduled reports (at least annually, most submit reports quarterly) to Program Managers for each of the Commission's programs, which provides real-time knowledge of grantee activities. Single audits are required of all grantees, as set forth by law. Inspector General, GAO, Independent Audit of Partners, and oversight by State and Federal regulatory agencies all are further evidence of oversight on fund recipients.

Evidence: Denali Commission Project DatabaseFinal AEA Bulk Fuel Program Management Audit 1999 Commission Funded Bulk Fuels Projects Various Alaska VillagesSingle Audit for Alaska Native Tribal Health Consortium

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

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: The Commission requires all fund recipients to submit reports on-line to the Denali Commission Project Database. Reporting by recipients is on a project-by-project basis and includes the following information: expenditures to date, milestones reached during reporting period, cost estimates for next project phase, estimated completion dates for project phases, changes to scope, schedule or cost, and attachments of reports, documents and project before, during and after pictures.The data collected through this on-line reporting is provided to Program Managers and is posted on the Commission's publicly-accessible website. The public is able to access project level information including the current expenditure as last reported, project phase, project scope of work, project estimated cost to completion and estimated time of completion, attachments of actual financial awards between fund recipients and the Denali Commission, and any project reports or documents such as business plans, and pictures. The public is able to access project and program information in the roject database such as: Project at a Glance, roject List, Needs List, Resolutions, and Denali Training Fund Project List, as well as financial reports. The public can also access information by Community. The Commission also produces an publically available interactive annual report.

Evidence: Welcome to the Project Database Printout (www.denali.gov)

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

Explanation: The Denali Commission has begun to demonstrate progress in meeting the health care and energy needs of rural Alaskan communities. "Needs assessments" have led to prioritized lists of communiteis that have inadequate access to health care facilties and deficient bulk fuel facilities. However, data on whether the number of distressed Alaskan communities is decreasing and evaluations on the impact of Denali's investments on the economic viability of these communities is not yet available. Therefore, the Denali Commission has received a "small extent."

Evidence: Performance measures

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight 20%

Explanation: The Commission has exceeded targets in several areas -- number of bulk fuel facilities constructed or renovated, number of primary health care facilities constructed, and ratio of FTEs to projects. However, data on other measures such as increases in employment and wages as a result of job-training investments is only now becoming available from the State of Alaska's Department of Labor.

Evidence: Performance measures 2002 IG report

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

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 Denali Commission has outlined several relatively new efficiency measures. For two of these, 2003 was the base year so there is little data on whether Denali has improved efficiency in these areas. Additional evidence is noted in the Inspector General Report of November 19, 2002 which states: 'Project completions are increasing and are in line with the normal pattern of agency start-up operations and the requirements for approval and installations of infrastructure facilities ' a condition that is exacerbated in Alaska due to the short construction season in most of the rural villages". In addition, to the per unit cost efficiency measure--"cost per job training participant"--Denali is exploring establishing benchmarks for bulk fuel and health facility programs that tie to the Commission's cost containment policies.

Evidence: Performance measures 2002 IG report

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: There are no comparative studies that assess Denali's strengths and weaknesses relative to other community and economic development programs. Among federal programs involved in community and economic development, the Denali Commission has a strong prioritization process. However, due to the lack of program evaluations it is unclear how projects link to the larger goal of improving the economies of rural Alaskan communiteis. In the one area where the Commission has established an ambitious outcome goal of reducing the number of distressed communities, performance information is not yet available to assess the Commission's progress in meeting this goal. This is largely due to the fact that the Denali Commission was only recently established in 1998. The program's strength is its collaboration with other federal, state, tribal and non-governmental partners and therefore partial credit is warranted.

Evidence: PART assessments for EDA, ARC, Delta Regional Authority, CBDGStrategic Plans for HUD, EDA, ARC

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

Answer: NO

Question Weight 20%

Explanation: As stated in question 2.6, the Denali Commission has not received any evaluation of sufficient scope, quality or independence. The only evaluation to date is the IG report of November 2002, which states: 'Visits to the various villages, as well as discussions with the residents, provided ample and repeated demonstration that the Commission is an obvious success. The flexibility afforded the Commission allows it to achieve many things quickly in coordination with its partners. Visits to the villages leave one with the impression that the Commission has been around for many years.' However, the IG report does not meet the standards set forth in the PART guidance for rigor. It is based on observation rather than quantitative analysis or experimental design. Over the next year, OMB and Denali will address appropriate evaluation design methodolodies for program activities.

Evidence: 2002 IG study

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

Measure: Number of distressed communities in rural Alaska.

Additional Information: This is how the Denali Commission measures the overall economic vitality of the area it serves.

Year	Target	Actual	**Measure Term:** Long-term
2004	Baseline	125	
2010	100		

Measure: Percentage of Bulk Fuel Facilities determined to be non-code compliant by U.S. Coast Guard and Environmental Protection Agency standards (172) that are now code compliant through construction or renovation

Additional Information: Long term outcome of the Bulk Fuel Program

Year	Target	Actual	**Measure Term:** Long-term
1999	Baseline	0%	
2003		28%	
2010	100%		

Measure: Percentage of Rural Primary Care Facilities that did not provide reasonable access to health care as identified in in the Primary Care Needs Assessment that now provide resonable access to health care through construction or renovation

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2002	Baseline	0%	
2011	100%		

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

Measure: Percent increase in employment among trainees 5 years after Denali Commission Training

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2008	5%		
2009	5%		
2010	5%		
2011	5%		

Measure: Number of bulk fuel facilities constructed or renovated to be code compliant with U.S Coast Guard and Environmental Protection Agency standards.

Additional Information: This links with strategic goal 1, providing for Alaskans' infrastructure needs.

Year	Target	Actual	**Measure Term:** Annual
2003	6	13	
2004	6		
2005	2		
2006			

Measure: Number of primary health care facilities constructed to renovated to provide reasonable access to health care

Additional Information: This links with strategic goal 1, providing for Alaskans' infrastructure needs.

Year	Target	Actual	**Measure Term:** Annual
2003	12	27	
2004	12		
2005	12		

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

2006

Measure: Percent increase in employment 7-12 months after Denali Commission Training

Additional Information: This links with strategic goal 2, employability.

Year	Target	Actual	**Measure Term:** Annual
2003	Baseline	< 1%	
2004	5%		
2005	5%		
2006			

Measure: Percent increase in median earnings 7-12 months after Denali Commission Training.

Additional Information: This corresponds with strategic goal 2, employability.

Year	Target	Actual	**Measure Term:** Annual
2003	Baseline	33.6%	
2004	35%		
2005	35%		
2006			

Measure: Cost per participant of Denali Commission Training

Additional Information: This relates to strategic goal 4, efficiency

Year	Target	Actual	**Measure Term:** Annual
2003	6000	5199	

Program: Denali Commission
Agency: Denali Commission
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

2004	5000
2005	5000
2006	

Measure: Percent increase in median earnings 5 years after Denali Commission Training

Additional Information: This relates to strategic goal 4, efficiency.

Year	Target	Actual
2008	35%	
2009	35%	
2010	35%	
2011	35%	

Measure Term: Long-term

Measure: % of funding spent on overhead

Additional Information: This relates to strategic goal 4, efficiency.

Year	Target	Actual
2002	Baseline	5%
2004	5%	
2005	5%	
2006		

Measure Term: Annual

PART Performance Measurements

Program: Denali Commission
Agency: Denali Commission
Bureau:

Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
80%	63%	100%	26%	

Measure: Ratio of projects to FTEs

Additional Information: This relates to strategic goal 4, efficiency.

Measure Term: Annual

Year	Target	Actual
2000	Baseline	81.0
2001	100	114.3
2002	100	118.0
2003	100	108.4
2004	100	
2005	100	

PART Performance Measurements

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

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

Explanation: The Drug-Free Communities Act of 1997 established two strategic goals for the Drug-Free Communities Support Program (DFC): (1) reducing substance abuse among youth, and, over time, among adults, by addressing factors in the community that serve either to increase or minimize the risk of substance abuse; and (2) establishing and strengthening collaboration among communities, Federal, state, local and tribal governments and private nonprofit agencies to support community coalition efforts to prevent and reduce substance abuse among youth.

Evidence: 21 USC1521 et seq., as amended; Report Language from the DFC Reauthorization (Rept. 107-175)

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

Explanation: Illegal use of controlled substances in the United States remains unacceptably high. According to the Substance Abuse and Mental Health Services Administration (SAMHSA) 2002 National Household Survey on Drug Abuse, 19.5 million Americans ages 12 and older (8.3%) reported using an illicit drug in the month before the survey was conducted.

Evidence: 2001 National Household Survey on Drug Abuse: Volume I, Summary of National Findings; DFC FY03 Grant Funding Announcement (GFA)

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 DFC Program provides funds for organizing multiple sectors of a community as a means for reducing and/or preventing substance abuse. There appears to be no other substantial Federal, state, local, or private program that provides grant funds for this purpose. The HHS Substance Abuse Prevention and Treatment Block block grant funding is made to the Single State Authority and then passed on to local providers which generally use these funds to deliver direct services to target populations and/or to address specific drug abuse trends. State Incentive Grants (SIG) can only fund a limited number of "science-based" program models. Only one such coalition model (Communities That Care) has been approved for SIG funding. However, due to the $100K statutory cap on a DFC grant, that model may not be affordable for replication by DFC grantees. Therefore, under a strict interpretation of the funding guidelines of the SIG program, most DFC coalition models are not eligible for funding.

Evidence: Discussions with ONDCP and HHS staff.

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 DFC program uses a competitive grant process to award funds to community anti-drug coalitions. There is no strong evidence that another approach or mechanism would be more efficient/effective to achieve the intended purpose.

Evidence: 21 USC1521 et seq., as amended

PART Performance Measurements

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

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 intended beneficiaries of the DFC program are established, broad-based, anti-drug coalitions. Applicants to the program are reviewed explicitly against this criteria in the review process. ONDCP requires DFC applicants to submit an assessment of drug use in their community with their grant applications. These requirements ensure that limited DFC funds are provided only to organizations demonstrating local commitment and resolve to address its drug problem.

Evidence: 21 USC1521 et seq., as amended; Report Language from the DFC Reauthorization (Rept. 107-175); DFC FY03 GFA (Grant Funding Announcement)

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 DFC program has identified long-term performance measures that reflect the two statutory purposes of the program -- reducing substance abuse among youth and strengthening community coalition efforts to prevent and reduce substance abuse among youth. The measures related to reducing substance abuse among youth (age of onset; use in the past 30 days; perception of harm; and perception of parental disapproval) are generally accepted by researchers as the best surrogate measures for adolescent drug use. Because of the small size of the DFC grants, the performance of the DFC program will not be measured against national level changes in any of these measures. Rather, the performance will be measured against the extent to which grantees meet the targets identified for their communities.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) FY03 Data Call Documents

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

Explanation: As of June 30, ONDCP had established specific quantified targets for establishing and strengthening community coalitions. Those targets had recently been revised to address concerns about whether they were sufficiently ambitious. However, no quantified targets or timeframes had yet been established for the performance measure related to reducing substance abuse among youth. ONDCP expects to have those targets in place prior to submission of the FY 2005 Budget request.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

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 DFC program has identified annual performance measures that directly support the program's long-term goals. Those goals are largely incremental increases toward the long term goal.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

PART Performance Measurements

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

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

Explanation: As of June 30, ONDCP had established specific baselines and targets for its annual measures related to establishing and strengthening community coalitions. However, no quantified targets or timeframes had yet been established for the performance measure related to reducing substance abuse among youth. ONDCP expects to have those targets in place prior to submission of the FY 2005 Budget request.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

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: DFC grantees and ONDCP's Federal partners (Office of Juvenile Justice and Delinquency Prevention (OJJDP), which administers the DFC Program for ONDCP, and HHS' Center for Substance Abuse Prevention (CSAP) which provides technical assistance to grantees) commit to and work toward the annual and long-term measures of the DFC program. The 530 grantees submit semi-annual CAPRs (Categorical Assistance Program Report) to OJJDP with information on how they are meeting their goals and objectives.

Evidence: Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) CAPR Part I and Part II DFC FY03 GFA (Grant Funding Announcement) National Anti-Drug Coalition Institute Strategic Plan (2003)

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: The DFC program has had an independent evaluation in place since 1998. However, the evaluation did not address program performance adequately. After review of the 2002 report, ONDCP concluded that the evaluation required modification to capture the program's intended outcomes adequately. ONDCP has enhanced the original evaluation plan and has taken steps to ensure that the DFC program has a refocused evaluation in place by the end of 2003.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

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: ONDCP has not provided budget requests that make clear the impact of funding, policy, or legislative decisions on expected performance and explains why the requested performance/resource mix is appropriate. This is largely due to the absence of adequate program performance measures in past years. A second factor has been the absence in the budget requests of all direct and indirect costs associated with the DFC Program. ONDCP is working to revise its budget presentation for FY 2005 and expect to correct both shortcomings at that time.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

PART Performance Measurements

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

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

Explanation: In 2002, ONDCP: requested grantees to track and report on levels of drug use as measured by school-based survey instruments in the target communities; began requiring grantees to submit outcome data on four core measures; notified grantees that continuation funding would be jeopardized if grantees did not provide the outcome data; and began requiring grantees to issue an 'Annual Report to the Community' describing dimensions of local drug use and the coalitions' strategies to address this use. ONDCP plans to move the evaluation contract under its direct control, assign additional staff to that effort, and will re-compete the evaluation contract after a new evaluation design and statement of work is developed with the assistance of national evaluation experts.

Evidence: Discussion with ONDCP staff and review of DFC program documentation.

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: NO Question Weight 10%

Explanation: Currently, ONDCP relies on information collected through the Categorical Assistance Program Reports (CAPR) every six months from all grantees. However, this information is not closely related to the performance of the program. ONDCP recently collected core measure data from all 531 grantees to determine substance abuse rates in grantee communities. This baseline performance data will enable to ONDCP to set meaningful, ambitious targets and measure grantee performance against those targets.

Evidence: Categorical Assistance Progress Report Forms ' Part 1 and 2; discussions with ONDCP staff

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: Grantees are required to establish a system to monitor and report on the performance measures stipulated by ONDCP, including the four measures related to substance abuse among youth. Grantees that fail to make satisfactory progress towards the goals and strategies described in their applications could lose their funding or realize other sanctions. In addition, ONDCP has identified the managers and key staff responsible for achieving key program results and has incorporated the program's performance standards into the rating systems for those managers.

Evidence: DFC FY03 GFA (Grant Funding Announcement); Inter-Agency Agreement (IAA) between ONDCP and OJJDP; IAA between ONDCP and CSAP (for Coalition Institute operations); National Anti-Drug Coalition Institute Strategic Plan (2003); Performance appraisal documents for DFC staff.

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

Explanation: DFC appropriated funds have been successfully competed and awarded in a timely manner during the first five years of operation. Only a few serious problems (8 of approximately 540 awards) have arisen with individual grantees regarding the spending of funds and all such problems have been quickly detected and corrected. Administrative cost limits stipulated in the legislation have been met. Funds remaining from a terminated project are returned to the grant pool and are not used for another purpose.

Evidence: SF - 132s, SF -133s, Treasury reports, and OJJDP financial summary reporting forms

PART Performance Measurements

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

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: In FY 2003, OJJDP instituted new grant application submission procedures using emerging web-based technology. This grants management system (GMS) enables applicants to submit applications electronically and not only enables OJJDP to more efficiently review the applications, but provides the basis for consolidating grantee information for analytical purposes. Contract awards (e.g. for peer review support by OJJDP) are also competed as was the Coalition Institute grant.

Evidence: DFC FY03 GFA; discussions with ONDCP and OJJDP staff; ONDCP Report to Congress on Administrative Costs associated with DFC Program. (July 2001)

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

Answer: YES Question Weight 10%

Explanation: State alcohol and drug agencies are major collaborators as coalitions often are part of the state strategic planning process. CSAP, CSAT, and NIAAA are frequent collaborators in a wide range of national and local activities. Private sector organizations such as CADCA, Join Together (Boston University), and several Robert Wood Johnson Foundation supported programs (e.g. Governor's Spouses' Initiative to Reduce Underage Drinking) are also key collaborators.

Evidence: Discussions with ONDCP and HHS staff.

3.6 Does the program use strong financial management practices?

Answer: YES Question Weight 10%

Explanation: ONDCP's Office of Administration monitors DFC program funds and OJJDP's Office of the Comptroller performs a similar role with individual DFC grant funds. Statutory limits on the expenditure of appropriated funds provide clear guidance on allowable expenditures. OJJDP requires that grantees closely track and report on their spending and matching of grant funds. No material internal control weaknesses have been identified, OJJDP financial management systems meet statutory requirements, and financial information is accurate and timely.

Evidence: Discussions with ONDCP staff; review of program documents.

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: YES Question Weight 10%

Explanation: In August 2002, ONDCP Director Walters moved the DFC program from the Office of Demand Reduction to the Office of the Deputy Director, who is a recognized expert on community anti-drug coalitions. In recent months, ONDCP has moved to assume the direct supervision of the national evaluation of the program. A new statement of work is in preparation and the new design of the national evaluation will be announced for competitive applications in the fall.

Evidence: Discussions with ONDCP staff.

PART Performance Measurements

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

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

Explanation: DFC grants are peer reviewed and independently scored by expert panels selected by OJJDP. Senior OJJDP staff and ONDCP staff then further review the highest scoring applications, ensure that funded applicants do not duplicate operations in an area already served by a funded application, and that the additional statutorily priorities relating to serving economically disadvantaged and rural areas are adequately represented in the cohort recommended for funding.

Evidence: OJJDP Peer Review Guidelines (general guidelines for all OJJDP programs); DFC Peer Reviewers Guide (specific guidance to reviewers); discussions with ONDCP staff.

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

Explanation: Program managers at OJJDP are responsible for the oversight and monitoring of DFC grantees. Managers regularly talk with grantees on the phone, engage mail correspondence, review progress reports (CAPRs), and make site visits as appropriate. Furthermore, grantees are in frequent email contact with the administrator at ONDCP and senior staff at OJJDP. Grantees are encouraged to telephone and send email to any senior staff should problems or questions arise. The ONDCP DFC administrator has daily contact with program managers as issues warrant. In addition, the 11 members of the Advisory Commission for Drug-Free Communities, who are appointed by the President, also periodically observe grantee performance and provide feedback and guidance to the Director and Deputy Director of ONDCP

Evidence: Categorical Assistance Progress Report Forms ' Part 1 and 2; OJJDP Desk Audit Form; OJJDP Site Visit Reports; discussions with ONDCP and OJJDP staff

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: While ONDCP has improved the collection of DFC Program performance data, it has not made it available to the public in a transparent and meaningful manner. ONDCP plans to extract appropriate data from the final five-year summative reports from the FY 1998 cohort of grantees and place it on the DFC website when they are submitted early in FY 2004. At the end of FY 2003 (the five year mark on the program), ONDCP will prepare a summative report that will include all performance data collected and analyzed to date. ONDCP plans to distribute this report in both print and electronic form. Additionally, the new DFC grant application (FY03) requires grantees to present a plan for reporting the best available data to their community on a regular basis.

Evidence: Review of ONDCP and DFC web sites and publications, discussions with ONDCP staff.

PART Performance Measurements

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals?
Answer: SMALL EXTENT — Question Weight 25%

Explanation: The program has demonstrated some progress in achieving the long-term performance goals related to strengthening collaboration among communities, federal, state, local and tribal governments and private nonprofit agencies to support community coalition efforts to prevent and reduce substance abuse among youth. Performance goals for reducing substance abuse among youth have only recently been established and no quantified targets or timeframes have yet been established.

Evidence: ONDCP Strategic Plan 2002-2008; Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA); discussions with DFC program staff.

4.2 Does the program (including program partners) achieve its annual performance goals?
Answer: SMALL EXTENT — Question Weight 25%

Explanation: The DFC program has demonstrated some progress in achieving the annual targets related to strengthening collaboration among communities, federal, state, local and tribal governments and private nonprofit agencies to support community coalition efforts to prevent and reduce substance abuse among youth. Performance goals for reducing substance abuse among youth have only recently been established and no quantified targets or timeframes have yet been established.

Evidence: ONDCP Strategic Plan 2002-2008; Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA); discussions with DFC program staff.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?
Answer: YES — Question Weight 25%

Explanation: With a basically flat administrative budget, the number of active grants that have been funded has grown from about 90 in FY 1998 to more than 600 currently. ONDCP has instituted a new screening process that eliminates non-competitive applications. This new process means that fewer non-competitive applications will undergo the expensive peer review process and that panels will review higher quality applications. This process reduced by approximately 120 applications, the number of applications undergoing peer review, at an estimated cost of more than $800 per application. ONDCP is also developing an internet-based application system that will permit electronic filing of an application and capturing program baseline and performance data.

Evidence: Review of ONDCP and DFC web sites and publications, discussions with ONDCP staff.

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 described in question 1.3 above, there appears to be no other substantial Federal, state, local, or private programs that provides funds for organizing the community and its multiple sectors as the means for reducing and/or preventing substance abuse. Other Federal programs provide funding directly to service providers for more direct provision of services. While these programs share a common broad goal (reducing substance abuse), the methods they use make them inherently different approaches.

Evidence: Discussions with ONDCP and HHS staff.

PART Performance Measurements

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight 25%

Explanation: As described in question, 2.6 above, the DFC program has had an independent evaluation in place since 1998 but that evaluation did not address program performance adequately.

Evidence: ONDCP Strategic Plan 2002-2008 Fiscal Year 2004 Congressional Budget Submission, pages 86-109 (GPRA) Discussions with DFC program staff.

PART Performance Measurements

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

Measure: Percent of DFC grantees that report meeting the target established for enhancing the capabilities of community anti-drug coalitions in their communities.

Additional Information: Percent of DFC grantees that report meeting target established in their communities for increasing citizen particpation, increased technical capabilities of coalitions or other factors.

Year	Target	Actual	**Measure Term:** Long-term
2003	Est. measure		
2004	Establish Targets		

Measure: Percent of DFC grantees that report meeting the target established for enhancing prevention activities in their communities.

Additional Information: Percent of DFC grantees that report meeting target established in their communities for decreasing risk factors, increasing protective factors, or decreasing indicators of substance abuse.

Year	Target	Actual	**Measure Term:** Long-term
2003	Est. measure		
2004	Establish Targets		

Measure: Percent of DFC grantees that report meeting the target established for Increase citizen participation in prevention efforts in their communities.

Additional Information: Percent of DFC grantees that report meeting the target established for their coalitions.

Year	Target	Actual	**Measure Term:** Annual
2003	Design System		
2004	Establish Targets		

Measure: Percent of DFC grantees that report meeting the target established for their coalitions.

Additional Information: Percent of DFC grantees that report meeting the target established for their coalitions.

Year	Target	Actual	**Measure Term:** Annual
2003	Design System		

PART Performance Measurements

Program: Drug-Free Communities Support Program
Agency: Office of National Drug Control Policy
Bureau: Office of National Drug Control Policy
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Adequate
100%	50%	80%	42%	

2004	Establish Targets

Measure: Increase Coalition capabilites through training

Additional Information: Percent of DFC grantees that report meeting the target established for their coalitions.

Year	Target	Actual
2003	Design System	
2004	Establish Targets	

Measure Term: Annual

PART Performance Measurements

Program: Electronic Records Services
Agency: National Archives and Records Administration
Bureau:

Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	89%	86%	17%	Demonstrated

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

Explanation: NARA's Electronic Records Services Program provides guidance and assistance to Federal officials on the management of electronic records, determines the retention and disposition of Federal electronic records, and preserves for public and historical use electronic records determined by the Archivist of the United States to have sufficient historical or other value to warrant their continued preservation by the U.S. Government.

Evidence: Title 44 USC 3101 and 3301, NARA Strategic Plan

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

Explanation: Technology has led to a decentralized records management environment, as an increased number of Federal workers have their own desktop computers and create and manage their own records (such as e-mail), resulting in a proliferation of electronic records. In this new environment, traditional paper-based records management control techniques and procedures are often no longer appropriate, resulting in Federal records management that is not well-integrated into agency business processes, systems development, information technology infrastructure, and knowledge management. This undermines the authenticity, reliability, integrity, and usability of Federal records and information essential for Government business and public use. In addition to records management challenges, electronic records also pose unique preservation and access challenges, as technology is only now being developed to preserve electronic records in a manner that will make them available for future access.

Evidence: General Accounting Office, National Archives: Preserving Electronic Records in an Era of Rapidly Changing Technology, July 1999. SRA International, Report on Current Recordkeeping Practices within the Federal Government, December 2001. General Accounting Office, Information Management: Challenges in Managing and Preserving Electronic Records, June 2002

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: All Federal records, including electronic records, have a lifecycle that includes creation, scheduling and appraisal, maintenance, destruction or archival accessioning, preservation, and continuing use. NARA and Federal agencies are responsible for separate aspects of the records lifecycle, so the amount of duplication between efforts is limited. Particular aspects of the program, such as the Electronic Records Management (ERM) Initiative, are specifically designed to reduce redundancies and inefficiencies. The exception is that NARA's Records Centers provide records management services to agencies (such as storage of temporary records), that are also available from the private sector and other Federal agencies.

Evidence: NARA Strategic Plan; Disposition of Federal Records: A Records Management Handbook; 36 CFR 1220 While Federal agencies are responsible for creating and maintaining records that adequately document the organization, functions, policies, decisions, and other essential transactions of the agency, NARA is responsible for all other aspects of the records lifecycle, including: appraisal of agency records, approval of records schedules, and preservation and provision of access to those records taken into legal custody by NARA. http://www.whitehouse.gov/omb/egov/internal/records.htm The ERM Initiative, one of the President's e-gov initiatives, is intended to provide standardized electronic records management procedures across agencies to optimize expenditures, eliminate duplicate electronic records efforts, and enhance service delivery to citizens.

PART Performance Measurements

Program: Electronic Records Services
Agency: National Archives and Records Administration
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	89%	86%	17%	Demonstrated

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: The program design has addressed the need to redesign federal records management given the new decentralized records management environment. It also reflects NARA's need to have a system in place to manage, preserve, and access electronic records over time, something NARA currently does not have the ability to do on the scale required. However, at this early stage of the project, and given that technologies for managing and preserving electronic records are still unproven, NARA is unable to demonstrate that its planned design for an Electronic Records Archive (ERA) is optimal in terms of whether the cost and scope of the project are such that risk to the government is minimized.

Evidence: ERA Exhibit 300, NARA's Strategic Directions for Federal Records Management July 31, 2003.

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: Activities under this program are intended to address government-wide needs. NARA has therefore requested and received input from other federal agencies to ensure that its resources are targeted to address areas of greatest need and urgency across the Federal government.

Evidence: For instance, as part of the ERM Initiative, NARA consulted with agencies prior to issuing guidance on transfer of electronic records to determine which formats to transfer and in what order guidance should be released. (Memo to Agency Records Management Officers, April 26, 2002). Per request by DOD, NARA has planned that one of the first formats to be managed and preserved by ERA will be Official Military Personnel Files (OMPFs). NARA conducted a load survey in 2004 that more broadly surveyed agency needs related to ERA.

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: NARA's long-term performance goal is that electronic records are controlled, preserved, and made accessible for as long as needed. NARA has long-range performance measures that address the three aspects of the program goal (records management, preservation and accessibility) and that largely focus on outcomes. For the most part, these long-term measures are contingent upon building ERA.

Evidence: NARA Strategic Plan; FY 2006 Budget. NARA's long-term measure that addresses access to electronic records is an output (processing time to provide public access to electronic records upon receipt by NARA), but sufficiently reflects progress toward the intended outcome (provision of public access to federal archival electronic records).

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight 11%

Explanation: The targets and timeframes of the long-term measures for the program are ambitious, given that technology for long-term management and preservation of electronic records is still unproven.

Evidence: NARA Strategic Plan; FY 2006 Budget

PART Performance Measurements

Program: Electronic Records Services
Agency: National Archives and Records Administration
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	89%	86%	17%	Demonstrated

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: Since NARA's long-term measures are contingent upon a working ERA, NARA for the most part uses milestones for each fiscal year specific to its long-term performance measures to indicate progress towards achieving its goals. NARA also has an annual efficiency measure related to the processing time to provide public access to electronic records upon receipt by NARA, as well as a measure indicating its ability to preserve electronic records prior to building ERA.

Evidence: NARA Strategic Plan; FY 2006 Budget.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight: 11%

Explanation: NARA's annual milestones, primarily connected to building and preparing for the build of ERA, are ambitious. For NARA's measures that are quantifiable, targets have baselines and are also ambitious.

Evidence: NARA Strategic Plan; FY 2006 Budget. NARA rebaselined its measure related to preservation of electronic records prior to transfer of ERA in its FY 2005 Performance Plan after prior year performance indicated targets were set too low.

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: 11%

Explanation: Ultimately, all Federal agencies are partners with NARA in the management of electronic Federal records because of their responsibility in creating and maintaining federal electronic records that adequately document the organization, functions, policies, decisions, and other essential transactions of the agency. If other federal agencies do not commit to sufficient electronic records management practices, records may be at risk, which would prevent NARA from successfully accomplishing the long-term goals of its program. Evidence indicates that with certain exceptions, agencies for the most part do not commit to sufficient records management practices.

Evidence: Report on Current Recordkeeping Practices within the Federal Government, SRA International, December 10, 2001.The report cites the following factors as evidence that several agencies view records management and recordkeeping as a low priority: lack of staff and budget resources, absence of up-to-date policies and procedures, lack of training and lack of accountability. Report to the Interagency Committee on Government Information: Barriers to the Effective Management of Government Information on the Internet and Other Electronic Records, June 2004. The report cites the problem that records management is not viewed as critical to agency missions as one barrier to effective management of electronic records.

PART Performance Measurements

Program: Electronic Records Services
Agency: National Archives and Records Administration
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	89%	86%	17%	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 11%

Explanation: NARA's planning for ERA has undergone numerous independent evaluations. The Government Accountability Office (GAO) has performed reviews of the development of ERA annually since 2002 and has periodically reviewed other aspects of NARA's Electronic Records Services program. The National Research Council evaluated the initial development of ERA and is currently preparing a second report that will address long-term and broad-scope electronic records issues. NARA has released a request for quote for an independent contractor to provide independent verification and validation (IV and V) services related to software development for the project as well as capability evaluations of the ERA contractor. In addition, NARA's OIG received funding for the first time in FY 2005 to perform regular, ongoing independent evaluations of the ERA program.

Evidence: General Accounting Office, GAO-03-880, Records Management: National Archives and Records Administration's Acquisition of Major System Faces Risks, August 22, 2003.General Accounting Office, GAO-02-586, "Information Management: Challenges in Managing and Preserving Electronic Records," June 25, 2002. NAS. Computer Science and Telecommunications Board. Building an Electronic Records Archive at the National Archives and Records Administration: Recommendations for Initial Development (National Academies Press, 2003). Request for Quote for Independent Verification and Validation Services, July 8, 2004.

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: NARA's budget request is clearly aligned to each of NARA's strategic goals, and NARA includes information on performance costs by linking goals and activities to dollars from each of its budget accounts. Further improvements could be made by more explicitly presenting base resource needs for the ERA program office.

Evidence: NARA's FY 2005 Budget, Congressional Justification.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight 11%

Explanation: In response to the challenge posed by NARA to gain more buy-in from federal agencies on the need for records management programs, including electronic records, NARA has revamped its records management program to better enable agencies to see the value to their business processes of incorporating sufficient records management practices. NARA has also acted to address strategic planning deficiencies for ERA as identified by GAO. NARA has fully addressed 3 of GAO's recommendations from a previous evaluation of ERA, and has partially addressed the other 6 recommendations, which for the most part have required more time to fully implement or relate to ongoing evolving processes.

Evidence: GAO-99-94, GAO-02-586, GAO Findings Summary Report (April 19, 2004); NARA response to GAO April 19, 2004 report (May 26, 2004). Among the items that continue to be addressed are: hiring remaining critical staff positions in the ERA program office, full incorporation of earned value management, full compliance with industry standards on ERA policies, plans and procedures, completing NARA's enterprise architecture and improving information security. Although not fully implemented, GAO has acknowledged that NARA has made progress in addressing remaining recommendations.

PART Performance Measurements

Program: Electronic Records Services
Agency: National Archives and Records Administration
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	89%	86%	17%	Demonstrated

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight 11%

Explanation: NARA conducted an analysis of alternatives for acquisition of ERA. This analysis will be expanded to include the proposed design for an ERA system after final determination of the contractor. In addition, NARA continues to annually update its ERA business case to reflect new information and to determine the most likely costs and benefits of these alternatives.

Evidence: ERA Exhibit 300, ERA Analysis of Alternatives, ERA Business Case Analysis

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: NARA collects and reports regular monthly performance data that it uses to manage all programs and improve performance via the Performance Measurement and Reporting System (PMRS), including electronic records measures that are quantifiable. NARA has also recently implemented an earned value management system for ERA which will enable it to assess government and contractor cost and schedule performance.

Evidence: Performance Measurement and Reporting System (PMRS); Periodic Performance Reports to the Archivist (March, August, October); OIG Reports: Evaluation of the Accuracy of the Performance Measurement and Reporting System. NARA's Inspector General assists in determining the credibility of data collected by PMRS via yearly evaluations to assess data accuracy and validity of a portion of NARA's performance measures. OIG reports over the the last 3 years indicate that the majority of performance measures it has reviewed are supported by credible data. The OIG evaluated one electronic records measure in its 2003 review and made a recommendation to revalidate its source data. That action has been completed.

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: NARA holds its managers accountable for performance by tying performance plans to annual performance targets and measuring performance against these results. No development contract has been awarded yet for acquisition of ERA, but NARA has identified contractor performance measures in its Request for Proposal. Currently design contractors are expected to report on and meet specific quantitative thresholds annually for each performance objective- the same standard will be applied for the development contract.

Evidence: ERA Request for Proposal; Performance Measurement and Reporting System (PMRS); Periodic Performance Reports to the Archivist (March, August, October); NH periodic performance report.

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 appropriated for NARA's Electronic Records Archive are exclusively used towards this project. Funds requested for ERA through FY 2004 are multi-year, and in cases where unobligated balances remain at the end of the year they are carried over to be used in following years.

Evidence: SF 133s and SF 132s

PART Performance Measurements

Program: Electronic Records Services
Agency: National Archives and Records Administration
Bureau:

Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	89%	86%	17%	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: YES Question Weight 14%

Explanation: NARA has recently implemented an earned value management system to analyze monthly contractor cost and schedule performance to assist in identifying problems, impacts, and areas of cost and schedule risk to development and acquisition of the Electronic Records Archive. Program control functions are compliant with ANSI-748 standards. NARA also has efficiency measures that indicate NARA's timeliness in providing public access to electronic records and in completing processing of electronic records to be permanently accessioned to NARA. Finally, NARA also has a cost-efficiency measure for storage of electronic records.

Evidence: NARA Strategic Plan; FY 2006 Budget

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

Explanation: NARA's electronic records services program has been developed in coordination with agency partners and other stakeholder groups. By incorporating NARA's technical specifications for permanent electronic records into their work processes, agencies will have a more uniform body of records to manage while the records are being used for agency business and the transfer of records to NARA for accession will be simplified. The benefit for NARA of such cooperation is that preservation of electronic records will cost less and researcher access will be facilitated (fewer disparate formats to migrate, fewer software viewers required, etc.).

Evidence: ERA RFP, ERA Acquisition Strategy, NWM 10.2002 (April 26, 2002), Memorandum to Agency Records Officers, Chief Information Officers, and Information Resources Managers: Request for comment on Proposed NARA guidance on new transfer standards for electronic records. "FBI Puts Records to Work," Federal Computer Week, June 21, 2004. Some specific examples of coordination include the following: 1). The ERM initiative work plan was developed with the records management stakeholder community in April 2002 and the specific transfer formats were identified and prioritized by agency records officers. 2). The Nuclear Regulatory Commission (NRC) built into its rule governing submission of documents to NRC the technical specifications from the NARA transfer guidance for scanned images of textual records. 3). The State Department incorporated into its requirements for its State Messaging and Archive Retrieval Toolset (SMART) system a requirement to meet the DoD 5015.2 STD requirements, as NARA Bulletin 2003-03 advises.

3.6 **Does the program use strong financial management practices?** Answer: NO Question Weight 14%

Explanation: NARA reported one material internal control weakness in its FY '04 Financial Manager's Financial Integrity Act (FMFIA) report that directly relates to its electronic records program- IT security (a material weakness since FY '00).

Evidence: FY 2004 FMFIA report. FY 2004 Performance and Accountability Report. NARA produced audited statements on its appropriated funding for the first time for FY 2004. As a result of the audit process, NARA is in the process of improving its financial management policies and practices. According to its FY 2004 PAR, NARA expects to resolve the basis for its material weakness in IT security during FY 2005.

PART Performance Measurements

Program: Electronic Records Services
Agency: National Archives and Records Administration
Bureau:

Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	89%	86%	17%	Demonstrated

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

Explanation: NARA has taken meaningful steps to address its management deficiencies related to the program. NARA responds to management deficiencies identified both internally and externally. Within NARA, managers prepare annual assurance statements, which internally identify management deficiencies and steps for remediation, including deficiencies related to its electronic records services program. NARA's IT review board holds weekly meetings to review the status of ERA, and prepares quarterly reviews of the project. To address externally identified management deficiencies, NARA managers prepare 3 reports during each fiscal year for the Archivist, which address progress on implementing recommendations from audits and reviews. Examples of steps NARA has taken to improve overall management of the electronic records program include continuation of corrective actions to address its IT security material weakness as well as strengthening of its enterprise architecture.

Evidence: GAO Findings Summary Report, April 19, 2004; NARA response to GAO April 19, 2004 report (May 26, 2004) Annual Assurance Statements; periodic performance reports to the Archivist; Monthly Strategic Schedule Reviews.

3.CA1 **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: NA Question Weight: 0%

Explanation: NARA has identified and defined the required capability and performance characteristics expected for the initial operating capability for ERA in its related requirements document and request for proposal. However, since the contract has yet to be awarded, it is too early in the acquisition process for NARA to demonstrate that it makes management decisions based on whether contractor milestones are being met.

Evidence: ERA Request for Proposal

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight 25%

Explanation: NARA's long-term measures for electronic records are for the most part new, and many will not be applicable until deployment of the Electronic Records Archive. Until deployment of its initial operating capacity, NARA will be unable to demonstrate adequate progess in achieving its long-term performance goals.

Evidence: FY 2004 Performance and Accountability Report

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight 25%

Explanation: NARA has met many of its milestones related to electronic records services, although slippage in the acquisition schedule for ERA has occurred. NARA achieved its annual goal related to preservation of electronic records in preparation for transfer to ERA.

Evidence: FY 2004 Performance and Accountability Report

PART Performance Measurements

Program: Electronic Records Services
Agency: National Archives and Records Administration
Bureau:

Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	89%	86%	17%	Demonstrated

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

Answer: NO

Question Weight 25%

Explanation: NARA has an EVM system in place for its development and acquisition of the Electronic Records Archive, as well as efficiency measures for its electronic records program generally. However, the EVM system is too new to demonstrate whether improved efficiencies have occurred related to its deployment, and the efficiency measures NARA has in place will be unable to demonstrate results until deployment of ERA.

Evidence: FY 2004 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: NA

Question Weight: 0%

Explanation: Due to the scope of what NARA envisions achieving with ERA in terms of the volume of electronic records to be preserved, the number of formats requiring access and preservation, and the need to provide certain standards of authenticity of electronic records, no other Federal, state, or local government entity provides a viable comparison, particularly since NARA is further along than other government entities (Federal agencies and other National Archives) in its work on preserving electronic records. Private sector entities also do not have the extensive archival requirements of NARA, particularly regarding public access issues (the need to provide public access while simultaneously dealing with a variety of restrictions on access, including all levels of national security, FOIA statutes and the Presidential Records Act).

Evidence: The Library of Congress has just announced its first set of research projects related to digital preservation, an area in which NARA has been engaged in research since 1996 (in the InterPARES project). The National Archives of the U.K. established its first archival system for electronic records in 2003, a small system which provides on-site access to electronic records. NARA's Access to Archival Databases application, also established in 2003, provides web access to nearly 50 million historic electronic records created by more than 20 federal agencies. The government of Australia has recently announced a project to develop standards for preserving electronic records, but the National Archives of Australia is using a small prototype that implements a preservation strategy articulated by researchers working under NARA sponsorship at the San Diego Supercomputer Center. While the National Archives of Australia holds a larger volume of digital data than NARA, its operational capabilities are largely limited to storing and copying digital media.

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

Answer: SMALL EXTENT

Question Weight 25%

Explanation: Evaluations of ERA have focused on planning and development of the system. Evaluations by GAO on planning for ERA indicate that NARA has made progress with implementing recommendations GAO believes are necessary to ensure that ERA is delivered on cost and on schedule. However, not all recommendations have yet been fully implemented, which GAO believes continues to put acquisition of ERA at risk.

Evidence: GAO-99-94, GAO-02-586, GAO Findings Summary Report (April 19, 2004); NARA response to GAO April 19, 2004 report (May 26, 2004). General Accounting Office, GAO-03-880, Records Management: National Archives and Records Administration's Acquisition of Major System Faces Risks, August 22, 2003.General Accounting Office, GAO-02-586, "Information Management: Challenges in Managing and Preserving Electronic Records," June 25, 2002.

PART Performance Measurements

Program: Electronic Records Services
Agency: National Archives and Records Administration
Bureau:

Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	89%	86%	17%	Demonstrated

4.CA1 **Were program goals achieved within budgeted costs and established schedules?** Answer: NA Question Weight: 0%

Explanation: Work related to the development and planning of the Electronic Records Archives remained within budget in FY 2004. Some schedule slippage has occurred while the ERA program office made adjustments to planning documents to incorporate recommendations from GAO and in awarding the contract for ERA. However, long-term program goals are contingent upon deployment of ERA, and therefore it is too early in the process to make a definitive assessment of whether long-term program goals are being achieved within budgeted costs and established schedules.

Evidence: FY 04 monthly schedule reporting, Monthly Strategic Schedule, Quarterly reports to Congress on ERA

PART Performance Measurements

Program: Electronic Records Services
Agency: National Archives and Records Administration
Bureau:

Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	89%	86%	17%	Demonstrated

Measure: Percentage of archival electronic records accessioned by NARA at the scheduled time.

Additional Information: Measures NARA's ability to accept permanent electronic records from agencies for archival preservation.

Year	Target	Actual	**Measure Term:** Long-term
2005	20%		
2008	80%		

Measure: Median time in days to process archival electronic records upon receipt by NARA.

Additional Information: Measures NARA's timeliness in providing public access to archival electronic records.

Year	Target	Actual	**Measure Term:** Long-term
2004	250	736	
2005	180		
2008	35		

Measure: Per megabyte cost of managing archival electronic records through the Electronic Records Archives will decrease each year (Targets pending development of ERA)

Additional Information: Measures the cost-effectiveness of preserving electronic records.

Year	Target	Actual	**Measure Term:** Long-term
2008			

Measure: Percent of electronic records in ERA managed at the appropriate level of service.

Additional Information: Measures NARA's ability to manage, preserve and provide access to electronic records at a level required by the nature of the record (not all records may require an optimal level of access and preservation).

Year	Target	Actual	**Measure Term:** Long-term

PART Performance Measurements

Program: Electronic Records Services
Agency: National Archives and Records Administration
Bureau:

Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	89%	86%	17%	Demonstrated

Measure: Percent of electronic records held by NARA stabilized in preparation for transfer to ERA.

Additional Information: Measures NARA's efforts to take into custody and copy electronic records prior to building ERA- this does not indicate preservation of electronic records in a persistent format in a manner that guarantees accessibility over time.

Year	Target	Actual	**Measure Term:** Annual
2001	40	97	
2002	60	98	
2003	65	97	
2004	99	93	
2005	99		

Measure: Milestone measures for development of the Electronic Records Archives in 2005 include completing design reviews and selecting a final contractor for the system. Milestones in 2006 include completion of design reviews for the first increment of the system.

Additional Information: Milestone measure for ERA

Year	Target	Actual	**Measure Term:** Annual

PART Performance Measurements

Program: Enforcement
Agency: Securities and Exchange Commission
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	57%	86%	42%	Demonstrated

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

Explanation: Congress established laws designed to restore and maintain investor confidence in capital markets by providing structure and government oversight. Securities laws and regulations were established to deter fraud and misrepresentation in connection with the offer and sale of securities. This program is directed at detecting and sanctioning fraudulent activity in the securities markets, including fraud by brokers, dealers, investment advisers and investment companies, financial fraud by issuers of securities, fraud in securities offerings, market manipulations, and insider trading.

Evidence: Congress has provided authority to investigate and remedy violative conduct in the Federal securities laws, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, and the Investment Company Act of 1940. These statutes have been augmented by the Insider Trading Sanctions Act of 1984, the Insider Trading and Securities Fraud Enforcement Act of 1988 and the Sarbanes-Oxley Act of 2002. The statutes require full disclosure of material information in connection with the offer and sale of securities and prohibit fraudulent activity in the securities markets.

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

Explanation: A safe and sound securities market is vital to the U.S. economy. The program is critical to protecting investors and promoting the integrity and efficiency of the U.S. securities markets. Recent exposure of issues relating to research analyst reports, investment companies, investment advisers, and broker-dealer sales practices have highlighted major problems resulting from conflicts of interest inherent in the financial services business. Further, as illustrated by recent scandals in the areas of corporate accounting and auditing, as well as by the growth of online activity that affects investment decisions and by the expansion of international markets, the need continues for maintaining and enhancing a national program to prevent and suppress fraud.

Evidence: The agency files or institutes hundreds of cases each year in which it seeks remedies for violations of the Federal securities laws. In 2003, the agency brought a total of 679 judicial actions and administrative proceedings against a total of 1415 defendants or respondents. The successful prosecution of hundreds of cases demonstrates that the agency performs a critical function in finding and terminating frauds. Each year, the agency successfully obtains emergency relief in the form of temporary restraining orders and asset freezes to ensure that frauds are promptly ended. In 2003, the agency obtained orders requiring violators to disgorge approximately $900 million in ill-gotten gains and to pay approximately $1.1 billion in civil penalties. These matters are addressed in the agency's 2003 Annual Report available on SEC's website at www.sec.gov.

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: SEC is uniquely charged with responsibility for administering federal securities laws and regulations to prevent fraud and misrepresentations in the U.S. securities markets. State regulators enforce local securities laws, but they have limited jurisdiction.

Evidence: The SEC has primary jurisdiction for oversight of U.S. securities markets and enforcement of the federal securities laws. The SEC oversees the enforcement activities of self-regulatory organizations, such as the NYSE and the NASD, that have jurisdiction limited to member firms and their employees. The program works closely with the Department of Justice in the criminal prosecution of securities violations. The program is designed to function in coordination with other authorities to ensure effective and comprehensive oversight of U.S. markets.

PART Performance Measurements

Program: Enforcement
Agency: Securities and Exchange Commission
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	57%	86%	42%	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 design of the Enforcement program is fundamentally sound, and it operates free of major flaws. The program has historically focused on areas critical to the markets, such as fraud by securities professionals and issuers. However, the program is designed and managed to maintain flexibility so that new and emerging issues affecting the markets are addressed. Further, the program has successfully addressed and implemented changes recommended by the Office of Inspector General, and no material weaknesses or internal control issues have been identified that limit the program's effectiveness or efficiency.

Evidence: The program is currently expanding its ability to detect problems earlier, identify novel issues sooner, and more effectively use new sources of information to prevent a problem from having a major impact on the markets. Enforcement staff also are conducting "around the corner reviews" to ensure that the program is posititioned to address risks likely to impact the markets and market participants.

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 program has an established process for considering and reviewing the distribution of resources across investigations and cases.

Evidence: To maximize the use of resources, the program relies on a process of regular reviews of caseloads. These reviews may result in a decision to change the direction of an investigation, including expanding or narrowing its focus, or closing the matter. These reviews take into consideration SEC priorities, the significance of the case, the balance of SEC presence across all core program areas, and the strength of the case. Further, to ensure program matters are handled efficiently, managers are required to approve requests to open and conduct inquiries and investigations.

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 14%

Explanation: While, the agency has recently established new goals that are more outcome oriented, it has not developed long-term outcome-based performance measures that reflect these goals. The program's two long-term performance goals are: the early detection and prevention of potential violations, and the sanctioning of violations when they do occur. Without information on the level of violations, it is difficult to measure the agency's progress in meeting its long-term goals.

Evidence: The program's long-term measures are derived from the agency's strategic plan and are discussed in its annual performance budget. SEC 2004 Strategic Plan, SEC 2004 Performance Plan

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight 14%

Explanation: While the program has established outcomes that it is seeking to achieve, it has not been able to develop measures or estimate a baseline and set reasonable targets.

Evidence: SEC 2004 Strategic Plan.

PART Performance Measurements

Program: Enforcement
Agency: Securities and Exchange Commission
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	57%	86%	42%	Demonstrated

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: Specific annual measures are used to monitor the performance of the program. These measures primarily address the number of enforcement actions and remedies resulting from the program's enforcing compliance with the federal securities laws. Examples of program annual measures are: 1) The percent of cases successfully resolved, and 2) Percent of cases filed within 2 years. SEC is encouraged to develop its measures further in order to get a better sense of the magnitude of the cases it brings and of the deterrence effect of the program.

Evidence: SEC's strategic plan outlines the outcomes the agency is seeking and the measures used to gauge its progress. The annual performance report tracks performance against specific measures used by the program.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 14%

Explanation: The agency established performance targets to guage its annual progress across a number of measures. Targets are used to assess the program's performance in: the length of time to bring its first action in a case; the resolution of its cases; and the distribution of cases across core program areas. However, there is inherent difficulty in measuring the impact of SEC enforcement activities, For example, the number of enforcement actions filed by the agency can range widely. The total number of actions does not necessarily correspond to any increase or decrease in the actual level of fraud occurring in the industry. Further, the program has no realistic basis on which to determine what level of fraud exists in the industry, or the desired number of enforcement actions that should be filed in any given year to achieve a certain level of performance. The program needs to work to develop further targets for some measures, such as the collection rate of penalties.

Evidence: SEC 2004 Strategic Plan, SEC FY 2006 OMB Budget Request and 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: NA Question Weight: 0%

Explanation: The program does not have partners as defined by the question.

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: YES Question Weight: 14%

Explanation: Internal and external evaluations or reviews are conducted to evaluate program effectiveness and to identify potential program improvements.

Evidence: Regular audits of the program are conducted by the General Accounting Office and the SEC's Office of Inspector General. Recent OIG audits covered Enforcement's Internet program, disgorgements, and deterring securities recidivism. Audits and studies conducted by GAO include: reviews of SEC and CFTC Fines Follow-Up, and Oversight of Disgorgement Collections. The OIG is currently examining the SEC's planning for the enforcement of disclosure rules.

PART Performance Measurements

Program: Enforcement
Agency: Securities and Exchange Commission
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	57%	86%	42%	Demonstrated

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 14%

Explanation: While SEC made progress of integrating performance into its budget in its FY 2006 Budget Request, costs could be better integrated into the agency's performance framework. The SEC is continuing to develop a more comprehensive approach to presenting information that links budget data with performance information. Funds for acquiring and implementing an activity-based costing system were requested in the agency's FY 2005 Congressional budget.

Evidence: The SEC is developing a more detailed methodology and structure to estimate and budget for the full annual costs to achieve its goals and long-term measures at both the agency and program level. The model will allocate administrative and human resources overhead costs. Once established, additional strategies for linking budget and performance data will be addressed.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight 14%

Explanation: During 2003, the Chairman implemented new management reporting activities including performance dashboards (a performance tracking system), comprehensive risk assessment practices, and regular organizational reviews targeted at aligning human resource requirements with agency priorities. The program is implementing parallel practices to further develop its planning and management activities.

Evidence: A new agency strategic plan was developed over a 12 month period with participation from throughout SEC. In addition, budget development activities include much closer collaboration between the budget, planning, and evaluation staffs.

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 uses a variety of quantitative and qualitative information sources, including tracking systems and regular management meetings to adjust program priorities, make resource allocations, and take other appropriate management actions. The program maintains a flexible approach to allocating and re-allocating resources to adapt to continually changing investigation needs.

Evidence: Data on open cases are tracked in the Division's computerized Case Activity Tracking System, which generates a variety of management reports. The program staff also maintains liaison with state, local, foreign, and other federal authorities. Program policies govern the length of time staff are allowed to prepare recommendations for opening formal investigations, and the program regularly monitors the allocation of resources, caseloads, and duration of matters being considered. See also question 1.5 above.

PART Performance Measurements

Program: Enforcement
Agency: Securities and Exchange Commission
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	57%	86%	42%	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 14%

Explanation: SEC recently implemented a pay for performance program that is used to evaluate managers and staff. The merit-based pay program links annual evaluations to performance. Senior officers and supervisors in the agency are held accountable for performance and program management through performance standards and evaluations.

Evidence: Annual pay for performance policy guidance is provided in writing to managers and staff according to established employee performance review cycles. Performance management materials are also made available to staff on the agency's internal website. In particular, the program uses senior management ratings and computerized reporting in its case and action tracking system to ensure that resources are appropriately applied to the investigations and actions that best further the agencies law enforcement goals. Human Resources "Performance Management Process memo dated June 3, 2004. "Pay for Performance" internal web page.

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

Explanation: Program funds are used for their intended purposes. Budget execution of program funds is timely and regularly monitored by senior program and agency officials. For example, information technology investments are approved and monitored by the agency's Information Technology Capital Planning Committee and Information Officers Council, while budget performance is compared against operating plans on monthly in the Chairman's Management Dashboard review.

Evidence: Most program funding is associated with compensation and benefits and is obligated for that purpose. The program has been aggressive in using hiring flexibilities, new recruiting practices, and the agency's work-life program to attract and retain employees, resulting in its using its budget resources at expected levels. Over the past three years, the program's attrition rate has dropped significantly from the agency's historical average, and the program is expected to fill nearly all its vacancies by fiscal year end. Non-personnel costs exceeded planned levels due to increases in investigation and litigation workloads from FY2001 to FY2003. For example, costs for expert witnesses, foreign counsel, deposition and transcription services, and other litigation support services rose significantly during this period.

PART Performance Measurements

Program: Enforcement
Agency: Securities and Exchange Commission
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	57%	86%	42%	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: YES Question Weight 14%

Explanation: The program adopted an efficiency measure on the timeliness of bringing cases and also competitively sources for a variety of litigation support services so that the program can more efficiently manage its staffing resources. While the program does not currently have procedures in place to measure cost effectiveness in program execution, it is developing alternative approaches for determining program costs to achieve agency strategic goals.

Evidence: The program uses a measure and targets to monitor the timeliness of its cases. The measure seeks to reflect the need to balance timeliness of enforcement actions with the need for complete, effective, and fair investigations. The program also uses competitive sourcing to acquire litigation support services for large cases or those that are particularly complex. Contracts allow the program to support its needs for paralegal assistance, capture and conversion of files into electronic formats, and forensic services. Competitive sourcing allows enforcement attorneys to focus on investigative matters and case duties and improves the overall efficiency of the program. The agency is conducting an assessment on activity-based costing alternatives. Included in the study will be what types of efficiency measures are appropriate for the program.

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

Explanation: The program has working relationships with enforcement and surveillance officials at the self-regulatory organizations, and with state, foreign and other federal regulators, including the Department of Justice. SEC participates in conferences with Federal and State regulators, and hosts a law enforcement coordination conference each year. The conference held in April 2004 was attended by representatives from over 40 state, federal, and self-regulatory organizations. The program also functions in close coordination with other SEC programs on investigations and rulemaking activities.

Evidence: The program leads or participates in joint enforcement activities ranging from task forces, to information sharing, to bringing joint cases. For example, SEC is a member of the President's Corporate Fraud Task Force and the Bank Fraud Working Group. The agency worked with the Commodities Futures Trading Commission on joint inquiries into single stock futures, and established a cooperative information sharing agreement with the Food and Drug Administration. In addition, program staff routinely exchange information with the self-regulatory organizations, criminal and regulatory organizations, and foreign authorities to assist wtih investigations and cases, including detailing staff to work in the U.S. Attorney's Office to assist with securities cases. Internally, the program coordinates with other SEC divisions to provide leads, referrals, and expertise during investigations. The program also consults on rulemaking activities in order to ensure that the agency can effectively implement and enforce the intent of the regulations.

3.6 Does the program use strong financial management practices? Answer: NO Question Weight 14%

Explanation: The agency has not undergone a full financial audit. A majority of the program's resources are in compensation and benefits and are managed via SEC's payroll system through an inter-agency agreement with the Department of Interior. These financial resources are well managed by the program, the agency, and DOI. The program also is responsible for activities related to the collection of funds payable to the government as a result of enforcement activities. In July 2003, the General Accounting Office released a second report on the agency's collection program. While the report recognized improvements that had been made, it continued to highlight weaknesses that were found in financial management practices.

Evidence: The agency's financial management practices are being audited in 2004. In response to recent statutory changes regarding auditing of financial statements, the agency has developed new computerized databases for the tracking of amounts ordered in its enforcement actions and proceedings.

PART Performance Measurements

Program: Enforcement
Agency: Securities and Exchange Commission
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	57%	86%	42%	Demonstrated

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

Explanation: The program successfully resolved prior deficiencies and has implemented regular management and performance reviews. New risk assessment practices are being established to help the program direct its resources to those areas that present the greatest potential harm to the public and the industry.

Evidence: The program promptly resolved matters identified by SEC's Office of Inspector General that required management focus. These areas included enhancing the security and protection of materials that contractors access (audit G219), improving communication and the quality of information in the Division's Internet enforcement activities (audit 352), and improving data in the program's case tracking system (audit 331).Additionally, the Division regularly reports its level of activity and timeliness of actions through the Chairman's Performance Management Dashboard. The agency's Executive Review Board meets regularly to consider the organizational structure of agency programs to ensure that resources are optimally allocated to meet mission goals. SEC's Office of Risk Assessment also is focusing on identifying and addressing risks that cut across programs and require senior level management attention.

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: NO Question Weight 25%

Explanation: The program does not have long-term outcome-oriented measures or targets. There exist inherent challenges in using long-term performance goals to measure enforcement outcomes. In particular, the agency sees enforcement activities as the culmination of work across the agency to deter fraud and protect investors. Long-term performance measures are being considered that better reflect the agency-wide nature of enforcement activities.

Evidence: SEC Strategic Plan

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: LARGE EXTENT Question Weight 25%

Explanation: The agency achieved its intended performance levels for FY 2004 for which targets are used.

Evidence: FY2006 OMB Budget Request, and FY 2004 Performance and Accountability Report (pending publication).

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: NO Question Weight 25%

Explanation: The program does not demonstrate improved efficiencies and cost effectiveness. The program is working on developing methods of measuring cost effectiveness.

Evidence: SEC Strategic Plan

PART Performance Measurements

Program: Enforcement
Agency: Securities and Exchange Commission
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	57%	86%	42%	Demonstrated

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: Comparable prograns that target similar types of fraud, such as the CFTC, U.S. Attorneys, and SROs, do not use similar performance measures and therefore it is too difficult to compare program results.

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: Independent evaluations of the program are conducted by the Government Accountability Office and SEC's Office of Inspector General. The evaluations focus on program outcomes including its success in deterring recidivism and its use of referrals. Recommendations are evaluated and incorporated into the program as appropriate.

Evidence: OIG Reports 352 Internet Enforcement Program, 360 Deterring Securities Recidivism, and 322 OCIE Referrals to Enforcement. Current and planned evaluations include: GAO 250-199 Enforcement Activities in the Mutual Fund Industry, and OIG audits of the program's waivers for monetary relief, and its case management practices.

PART Performance Measurements

Program: Enforcement
Agency: Securities and Exchange Commission
Bureau:

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	57%	86%	42%	

Measure: Percentage of cases successfully resolved

Additional Information: Based upon the status of parties at the end of the fiscal year in which cases were filed against them. Successfully resolved includes those matters litigated with a favorable judgment for the SEC, settled, or where a default judgment was issued.

Year	Target	Actual	**Measure Term:** Annual
2004	82%	98.1%	
2005	85%		
2006	87%		

Measure: Percentage of first enforcement cases filed within two years within initiation of an investigation.

Additional Information: Based upon the length of time between an inquiry or investigation being opened and the first action being filed.

Year	Target	Actual	**Measure Term:** Annual
2004	52%	70%	
2005	54%		
2006	57%		

Measure: Percent of monetary disgorgements and penalties ordered and the amounts collected to date.

Additional Information: In 2004, the total value of disgorgements (D) and penalties (P) ordered were $1.8B and $1B. The amount collected was $746M and $651M respectively.

Year	Target	Actual	**Measure Term:** Annual
2004	n/a	43%, 63%	
2005	n/a		
2006	n/a		

PART Performance Measurements

Program: Enforcement
Agency: Securities and Exchange Commission
Bureau:

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	57%	86%	42%	Demonstrated

Measure: Maintaining a effective distribution of cases across core enforcement areas. This measure evaluates whether the agency maintains an effective distribution of cases so that no category exceeds 40% of the total.

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2004	40%	goal met	
2005	40%		
2006	40%		

Measure: Criminal cases filed related to an SEC investigation.

Additional Information: Actions taken by criminal enforcement authorities where the SEC had conducted an investigation.

Year	Target	Actual	**Measure Term:** Annual
2004	n/a	tbd	

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

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

Explanation: The mission of the Commodity Futures Trading Commission (CFTC)'s Enforcement program is to protect market users and the public from fraud, manipulation, and abusive practices related to the sale of certain commodity interests, including futures and options, and to foster open, competitive and financially sound markets under CFTC's jurisdiction. CFTC's Division of Enforcement (ENF) investigates and prosecutes alleged violations of the Commodity Exchange Act and CFTC regulations.

Evidence: Commodity Exchange Act, as amended, 7 U.S.C. § 1, et seq. (CEA or Act), especially section 3 'Findings and Purpose;' CFTC regulations, 17 C.F.R. § 1, et seq.; CFTC Annual Report 2003; and CFTC FY 2005 President's Budget and FY 2003 Annual Performance Report. ENF performs investigations and, where appropriate, recommends that the CFTC commence enforcement action against those individuals and firms registered with CFTC, and who are engaged in activities that directly or indirectly affect commodity futures and option trading on domestic exchanges, or who improperly market futures and option contracts.

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

Explanation: Futures markets play an important role in the national economy by helping investors manage risk. For these markets to function properly, it is vital that they be free from fraud, manipulation, and abusive practices. The program ensures that the CEA and CFTC's regulations are adhered to, which furthers the pubic interest in protecting investors, market participants and the integrity of the markets. ENF investigates potential violations of regulations. CFTC has authority to commence both civil injunctive enforcement actions in U.S. district courts and administrative enforcement actions before a CFTC Administrative Law Judge. The program became more important with the passage of the Commodity Futures Modernization Act (CFMA) in December 2000. The CFMA moved CFTC from a frontline regulator to an oversight regulator that emphasizes tough enforcement actions against wrongdoers without creating overly burdensome regulations.

Evidence: The futures markets are large and growing. In FY 2003, approximately one billion futures contracts were traded domestically on eleven exchanges, and there were approximately 80,000 Commission registrants. In FY 2003, the ENF opened a total of 172 investigations, and CFTC filed a total of 64 enforcement actions naming a total of 144 respondents/defendants. During this fiscal year, the ENF obtained a record assessment of over $210 million in civil monetary penalties and $105 million in restitution and disgorgement ordered. Sections 3, 6(c), 6(d) and 6c of the Act; CFTC Rules Parts 10 & 11, 17 C.F.R. §§ 10 & 11, et seq.; CFTC Strategic Plan 2004-2009 (February 2004); and CFTC Annual Report 2003.

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

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 program is not redundant or duplicative of any other Federal, state, local, or private effort. CFTC has exclusive jurisdiction with respect to contracts of sale of a commodity for future delivery, options on any contract of sale of a commodity for future delivery, and options on a commodity. CFTC also has exclusive jurisdiction over certain retail transactions involving futures on foreign currency and options on such contracts. To ensure the effective and efficient use of resources, ENF has a cooperative enforcement program element with self-regulatory organizations (SROs) to avoid duplicative expenditure of resources. CFTC has delegated its registration function to the National Futures Association (NFA). ENF coordinates closely with NFA to avoid duplication of efforts. ENF reviews NFA's actions and sanctions. ENF also works cooperatively with Federal criminal authorities in civil enforcement, and with both federal and state law enforcement authorities when matters involve violations in addition to those involving the CEA.

Evidence: In 2003 CFTC opened the Office of Cooperative Enforcement (OCE) whose task is to reach out to financial regulators on the federal and state level, to ensure that they are coordinating investigations and prosecutions of commodities violators, and to ensure that the government addresses misconduct whenever appropriate. Cooperative enforcement enables CFTC to maximize its ability to detect, deter, and impose sanctions against wrongdoers involving U.S. markets, registrants, and customers. The benefits of cooperative enforcement include: 1) the use of resources from other sources to support CFTC enforcement actions; 2) coordination in filing actions with other authorities to further the impact of enforcement efforts; and 3) development of consistent and clear governmental responses and avoidance of redundant efforts by multiple authorities. CEA Section 2; CFTC Annual Reports 2002 & 2003; FY 2005 President's Budget; FY 2005 Budget & Performance Estimate; FY 2004 President's Budget; and FY 2002 and FY 2003 Annual Performance Reports.

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: ENF is constantly evaluated for efficiency and effectiveness. ENF recently conducted an internal review and implemented a staff reorganization to ensure that staff have the tools and structure do their jobs efficiently and effectively. ENF solicited staff for ideas to improve communications, enhance the assistance given to investigations and/or litigations, and improve other internal enforcement support. The reorganization also created several specialty areas that focus on efficiency and consistency, namely OCE and the Offices of Budget and Statistics (OBS) and Policy and Review. OBS produces a confidential, monthly Enforcement Results report that tracks performance statistics. External audits of ENF are conducted both by the CFTC's Office of the Inspector General (OIG) and by the United States General Accounting Office (GAO).

Evidence: An example of ENF's efforts to maximize efficiency is its implementation of an 'e-law' program that will increase efficiency by assisting with electronic tasks. An example of an external review of the program is GAO's July 2003 report noting that ENF had implemented procedures for ensuring the timely referral of delinquent monetary penalty collections to Treasury. CFTC Annual Reports 1999-2003; FY 2005 President's Budget/FY 2003 Annual Performance Report; FY 2005 Budget & Performance Estimate; OIG Audit of Civil Monetary Penalty Collections report issued April 27, 2001; and GAO, SEC and CFTC Fines Follow-Up Collection Programs Are Improving, But Further Steps Are Warranted, GAO -03-795 (July 2003).

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

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 program maximizes its resources at all steps, from case lead generation up through resolution. For example, ENF conducts a limited and focused review of referrals to decide whether the allegations are sufficiently comprehensive to proceed to the investigative stage. Once the team determines that good cause exists to conduct further inquiry under subpoena authority or to commence an enforcement action, a recommendation for authority is made to assigned supervisory staff and then on to the other CFTC divisions for decision by the Commission. In certain cases, the program maximizes its impact through joint actions, such as its filing of several matters in the energy markets and its Internet Sweeps targeting CTA fraud. ENF also enhances the impact of its actions by tying them to customer education initiatives. For example, CFTC recently issued a Spanish-Language Consumer Advisory warning the public to be wary of a number of commodity based scams. Cooperative enforcement is used both as a force multiplier and to ensure non-duplication of efforts.

Evidence: Pending matters are evaluated through quarterly team docket reviews and tracked using the Monthly Status Report System (MSR) system, which tracks preliminary inquiries, investigations, litigations, and cooperative enforcement matter information. In addition, the system tracks staff hours worked on matters and generates various monthly and quarterly statistical reports. ENF also utilizes a specialty document management system to provide location information on documentation (i.e. preliminary inquiries, investigations, and administrative and civil injunctive enforcement actions) received from external sources into ENF. CFTC Advisories and press releases are all available on CFTC's Internet website, and are linked to its 'Customer Protection' webpage: http://www.cftc.gov/cftc/cftccustomer.htm. OMB Budget Hearing Questions (October 2003); CFTC Annual Report 2003; CFTC Advisories, see http://www.cftc.gov/cftc/cftccustomer.htm; CFTC Enforcement Press Releases: http://www.cftc.gov/cftc/cftcpressoffice.htm

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 14%

Explanation: While the program has a limited number of long-term performance outcome measures, these measures do not fully reflect on the program goals. The measures are intended to reflect the program's impact on market integrity and consumer protection. ENF's salubrious effects are reflected in: 1) the percentage growth in market volume; 2) the increase in number of exchanges and clearing houses; 3) the percentage of SROs and clearing organizations that comply with the requirement to enforce their rules; and 4) the percentage decrease in both the number of customers who lost funds due to alleged wrongdoing and the amount of funds that these customers lost.

Evidence: The first two measures are proxy measures for ENF's goal of protecting market integrity. The fourth measure is a proxy measure for both market integrity and consumer protection and is derived from regulatorily required reports to the CFTC by Contract Markets and futures commission merchants (FCMs) non-exempt Commodity Trading Advisors (CTAs), Commodity Pool Operators (CPOs) and Introducing Brokers (IBs). FY 2003 Annual Performance Report; FY 2005 OMB Budget & Performance Estimate; and CFTC Strategic Plan 2004-2009 (February 2004).

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight 14%

Explanation: The long-term measures and targets do not fully reflect the program's purpose. As a baseline for all of its performance measures, ENF reports the actual results it achieved during the preceding fiscal year. ENF strives to set ambitious targets for its performance during the subsequent three fiscal years by taking several factors into consideration: the program's actual results over the past several years, including that during the baseline year; the fiscal year actual and requested level of funding for the program and FTEs; and the types of cases that the program expects that it will be asked to handle based upon an informal evaluation of trends, statutory and regulatory developments, and existing investigations.

Evidence: ENF regularly undertakes analysis of long-term trends in order to predict the type and complexity of future enforcement actions, not just their number. Each enforcement matter is assigned Management Accounting Structure Codes (MASCs) that identify the type of violative conduct suspected (investigations) or charged (litigations). For example, there are separate litigation MASCs for trade practice, manipulation, supervisions and off-exchange fraud charges, among others. ENF generates reports that identify the number of open matters by MASC, and the staff hours worked per MASC. Based on these reports, the types of cases filed, and the nature of pending investigations, ENF makes educated estimates of future trends and the program's resource needs. FY 2003 Annual Performance Report (February 2004); FY 2004 Performance and 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 14%

Explanation: Included in the annual performance measures the CFTC reports are: 1) percent of cases sucessfully resolved; and 2) percentage of cases filed during FY that were filed within one year of investigation opening, and 3) cases filed by other criminal and civil law enforcement authorities that included cooperative assistance from the CFTC.

Evidence: ENF also sets internal annual staff performance goals and has checks in place to ensure that these goals are met. ENF has a filing requirement of one litigated case per year per staff attorney. In addition, staff are expected to resolve investigations (i.e. determine whether they should be closed or an enforcement action should be filed) within one year of their opening. ENF ensures that staff are meeting these targets through case tracking databases and reports, and quarterly meetings. These quarterly meetings include: 1) work plan reviews requiring senior staff to project their litigation teams' case filings and settlements; and 2) docket reviews in which the litigation team members discuss with senior staff the status of their open investigation and litigation matters. CFTC Annual Report 2003; FY 2003 Annual Performance Report.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight 14%

Explanation: ENF reports as a baseline for all of its performance measures the actual results it achieved during the preceding fiscal year. ENF strives to set ambitious targets for its performance during the subsequent three fiscal years by taking several factors into consideration: the program's actual results over the past several years, including results during the baseline year; the fiscal year actual and requested funding for FTEs; and the types of cases that the program expects that it will be asked to handle based upon an informal evaluation of trends, statutory and regulatory developments, and existing investigations.

Evidence: CFTC Annual Report 2003; FY 2003 Annual Performance Report; and FY 2003 Congressional Questions for the Record.

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	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: NA Question Weight: 0%

Explanation: The program does not have partners as defined by the question.

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: YES Question Weight:14%

Explanation: ENF is scrutinized on a regular basis by CFTC's Office of Inspector General (OIG), which recommends policies to promote economy, efficiency and effectiveness in CFTC programs and operations. OIG reviews all enforcement recommendations regarding the initiation and conduct of investigations and the commencement of enforcement actions to assure their legal sufficiency and conformance with general CFTC policy and precedent. OIG also conducts additional specific inquiries of the program. For example, in 2003 OIG conducted audits of CFTC employees' use of government-issued purchase and travel cards, and it also completed a comprehensive review of the program's information requirements. In 2001, OIG completed its audit of the CFTC's Civil Monetary Penalties Collection Program. GAO also conducts regular reviews of ENF. For example, in its July 2003 report, GAO noted that the CFTC addressed its recommendation by implementing procedures for the timely referral of monetary penalty payment delinquency cases to the U.S. Treasury.

Evidence: The program, along with the rest of CFTC, is also independently evaluated for financial management pursuant to the Accountability of Tax Dollars Act, which requires CFTC to submit quarterly un-audited financial statements, year-end independently audited financial statements, and a consolidated Performance and Accountability Report. CFTC Annual Reports 2002 & 2003; Annual Performance Plans and Reports; OIG Audit of Civil Monetary Penalty Collections report, issued April 27, 2001. Review of Enforcement Information Requirements completed September 2003; GAO, SEC and CFTC Fines Follow-Up Collection Programs Are Improving, But Further Steps Are Warranted, GAO -03-795 (July 2003); GAO, SEC And CFTC: Most Fines Collected, But Improvements Needed In The Use Of Treasury's Collection Service, GAO-01-900 (July 2001); GAO, Results Act: Observations On CFTC's Annual Performance Plan, GAO/T-GGD-99-10 (October 1998); GAO, Results Act: Observations On CFTC's Strategic Plan, GAO/T-GGD-98-17 (October 1997).

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: As part of CFTC's internal budget process, CFTC's Office of Financial Management (OFM) requires ENF to allocate in writing its requested FTEs by outcome objective for each fiscal year. ENF must also provide a written narrative discussion of how the program's planned performance measures would be affected by: 1) the increase/decrease in total FTEs for ENF in the budget period; and 2) any observed or predicted future demands, risks, uncertainties, events, conditions, and trends.

Evidence: FY 2005 Budget & Performance Estimate; FY 2005 President's Budget.

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight 14%

Explanation: CFTC refined its strategic planning in 2003 and 2004 when it revised its performance measures reported in its semi-annual Performance Report/Plan. CFTC sharpened its focus on including performance outcome measures in addition to its output measures. These new measures for ENF are identified in Question 2.1. The effectiveness of ENF in meeting this strategic plan is reflected both in CFTC's Annual Reports and its Annual Performance Reviews.

Evidence: A factor that helps CFTC avoid strategic planning deficiencies is that CFTC is subject to a 'sunset provision" that requires congressional reauthorization every five years. As part of this reauthorization process, CFTC and Congress conduct a comprehensive review of CFTC's operations (including ENF) and its authorizing statute, the CEA. For example, during the last reauthorization, Congress passed the CFMA, which moved CFTC from a frontline to an oversight regulator that emphasizes tough enforcement actions against wrongdoers without creating overly burdensome regulations. CFTC Annual Reports 1999, 2000, 2001, 2002 and 2003; FY 2005 President's Budget/FY 2003 Annual Performance Report; FY 2005 Budget & Performance Estimate; and CFTC Strategic Plan 2004-2009 (February 2004).

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: ENF has numerous mechanisms and procedures to collect timely and credible performance information. Internally, ENF maintains a case tracking system and numerous databases that help managers manage the program and improve its performance. For example, information gathered helps ENF identify investigations that have remained opened for over a year without generating either a recommendation to close or to file an enforcement action. ENF also ensures that it receives timely information from its SROs. For example, CFTC regularly audits designated SROs compliance programs and rules enforcement. In addition, Division staff meet quarterly with staff from SROs to discuss investigations of potential trade practice violations. ENF also relies heavily upon domestic and international cooperative enforcement and meets regularly with other authorities, such as the Consumer Protection Initiatives Committee, Securities and Commodities Fraud Working Group, and International Organization of Securities to gather performance information.

Evidence: CFTC Five-Year Plan For Information Resources Management FY 2000-2004 (March 2000). The MSR monitors preliminary inquiries, investigations, litigations, cooperative enforcement matter information, and staff hours worked. The Enforcement Procedure 3 (EP3) system tracks documents. ENF maintains numerous internal, confidential databases to track domestic cooperative enforcement activities, including all inquiries and referrals received as well as civil and criminal actions filed by other state and federal law enforcement agencies. ENF also closely follows the performance of International Cooperative Enforcement efforts through the use of internal, confidential databases. These databases track the receipt and resolution of requests for assistance ENF both receives from and makes to foreign authorities.

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	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 14%

Explanation: All Division staff, including managers, are held accountable for cost, schedule, and performance results. Division managers are held accountable through internal processes and review, and by external, independent oversight and auditing by CFTC's Office of Financial Management (OFM) and OIG. All Division staff, including managers, are required to set annual performance goals for themselves, and their performance is formally evaluated on a semi-annual basis. Also, managers are required to justify their performance - including the timeliness of their matters (e.g. whether they were able to complete their investigations, by either closing them or filing an enforcement action, within one year of their opening) - during quarterly docket reviews and work plan meetings. ENF managers are also required to 1) produce annual budgets for ancillary expenses , and 2) review staff travel reports before and after travel to ensure that these, and all other expenditures, are needed for investigations/litigations.

Evidence: Managers' evaluations, promotions and bonuses are directly affected by the degree to which they meet their performance and budget goals. CFTC-Instruction 442; Critical Elements and Successful Standards: Effective Leadership: 'Accomplishes the mission and organizational goals of the work unit. Uses financial, material, and human resources effectively.'

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

Explanation: CFTC and ENF have in place redundant systems and checks to ensure that funds are obligated in a timely manner and spent for the intended purpose. Each fiscal year, the Commission routinely obligates 99.9% of the available appropriation. In response to the Accountability of Tax Dollars Act and the President's Management Agenda, in FY 2004 the CFTC completed its first submissions of audited financial statements statements, and a consolidated Performance and Accountability Report.

Evidence: End of Year Financial Statements (SF-133); bimonthly Status of Funds Reports; and the FY 2004 Performance and Accountability 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: ENF has employed the following procedures, among others, to ensure its efficiency and cost-effectiveness: Competitive Sourcing - ENF competitively sources its nationwide court reporting costs (which account for approximately one quarter of ENF's operating budget), its contract to enhance its internet surveillance capabilities, and its litigation support initiatives, including ENF's 'E-Law' project. In addition, CFTC measures the timeliness of its investigations by tracking the percentage of cases filed during the FY that were filed within one year of investigation opening.

Evidence: FY 2005 President's Budget; FY 2003 Annual performance Report; FY 2005 Budget and Performance Estimate; Internal Division Budget reports; E-law (Requirements Analysis, Technology Assessment, Business Impact Analysis);; Continuity Planning (Business Impact Analysis, Business Continuity plan); Court Reporter Contract (Request for Proposal/Statement of Work); and Internet Surveillance (RFQ-Internet Search Services).

dPART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

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

Explanation: ENF coordinates and collaborates with a number of other criminal and civil law enforcement authorities (including the Department of Justice, Federal Bureau Of Investigation, Securities and Exchange Commission, Federal Energy Regulatory Commission, and various U.S. Attorneys Offices and State Securities Commissions) and inter-agency, domestic and international working groups (including the Corporate Fraud Task Force, U.S. Treasury Department's Bank Secrecy Act Advisory Group, U.S. Treasury Department's USA PATRIOT Act Implementation Working Group, the Financial Action Task Force (FATF), Telemarketing and Internet Fraud Working Group, Consumer Protection Initiatives Committee, Securities and Commodities Fraud Working Group, and the International Organization of Securities Commissions). ENF also coordinates closely with the SROs to enhance enforcement and eliminate duplication of efforts. In addition, ENF participates in several regularly scheduled industry conferences.

Evidence: An illustration of ENF's cooperative enforcement is the central role it played in the 18 month 'Operation Wooden Nickel' undercover investigation into forex and bank fraud conducted by the U.S. Attorney and FBI in the Southern District of New York. On November 19, 2003, the U.S. Attorney filed criminal charges against 47 defendants and arrested many of them. At the same time, CFTC filed six separate federal injunctive actions against 31 persons and entities. As part of the undercover operation, federal criminal agents infiltrated a forex boiler room in the World Financial Center allegedly operated by corrupt sellers of illegal forex futures contracts. The agents captured hundreds of hours of video and audio recordings of defendants allegedly scheming to deceive unsuspecting customers and steal millions of dollars. Operation Wooden Nickel is one of the largest undercover operations in which the CFTC has participated. CFTC Annual Reports 2002 & 2003.

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

Explanation: CFTC underwent its first full financial audit in FY 2004 and received an unqualified opinion for its 2004 balance sheets.

Evidence: In response to the Accountability of Tax Dollars Act and the President's Management Agenda, in FY 2004 CFTC completed its first submission of year-end audited financial statements and a consolidated Performance and Accountability Report. See the FY 2004 Performance and Accountabilty Report.

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

Explanation: ENF was recently reorganized to improve management. In addition to implementing an electronic solution, ENF has also reviewed its business process in order to determine whether management changes are needed. In July 2003, the GAO released a second report on the agency's collection program. The report found that CFTC addressed earlier concerns by implementing procedures for ensuring the timely referral of delinquent monetary penalty payments to FMS.

Evidence: CFTC Annual Reports 1999, 2000, 2001, 2002 and 2003; FY 2005 President's Budget/FY 2003 Annual Performance Report; FY 2005 Budget & Performance Estimate; and GAO, SEC and CFTC Fines Follow-Up Collection Programs Are Improving, But Further Steps Are Warranted, GAO -03-795 (July 2003).

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: NO Question Weight 25%

Explanation: ENF recently refined its long-term outcome goals (see response to Question 2.1), and the program's current performance suggests progress toward meeting these goals. However, the outcome-related measures established for the program do not fully reflect progress on meeting the program's overall goals.

Evidence: FY 2005 President's Budget; FY 2003 Annual Performance Report; FY 2005 Budget & Performance Estimate; and FY 2004 President's Budget, FY 2002 Annual Performance Report.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: LARGE EXTENT Question Weight 25%

Explanation: ENF has largely met goals for its performance. For fiscal year 2004, ENF met all of its outcome measures. ENF also came close to meeting all of its output measures, with one exception ' 99% not 100% of actions closed during the year resulted in sanctions.

Evidence: FY 2004's 24% increase in market volume is a positive reflection on ENF'smarket integrity protection performance and exceeds the ambitious goal of 22%. While ENF may not obtain sanctions in one of the enforcement actions it closes during FY 2004, the CFMA's reliance upon vigorous enforcement action requires ENF to pursue not just the easy cases. CFTC Annual Performance Plans 2002-2005; CFTC Annual Performance Reports; CFTC Annual Performance Reports 2001-2003.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight 25%

Explanation: ENF has demonstrated both improved time efficiencies and cost effectiveness in achieving its program goals. Despite a decrease in FTEs from 2003 (146) to 2004 (145), ENF demonstrated improved efficiency in completing investigations as reflected an increase in two statistics: 1) the percentage of cases that were filed within one year of the investigation opening (67% to 72%); and 2) the percentage of investigations that were closed within one year of opening (63% to 72%). ENF's improved effectiveness from 2003 to 2004 is also reflected in the increased number of investigations opened (116 to 193) and cases filed (64 to 83). ENF's case filings in 2004 were, in fact, the highest total of enforcement actions brought in the previous 15 years. ENF also increased its effectiveness through heightened domestic and international cooperative enforcement.

Evidence: FY 2005 President's Budget; FY 2003 Annual performance Report; FY 2005 Budget and Performance Estimate; Internal Division Budget reports; E-law (Requirements Analysis, Technology Assessment, Business Impact Analysis); Continuity Planning (Business Impact Analysis, Business Continuity plan); Court Reporter Contract (Request for Proposal/Statement of Work); and Internet Surveillance (RFQ-Internet Search Services). ENF's efficiency gains were reached through several initiatives including competitive sourcing, targeted IT investment, management reorganization, and development of a business continuity plan. With respect to cooperative enforcement, the creation of the OCE resulted in a significant increase in initiatives, including joint actions filed and assistance provided to sister agencies.

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

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: Comparable programs that target similar types of fraud, such as the SEC, U.S. Attorneys, and SROs, do not use similar performance measures, so it is too difficult to compare program results.

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: GAO has conducted several evaluations of CFTC and DOE that indicate that they are effective and achieving results. For example, in preparing an August 1998 report, GAO surveyed a judgmentally selected sample of about half of DOE's headquarters and regional staff. GAO found that a substantial majority of those surveyed 'viewed the division as operating effectively and efficiently as well as producing quality work.' Consistent with GAO's suggestions, DOE continued its efforts to further improve its effectiveness and, among other actions, DOE developed: a comprehensive procedures manual that is available to DOE staff via CFTC's intranet; an ongoing series of training programs presented by CFTC experts on key areas of law and litigation practice; and an annual questionnaire for staff to identify the training they believe they need to improve their effectiveness.

Evidence: GAO, Report to Congressional Requestors, CFTC Enforcement, Actions Taken to Strengthen the Division of Enforcement, GAO/GGD-98-193 (August 1998). See also GAO, SEC and CFTC Fines Follow-Up Collection Programs Are Improving, But Further Steps Are Warranted, GAO -03-795 (July 2003); GAO, Results Act: Observations On CFTC's Annual Performance Plan, GAO/T-GGD-99-10 (October 1998); and GAO, Results Act: Observations On CFTC's Strategic Plan, GAO/T-GGD-98-17 (October 1997)

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

Measure: Percent growth in market volume.

Additional Information: Percentage change in total number of contracts traded during the fiscal year over the previous fiscal year. This is a proxy measure for market integrity.

Year	Target	Actual	**Measure Term:** Long-term
2004	22	24	
2005	20		
2006	20		
2007	20		
2008	20		
2009	20		

Measure: Number of enforcement investigations opened during the fiscal year.

Additional Information: The total number of enforcement investigations opened during a fiscal year.

Year	Target	Actual	**Measure Term:** Annual
2004	160	215	
2005	160		
2006	165		

Measure: Percentage of total number of cases filed during FY that were filed within one year of investigation opening.

Additional Information: The measure reflects the efficiency of ENF preparing cases and initiating enforcement action in a tiemly manner.

Year	Target	Actual	**Measure Term:** Annual
2004	TBD	70	

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

2005	TBD
2006	TBD

Measure: Percentage of total number of investigations closed during the FY that were closed within one year of opening.

Additional Information: The measure reflects the efficiency of ENF in completing its investigations in a timely manner.

Year	Target	Actual	**Measure Term:** Annual
2004	TBD	72	
2005	TBD		
2006	TBD		

Measure: Amount of civil monetary penalties imposed.

Additional Information: The total number of civil monetary penalties imposed in enforcement actions during the FY (in$).

Year	Target	Actual	**Measure Term:** Annual
2004	TBD	$168m	
2005	TBD		
2006	TBD		

Measure: Amount of civil monetary penalties collected.

Additional Information: The total number of civil monatary penaties collected in enforcement actions during the FY (in$).

Year	Target	Actual	**Measure Term:** Annual
2004	TBD	$122m	
2005	TBD		

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

2006	TBD	

Measure: Percentage of civil monetary penalties collected of those imposed in FY 2004.

Additional Information: The measure reflects collection rate efficiency.

Year	Target	Actual	**Measure Term:** Annual
2004	TBD	73	
2005	TBD		
2006	TBD		

Measure: Increase in number of exchanges and clearing houses.

Additional Information: The number of new futures exchanges and clearing houses that opened during the fiscal year. This is a proxy measure for market integrity.

Year	Target	Actual	**Measure Term:** Long-term
2004	5	5	
2005	5		
2006	5		
2007	2		
2008	2		
2009	2		

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

Measure: Percentage of SROs and clearing organizations that comply with the requirement to enforce their rules.

Additional Information: The CFTC conducts regular audits of the SROs and clearing organizations, and this measure reflects the percentage of these entities that were found to enforce their rules.

Year	Target	Actual	**Measure Term:** Long-term
2004	100	100	
2005	100		
2006	100		
2007	100		
2008	100		
2009	100		

Measure: Percent decrease in the number of customers who lost funds.

Additional Information: Percentage change in the number of customers who claimed to have lost funds do to misconduct, as reported to the CFTC by Contract Markets and FCMs and non-exempt CTAs, CPOs, and IBs. Exchanges and registrants are required to report lost funds to CFTC by regulation. This is a proxy measure for market integrity and consumer protection.

Year	Target	Actual	**Measure Term:** Long-term
2004	0	0	
2005	0		
2006	0		
2007	0		
2008	0		
2009	0		

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

Measure: Amount of lost funds.

Additional Information: The total amount of funds lost by complaining SRO customers, as reported to the CFTC by Contract Markets and FCMs and non-exempt CTAs, CPOs and IBs. Exchanges and registrants are required to report lost funds to CFTC by regulation. This is a proxy measure for market integrity and consumer protection.

Year	Target	Actual
2004	0	0
2005	0	
2006	0	
2007	0	
2008	0	
2009	0	

Measure Term: Long-term

Measure: Percent of cases successfully resolved.

Additional Information: Percentage of cases closed during the fiscal year that resulted in final sanctions against defendants.

Year	Target	Actual
2004	100	99
2005	100	
2006	100	
2007	100	

Measure Term: Annual

PART Performance Measurements

Program: Enforcement Program
Agency: Commodity Futures Trading Commission
Bureau: Division of Enforcement
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	71%	100%	67%	Demonstrated

Measure: Number of enforcement actions filed during the fiscal year.

Additional Information: The total number of administrative, civil injunctive and statutory disqualification actions filed during a fiscal year.

Year	Target	Actual	**Measure Term:** Annual
2004	60	83	
2005	65		
2006	65		

Measure: Cases filed by other criminal and civil law enforcement authorities that included cooperative assistance from the CFTC.

Additional Information: Cases filed by other criminal and civil law enforcement authorities that included cooperative assistance from the CFTC

Year	Target	Actual	**Measure Term:** Annual
2004	19	20	
2005	21		
2006	23		

Measure: Of all investigations closed during the fiscal year, percentage that were closed or resulted in enforcement action within one year of opening.

Additional Information: The measure reflects the efficiency of ENF in conducting its investigations by either closing them or initiating enforcement action in a timely manner.

Year	Target	Actual	**Measure Term:** Annual
2004	65	72	
2005	74		
2006	75		

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

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

Explanation: The Federal Employees' Group Life Insurance (FEGLI) Program is an employer-sponsored life insurance program under which benefit payments are made following the death or dismemberment of employees and retired employees. The program purpose is to 1) offer Federal employees the opportunity to purchase group term life insurance which provides financial protection to beneficiaries in the event of enrollee death or dismemberment and 2) to be part of a compensation package that enables the government to remain competitive with other employers for highly qualified workers.

Evidence: The Federal Employees' Group Life Insurance Act of 1954 (P. L. 83-598 of August 17, 1954), P.L. 96-427, and P.L. 105-311.

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

Explanation: Life insurance protection is almost a universal employee benefit in the United States. Approximately 98% of all employers and 100% of all large employers offer some life insurance benefits to its employees. The importance of life insurance benefits among Federal employees and annuitants can be demonstrated, in part, by the participation rate of Basic coverage of 87% among all eligible employees for 2003. The Program has been legislatively changed over the years (additional options added in 1980, living benefits added in 1994, etc.) to meet enrollees evolving needs. Common reasons why employees want employer-sponsored life insurance include reduction of underwriting restrictions or additional costs typically used to offset adverse selection that can be reduced by group purchases and other possible insurance features through group plans that are impracticable on an individual policy basis.

Evidence: According to a 2002 survey by the Society of Human Resource Management, 100% of companies with 500 or more employees and 98% of all employers offer life insurance benefits. Legislative changes that show program evolution over time to meet changing needs can be found on the OPM Web site at http://www.opm.gov/insure/life/handbook/legislation.asp.

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

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: FEGLI is the only employer-sponsored group life insurance program for Federal civilian employees. However, Federal employees are not limited to benefits provided through FEGLI; individual policies are widespread and can be readily purchased through private vendors. Additional survivor and death benefits are made available to federal employees through Social Security, Federal employee retirement systems, and special payments authorized by the Federal Employees Compensation Act (FECA) which are tied to service related deaths. Despite the widespread availability of survivor benefits there are limitations to other forms of coverage available to Federal employees that can be mitigated through an employer-sponsored group policy. For example, the cost and availability of privately purchased life insurance can vary according to the individual's health, age, occupation or other personal characteristics while FEGLI coverage is available to all eligible employees, at the same rate. FECA survivor benefits are limited to accidents or deaths occurring at the workplace, while there are no such limitations on FEGLI benefits. Benefits paid through the Government's retirement system can vary by years of service or contributions made by the enrollee, while FEGLI enrollees have the option of purchasing additional coverage to meet their individual needs. FEGLI serves a useful purpose with features not generally available through individual policies or other Federal life insurance sources.

Evidence: Life insurance is readily available in the private market at prices that may be generally competitive with FEGLI premiums, depending on the individual's age and health status. FEGLI coverage is available to all eligible employees without regard to health if elected when first eligible, following a life event, or during an open season. While a somewhat wider range of insurance products may be available in the private sector, (e.g., whole life coverage), there is one feature of FEGLI that sets it apart from coverage offered by private sector employers: the ability to continue the full amount of insurance into retirement. Most private sector employers limit retirement coverage to a nominal amount (from $5,000 to $10,000). With FEGLI an employee who retires on an immediate annuity and who meets the 5-year/all-opportunity requirement may continue the full amount of his/her coverage. The employee may make an election as to whether to have the insurance reduce at age 65 or to retain the full value after age 65.

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: There is no indication that the FEGLI program has major design flaws that would impede it from effectively and efficiently meeting the program purpose. FEGLI is reveiwed periodically by OPM's Inspector General. By design, a group term life insurance plan is less expensive for the employer compared to other types of insurance plans which have a savings feature (e.g. universal, whole life insurance) because it's pure insurance, keeping administrative costs low because administration is simple. The FEGLI enabling legislation authorizes the insurance coverage to be provided and administered by a single carrier further making the administration of the program simple. OPM is responsible for overall program administration with day-to-day responsibilities shared by Federal agencies. In addition, program participants can also purchase additional coverage options, beyond basic coverage, to meet their individual needs.

Evidence: The OIG's Audit report of the FEGLI program (No. 4A-RI-00-02-024) of January 27, 2003 identified 2 areas where internal controls needed to be improved. OPM has addressed one of the items and is working to address the other. These items are discussed in more detail in question 3.7.

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

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: In keeping with the two program purposes, FEGLI is primarily targeted to Federal employees. However, the program has been modified throughout the years to include the participation of additional classes of individuals that are not directly linked towards achieving the program's purpose (e.g. certain D.C. government employees, among others). Nevertheless, participation of these additional groups are very few in number and there is no indication that they pose an adverse impact on the program or impede the ability to achieve the program's purpose. More importantly, the program design facilitates OPM's ability to ensure that all program participants make the proper contributions to the program through payroll or annuity deductions. The design also supports accurate benefit payments to the proper beneficiaries. Based on payment data representing a significant share of benefit dollars paid (67%).

Evidence: FEGLI benefits are effectively targeted and reach the intended beneficiaries: Based on payment data representing a significant share of benefit dollars paid, OPM estimates the rate of FEGLI improper payments to be - 0.22% of total benefits paid to the beneficiaries of deceased annuitants in FY 2004.Although the paid claims matches do not examine all benefit payments, they cover the largest group of these payments (67% of total payments made); OPM believes that, based on this data, FEGLI is not susceptible to a high risk of improper payments. OPM will conduct a review covering all FEGLI benefit payments during FY 2005 and will explore new methods of estimating improper payments.

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: OPM has established long-term measures that assess the life insurance program's purposes of providing life insurance and enabling the government to remain competitive with other employers for highly qualified workers.

Evidence: See measures tab (indicators 1, 2, 3 and 5).

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight 13%

Explanation: Since the 2004 Federal Benefits Survey data collection for indicators 7 and 8 immediately followed the rare FEGLI Open Season campaign associated with FEGLI's 50th anniversary, we do not expect to maintain the current performance level for these 2 indicators because we do not expect another open season opportunity in the immediate future. Preliminary results from the survey have given us a baseline for developing long-term measures. The 2004 survey shows that 61% of current employees and 67% of new hires rate life insurance as important, a good value, and competitive. In the absence of another open season, we expect the results from future surveys to show slightly slower numbers.

Evidence: See measures tab for targets and timeframes.

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: OPM has established annual measures to demonstrate progress toward achieving FEGLI's long-term goals of providing employees life insurance for financial protection and that is part of a compensation package that enables the government to remain competitive with other employers for highly qualified workers.

Evidence: See measures tab (indicators 4, 6, 7 and 8).

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight 13%

Explanation: OPM has the following baselines and targets for its annual measures of OFEGLI (the Office of Federal Employees' Group Life Insurance, a unit of MetLife that pays claims under the FEGLI Program): 99% of claims must be paid accurately, and 99% of fully documented claims must be adjudicated within 10 business days of receipt. OPM currently measures the accuracy of claims paid following the death of an annuitant, which represent 89% of FEGLI claims; we are developing a system for measuring the accuracy of claims paid following the death of an employee, which represent 10% of FEGLI claims. (The remaining 1% represents claims for deaths during the 31-day extension following termination of coverage.)

Evidence: See measures tab for targets and timeframes.

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: OPM's main partner, MetLife, is held accountable through contractual requirements to meet performance standards that OPM sets (see requirements listed in 2.4). Federal agencies, which handle such aspects of the Program as enrollment processing, enrollment decisions and appeals, certifying coverage at death, and premium withholding, follow the law and regulations and the guidance OPM issues in the FEGLI Handbook and Benefits Administration Letters (BALs). OPM has provided training to agencies in the proper administration of the Program and provides ongoing counseling and guidance through the FEGLI Internet mailbox. OPM uses a listserv system to alert agencies of new information and procedures and also puts notices of changes on the FEGLI website. MetLife contacts agencies to conduct pre-payment verification of claims before making payment to beneficiaries of insured individuals with $200,000 or more of FEGLI coverage to assure accurate payments. Following the Oklahoma City bombing in 1995, OPM put into place expedited claims procedures for claims payment to beneficiaries of bombing victims who were killed and to bombing victims who suffered a dismemberment. This was a coordinated effort among OPM's contracting office, OFEGLI, affected agencies, and OPM's retirement office. These procedures were used again following 9/11. We have since issued a BAL informing agencies that these expedited procedures are automatically in place for any insured individual killed in an attack when we are at orange alert (or higher); we also issued a memo to OFEGLI notifying them that the procedures will go into effect automatically in this situation.

Evidence: MetLife contract. The OFEGLI receives a negotiated service charge amount yearly that is based on performance results. Regulations (LIFAR). The contractor service charge is determined per Section 2115.905 of the Life Insurance Federal Acquisition Regulation (LIFAR). OPM has determined the service charge under LIFAR since 1997. There are six Profit factor areas that each has its own weight. There is a factor for Contractor Performance--the better the performance, the larger the weight for that section. There are also factors for Contract Cost Risk, Federal Socioeconomic Programs, Capital Investments, Cost Control and Independent Development.

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

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: In FY05 OPM will issue a Request for Information (RFI) to the academic community to solicit information on how to best design independent evaluations to assess the performance of OPM's benefits programs, including FEGLI, against the program purposes. OPM then will contract with a third party to conduct such evaluations.OPM's accounting firm, KPMG, conducts an annual audit of the life insurance trust fund, including the financial statements and controls in the FEGLI program. Since 1996 KPMG has issued an unqualified audit opinion on the FEGLI financial statements. MetLife's accounting firm, Deloitte and Touche, conducts an annual audit of MetLife's FEGLI operations, in accordance with Generally Accepted Government Auditing Standards. D&T continues to report an unqualified audit opinion on MetLife's FEGLI operations. In addition, OPM's Office of the Inspector General performs periodic audits of various aspects of the FEGLI Program. The most recent IG audit was conducted in 2001 and focused on OPM's administration of the FEGLI Program. The final report was issued 1/27/03. OPM implemented the new Federal Benefits Survey in Q1 FY 2005 and preliminary results are reported for the appropriate indicators in the measures tab. Final results are expected in Q2 FY 2005.

Evidence: OPM will submit a program evaluation plan for the benefits programs, including FEGLI, in FY 2005 Q1.

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 13%

Explanation: Opm needs to further imporve it's budget submission to better link resources to the accomplishment of the program's long term and annual measures.

Evidence: See Measures tab and FY 2005 CBJ.

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

Answer: YES Question Weight 13%

Explanation: OPM has revised its performance measurement strategy, including new performance indicators that better address the FEGLI's purposes. To collect data for these long term measures, OPM implemented the Federal Benefits Survey of new and existing employees, with preliminary results reported for indicators in the measures tab. Final results are expected in Q2 of FY 2005. Also, OPM is contracting for a benchmarking study to assess how OPM's benefits programs, including FEGLI, compare with those benefits offered by private sector employers. OPM will issue an RFI to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including FEGLI, against the program purposes. OPM then will contract with a third party to conduct such evaluations.

Evidence: See Measures tab, Federal Benefits Survey, and Benchmarking SOW.

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

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: OPM collects performance data from several sources to manage the program. OPM collects financial and performance data from the FEGLI contractor and uses it to set the contractor's service charge (profit) and track performance. Data used for performance measurement (i.e., claims timeliness and accuracy) is collected each fiscal quarter and shared with program managers on an on-going basis through OPM's on-line information system, called the HyperShow. Also, OPM meets periodically with agency benefits officers to provide information and to learn of issues that could affect administration of the Program. This data relates to both the program's competitiveness and service delivery. In addition, OPM maintains agreed-upon procedures (AUPs) with agencies relating to submission to OPM if withholdings/ contributions for benefits. OPM's independent auditor audits agencies' AUPs as part of its audit of OPM's financial records. Also, the FEGLI contractor regularly surveys Program beneficiaries to gauge how satisfied they are with services (i.e., FEGLI customers who rate overall satisfaction with LI claims and call handling) and reports these results to OPM each quarter. Additionally, Federal employees are surveyed via OPM'sFederal Benefits Survey to support performance measures relating to the program's value toward both competitiveness and service delivery.

Evidence: OPM's Hypershow. OPM receives a claims paid report weekly from OFEGLI providing the number of claims paid and the benefit amount. Agency-OPM Agree-Upon Procedures (AUPs) relating to the submission to OPM of withholdings/contributions for benefits. OPM Federal Benefits Survey. OPM Federal Human Capital Survey.

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: OPM and OPM managers have a purchaser/oversight role, including overall program responsibility and accountability for performance. OPM sets the amount of the premium withholdings from salary and annuities and negotiates with our contractor, MetLife, for the amount of the premium payments to OFEGLI. OPM negotiated a formula with MetLife for the annual administrative expense ceiling; OPM must approve any expenses that fall outside the ceiling. OPM also negotiates with MetLife for the amount of the service charge. The service charge is computed using a formula in the Life Insurance Federal Acquisition Regulation, which takes into account OFEGLI's performance results.

Evidence: Quarterly Financial and Performance Reports. FEGLI contractor. Performance standards in MetLife contract, which are used to calculate the service charge. The service charge is determined per Section 2115.905 of the Life Insurance Federal Acquisition Regulation (LIFAR) and has been used since 1997.

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

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

Explanation: OPM has procedures in place to ensure that FEGLI funds are obligated in a timely manner and spent for the intended purpose at every major transaction point. First, since employees are automatically enrolled in the FEGLI program (unless coverage is waived), agency payroll providers automatically deduct from pay employee and agency contributions for premium payments, and deposit the funds directly into the life insurance fund administered by OPM . Similar procedures exist for annuitants through annuity deductions. As the administrator of the life insurance fund, OPM maintains a transaction driven financial system that permits both budgetary and proprietary accounts to be recorded in a timely manner. The FEGLI contractor (MetLife) draws on a letter of credit account (LOC) from the life insurance fund to pay for claims and administrative expenses. Since OPM incurs an expense and a budgetary obligation when MetLife draws funds from the LOC, this method ensures MetLife's claims and premiums receivables are equal to OPM's expenses and the LOC balance at the end of the fiscal year. OPM's Inspector General conducts periodic audits to verify that funds are spent for the intended purpose. The IG has not identified any recent problems with respect to the obligation of funds. OPM also conducts monthly assessments of claims payment data to ensure the accuracy of the benefit payments made by MetLife (FEGLI Paid Claims Match). While a comprehensive assessment of the claim accuracy data has not been conducted, preliminary data demonstrates that the program is not susceptible to a high risk of erroneous payments.

Evidence: In FY 2003, MetLife paid approximately $2 billion in claims in an average of 5.2 calendar days. Periodic OPM IG audits and annual independent financial audits serve to verify that funds are spent for the intended purpose --1985 OIG Audit No. L-85-001--1988 OIG Audit No. II-00-89-01Scope: 1984-1988 Annual Accounting Statements examinedOFEGLI's claims processing procedures reviewed to determine compliance with the provisions of the contract and regulations in part 870.--1996 OIG Audit No.II-00-96-015Scope: Administrative expenses for 1991-1995Benefit payments and interest paid 1994-1995Evaluation of MetLife's compliance with the laws and regulations governing the FEGLI Program. --1998 OIG Audit No. 2F-00-98-100Scope: OFEGLI's compliance with overpayment procedures, debt collection, bad debt expense, and related allowances for bad debt procedures. --2001 OIG Audit No. 4A-RI-00-02-024Scope: Economy and efficiency audit that included tests of internal controls over contract administration and quality assurance reviews.

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: FEGLI claims administration is outsourced to a single contractor, MetLife, which receives a reimbursement for associated program administrative costs and a payment of a service charge (profit), negotiated annually by OPM. In 2004, FEGLI program administrative costs were 0.51% of premium income. Additional costs of administrating the program are incurred by OPM and amounted to 0.04% of premiums, or $915,708, in 2004. The life insurance contract contains a performance clause that establishes an expectation that the contract will remain with MetLife except for nonperformance. Since FEGLI premiums (to cover anticipated claims) are set each year by OPM, re-competing the contract would not lower the premium rates. OPM's actuaries set the premiums based on the actual claims experience and death rates of the Federal group. Further, the contract also has an annual negotiated service charge based on performance criteria and attendant results. These performance criteria include a claims timeliness efficiency measure.

Evidence: ' MetLife contract performance criteria cited in section 2.5 evidence used to measure MetLife's efficiency and effectiveness. ' See "measures" for baselines and targets for FEGLI Paid Claims Timeliness efficiency measure and targets which beats the industry standard in terms of claims processing efficiency.

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

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

Explanation: FEGLI is a stand-alone program. There is no other life insurance program for civilian employees and retirees of the Federal Government. The FEGLI Program does collaborate with the retirement programs to assure that benefits for both programs are paid in a timely manner. When a Federal employee dies, the death must be reported to the employing agency. When an annuitant dies, the death must be reported to the Retirement Operations Center. In addition to starting the FEGLI claims process, this starts the process for any survivor annuity (or lump sum payment, if there is no survivor annuity) and continuation of FEHB coverage, if applicable. OFEGLI and retirement services have a collaborative relationship and work towards their mutual goal of customer service. The claims timeliness attests to this strong relationship and to OFEGLI's relationship with the individual agencies, including OWCP.

Evidence: FEGLI Handbook Claims chapter (http://www.opm.gov/insure/life/handbook/claims2.asp); website link with guidance on reporting a death (http://www.opm.gov/insure/life/death_1.asp).

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

Explanation: MetLife is audited annually by Deloitte and Touche, in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS), and the results are provided to OPM. OPM contracts with an independent financial accounting firm, KPMG, to audit the life insurance trust funds, including the financial statements and the controls in the FEGLI program. Actuarial valuations of the program are also subject to an annual independent audit. Agreed-upon principals: OFEGLI's independent auditor will subscribe to procedures to ensure that OPM can incorporate the audit figures into OPM's consolidated report.

Evidence: Deloitte and Touche continues to report an unqualified audit opinion on FEGLI-related MetLife financial activities. Since 1996, KPMG has issued an unqualified audit opinion on the FEGLI financial statements. The auditors have continually reported no material internal control weaknesses.

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

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

Explanation: ' The FEGLI Program has processes in place to track production data on a weekly basis and mitigate failure by bringing needed corrective action(s) to managers' attention. ' Additionally, the agency receives a list each year from our Inspector General of the top management challenges facing OPM. No FEGLI Program issues were identified as one of OPM's management challenges. OPM's Inspector General recommended that OPM develop a manual that clearly states the goals, objectives, policies and procedures to govern its FEGLI annuity claims paid match, and which shows precisely what organization is responsible for what task, and the order and timeframe in which the tasks are to be completed. We agreed to the recommendation to document these procedures, and have complied. We developed a FEGLI claims paid match manual, and incorporated it into the Quality Assurance Group playbook of reviews procedures and documentation. The OIG also recommended that OPM renegotiate the contract with OFEGLI. Now that the FEGLI 50th anniversary celebration and open season are completed, OPM will focus on the contract renegotiation.' On the financial side, MetLife's financial report on the FEGLI Program is audited annually by Deloitte and Touche, in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS). KPMG, OPM's auditor, then uses this information to audit OPM's financial statements. The 2003 Audit of FEGLI by Delotte required a statement by the auditor to management on reportable conditions. The Required Communication to Management did not contain any irregularities or reportable conditions. Reportable conditions are significant deficiencies in the design or operation of the internal control system that could adversely affect the Program's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. ' No outstanding management deficiencies with OIG, KPMG, or GAO.' Benchmarking study will further elaborate on the subject of the competitive benefits package.

Evidence: OPM has processes in place to track production data and mitigate failure by bringing needed correction actions to management attention. OPM conducts a paid claims match each month, receiving information from MetLife, comparing payments against source and identification data, to determine whether claims have been paid accurately. In addition to resolving individual payment or records errors, OPM brings any recurring problems to MetLife or the FEGLI Program management for review. On the financial side, Deloitte and Touche continues to report an unqualified audit opinion on FEGLI-related MetLife financial activities, and KPMG continues to issue unqualified opinions on OPM's financial statements. See "Required Communication to Management' statement by Delotte to MetLife, 2003 financial statement audit.

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

Explanation: OPM has recently conducted a benefits survey to determine the baseline for its long-term performance goals. (See question 2.2.) Additionally, OPM is contracting for a benchmarking study to assess how OPM's benefits programs, including FEGLI, compare with those benefits offered by private sector employers. OPM also will issue an RFI during FY 2005 to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including FEGLI, against the program purposes. OPM then will contract with a third party to conduct such evaluations.

Evidence: See: The Measures tab, Benefits Survey

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

Explanation: The FEGLI Program and its partner, MetLife, achieve the annual performance goals. As shown in the FY2004 PAR, OFEGLI paid claims within 6.4 days of receipt of full documentation, and 99.8% of claims were paid accurately. (The goals were 10 days and 99.5% respectively.)

Evidence: See FY2004 PAR. Metlife performance standards reports.

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight 20%

Explanation: The FEGLI program demonstrates high levels of efficiency and cost effectiveness. Currently, the program has a target of processing fully documented claims within 10 calendar days of receipt. Actual experience for FY04 was that, on average, claims were processed within 6.4 calendar days. In addition, the FEGLI program has an expense level of 0.40% of premium (as calculated by dividing the net administrative expenses by premium as reported in the FY03 financial statements). According to MetLife, their four largest insurance customers have expense levels of 1.30%, 1.35%, 3.7% and 4.8% of premium. The last two of these are somewhat higher because of certain additional services included that are not part of the first two programs or the FEGLI program. When these services and the expenses associated with them are removed for comparison purposes, the expense levels for these customers would decrease to be more in line with the first two. The expense level for FEGLI is far below that of MetLife's other large group life insurance programs. MetLife also reports that FEGLI is one of only three companies in their book of business that has an expense ratio below 2%.

Evidence: The performance indicators for the FEGLI in OPM's annual PARs and CBJ/PB's provide data regarding claims processing times, etc. that demonstrate the Program's improved or continuing efficiency and effectiveness in achieving program goals each year. In terms of cost effectiveness, FEGLI administrative costs are very low only $8.4 million on $2 billion claims paid (less than 4/10 of one percent).

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 FEGLI Program has exceeded its target of 10 days or less for paid claims timeliness for the past 4 years. In the private sector, it is becoming more common for employers to terminate or reduce life insurance coverage when an employee retires. Under the FEGLI Program, employees retiring on an immediate annuity who have had coverage for the 5 years of service immediately preceding retirement may continue the FEGLI coverage. For most types of coverage the retiring employee may choose whether or not to have the coverage reduce at age 65. OPM is undertaking a benchmarking study to further compare the FEGLI Program with life insurance offerings in the private sector.

Evidence: See attached study design and timeline outlining OPM's approach to evaluating the long-term impact and effectiveness of OPM's benefits programs, including FEGLI, and benchmarking FEGLI to the private sector.

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: NO Question Weight 20%

Explanation: OPM will issue an RFI to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including FEGLI, against the program purposes. OPM then will contract with a third party to conduct such evaluations.

Evidence: Independent evaluation plan

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

Measure: Paid claims timeliness

Additional Information: Number of calendar days between completed file and date of payment. (99% of fully documented claims must be adjudicated within 10 business days of receipt) (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2002		6.0 days	
2003	<10 days	5.2 days	
2004	<10 days	6.4 days	
2005	< 10 days		
2006	< 10 days		

Measure: Paid claims accuracy

Additional Information: Payments paid accurately as a % of Number Paid (99% of claims must be paid accurately) (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2002		99.9%	
2003		99.6%	
2004	99%	99.8%	
2005	99%		
2006	99%		

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

Measure: Improper payment rate
Additional Information: (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2002			
2003			
2004			
2005			
2006			

Measure: Enrollee satisfaction with life insurance benefits (FEGLI)
Additional Information: Data source: Federal Human Capital Survey (SHRP)

Year	Target	Actual	**Measure Term:** Long-term
2002		57%	
2004		62%	
2009	64%		

Measure: % of benefits officers trained per year
Additional Information: (HCLMSA)

Year	Target	Actual	**Measure Term:** Annual
2004		n/a	
2009	80%		

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

Measure: Increase enrollee knowledge

Additional Information: (data source TBD)

Year	Target	Actual	**Measure Term:** Long-term
2005			
2006			

Measure: % of new hires who say FEGLI benefits are competitive, a fair value, and important in their decision to accept a job with the Federal Government.

Additional Information: Data source: Federal Benefits Survey (the 2004 Federal Benefits Survey data collection immediately followed the rare FEGLI Open Season campaign opportunity to purchase additional insurance. We do not expect another such opportunity in the immediate future and therefore do not expect to maintain the current performance level). (SHRP)

Year	Target	Actual	**Measure Term:** Long-term
2004		67%	
2005	65%		
2009	65%		

Measure: % of employees who say FEGLI benefits are competitive, a fair value, and important in their decision to remain in the Federal Government.

Additional Information: Data source: Federal Benefits Survey (the 2004 Federal Benefits Survey data collection immediately followed the rare FEGLI Open Season campaign opportunity to purchase additional insurance. We do not expect another such opportunity in the immediate future and therefore do not expect to maintain the current performance level). (SHRP)

Year	Target	Actual	**Measure Term:** Long-term
2004		61%	
2005	59%		
2009	59%		

PART Performance Measurements

Program: Federal Employees Group Life Insurance (FEGLI)
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	63%	86%	20%	

Measure: Benchmarking results demonstrate that FEGLI benefits are comperable/competitive

Additional Information: Data Source: Benchmarking Study (under development)

Year	Target	Actual	**Measure Term:** Long-term

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

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

Explanation: The FEHB Program was created by the Federal Employees Health Benefits Act of 1959 (P.L. 86-382) to make hospital and major medical health insurance available to active Federal employees and their families. The purpose of the FEHB Program is to provide Federal employees, retirees and their families with health benefits coverage meeting their individual health needs as well as the Federal Government's recruitment and retention needs. Coverage is provided for major medical, hospital and catastrophic care to protect Federal enrollees and their families in the event of illness or injury. The FEHB Act prescribes, in general, the types of benefits to be provided under various plans. It authorizes the Office of Personnel Management (OPM) to contract with qualified carriers to provide the benefits without regard to competitive bidding, subject to any limitations or exclusions considered necessary or desirable. It also authorizes OPM to prescribe, through regulation, the manner and conditions under which employees will be eligible to enroll in plans under the program. The FEHB law is codified in chapter 89 of title 5, U.S. Code.

Evidence: The Federal Employees Health Benefits Act of 1959 (P.L. 86-382), codified in Chapter 89 of Title 5, U. S. Code, created the FEHB Program and prescribes, in general, the types of benefits to be provided under various plans, authorizes OPM to contract with qualified carriers to provide these benefits, and to prescribe, through regulation, the manner and conditions under which employees will be eligible to enroll in plans under the program. The Report of the Committee on Post Office and Civil Service, July 2, 1959, indicates that it was the intent of the Congress that the FEHB Program be comparable with health insurance benefits offered by other large employers. Excerpts from the Report are as follows:'Principles related to Government as an employer' As an employer concerned with attracting and retaining the services of competent personnel, the Federal Government should offer employee-benefit programs comparable to those of other large employers."

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

Explanation: The Program was designed to provide enrollees with health benefits coverage meeting their individual health needs as well as the Federal Government's recruitment and retention needs. For instance, the FEHB law requires basic medical and hospital insurance. Other major benefits - maternity, emergency care, prescription drugs, and mental health and substance abuse, are also offered. Also, all enrollees (active employees, retirees under age 65, and Medicare eligibles) have the same health plan choices, and level and scope of benefits. The Program offers a broad range of competing plan designs and delivery systems so that enrollees can choose the coverage that best meets their needs. Over the years, many plans have refashioned their Standard Option package to meet market demands. Consumer driven options have become available in the last two years, and High Deductible Health Plans, and Health Savings Accounts will be offered in 2005.

Evidence: The FEHB Program provides health benefits to an employee group that is the largest among all employers in the nation. At the end of FY 2003, enrollment was 4.1 million, or about 86% of the eligible population ' 2.2 million enrollees are active employees and 1.9 million are annuitants. Including dependents, the Program covers approximately 8.5 million individuals. Enrollment in the Program has remained relatively constant since 1998. In terms of meeting the Federal Government's recruitment and retention needs, there are several data sources showing the prevalence and importance of health insurance benefits offerings for employers. MEPS 2002 data show that the percent of all private sector employees who work where health insurance is offered is 88.3%; the % of eligible employees who enroll is 81%. In an October 2003 National Federation of Independent Business survey of private sector employees, 80% of the employees said health insurance is a major factor in their decision to accept or keep a job.

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

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 FEHBP is not generally redundant or duplicative of other Federal, state, local or private effort. It is the only employer-sponsored health benefits program for Federal employees. The Program addresses potential duplicative coverage administratively, as carriers are required by contract and regulation to coordinate the payment of benefits with other group health benefits, and the payment of medical and hospital costs under no-fault or other automobile insurance that pays benefits without regard to fault (the most common instances of duplicative coverage are spouse coverage, other group coverage, TriCare and CHAMPVA, Medicaid, Medicare, and No-Fault coverage). Benefits coordination with Medicare is facilitated by data matching that identifies enrollees with Medicare to ensure that claims are paid correctly. Also, OPM allows retired and former spouse enrollees to suspend FEHB coverage to enroll, if eligible, in a Medicare HMO, Medicaid, TriCare, or CHAMPVA; eliminating the FEHB premium. Generally, the individual may later re-enroll in the FEHB Program. However, one area of concern is the duplication of benefits for a segment of the FEHBP population--Medicare-eligible individuals--which comprise roughly 20% of FEHBP participants. The duplication of FEHBP and Medicare coverage is believed to increase the government's overall expenditures for medical care. The duplication of these benefits should be evaluated to ensure that the program is able to balance the interest of the employees with that of the government.

Evidence: For information on how the FEHB Program addresses potential duplicative coverage administratively, see FEHB plan health benefits brochures 'Section 9, Coordinating Benefits With Other Coverages and FEHB carrier contracts ' Appendix D.

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: The financing of post-retirement health benefit costs for civilian employees are currently funded on a pay-as-you-go basis. In 2003, the ratio of active employees to retirees in the FEHBP was 1.19; in the next two decades the size of the FEHBP retiree population will outpace the size of the active workforce. The Administration has proposed legislation to require agencies to amortize the cost of post-retirement health benefits as they are earned.

Evidence: Managerial Flexibility Act of 2001; FY03 budget

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 FEHB law and regulations set eligibility requirements for enrollment in the Program that Federal agencies must follow. Enrollees generally sign up through their HR office, and agencies verify the validity of the enrollment. Carriers and agencies participate in an OPM-led systemized reconciliation effort (the Centralized Enrollment Reconciliation Clearinghouse) to make sure that enrollments are accurate and up-to-date. FEHB provides immediate coverage to all eligible Federal employees who choose to enroll - including those who would not be covered by private sector insurers because they represent a high risk. Enrollees continue to be covered into retirement. A few eligible groups are not current Federal employees. Most often, these groups once were Federal employees who were allowed to keep coverage when their agency's coverage status changed. FEHB is part of the benefits package described to prospective employees in OPM's USAJOBS web site. Coverage information is provided to new employees and annually by agencies and carriers during open season, and is also available year round on the OPM and carrier web sites.

Evidence: USAJOBS web site. (Federal Employment Benefits page is at http://www.usajobs.opm.gov/ei61.asp. OPM's benefits survey. The FEHB web site (www.opm.gov/insure/health) has the FEHB Open Season Guides, all FEHB plan brochures (current and past), the FEHB Handbook, forms, Frequently Asked Questions, laws and regulations, and links to other related sites, such as the Long-Term Care page.

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

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: OPM has established long-term measures that assess the FEHB's purpose to provide Federal employees, retirees and their families with health benefits coverage meeting their individual health needs as well as the Federal Government's recruitment and retention needs.

Evidence: See measures tab.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight 13%

Explanation: OPM has targets and timeframes for its long-term measures; however they must also be ambitous. Several of the targets will be revised with new collection activities.

Evidence: See measures tab for targets and timeframes.

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: OPM has established annual measures to demonstrate progress toward achieving the FEHB's long-term goals of providing Federal employees, retirees and their families with health benefits coverage meeting their individual health needs as well as the Federal Government's recruitment and retention needs.

Evidence: See measures tab.

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

Explanation: OPM has baselines and ambitious targets for its annual FEHB Program measures.

Evidence: See measures tab for targets and timeframes.

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

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: OPM's primary partners in the FEHB Program are the participating health carriers. All such partners are held accountable through contractual requirements to meet performance standards OPM has set. Carriers applying for program participation are not subject to competitive bidding, but must meet financial and other participation standards required by law and regulation. Contracts contain performance clauses outlined in regulation, on which the carriers' negotiated service charge is based. Carriers also must meet quality assurance standards as specified by contract and administrative policies. Carrier accreditation status and performance in claims processing timeliness and accuracy directly impact our long term indicators, including customer satisfaction, improper payment rates, and percent of accredited FEHB plans and enrollees in those plans. Federal agencies also are OPM's partners, since they perform some of the Program's administrative tasks ' handling enrollments, changes in enrollments, answering enrollee questions, and providing them information. OPM maintains on-going relationships with the agencies to ensure that they carry out these tasks in support of the Program's annual and long-term goals. For example, Agency Benefits Officers partner with OPM in education efforts to increase employees' knowledge of the various health insurance options available through the Program. Agencies conduct open season fairs for their employees where information is provided about health benefits and the various health plans from which to choose. OPM provides annual training on the FEHB Program and conducts quarterly meetings to the Agency Benefits Officers who in turn educate their employees.

Evidence: OPM's contracts with health benefit carriers, including Section 1.9 on Quality Assurance requirements. Service charge regulatory provisions-48 CFR Ch 16, Subpart 1615.902 and 1615.905. FEHBAR.

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

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: In FY 2005 OPM will issue a Request for Information (RFI) to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including FEHB, against the program purposes. OPM then will contract with a third party to conduct such evaluations.While there have been no independent program evaluations of sufficient scope conducted, Program has been evaluated from a number of perspectives in recent years by the Government Accountability Office as part of their oversight assistance to Congress, including cost and premiums, preventing and detecting fraud and abuse, and pharmaceutical benefits. Other evaluations addressing quality and service issues of the FEHB are conducted by FEHB carriers, other Federal agencies, (Dept of Health and Human Services), nonprofits (National Committee for Quality Assurance), and private contractors (annual Consumer Assessment of Health Plans Survey). OPM's Inspector General (IG) regularly audits carrier business practices and charges to the Program, and reports its findings to the OPM Director and Congress in its Semi-Annual Reports. The IG, contracting with KPMG, reviews the FEHB's internal controls and trust fund financial management every year during audits of OPM's annual Financial Statements. OPM's Quality Assurance Group also evaluates the FEHB periodically, including such topics as contract administration, the disputed claims function, and sharing of data with other Federal agencies.

Evidence: OPM will submit a program evaluation plan for the benefits programs, including FEHB, in FY 2005 Q1. Also, see "GAO Audits Health Insurance Premium Conversion," GAO-04-168R October 20, 2003; "Federal Employees' Health Benefits: Effects of Using Pharmacy Benefit Managers on Health Plans, Enrollees, and Pharmacies," GAO-03-196 January 10, 2003; "Federal Employees' Health Plans: Premium Growth and OPM's Role in Negotiating Benefits," GAO-03-236 December 31, 2002; "Office of Personnel Management: Health Insurance Premium Conversion," OGC-00-53 August 7, 2000; "Federal Health Care: Comments on H.R. 4401, the Health Care Infrastructure Investment Act of 2000", T-AIMD-00-240 July 11, 2000; "Federal Employees' Health Program: Reasons Why HMOs Withdrew in 1999 and 2000," GGD-00-100 May 2, 2000; "Pharmacy Benefit Managers: FEHBP Plans Satisfied with Savings and Services, but Retail Pharmacies Have Concerns," HEHS-97-47 February 21, 1997; "Blue Cross and Blue Shield: Change in Pharmacy Benefits Affects Federal Enrollees," T-HEHS-96-206 September 5, 1996;"Blue Cross FEHBP Pharmacy Benefits," HEHS-96-182R July 19, 1996; "Long-Term Care: Support For Elder Care Could Benefit the Government Workplace and the Elderly," HEHS-94-64 March 4, 1994; "Federal Health Benefits Program: Analysis of Contingency and Special Reserves," GGD-93-26 December 4, 1992. GGD-92-122BR July 8, 1992; "Federal Health Benefits Program: Stronger Controls Needed to Reduce Administrative Costs," T-GGD-92-20 March 11, 1992; "Fraud and Abuse: Stronger Controls Needed in Federal Employees Health Benefits Program," GGD-91-95 July 16, 1991.

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 13%

Explanation: Future OPM budget requesst should be improved to better link resources with the accomplishment of the program's long-term and annual goals.

Evidence:

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

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

Explanation: OPM has revised its performance measurement strategy, including new performance indicators that better address the FEHB Program purpose. To collect data for these long term measures, OPM implemented a survey of new and existing employees (Federal Benefits Survey). Also, OPM is contracting for a benckmarking study to assess how OPM's benefits programs, including health insurance, compare with those benefits offered by private sector employers. OPM also will issue an RFI to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including FEHB, against the program purposes. OPM then will contract with a third party to conduct such evaluations.

Evidence: See: Measures tab, Federal Benefits Survey, and Benchmarking SOW.

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: OPM collects performance data related to long-term and annual measures to manage the program and improve performance. The Program's key partners are the health insurance carriers--the FEHB has over 200 health plan choices for the delivery of health benefits services. OPM collects financial and performance data from participating health plans including claims processing timeliness and accuracy data (see measures tab for baseline and target data for these indicators). Program managers use this data to assess health plan performance, monitor and prevent fraud and abuse, and improve contract management. Through the Consumer Assessment of Health Plan Surveys (CAHPS), OPM gauges members' satisfaction with their health plans, and communicates this information to enrollees via the OPM Web Site and other materials. On a broader level, every agency is an FEHB Program partner--our Program cannot be operated without their active cooperation and assistance. We have extensive programs to ensure that we work together with employing agencies to achieve both short- and long-term goals. OPM provides training annually and also conducts quarterly meetings with Agency Benefits Officers to keep them up to date on current issues. Agencies then conduct health fairs and other education& information sessions for their employees based on OPM's training and information. The impact of OPM's work with agencies can be seen in the improvement of indicators such as enrollee satisfaction with health insurance benefits and the percentage of new hires/employees who say FEHB Program health benefits are competitive, a fair value, and important in their decision to accept a job or remain in the Federal Government.

Evidence: OPM collects and analyzes information from the following organizations to determine annual performance measurements on accreditation--National Committee for Quality Assurance (NCQA); URAC formerly known as American Accreditation Healthcare Commission, Inc ; Joint Commission on the Accreditation of Healthcare Organizations (JCAHO); Accreditation Association for Ambulatory Health Care, Inc. (AAAHC). OPM collects and analyzes information from the Consumer Assessment of Health Plans Surveys to determine annual performance measurements on customer satisfaction among FEHBP Plans. See Section 1.9 of contracts: Quality Assurance Reports and Fraud and Abuse Reports. Carrier Patient Safety information.

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

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: OPM has a quarterly reporting system that holds managers accountable for spending, schedule and performance. Managers must report planned versus actual data for financial and performance information. Executives' and managers' performance plans are aligned with the agency's strategic goals and objectives and their performance appraisals provide consequences for not meeting OPM's goals and objectives. In terms of program partners, OPM has performance standards in carrier contracts and bases its contractors' service charge on contractor performance (including data for the indicators claims processing timeliness and accuracy). Health plans must submit annual financial information as a requirement of participation in the FEHB. OPM requires that health plans submit annual Quality Assurance Reports to address customer service and contract compliance issues, semi-annual Fraud and Abuse Reports, debarrment/suspension reports, annual customer satisfaction surveys, annual data on clinical quality of care, and paid claims reports. In terms of Agency partners, OPM has implemented an electronic system to hold both health plans and Agencies accountable for accurate enrollment records. The FEHB Electronic Enrollment Reconciliation Clearinghouse (CLER) is a quarterly electronic computer match of data submitted by individual Federal Agency payroll offices and FEHB health benefits carriers. The computer match identifies discrepancies, which are reported back to the individual Agency payroll offices. The employing Agencies are then to resolve the discrepancies and give the carriers whatever corrective data the carriers need to amend their records. Using CLER, OPM can monitor the error rate for each Agency payroll office, and bring higher error rates to the attention of the affected Agencies. CLER permits reconciliation of the carrier's records so that eventually the premiums the carriers actually receive will be close to what they anticipate receiving.

Evidence: Quarterly Financial and Performance Reports. Performance appraisals. Performance standards in health insurance carrier contracts. Section 1.9 of health plan contracts: QA and F&A Reports, HEDIS, and CAHPS. See Carrier Letter on annual Routine Reporting Requirements.

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

Answer: YES Question Weight 14%

Explanation: OPM's Trust Fund Accounting System is a transaction driven system that permits both budgetary and proprietary accounts to be recorded in a timely manner. Contractors draw on letter of credit accounts (LOC) at Treasury to pay claims and administrative expenses. The system, which became effective January 1, 1989, gives OPM financial stewardship of the Health Benefit Fund and ensures that OPM's accounting is more accurate and timely. Instead of making large premium payments directly to carriers, the LOC methodology makes funds available to carriers for draw down based on their expenses incurred.

Evidence: Health insurance carrier contracts require timeliness in claims processing (see Section 1.9 of carrier contracts: 95% of claims must be adjudicated within 30 working days.) Periodic OPM IG audits and annual independent financial audits serve to verify that funds are spent for the intended purpose. OPM's IG and FEHB program offices work both independently and collaboratively to investigate allegations of fraud, waste and abuse and take corrective action where necessary.

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

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 FEHB Program has a number of performance measures and targets set out in carrier contracts, such as claims processing accuracy, call answer timeliness, and claims processing timeliness, that assess the efficiency and cost effectiveness of FEHB carriers and the FEHB Program. In addition, OPM pays a service charge to experienced-rated carriers that awards them a payment above and beyond claims and administrative expenses based on specified criteria (Contractor Performance and Contract Cost Risk) as spelled out in their contracts.

Evidence: See carrier contracts and QA Reports. See service charge computation formulas.

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

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

Explanation: As required by contract with OPM, carriers are obligated to follow standard coordination of benefit (COB) rules established by the National Association of Insurance Commissioners (NAIC) in order to make sure that payments to providers and customers do not duplicate payments of other health benefits coverages the member may have. OPM's contracts contain COB provisions, and well as subrogation clauses. Carrier performance in this area is subject to IG audit. OPM allows retired and former spouse enrollees to suspend FEHB coverage to enroll in any one of the following programs if eligible, thus eliminating the FEHB premium: a Medicare HMO, Medicaid, TriCare, or CHAMPVA. OPM does not contribute to any applicable premiums. If the individual later wants to re-enroll in the FEHB Program, generally they may do so only at the next Open Season unless they have involuntarily lost the other coverage. The most common instances where OPM coordinates with other programs are the following: 1) TriCare and CHAMPVA. FEHB carriers coordinate TriCare /CHAMPVA benefits according to their statutes. TRICARE is the health care program for eligible dependents of military persons and retirees of the military. TRICARE includes the CHAMPUS program. CHAMPVA provides health coverage to disabled Veterans and their eligible dependents. When TRICARE or CHAMPVA and FEHB cover the enrollee, FEHB pays first. 2) Medicaid. When the enrollee has Medicaid and FEHB, FEHB pays first, according to the Medicaid statute. 3) Medicare. Retirees are eligible for Medicare at age 65. FEHB carriers coordinate with Medicare according to Medicare statute and Medicare makes the final determination regarding who is primary. The most common situation is when the enrollee or spouse is age 65 or over and has Medicare. Generally, in that case, if the person is an active Federal employee, FEHB pays first and, if retired, Medicare pays first. Of course, there are other situations. The full range of Medicare's rules for coordinating benefits is laid out in enrollees' FEHB plan brochures. To facilitate benefits coordination with Medicare, OPM and carriers work closely with Medicare, including through an OPM-Medicare data matching agreement whereby enrollees with Medicare are identified so that Medicare and FEHB claims payment systems will be set up to pay claims correctly. 4) Spouse coverage. Benefits of enrollees (whether active employees or retirees) with coverage both through FEHB and through a spouse's private sector employer are coordinated according to the NAIC Guidelines (National Association of Insurance Commissioners) as provided in the FEHB carriers' contracts. The NAIC guidelines are used by all group health plans in the country. Generally speaking, an enrollee's own coverage is primary to coverage through a spouse. (The NAIC Guidelines are appended to the FEHB Carrier contracts with OPM.) 5) Other group coverage. Benefits of enrollees who have other of their own, such as coverage as a retiree from private employment, are coordinated according to the NAIC Guidelines, described above. Generally speaking, the plan that covers a person as a current employee pays first before the plan that covers the person as a retiree. 6) No-Fault coverage. FEHB Carriers coordinate the payment of medical and hospital costs under no-fault or other automobile insurance that pays benefits without regard to fault according to the NAIC Guidelines.

Evidence: As cited in item 1.5 above, FEHB collaborates wtih related programs to ensure that benefits are effectively targeted and reach the intended beneficiaries: the erroneous payment rate for the FEHBP in FY 2003 was extremely low '0.09% ($28.2 million) out of total payments of over $31.5 billion. OPM has had a long standing computer match with SSA to provide information on Medicare enrollments for the purpose of obtaining accurate pricing for FEHBP rate-setting. OPM has developed a new computer matching agreement with the Center for Medicare and Medicaid Services that routinely matches both agencies' enrollment records and carrier identification records to better assure the proper coordination of benefits and payment of claims.

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

Explanation: The FEHB trust funds are audited annually by an independent auditing firm, KPMG, as a component of the OPM financial statements review, including internal controls. In addition, OPM's IG reviews FEHB carrier claims payments, administrative expenses and controls on a scheduled basis.

Evidence: Since 1998, the KPMG auditors have issued unqualified audit opinions on the health benefits trust funds. The auditors have continually reported no material internal control weaknesses.

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

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

Explanation: OPM has a system for identifying and correcting program management deficiencies. OPM adheres to the requirements of the Federal Managers Financial Integrity Act, and assesses annually internal controls and identifies any material weaknesses related to its benefit programs, including the FEHB program. No material weaknesses have been identified through the internal review in this area. OPM has processes in place to make sure that the terms of contracts with carriers are being adhered to and to mitigate failure by bringing needed corrective action(s) to managers' attention. This is accomplished through standard contract administration and through changes to the contract to take corrective action. For example, OPM changed its 2005 contracts to increase oversight of carrier's PBM arrangements. Additionally, the agency receives a list each year from our Inspector General of the top management challenges facing OPM. The IG issued a management challenge in the 2004 PAR to the FEHBP for "determining and implementing the program changes that allow for maximizing resources and obtaining the flexibilities that produce the most cost beneficial benefits package to a population that is aging overall.' As OPM continues to review the legislation and regulations governing the FEHB Program, and undergoes the annual contracting process, it is considering avenues to address this issue.

Evidence: See FY 2004 PAR, Financial Statements, IG management challenge.

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

Explanation: OPM is assessing whether the FEHB Program is meeting its long-term goal of providing Federal employees, retirees, and their families with health benefits coverage meeting their individual health needs as well as the Federal Government's recruitment and retention needs as follows: a) A survey of new and career employees (Federal Benefits Survey--conducted in Q1 FY 2005) to measure their perception of the extent to which health insurance benefits are competitive, a fair value, and important in their decision to accept a job with/remain in the Federal Government. b) OPM is contracting for a benckmarking study to assess how OPM's benefits programs, including health insurance, compare with those benefits offered by private sector employers. OPM also will issue an RFI during FY 2005 to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including FEHB, against the program purposes. OPM then will contract with a third party to conduct such evaluations. c) OPM is focusing on the quality of health plan choice and the integration of comprehensive health plan offerings, such as consumer driven health plans and high deductible health plans.

Evidence: See: The "Measures" tab, Benefits Survey, study design and timeline, and FY2004 PAR. Eighty-six percent of our eligible population is covered by the program. OPM continues to keep premium increases lower than the national average while at the same time incurring little if any decrease in health care benefits. The administrative expenses paid to the carriers are low, calculated for percentage of income and for percentage of premiums per enrollee. A profit factor is calculated based on customer service and plan performance. The disputed claims are handled in a timely and efficient manner as well as timeliness on correspondence.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight 20%

Explanation: OPM's annual Performance and Accountability report continues to validate that the annual goals set for the FEHB Program have been achieved.

Evidence: See FY2004 PAR.

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

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

Answer: SMALL EXTENT

Question Weight 20%

Explanation: As OPM's evidence shows, the FEHB Program has demonstrated improved efficiency and cost effectiveness over the last several years .

Evidence: See QA Reports from carriers; Annual PARs; Annual CBJ/PB's.

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: As part of OPM's Research and Evaluation Plan implemented in FY2004, OPM is contracting for a benckmarking study to assess how OPM's benefits programs, including health insurance, compare with those benefits offered by private sector employers. OPM also will issue an RFI during FY 2005 to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including FEHB, against the program purposes. OPM then will contract with a third party to conduct such evaluations.

Evidence: See Benchmarking SOW. OPM will submit a program evaluation plan for the benefits programs, including FEHB, in FY 2005 Q1.

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

Answer: NO

Question Weight 20%

Explanation: During FY 2005 to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including FEHB, against the program purposes. OPM then will contract with a third party to conduct such evaluations.

Evidence: Independent Program Evaluation Plan

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

Measure: Overall customer satisfaction scores with FEHB plans versus industry standard.

Additional Information: Data source: CAHPS (HRPS)

Year	Target	Actual	**Measure Term:** Long-term
2004	63%	70%	
2009	>industry ave		

Measure: Improper Payment Rate

Additional Information: (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2004			
2005			
2006			

Measure: % of new hires who say FEHB Program health benefits are competitive, a fair value, and important in their decision to accept a job with the Federal Government.

Additional Information: Data source: Federal Benefits Survey (SHRP)

Year	Target	Actual	**Measure Term:** Long-term
2004		69%	
2009	70%		

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

Measure: % of employees who say FEHB Program health benefits are competitive, a fair value, and important in their decision to remain in the Federal Government.

Additional Information: Data source: Federal Benefits Survey (SHRP)

Year	Target	Actual	**Measure Term:** Long-term
2004		70%	
2009	71%		

Measure: Timely claim processing: FEHB Program carriers' medical claims processing timeliness versus industry standard of 95% or more within 30 working days.

Additional Information: % of claims adjudicated (denied, paid or request for additional info) within 30 working days. (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2004	>95%	95%	
2005	>95%		
2006	>95%		

Measure: Claims Processing Accuracy: FEHB Program carriers' medical claims processing accuracy versus industry standard of 95% or more.

Additional Information: (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2004	>95%	95%	
2005	>95%		
2006	>95%		

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

Measure: Enrollee satisfaction with OPM website (content and usability)

Additional Information: Website Open Season feedback (target will be set upon receipt of baseline data) (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2004			
2009			

Measure: Enrollee satisfaction with health insurance benefits (FEHB)

Additional Information: Data source: Federal Human Capital Survey (SHRP)

Year	Target	Actual	**Measure Term:** Long-term
2002		54%	
2004		60%	
2009	64%		

Measure: Quality of care: % of accredited FEHB plans

Additional Information: Data source: NCQA, URAC, JCAHO (HRPS)

Year	Target	Actual	**Measure Term:** Long-term
2004	>69%	74%	
2009	>2008 level		

Measure: Health outcome: Cholesterol Management after Acute Cardiovascular Events (This measure covers only enrollees in HMO plans; in FY05 OPM will develop an appropriate and feasible health outcome measure covering all FEHBP enrollees).

Additional Information: Data source: NCQA HEDIS data (measures the percentage of members 18 through 75 who were discharged for acute myocardial infarction, coronary artery bypass graft, or percutaneous transluminal coronary angioplasty and had evidence of LDL-C screening) (HRPS)

Year	Target	Actual	**Measure Term:** Long-term
2004		76%	

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

2009	>77%

Measure: Overall customer satisfaction scores with FEHB plans versus industry standard.

Additional Information: Data source: CAHPS (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2004	>industry ave	70% vs 62%	
2005	>industry ave		
2006	>industry ave		

Measure: Quality of care: % of accredited FEHB plans

Additional Information: Data source: NCQA, URAC, JCAHO (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2004	>69%	74%	
2005	>74%		
2006	> 05 level		

Measure: Benchmarking results demonstrate that health benefits are comperable/competitive with other employer benefits

Additional Information: Data source: Benchmarking Study (under development)

Year	Target	Actual	**Measure Term:** Long-term
2004			
2005			
2006			

PART Performance Measurements

Program: Federal Employees Health Benefits Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
80%	75%	86%	20%	

Measure: Health outcome: Cholesterol Management after Acute Cardiovascular Events. (This measure covers only enrollees in HMO plans; in FY05 OPM will develop an appropriate and feasible health outcome measure covering all FEHBP enrollees).

Additional Information: Data source: NCQA HEDIS data (measures the percentage of members 18 through 75 who were discharged for acute myocardial infarction, coronary artery bypass graft, or percutaneous transluminal coronary angioplasty and had evidence of LDL-C screening)

Year	Target	Actual
2004		76%
2005	77%	
2006	>77%	

Measure Term: Annual

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

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

Explanation: The Federal civilian Retirement Program consists of two retirement plans that cover over 90% of all Federal civilian employees: the Civil Service Retirement System (CSRS) and the Federal Employees Retirement System (FERS). CSRS was established in 1920 as a way to retire older employees from the civil service. CSRS was established prior to Social Security and federal employees covered under CSRS are generally not covered by Social Security for their federal service. (See Section 1.3 for discussion of offset provision for those employees covered under both CSRS and Social Security). Newly-hired federal employees came under Social Security by reason of the Social Security Amendments of 1983. This provided the impetus for a review of the Government's retirement structure, leading up to the establishment of FERS with its three-tier approach to retirement benefits. In 1986, CSRS was closed to new entrants and FERS was established to incorporate the Federal Government's updated purposes for the Retirement Program, which are: --To provide Federal employees options and tools for retirement planning for their and their families' financial future and--To serve as an important component of employee compensation and therefore support Federal agencies' recruitment and retention needs.

Evidence: Section 100A of Public Law 99-335, the legislation establishing the Federal Employees' Retirement System (FERS). SEC. 100A. PURPOSES The purposes of this Act are' (1) to establish a Federal employees' retirement plan which is coordinated with title II of the Social Security Act;(2) to ensure a fully funded and financially sound retirement plan for Federal employees;(3) to enhance portability of retirement assets earned as an employee of the Federal Government;(4) to provide options for Federal employees with respect to retirement planning;(5) to assist in building a quality career workforce in the Federal Government;(6) to encourage Federal employees to increase personal savings for retirement; and(7) to extend financial protection from disability to additional Federal employees and to increase such protection for eligible Federal employees.

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

Explanation: As part of the Government's overall employee compensation package, FERS addresses two needs. 1) To provide Federal employees options and tools for retirement planning for their and their families' financial future. FERS provides options for Federal employees with respect to retirement planning by providing a range of investment options for their Thrift Savings Plan. 2) To serve as an important component of employee compensation and therefore support Federal agencies' recruitment and retention needs.In order to fulfill these needs, it was necessary for FERS to be designed to provide the benefits that are expected by employees and that are generally provided by other large employers. These include benefits after normal retirement, in the case of premature inability to work due to disability, and upon death. While the private sector does not always provide these in the same manner as FERS, the Congress made the policy determination that these would be incorporated in the three-tier FERS structure. Since two-thirds of the ERISA (private sector) workforce is covered by employer-sponsored retirement plans, the Government must offer this benefit to Federal employees or it would be at a competitive disadvantage in the human capital marketplace.

Evidence: FERS and CSRS are an important component of the Government's overall compensation package that helps make the Government a competitive employer. OPM's 2002 Federal Human Capital Survey (FHCS) found that retirement benefits were ranked second in importance by respondents among the components of the employee compensation and benefits package. A 2003 OPM Client Satisfaction Survey revealed that the availability of retirement and insurance benefits influenced the decision of 68% of respondents to pursue a career with the Federal Government.

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

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 CSRS and FERS retirement programs are unique pension programs available solely to Federal employees and do not duplicate other Federal, state or local retirement benefit programs; other retirement programs are available to specific employee groups. All non-temporary employees are automatically included upon employment. Employees are eligible for retirement benefits if they meet specified vesting requirements depending upon program. While the benefit structures are different under CSRS and FERS, various provisions of Social Security and retirement law act in concert to prevent duplicated or overlapping benefit coverage. For individuals under CSRS (i.e., those without concurrent Social Security coverage), two provisions of Social Security law serve to prevent inappropriately excessive combined benefits. First, since Social Security benefits are based on a lifetime average salary that is artificially reduced by years of zero Social Security earnings during which a CSRS covered employee is earning a separate CSRS benefit, the Windfall Elimination Provision (WEP) modifies the Social Security benefit formula to account for this factor. Second, since under Social Security, spousal benefits (whether during life or after death) are offset by an individual's own earned benefit, the Public Pension Offset (PPO, sometimes referred to as the Government Pension Offset or GPO) provides for an offset from Social Security spousal benefits based on that individual's own earned CSRS annuity. Some individuals are concurrently covered by CSRS and Social Security, with reduced CSRS employee contributions under coverage known as CSRS Offset. In addition to the WEP and PPO, individuals covered by CSRS Offset (or their survivors) are subject to a reduction in their CSRS benefit based upon the portion of their Social Security benefit derived from the concurrently covered service. The FERS structure was explicitly designed to operate in conjunction with Social Security and Thrift Savings Plan benefits. Indeed, the impetus for the creation of FERS was the Social Security Act Amendments of 1983 which mandated Social Security coverage for new Federal employees. While the FERS structure is generally designed with the intent that combined benefits will be paid, there are provisions for offset of disability benefits upon receipt of Social Security disability benefits. The CSRS, FERS, and Federal Employees Compensation Act (FECA) statutory provisions are designed to prevent overlapping benefit payments. (FECA is the worker's compensation program for federal employees). While FECA payments for medical expenses and loss of (or loss of use of) body parts can be paid in addition to CSRS or FERS benefits, that is not true for FECA loss of earning capacity payments. Individuals may apply for both FECA loss of earning capacity payments and CSRS or FERS retirement benefits (either disability or other type), but must elect which benefit to receive for any particular period of time. This both prevents double benefits payments, and accounts for the fact that an individual's level of FECA benefits may change. Similarly, in the case of an employment related death, survivors must elect whether to receive FECA or retirement benefits.

Evidence: The Public Pension Offset Provision for wives: section 402(b)(4) of title 42, United States Code. The Public Pension Offset Provision for husbands: section 402(c)(2) of title 42, United States Code. The Public Pension Offset Provision for widows: section 402(d)(7) of title 42, United States Code.The Public Pension Offset Provision for widowers: section 402(e)(2) of title 42, United States Code. The Windfall Elimination Provision: section 415(a)(7) of title 42, United States Code. The provision requiring offset of Social Security benefits from FERS disability annuities: section 8452(a) of title 5, United States Code.The provision requiring offset of Social Security benefits for periods of CSRS Offset service: section 8349 of title 5, United States Code. The statutory provision prohibiting dual receipt of CSRS and OWCP benefits: section 8337(f) of title 5, United States Code.The provision prohibiting dual receipt of FERS and OWCP benefits: section 8464a of title 5, United States Code. The Committee reports on the legislation that became FERS are clear that FERS was designed and intended to be integrated with Social Security.(S. Rep. No. 99-166 (1985) at page 6 notes that FERS 'sets up a complete retirement program to coordinate with Social Security. It captures some of the best features of pension plans frequently used by private industry to supplement Social Security. The three tiers of FRS [sic]'Social Security, defined benefit, and the defined contribution or thrift plan'are combined to offer a sound retirement program which provides considerable career flexibility and involvement in financial decisionmaking for Federal employees.")

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

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: There are no major flaws that would limit the Retirement Program's effectiveness or efficiency. OPM directly pays benefits to beneficiaries legally entitled to retirement benefits under the various laws governing the Program. By having OPM, rather than individual agencies, directly provide benefits to nearly 2 million beneficiaries, OPM ensures proper and fair application of the laws and regulations governing the Retirement Program. CSRS pre-dates the Social Security system and was created to separate older employees from the civil service. It is a defined benefit plan and covers employees hired prior to 1984. FERS was created after the Social Security Amendments of 1983 brought all federal employees hired after 1983 under Social Security. FERS adopted a different approach to plan design, more like private sector plans, including defined benefit (annuity) and contribution components (TSP) in addition to Social Security. Internal and external audits have found no major flaws pertinent to efficiency or effectiveness of the Retirement Program.

Evidence: OPM's Quality Assurance Group has conducted numerous evaluations of the Retirement Program's activities and internal controls and has found no major flaws in recent years. Additionally, KPMG, under contract with OPM's Inspector General, evaluates the Retirement Program's benefit payments and internal controls as a component of its annual review of OPM's financial statements and has found no major flaws in recent years. Analysis of the CSRS retirement system in the early '80s, coupled with changes in the labor market, and the need for flexibility in benefit design and delivery, led to the creation of a defined contribution plan as part of FERS in 1984. FERS, with its three-tier approach to providing benefits, resolved the critical flaws existing in the CSRS system. During the gestation of FERS, S. Rep. No. 99-166 (1985) included a finding that 'the cost and benefits of S. 1527 [an early version slightly more expensive than FERS as actually enacted] are comparable to those offered by most private sector companies, thus enabling the Government to compete with private industry for talent by providing attractive benefits while holding down costs to a reasonable level.' See Aug. 1998 CBO Memo, 'Comparing Federal Employee Benefits With Those in the Private Sector,' (page viii): 'An analysis...found...that Federal and private benefit packages were fairly close in value, with the Federal government often offering more valuable retirement benefits but less valuable health insurance.'

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

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: OPM offers FERS and CSRS coverage only to Federal employees who are enrolled by virtue of their employment status, and whose coverage is reviewed by their employing agencies. The statutory provisions for entitlement to benefits are detailed and specific. Under applicable law, benefits are paid directly to individuals (or to a responsible party in the case of legal or medical incapacity) who meet the statutory requirements for retirement benefits, as determined by OPM. OPM encourages effective targeting of Retirement Program resources through its educational / information campaigns to ensure that employees have the tools and knowledge for retirement planning for their and their families' financial future. OPM provides a variety of tools to accomplish this: financial education fairs, retirement planning seminars, and numerous pamphlets and booklets addressing specific topics related to retirement benefits. In addition, OPM is contracting out a study to focus on improving the retirement readiness of Federal employees to ensure that employees have the tools and knowledge for retirement planning for their and their families' financial future. Through a contract with the International Foundation for Retirement Education (InFRE), a not-for-profit organization, OPM will create a profile index (RRI) of what retirement readiness should look like at various ages or career points. The RRI will identify what Federal employees should know and what action they should take to adequately plan for retirement. The RRI will be completed and available for agencies' use by January 2005. The project will also identify education programs and models of best practices to improve retirement readiness. The model education programs will be completed by January 2006. The RRI is a diagnostic tool that agency benefit officers will use to evaluate the retirement readiness of their workforce and identify where educational efforts may be needed to better prepare employees for retirement. The RRI can also be used by individual employees to measure their personal level of retirement preparedness, as compared to that of their peers and an identified standard (which will be established through this study). OPM is also undertaking a series of Financial Education Fairs designed to: increase Federal employees' awareness of the Federal benefits programs; provide financial education information to employees; and, develop a template for the agencies to use as a model to use in promoting the financial literacy of their employees. OPM will develop guidelines that agencies can use as a template to hold future fairs.

Evidence: Retirement Program benefits are effectively targeted and reach the intendend beneficiaries: OPM's total overpayments as a percent of benefits paid remains remarkably low, with a 0.35% overpayment rate out of total benefits paid of $50.4 billion dollars for 2003.The Conference Committee Report (House of Representatives Report 108-10) on H.J.Res.2, the "Consolidated Appropriations Resolution, 2003" approved 2/20/03 as P.L. 108-7 identified the need to 'to establish a methodology to examine the real rate of Americans' 'retirement readiness' and to develop a retirement education model.'Letter to Federal Executive Boards.FY 05 CBJ

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: OPM has established long-term measures that assess the retirement program's purposes of providing Federal employees options and tools for retirement planning for their and their families' financial future and serving as an important component of employee compensation and therefore supporting Federal agencies' recruitment and retention needs.

Evidence: See measures tab.

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight 13%

Explanation: OPM has targets and timeframes for its long-term measures.

Evidence: See measures tab for targets and timeframes. InFre Statement of Work. Federal Benefits Survey.

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

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: OPM has established annual measures to demonstrate progress toward achieving the retirement program's long-term goals of providing Federal employees options and tools for retirement planning for their and their families' financial future and serving as an important component of employee compensation and therefore supporting Federal agencies' recruitment and retention needs.

Evidence: See measures tab for targets and timeframes.

2.4 Does the program have baselines and ambitious targets for its annual measures?

Answer: YES Question Weight 13%

Explanation: OPM has baselines and ambitious targets for all of its annual Retirement Program measures.

Evidence: See measures tab for targets and timeframes.

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

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: Though OPM operates the vast majority of the retirement benefit processing program in-house, any program partners we work with in those operations are held accountable through contractual requirements to meet annual performance goals for the standards OPM has set. For example, OPM uses a contractor to handle overflow customer service phone calls, and this contractor is held accountable for meeting contractual performance standards. On a broader level, every agency or organization with employees covered under CSRS or FERS is a partner, and our programs cannot be operated without their active cooperation and assistance. We have extensive programs to ensure that we work together with employing agencies to achieve both short-term and long-term goals. For example, Agency Benefits Officers partner with OPM in our efforts to increase the education of employees on retirement benefits. Agencies conduct mid-career and Pre-retirement seminars for their employees during which time information is provided about their benefits into retirement. OPM provides training on the retirement program to the Agency Benefits Officers who in turn educate their employees. OPM provides training annually and also conducts quarterly meetings with benefits officers to keep them up to date on current issues. Additionally, OPM currently is developing an index to assess the retirement readiness of Federal employees. The Retirement Readiness Index (RRI) will identify what Federal employees should know as well as what action they should take, and by when, to adequately plan for retirement. The project will also identify education programs and models of best practices to improve retirement readiness. OPM will use this information to educate employees about retirement as a whole, and the Thrift Savings Plan and Social Security in particular. Further, we actively work with those agencies administering programs that interface with the retirement programs, such as the Department of Labor (workers compensation), the Social Security Administration, the Federal Retirement Thrift Investment Board (Thrift Savings Plan), and Department of the Treasury (payment disbursement). Only through such coordinated action can the Government's larger needs be satisfactorily addressed.

Evidence: OPM has obligated funds to handle the overflow of Retirement Program customer telephone calls through outside contractor support. Since FY 2003, RSP has maintained the capacity to answer 25,000 additional calls each month through the contractor, which increases customer satisfaction and call handling rates, indicators that OPM tracks on an annual basis. As a recent example of inter-agency cooperation, OPM worked closely with the Department of Labor in developing the Administration's pending proposal to reform the workers' compensation provisions applicable to individuals who reach retirement age without a recovery from their disabling conditions. In another case, we worked with the Social Security Administration (and OMB) to develop a legislative proposal to deal with preventing and recovering certain overpayments (resulting from existing statutory requirement that included unworkable requirements) in a manner that responded to the needs and concerns of both agencies. Our Benefits Officer Training and Development Group is the hub of an extensive program, including statutorily mandated agency-level retirement counselors at all agencies, to provide training and information to agency human capital management staff for further dissemination to all employees, as well as to provide feedback to OPM as to agency and employee needs and concerns. Other parts of OPM actively work to ensure that program operational needs requiring inter-agency cooperation, such as accounting, record keeping, and information transfer, are efficiently and effectively met.

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

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 13%

Explanation: OPM's Inspector General (IG), contracting with KPMG, reviews OPM's retirement and systems' internal controls as part of its annual audit, in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS). KPMG reviewed and approved OPM's Quality Assurance Group (QAG) internal review procedures and determined that it could rely upon QAG's findings and recommendations. This meant that KPMG accepted QAG's results and did not need to re-audit the same area. The Retirement Program also is evaluated periodically by the Government Accountability Office (GAO) as part of their oversight assistance to Congress, as well as the Congressional Budget Office (CBO). In addition, OPM is conducting a benchmarking study in FY 2005 to determine how FEHB benefits compare to those in the private sector. Finally, in FY 2005 OPM will issue a Request for Information (RFI) to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including FERS, against the program purposes. OPM then will contract with a third party to conduct such evaluations.

Evidence: See Benchmarking Study SOW. OPM will submit a program evaluation plan for the benefits programs, including retirement, in FY 2005 Q1.OPM contracted with InFRE during FY 2003 to conduct a study on the readiness of Federal employees for retirement. The study will be completed by winter 2005. Both GAO and IG conduct reviews of OPM's Retirement Systems Modernization (RSM) project. Currently, GAO has just begun a study of RSM and is in the process of obtaining information from OPM. The IG has long been involved in reviewing RSM and providing feedback to OPM management. IV and V reviews also continue to take place. In 1997, an independent Concept of Operations review took place of retirement processing; the study also involved benchmarking of the private sector's efforts, and paved the way towards developing the RSM vision.CBO Reports:Comparing the Pay and Benefits of Federal and Nonfederal Executives, November 1999.Comparing Federal Employee Benefits with Those in the Private Sector, August 1998.Measuring Differences Between Federal and Private Pay, November 2002.The President's Proposal to Accrue Retirement Costs for Federal Employees, June 2002 The Retirement Prospects of the Baby Boomers, March 18, 2004 Retirement Age and the Need for Saving, May 12, 2004 http://www.cbo.gov/showdoc.cfm?index=5419&sequence=0GAO Reports:Federal Retirement: Key Elements Are Included in Agencies' Education Programs. GGD-99-27 March 29, 1999 AbstractThe Federal Employees' Retirement System: Potential Changes in Agency Retirement Costs Following an Open Season. T-GGD-98-27 November 5, 1997 AbstractFederal Retirement: Federal and Private Sector Retirement Program Benefits Vary. GGD-97-40 April 7, 1997 AbstractFederal Retirement System Financing. T-GGD-95-197 June 28, 1995 AbstractOverview of Federal Retirement Programs. T-GGD-95-172 May 22, 1995 AbstractCongressional Retirement Issues. T-GGD-95-165 May 15, 1995 AbstractFederal Retirement: Benefits for Members of Congress, Congressional Staff, and Other Employees. GGD-95-78 May 15, 1995 AbstractFederal Retirement Issues. T-GGD-95-111 March 10, 1995 AbstractFederal Employees: Early Retirements at the Defense Department in Fiscal Year 1988. GGD-89-53FS February 23, 1989 AbstractFederal Workforce: Positions Eligible for Law Enforcement Officer Retirement Benefits. GGD-89-24 February 2, 1989 AbstractFederal Retirement: Use of Contractors to Implement the Federal Employees Retirement System. GGD-89-29 February 1, 1989 AbstractFederal Retirement: Implementation of the Federal Employees Retirement System. GGD-88-107 August 4, 1988 AbstractFederal Personnel: Views From Two Agencies on Why More Employees Did Not Join the New Retirement System. GGD-88-52FS March 11, 1988 AbstractFederal Workforce: Retirement Credit Has Contributed to Reduced Sick Leave Usage. GGD-86-77BR June 6, 1986 Abstract

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

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: Retirement benefit levels are statutorily determined so budget requests are based largely on anticipated outlays to retirees. Administrative expense requests are based on costs of benefit delivery and customer service standards. OPM's CBJ/PB allocates budgetary resources by strategic goal. These three strategic goals link directly to long-term and annual performance goals, and include efficiency measures that integrate performance, outcome, output, and past results for each major activity. Specifically, OPM's FY2005 CBJ/PB includes funding requests for the Retirement Program in the areas of policymaking (which contain our LT goals regarding recruitment and retention), Agency liaison activities (which contain our LT goals regarding providing tools for retirement planning) and service delivery (which contain LT and annual goals for customer service). The performance measures have established targets that show the level of performance that can be achieved at the requested level of funding. As OPM proposes program changes, based on ongoing and planned studies, they will adjust budget requests accordingly.

Evidence: See measures tab and FY 2005 CBJ.

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

Answer: YES Question Weight 13%

Explanation: OPM has revised its performance measurement strategy, including new performance indicators that better address the Retirement Program purposes. To collect data for these long term measures, OPM implemented a survey of new and existing employees (Federal Benefits Survey). Also, OPM is contracting for a benckmarking study to assess how OPM's benefits programs, including retirement, compare with those benefits offered by private sector employers. OPM also will issue an RFI to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including Retirement, against the program purposes. OPM then will contract with a third party to conduct such evaluations. OPM currently is developing an index to assess the retirement readiness of Federal employees. The main goal of the Retirement Readiness Index is to create an awareness of what is needed for individuals to successfully plan and prepare for retirement, from both a financial and personal perspective. This RRI will identify what Federal employees should know as well as what action they should take, and by when, to adequately plan for retirement. The project will also identify education programs and models of best practices to improve retirement readiness. The RRI will be completed and available for agencies' use by January 2005. The model education programs will be completed by January 2006. OPM will use the RRI to measure the impact of its educational efforts on employees ability to plan for retirement by assessing the percent of employees who are at the appropriate stage of retirement planning according to the Retirement Readiness Index. In addition to the FY 2005 efforts to address strategic planning deficiencies, OPM is implementing a Retirement Systems Modernization (RSM) project that will allow OPM to maintain current service levels to retiring employees, keep up with customer expectations, and manage the workload associated with significant increases in the FERS retirement annuitant population. RSM is expected to be fully implemented by 2009.

Evidence: See: Measures tab, Federal Benefits Survey, and Benchmarking SOW.

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

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: NO Question Weight 14%

Explanation: OPM collects performance data related to some long-term and annual measures to manage the program and improve performance. Data used for performance measurement (i.e., claims timeliness and accuracy) is collected regularly and shared with program managers on an on-going basis through OPM's on-line information system, called the HyperShow. Additionally, OPM collects monthly performance data for its overflow calls contractor in order to adjust resources to reflect demand and seasonal volume. OPM uses the conractor for more than the contractually required 25,000 call per month during peak seasonal periods, and less during non-seasonal periods. Customer satisfaction surveys allow OPM to gauge how satisfied retirees & survivors are with the quality of service. OPM has a host of agreements or memoranda of understandings with other federal agency benefit programs for the sharing of data to ensure that benefits are paid timely and accurately in accordance with statues, and that fraud, waste and abuse are identified and deterred. OPM has a number of computer matching programs with Social Security Administration. For instance, OPM coordinates with SSA so SSA can make offsets in its benefit payments for beneficiaries covered by both civil service and social security laws. OPM also coordinates with the Labor Department to identity and recover prohibited dual concurrent Worker's Compensation and Federal retirement benefits.

Evidence: OPM Hypershow. Overflow calls contract (the contract calls for an estimated 25,000 calls per month, or 300,000 per year).

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: OPM has a quarterly reporting system to hold managers accountable for spending, schedule and performance. Managers must report planned versus actual data for financial and performance information. The performance evaluations for managers require that they: set long-term and short-term program objectives that stress measurable results; monitor progress toward achieving goals and organizational objectives; meet performance targets for all programmatic responsibilities as identified in OPM's annual Performance Budget/CBJ; demonstrate that customer feedback and organizational measures reflect continual improvements in service and program performance; and implements performance management practices that align employee and organizational performance. OPM's overflow calls contractor is held accountable through contractual requirements to meet workload volume and call answer timeliness standards set by OPM.

Evidence: Quarterly financial and performance reports. Performance appraisals. Performance standards in contract with program partners NCS Pearson (the Open Season contractor) and Spherix (the overflow telephone contractor).

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

Explanation: OPM's Federal Financial Management System is a transaction driven system that permits both budgetary and proprietary accounts to be recorded in a timely manner consistent with the resource needs of the Program. Additionally, procedures exist for reporting actual expenditures, comparing them against intended use, and taking timely and appropriate action to correct single audit findings when funds are not spent as intended.

Evidence: OPM's Retirement Trust Fund financial statements. In FY 2003, Retirement Programs paid $50.4 billion in payments to beneficiaries. OPM IG audits and annual independent financial audits serve to verify that funds are spent for the intended purpose. OPM's IG and retirement program offices work both independently and collaboratively to investigate allegations of fraud, waste and abuse and take corrective action where necessary.

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

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 Retirement Program has a number of performance measures and targets, such as claims processing unit cost, customer service unit cost, and claims processing timeliness, that assess the efficiency and cost effectiveness of the Program. In addition, the Program is leveraging improved computer and web-based technology to automate select paper-intensive processes to reduce costs & increase service quality (known as Retirement Systems Modernization, RSM).

Evidence: See "measures" tab for efficiency indicators and targets. Additionally, OPM has explored alternative solutions to delivering RSM in its current form, including License Technology, which combines the licensing of integrated, proven, defined-benefit technology solutions. OPM is also considering other alternatives.

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

Answer: YES Question Weight 14%

Explanation: OPM collaborates with other programs to ensure that Federal benefits aren't duplicated, to avoid/reduce erroneous payments, and to inform employees about the benefits each agency manages and administers. Statutory provisions make timely coordination of FERS disability retirement benefits impracticable. FERS law requires an offset of Social Security (SS) disability benefits from FERS disability benefits. However, since an allowance of SS benefits almost never occurs until after FERS benefits have been paid for a period of time, that fact results in a retroactive annuity overpayment. Existing SS law does not permit collection of the overpayment from the accumulated SS benefits. The full amount of the retroactive SS benefits are thus paid to the individuals, who often spend them rather than setting aside the amount representing the amount required to be offset from the FERS benefit. Since most such individuals are impecunious, even if the individual is found to be at fault in creating the overpayment, there is nothing to collect the FERS overpayment from. To remedy this situation, OPM, working with SSA and OMB, drafted legislation to require SSA to deduct an amount equal to the FERS offset required by the allowance of the SS benefit from the past-due SS benefits. OPM will be resubmitting legislation in 2005.

Evidence: OPM has data-matching agreements with DoD, Labor, SSA, VA and Railroad Retirement Board to avoid or reduce erroneous payments, and participates in Treasury's Death Notification Entry System to reclaim overpayments from financial institutions.

3.6 Does the program use strong financial management practices?

Answer: YES Question Weight 14%

Explanation: An independent financial accounting firm audits the program each year. Actuarial valuations of the program are also subject to an annual independent audit.

Evidence: OPM has received "unqualified" audit opinions in FYs 1997-2003. Data-matching agreements and computer matching with other benefit-paying programs (e.g. SSA, DoD, VA) and Treasury are used to avoid or reduce erroneous payments. OPM's improper payment rate (total of both over and underpayment) remains very low, at just 0.37% out of total benefits paid of $52.3 billion dollars for 2004.

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

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

Explanation: OPM contracts with an independent financial accounting firm, KPMG, to audit the Retirement Program's trust funds, including the financial statements and the controls in the retirement systems program. OPM adheres to the requirements of the Federal Managers Financial Integrity Act and assesses annually internal controls to identify any reporting material weaknesses relating to its benefits programs, including the Retirement Program. No reportable material weaknesses in the Retirement Program have been identified through this internal review. OPM's QAG also reviews internal controls among the retirement benefit programs as a component of the audit. QAG also reviews management operations for efficiency and effectiveness and provides recommendations for action to OPM management on a periodic basis. Actuarial valuations of the program are also subject to an annual independent audit. No material weaknesses have been identified through the internal review in this area. The Retirement Program has processes in place to track production data on a weekly basis and mitigate failure by bringing needed corrective action(s) to managers' attention. Additionally, the agency receives a list each year from our Inspector General of the top management challenges facing OPM. Retirement Systems Modernization (RSM) was identified in 2003 as one of those challenges and is being addressed through a multi-year implementation with a 2009 completion date. RSM will allow OPM to maintain current service levels to retiring employees, keep up with customer expectations, and manage the workload associated with significant increases in the FERS retirement annuitant population.

Evidence: OPM has processes in place to track production data and mitigate failure by bringing needed correction actions to management attention. OPM's Management Information Branch collects, reports and reviews workload information and reports trends to management. OPM's QAG conducts periodic program evaluations on timeliness and error frequency, and reports findings to senior management as well. Any recurring problems are brought to the appropriate program manager for resolution.

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

Explanation: OPM is assessing whether the Retirement Program is meeting its LT goals as follows: a) A survey of new and career employees (Federal Benefits Survey--conducted in Q1 FY 2005) to measure their perception of the extent to which retirement benefits are competitive, a fair value, and important in their decision to accept a job with/remain in the Federal Government. b) OPM is contracting for a benckmarking study to assess how OPM's benefits programs, including retirement, compare with those benefits offered by private sector employers. OPM also will issue an RFI during FY 2005 to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including retirement, against the program purposes. OPM then will contract with a third party to conduct such evaluations.

Evidence: See: The "Measures" tab, Benefits Survey, InFre Sow, Benefits study design and timeline, and FY2004 PAR.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight 20%

Explanation: OPM's annual Performance and Accountability report continues to validate that the annual goals set for the Retirement Program have been achieved.

Evidence: See FY 2004 PAR.

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight 20%

Explanation: As OPM's evidence shows, the Retirement Program has demonstrated improved efficiency and cost effectiveness over the last several years .

Evidence: See Annual PARs; Annual CBJ/PB's. In terms of cost effectiveness, Retirement Program administrative costs are very low: for FY 2003, $130 million on $ 50.4 billion annuity claims paid (less than 1% of claims paid).

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: As part of OPM's Research and Evaluation Plan implemented in FY2004, OPM is contracting for a benckmarking study to assess how OPM's benefits programs, including retirement, compare with those benefits offered by private sector employers. OPM also will issue an RFI during FY 2005 to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including retirement, against the program purposes. OPM then will contract with a third party to conduct such evaluations.

Evidence: See Benchmarking SOW. OPM will submit a program evaluation plan for the benefits programs, including FEHB, in FY 2005 Q1.

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: NO Question Weight 20%

Explanation: OPM's Inspector General (IG), contracting with KPMG, reviews OPM's retirement and systems' internal controls as part of its annual audit, in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards (GAGAS). KPMG reviewed and approved OPM's Quality Assurance Group (QAG) internal review procedures and determined that it could rely upon QAG's findings and recommendations. This meant that KPMG accepted QAG's results and did not need to re-audit the same area. The Retirement Program also is evaluated periodically by the General Accounting Office (GAO) as part of their oversight assistance to Congress, as well as the Congressional Budget Office (CBO). In addition, as part of OPM's Research and Evaluation Plan implemented in FY2004, OPM is contracting for a benchmarking study to assess how OPM's benefits programs, including retirement, compare with those benefits offered by private sector employers. OPM also will issue an RFI during FY 2005 to the academic community to solicit information on how to best design independent evaluations to assess the performance of each of OPM's benefits programs, including retirement, against the program purposes. OPM then will contract with a third party to conduct such evaluations.

Evidence: KPMG issued unqualified audit opinions on program financial statements for FY1997-2003. The auditors have not reported any material internal control weaknesses. See Benchmarking SOW.

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

Measure: % of new hires who say retirement benefits are competitive, a fair value, and important in their decision to accept a job with the Federal Government.

Additional Information: Data source: Federal Benefits Survey (SHRP)

Year	Target	Actual
2004		80%
2009	81%	

Measure Term: Long-term

Measure: Call handling rate

Additional Information: % of Retirement Program customer calls handled/total calls received. (HRPS)

Year	Target	Actual
2002		95%
2003		96%
2004		97%
2005	95%	
2006	97%	

Measure Term: Annual

Measure: Customer service unit cost

Additional Information: The average direct cost per non-claim customer transaction processed. (HRPS)

Year	Target	Actual
2002		$6.45
2003		$6.07
2004		$6.63

Measure Term: Annual

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

2005	$6.63
2006	$6.73

Measure: % of employees who are at the appropriate stage of retirement planning according to the Retirement Readiness Index

Additional Information: A LT target will be set upon receipt of baseline data in Winter 2005. (HCLMSA)

Year	Target	Actual
2005		
2009		

Measure Term: Long-term

Measure: CSRS claims processing accuracy

Additional Information: The % of CSRS retirement claims processed accurately. (HRPS)

Year	Target	Actual
2002		96.0%
2003		93.0%
2004		89.4%
2005	96%	
2006	97%	

Measure Term: Annual

Measure: FERS claims processing accuracy

Additional Information: The % of FERS retirement claims processed accurately. (HRPS)

Year	Target	Actual
2002		90.9%

Measure Term: Annual

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

2003		97.6%
2004		97.0%
2005	94%	
2006	96%	

Measure: CSRS survivor annuity claims processing accuracy

Additional Information: The % of CSRS survivor claims processed accurately. (HRPS)

Year	Target	Actual
2002		97.2%
2003		96.9%
2004		95.9%
2005	96%	
2006	96%	

Measure Term: Annual

Measure: % annuitants satisfied with overall retirement services

Additional Information: The % of annuitants (retirees and survivor annuitants) generally or very satisfied with retirement pogram serivces since their annuity began. (HRPS)

Year	Target	Actual
2002		93%
2003		93%
2004	93%	94%
2005	93%	

Measure Term: Annual

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

2006	95%

Measure: % of employees who say retirement benefits are competitive, a fair value, and important in their decision to remain in the Federal Government.

Additional Information: Data source: Federal Benefits Survey (SHRP)

Measure Term: Long-term

Year	Target	Actual
2004		78%
2009	80%	

Measure: Improper Payment Rate

Additional Information: (HRPS)

Measure Term: Annual

Year	Target	Actual
2004	0.35%	0.37%
2005	0.36%	
2006	0.35%	
2007	0.34%	

Measure: Interim annuity payment claims processing timeliness

Additional Information: Number of calendar days between date a retirement application is received at OPM and the date interim payment is authorized. (HRPS)

Measure Term: Annual

Year	Target	Actual
2002		1.9 days
2003		4.4 days
2004		5.4 days

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

2005	5 days
2006	4 days

Measure: CSRS annuity claims processing timeliness

Additional Information: Number of calendar days between date a CSRS retirement application is received at OPM and the date the full annuity payment is authorized. (HRPS)

Measure Term: Annual

Year	Target	Actual
2002		55 days
2003		59 days
2004		73 days
2005	65 days	
2006	57 days	

Measure: FERS annuity claims processing timeliness

Additional Information: Number of calendar days between date a FERS retirement application is received at OPM and the date the full annuity payment is authorized. (HRPS)

Measure Term: Annual

Year	Target	Actual
2002		70 days
2003		83 days
2004		97 days
2005	85 days	
2006	78 days	

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

Measure: CSRS survivor annuity claims processing timeliness

Additional Information: Number of calendar days between date a CSRS survivor annuity application is received at OPM and the date the full survivor annuity payment is authorized. (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2002		31 days	
2003		30 days	
2004		28 days	
2005	29 days		
2006	28 days		

Measure: Claims processing unit cost

Additional Information: The average direct cost per claim for all retirement and survivor annuity claims processed. (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2002		$89.53	
2003		$99.54	
2004		$91.91	
2005	$89		
2006	$82		

Measure: Customer calls handled

Additional Information: The number of retirement program customer calls handled. (HRPS)

Year	Target	Actual	**Measure Term:** Annual
2002		1425452	

PART Performance Measurements

Program: Federal Employees Retirement Program
Agency: Office of Personnel Management
Bureau: OPM-wide
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	71%	27%	

2003		1476853
2004		1648834
2005	1800000	
2006	1900000	

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

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

Explanation: The purpose of OIG oversight of the FEHBP is clear. OIG's oversight program is designed to protect the integrity of the health benefits component of the total federal employee compensation package. OIG accomplishes this purpose through (1) audits of health benefits carrier contracts and (2) enforcement activities comprised of criminal investigations of health care providers and persons receiving benefits through FEHBP and administrative sanctions of health care providers who commit violations identified by statute or regulation.

Evidence: Inspector General Act of 1978, as amended [5 U.S.C. App.], provides OIG with audit and investigative jurisdiction for all OPM programs. 5 U.S.C. 8902a establishes administrative sanctions authorities for FEHBP providers. The Federal Employees Health Benefits Acquisition Regulation (FEHBAR) and OPM's contracts with FEHBP carriers establish requirements for their operations. The Homeland Security Act of 2002, P.L. 107-296, section 812, provides permanent law enforcement authority to certain federal offices of inspector general. Executive Order 12805 (May 11, 1992), established the President's Council on Integrity and Efficiency (PCIE) as the governmentwide coordinating body for the offices of inspector general.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight 25%

Explanation: Oversight is an essential factor in (a) detecting fraud, waste, and abuse by health care providers and covered persons; (b) assuring that FEHBP carriers comply with their contracts. FEHBP provides health coverage to over 9 million persons and handles in excess of $24 billion in premiums annually.

Evidence: Based on our experience, erroneous payments totaled approximately $129 million in FY 2002, or less than 1 percent of total premiums of $24 billion. Since the beginning of FY 1992, OIG oversight of the FEHBP has resulted in $1 billion of positive financial impact. OIG review and enforcement activities have verified that fraud by providers and covered persons exists in the FEHBP context. Further, most OIG audits identify deficiencies in contract compliance and funds management by FEHBP carriers.

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 25%

Explanation: OIG is the only entity that exercises ongoing, systematic oversight of FEHBP. It is specifically empowered by the IG Act to conduct oversight of FEHBP, as well as all other OPM programs. We achieve oversight through audits of FEHBP carriers, criminal investigations of health care providers and FEHBP participants, and administrative sanctions. GAO and the Department of Justice hold governmentwide audit and investigative authority, and complement OIG's efforts.

Evidence: No state or local government, nor any private entity, has the authority to review the FEHBP program. FEHBP contracts represent separate lines of business for all carriers, and are managed under federal regulation. Claims from both providers and covered persons are subject to enforcement under federal law. Criminal violations investigated OIG are adjudicated in the federal court system. Administrative sanctions are imposed under specific federal law and regulations.

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight 15%

Explanation: At this time, as determined through our peer review process, there are no significant design flaws that hamper the effectiveness of OIG's oversight activities. In addition, we have resolved all material weaknesses previously identified through Federal Manager's Financial Integrity Act (FMFIA) review process .

Evidence: (1) OIG has full statutory authority under the IG Act to conduct independent audits of FEHBP carriers and operations. OIG's audit program complies with the Government Auditing Standards issued by GAO. (2) Homeland Security Act (2002) resolved previous limitations on our investigative operations by providing full criminal law enforcement authority to OIGs. (3) Federal Employees Health Care Protection Act resolved procedural inefficiencies related to earlier administrative sanctions authority and provided OPM with civil monetary penalty authority to recover funds lost to health care fraud through provider violations.

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 15%

Explanation: OIG's responsibility is to provide independent oversight of the FEHBP, for the purposes of improving protecting the integrity of its financial and health care activities. Decisions regarding FEHBP program operations and policies are outside OIG's jurisdiction. OIG's audit and enforcement activities are targeted to detect and prevent wrongdoing that threatens FEHBP's integrity.

Evidence: OIG allocates its resources to oversight activities through processes that include: (1) audit plans based on annual risk analyses and program office input/comment; (2) locating investigative personnel throughout the United States in areas containing the highest concentrations of federal employees and annuitants, thus impacting the highest number of FEHBP transactions; and (3) setting financial thresholds for investigations so that violations representing the most egregious threats to FEHBP integrity are addressed on a priority basis.

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: (1) Reduce erroneous payments from the FEHBP fund and (2) detect and prevent fraud, waste, and abuse in the FEHB Program.

Evidence: The FEHBP audit cycle is the average number of years between audits of all carriers. By reducing the audit cycle, OIG is able to increase the percentage of FEHBP program funds that it audits each year. (In FY 2000 the actual audit cycle was 4.5 years; the target audit cycle for FY 2004 is 3 years). See chart # 3. By targeting investigations to areas of high FEHBP usage, OIG will increase health care-related investigations of providers or other entities that abuse the federal employees health benefits program. Exclusion-related sanctions regulations were implemented during FY 2003; financial sanctions regulations will be implemented in FY 2004.

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight 17%

Explanation: (1) Conduct audits of all FEHBP carriers on a 3 year basis; (2) Increase successful investigations (i.e., resulting in conviction, administrative sanction, or recovery of funds) of fraud and abuse by 25 percent in geographical areas containing highest density of program participants; (3) Propose administrative sanctions (either debarment or civil monetary penalty or both) within 6 months against all providers referred through investigative activities.

Evidence: Key long-term measures include (1) Return on Investment [dollars returned to FEHBP trust fund per direct program dollar spent - all OIG programs]: FY 1999 baseline was $6; FY 2004 target is $10, an increase of 67%; see chart #1; (2) Positive financial impact [actual recoveries plus management committment to collect questioned costs]; FY 2000 baseline was $105 million; FY 2004 target is $143 million, an increase of 36%; see chart #4; (3) Carrier Audit Cycle: FY 2000 baseline was 4.5 years; FY 2004 target is 3.0 years; an improvement of 33%; see chart # 3; (4) Number of FEHBP carriers not audited within 5 years: FY 2000 baseline was 153 or 42% of the universe; FY 2004 target is 76 or 27% of the universe; an improvement of 31%; see chart # 5; and (5) Number of Debarments and Suspensions of Health Care Providers from participating in FEHBP; FY 2000 baseline was 2706; FY 2004 target is 4300; an increase of 59%; see chart # 6. (6) Reduce erroneous payments by 50 percent.

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 17%

Explanation: (1) Reduce audit cycle for each category of FEHBP carrier (fee-for-service, community-rated, experience-rated, and employee organization affiliated); (2) Increase numbers of successful investigations in targeted high-density areas; (3) Assess risk profile of all health care providers referred through investigative activities, and propose suspension or debarment of those who pose a risk to FEHBP covered persons within 6 months of referral.

Evidence: Overall, audit cycle for FEHBP carriers has declined from 4.5 years in FY 2000 to 4 years in FY 2002. Target is 3 years for FY 2005. Beginning in FY 2002, OIG began to locate investigators in field locations identified as high density for FEHBP usage. All providers identified as having committed violations were debarred or suspended in FY 2002; civil monetary penalty regulations will be implemented beginning in FY 2004. See attached charts.

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

Explanation: In each annual performance plan since FY 2000, OIG has captured baseline data for each of the performance measures indicated above, and has set targets that reflect progress toward ultimate achievement of long-term goals.

Evidence: Please see 2.2 and 2.3 above; also see attached charts.

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

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: 7%

Explanation: Oversight work is performed primarily by OIG personnel. Stakeholders outside of the OIG include OPM offices with responsibility to contract for/manage FEHBP and program enrollees.

Evidence: Stakeholders have been highly supportive of OIG's oversight activities, on both a short- and long-term basis. OPM offices managing FEHBP participate in setting OIG audit agenda; take action on 70 - 75% of OIG audit findings regarding FEHBP carriers; assure carrier support and implementation of administrative sanctions orders. FEHBP enrollees provide tips to the OIG Health Care Fraud Hotline that generate approximately 250 investigations per year.

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 President's Council on Integrity and Efficiency (PCIE) has promulgated standards for external quality review and assessment of federal OIGs, and assures that such reviews are conducted on a regularly-scheduled basis. In addition, OIG has, on an as-needed basis, obtained independent review (by other agencies, contractors, or independent consultants) of aspects of its operations.

Evidence: A mandatory peer review of OIG review activities is conducted under auspices of PCIE every three years. The reviewing organization is selected by PCIE and has full independence. These reviews are conducted based on guidelines developed by PCIE and apply Government Auditing Standards. PCIE is implementing an equivalent peer review process of criminal investigative enforcement activities, which is approved by the Attorney General. Results of these reviews are forwarded to the Attorney General. OIG will be in the first group of agencies to be reviewed.

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: 7%

Explanation: OIG's budget is fully integrated with performance plans and results data. In preparation of budget requests, OIG analyzes previous year's actual performance data and uses risk - benefits analysis to allocate resources among the core FEHBP oversight functions (audits and enforcement). Amounts are determined by computing varying costs of auditors, investigators, and sanctions analysts, along with travel costs and other object spending. Based on performance data, budget request clearly indicates projected levels of results for varying levels of available resources. All FEHBP oversight activities are financed through appropriated transfers from the Trust Fund.

Evidence: OIG annual budget request/performance plans reflect strategic goals, necessary resources to accomplish these goals, financial and nonfinancial performance measures, and activities performed by OIG in support of the goals. Requests for additional resources are linked to short- and long-term outcomes that would be achieved with increased levels of resources. Performance indicators include: positive financial impact, return on investment, audit cycles and recovery rates, and numbers of arrests, indictments, convictions, and administrative sanctions.

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

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

Explanation: OIG extensively redesigned its 5-year strategic plan in April 2003. This plan reduced the number of long-term goals, and aligned all goals in the new plan with both annual and strategic performance measures. The previous plan did not set ambitious long-term performance goals, but the revised plan sets specific goals for each long-term objective that, when achieved, will represent a significantly improved level of oversight beyond the current baseline.

Evidence: Strategic plan redesign included (1) refining the short- and long-term goals so that they strictly represent outcomes; (2) integrating all goals and measures with the GPRA process; and (3) assuring that work reporting and tracking systems generate data needed to measure performance against goals.

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 20%

Explanation: OIG internal work reporting and tracking systems collect and analyze performance data on results of all FEHBP oversight activities. Information is collected in real time, and is used as the basis for: risk - benefit analysis that support allocation of resources; setting annual audit agendas; specific audit programs; prioritizing investigative enforcement activities; tracking compliance with administrative sanctions orders; preparing the semiannual OIG reports to Congress (required by the IG Act); and responding to inquiries from Congress, OMB, FOIA/Privacy Act.

Evidence: OIG data systems include Automated Audit Receivables Tracking System; Investigations Tracking System; and OPM Debar (administrative sanctions database). OIG has invested substantial resources since FY 2000 to upgrade capabilities of all of these systems. AARTS is also used by OPM to track implementation of audit recommendations concerning FEHBP.

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: All OIG managers involved in FEHBP oversight have an element in their performance contracts holding them accountable for timeliness, effectiveness, and efficiency of their activities.

Evidence: Performance contracts include the SES Standard for Excellence and fulfillment of annual performance plan, audit agendas, and/or annual work plans as key elements on which OIG managers and supervisors are evaluated.

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

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

Explanation: OPM's financial management system is a transaction driven system that permits budgetary accounts to be recorded in a timely manner. OIG funds are obligated and accounted for through OPM's system. OIG obligates/expends its funds consistent with its strategic plan and associated annual performance plans.

Evidence: OPM financial management systems and reports verify that OIG funds are spent in a timely manner and that only a minimal amount of unobligated funds remains at the end of each fiscal year. Year-end balances for each of the last two years have been approximately $25,000, out of annual appropriation of $11 - 12 million.

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: Resources are allocated to maximize achievement of goals identified in performance plans.

Evidence: OIG tracks timeliness of audit processes by individual auditors, and links auditor efficiency with annual performance appraisal system. OIG has developed a process to reduce travel costs, under which individual auditors are given an incentive to reduce their travel expenditures by sharing with OIG the savings they achieve. OIG has implemented an automated audit system (TEAMMATE) which, by fully automating workpapers at all stages of an audit, including generation of the report, saves time and resources, allowing more efficient use of staff and resources.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight 20%

Explanation: Related programs exist in several federal agencies with audit and enforcement authority for other health care programs. Examples include the special fraud investigative units of each FEHBP carrier; the Offices of Inspector General at the Departments of Health and Human Services, Defense, and Veterans Affairs; the Medicaid Fraud Control Units in each state; the FBI; and U.S. Attorneys Offices, which prosecute cases and chair regional health care fraud task forces. OIG has both received and given full cooperation/coordination with these agencies on all annual and long-term goals. In addition, OIG is an active member of professional groups interested in health care integrity matters, such as the National Health Care Antifraud Association, the Association of Government Accountants, and the Interagency Committee on Suspension and Debarment.

Evidence: OIG review activities frequently are a basis for criminal or civil legal action, and OIG auditors, investigators, and attorneys are proficient in coordinating with Department of Justice attorneys. OIG participates in law enforcement task forces (both permanent and ad hoc) that address criminal activity in federal health care systems. Administrative sanctions data is routinely shared through an agreement with the Office of the Inspector General/DHHS, and OIG holds membership in the governmentwide Debarment and Suspension Coordinating Committee.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 9%

Explanation: OIG uses the recently implemented OPM GFIS, FEDESK, and Data Portal systems to account for expenditure of its funds. OIG does not maintain financial management systems independently of OPM.

Evidence: Independent financial audit of OPM's financial statements, including OIG financial activities, have resulted in "unqualified" opinions for the past five fiscal years.

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 9%

Explanation: OIG's FEHBP review activities have not been cited for management deficiencies by any regularly-scheduled evaluative mechanism. However, OIG has implemented management changes in response to specific issues that have been either self-generated or imposed by OPM.

Evidence: As part of a self-generated management study, OIG implemented a revised organizational structure to better focus resources on FEHBP audits and administrative sanctions. In response to a personnel management evaluation by OPM, OIG modified its personnel recruitment practices and developed a pilot program to improve recruitment of professional auditors in a highly competitive labor market.

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

Explanation: Within current resource structure, OIG is making progress to achieve long-term goals.

Evidence: OIG's annual performance plans and reports track performance measures from FY 1999 - present. All key measures in FY 2002 reflect improvement over FY 1999 baseline level, and projected measures reflect continued improvement in FY 2003 and beyond. For example, at FY 2004 resource levels, OIG will meet the critical 3-year audit cycle for FEHBP carriers; FEHBP investigative caseloads in targeted high-usage areas have increased 50% since FY 2000; and all administrative sanctions authorities will be implemented and in active use.

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

Explanation: OIG's FY 2002 Performance and Accountability Report indicates that OIG met all key measures associated with FEHBP oversight. These measures are: positive financial impact; return on investment; and arrests, indictments, and convictions.

Evidence: Refer to charts 1-6 attached for detailed information on OIG's performance in meeting annual goals.

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

Explanation: The best measures of the efficiency and cost effectiveness of our oversight program are return on investment and positive impact. Both of these measures have reflected dramatic improvement over FY 1999 baseline levels.

Evidence: FY 2002 OPM Performance and Accountability Report indicates that return on investment improved from $6 per direct program dollar spent in FY 1999 to $12 in FY 2002. Positive financial impact improved from $51.9 million in FY 1999 to $116 million in FY 2002.

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: For investigative enforcement functions, an OIG comparative study indicated that our health care-related caseload per investigator is four times that of VA/OIG and three times that of DCIS. FY 2002 PCIE Progress Report to the President, providing consolidated performance information on all OIG, indicates that OIG/OPM stood 6th out of 28 IG's in amout of recommended audit recoveries, and 5th of 28 in receivables/recoveries from successful investigations.

Evidence: OIG performance is reported annually side-by-side with that of other Offices of Inspectors General in annual PCIE Reports.

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

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: OIG participates fully in the program of independent quality reviews of OIGs administered by the President's Council on Integrity and Efficiency.

Evidence: The three most recent PCIE-administered peer reviews indicated that OIG review activities meet applicable professional standards. These reviews were conducted by GSA in 1994; Railroad Retirement Board in 1997; and Federal Emergency Management Agency in 2000. OIG will be in the first group to undergo the equivalent peer review process for enforcement activities (FY 2003).

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

Measure: Return on Investment (Dollars returned to FEHB Trust Fund per direct OIG program dollar spent) - Note: Delays in completing action on two multi-million dollar recoveries until FY 04 adversely affected actual Return on Investment in 2003.

Additional Information: Dollars returned to FEHBP Trust Fund per direct OIG program dollar spent--all OIG operations

Year	Target	Actual
2000	10	11
2001	10	25
2002	10	12
2003	10	4
2004	10	7
2005	10	
2006	10	

Measure Term: Long-term

Measure: FEHBP Audit Recovery Rate (Percentage of audit recommendations that OPM program office agrees to collect)

Additional Information: Percentage of audit recommendations that OPM program office agrees to collect

Year	Target	Actual
2000	70-75%	72%
2001	70-75%	85%
2002	70-75%	58%
2003	70-75%	92%
2004	70-75%	87%

Measure Term: Annual

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

2005	70-75%
2006	70-75%

Measure: Positive financial impact

Additional Information: Dollars (in millions) of actual recoveries plus management commitments to collect audit recommendations

Measure Term: Annual

Year	Target	Actual
2000	100	105.2
2001	100	242.1
2002	100	116
2003	102	40.2
2004	143	

Measure: FEHB Carrier Audit Cycle (Average number of years between audits for all FEHB carriers)

Additional Information: Average number of years between audits -- all FEHBP carriers

Measure Term: Long-term

Year	Target	Actual
2000	5	4.5
2001	4	4
2002	4	4
2003	4	4
2004	3	3
2005	2.9	

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

2006	2.4

Measure: # of Carriers not Audited Within 5 Year Retention Period

Additional Information: Plans are only required to maintain records for 5 years

Measure Term: Long-term

Year	Target	Actual
2000	160	153
2001	145	145
2002	135	135
2003	110	110
2004	76	

Measure: # of Debarments & Suspensions

Additional Information: Health care providers who committed sanctionable violations under law or OPM regulation

Measure Term: Annual

Year	Target	Actual
2000	3,000	2,706
2001	3,900	4,032
2002	4,100	3,380
2003	4,200	3,405
2004	4,300	

PART Performance Measurements

Program: FEHBP Integrity
Agency: Office of Personnel Management
Bureau: Office of Inspector General (OIG)
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Effective
100%	100%	100%	93%	

Measure: # of Debarment Inquiries Responded to

Additional Information: All inquiries related to debarment of health care providers

Year	Target	Actual
2000	1,400	1,725
2001	1,800	2,119
2002	2,800	3,827
2003	3,000	2,741
2004	3,500	

Measure Term: Annual

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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

Explanation: The U.S. Nuclear Regulatory Commission (NRC) regulates the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, to promote the common defense and security, and to protect the environment. To support the NRC's mission, the licensing program ensures applicants for licenses can and will control safety and national security related risks to acceptable levels. The mission of inspection is to verify licensee performance in accordance with the regulatory requirements.

Evidence: The Atomic Energy Act of 1954, Energy Reorganization Act of 1974, Section 204; NRC FY2002 Performance and Accountability Report, pp4-6 and 10. Manual Chapter (MC) 2600 and Fiscal Year 2003 Master Inspection Plan. "Fiscal Year 2003 Master Inspection Plan" modifications - memos dated - 11/12/02, 3/6/03, 7/3/03.

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

Explanation: The fuel cycle licensing and inspection program regulates all of the nation's non-defense related fuel fabrication facilities (~34 in 2002). Its licensing program is designed to issue licenses to facilities to receive title to, own, acquire, deliver, receive, possess, use, and transfer special nuclear material (SNM). It verifies that companies can safely use SNM prior to taking possession and starting operations. The inspection program's purpose is to obtain objective information that will permit NRC to assess whether its licensed fuel cycle facilities are operated safely, and that licensee activities do not pose undue safety and safeguards risks. This needs to be performed routinely since companies continue to make changes to facilities, staff, and operations.

Evidence: The Atomic Energy Act of 1954, NRC Inspection Manual, Manual Chapter 2600, 'Fuel Cycle Facility Operational Safety and Safeguards Inspection Program,' 9/30/02; 10 CFR Part 70, 'Domestic Licensing of Special Nuclear Material;' and 10 CFR Part 40, 'Domestic Licensing of Source Material.'

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: This program uniquely regulates commercial fuel facilities in the U.S. (those not operated by government agencies). Certain commercial facilities (primarily those related to uranium milling and leaching) are regulated by the States under the 'Agreement State' program, wherein 33 States have signed formal agreements with the NRC. Those States have assumed regulatory responsibility over certain byproduct, source, and small quantities of special nuclear material. In these cases the NRC oversees State regulatory activity, but does not duplicate it. The facilities regulated by NRC are subject to regulation by the U.S. EPA, the DOT, and the OSHA. However, NRC has entered into memoranda of understanding with these agencies to ensure that there are no duplicative efforts for the fuel cycle facilities that we regulate.

Evidence: 'Memorandum of Understanding between the Nuclear Regulatory Commission and the Occupational Safety and Health Administration: Worker Protection at NRC-Licensed Facilities,' 53 FR 43950; 'Memorandum of Understanding Between the U.S Environmental Protection Agency and the U.S. Nuclear Regulatory Commission; Consultation and Finality on Decommissioning and Decontamination of Contaminated Sites,' 67 FR 65375; "Transportation of Radioactive Materials; Memorandum of Understanding Between the Department of Transportation and the U.S. Nuclear Regulatory Commission," 44 FR 38690; NRC-SECY-92-165, and the Atomic Energy Act of 1954. Section 274, "Cooperation With States," Agreement States Procedure SA-700.

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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 fuel cycle licensing and inspection program is performing well against its measures, but continually strives to do better. Mechanisms include constant self-assessments against the operating plan (see response to question 2.3), management reviews, IMPEP reviews (see response to question 2.6) and concerted efforts to involve stakeholders, particularly licensees and the public, in the regulatory process. These activities are performed to ensure that the program operates efficiently and effectively. Related rulemakings are subject to a cost/benefit analysis. A recent rulemaking codified a procedural change for licensing (Integrated Safety Assessments) that uses resources in the highest risk areas, and inspection efforts at fuel cycle facilities are based on the type of facility, the associated risk, and the historical performance of that facility.

Evidence: Inspection Manual Chapter 2600, Inspection Manual Chapter 2604, and 10 CFR Part 70. Office of the Inspector General "Audit of NRC's Regulatory Oversight of Special Nuclear Materials, May 23, 2003". The Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan (updated quarterly): and the recent IMPEP review (3/24/03-3/28/03) focused on the fuel cycle inspection program in Region III. The management review board was held on 6/10/03, and the report should be available shortly. MRB notes (6/20/03) and Paperiello memo (5/30/03). Zimmerman memo (2/27/03). Transmittal of MD 5.6 "Integrated Materials Performance Evaluation Program (IMPEP) November 5, 1999".

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 NRC conducts the fuel cycle licensing and inspection program to ensure that we identify and resolve safety issues at all commercial fuel cycle facilities before they affect safety. The program resources are allocated between the headquarters and regional offices, and about 80% go to mission direct work with approximately 20% spent on overhead.

Evidence: Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan (updated quarterly)

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 NRC has four strategic goals listed in the Agency's Strategic Plan. The second goal applies specifically to the fuel cycle licensing and inspection program. 'In the Nuclear Materials Safety Arena, the NRC will conduct an efficient regulatory program that allows the Nation to use nuclear material for civilian purposes in a safe manner to protect public health and safety and the environment by working to achieve the following strategic goal, 'Prevent radiation-related deaths and illnesses, promote the common defense and security, and protect the environment in the use of source, byproduct, and special nuclear material.' ' This goal encompasses the activities of the fuel cycle licensing and inspection program. The NRC has identified five measures to determine if it is meeting this strategic goal.

Evidence: 'U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005,' NUREG-1614, Volume 2, pp 1, 11, and 12; and 'Budget Estimates and Performance Plan, Fiscal Year 2004,' NUREG-1100, Vol. 19, page 65

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight 11%

Explanation: Specific strategic measures have been developed to demonstrate progress toward achieving the fuel cycle licensing and inspection program strategic goal listed in the response to Question 2.1. The measures are listed in the FY2000 Agency Strategic Plan. The strategic measures and additional precursor measures are included in Operating Plans which are discussed and evaluated quarterly. Resource adjustments are made based on these outputs.

Evidence: 'U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005,' NUREG-1614, Volume 2, page 12; and 'Budget Estimates and Performance Plan, Fiscal Year 2004,' NUREG-1100, Vol. 19, page 68 and the Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan. Commission memo (7/19/03) "Update to the Planning, Budgeting and Performance Management Process (PBPM)".

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 addition to the specific strategic goals and strategic measures the Agency has developed performance goals, which focus on outcomes and are the key contributors to achieving the strategic goal. There are associated annual performance measures (operating plans) which indicate whether the NRC is achieving its goals and establish the basis for performance measurement. Information from inspections and reports made by licensees are used to demonstrate progress toward the goals.

Evidence: 'U.S. Nuclear Regulatory Commission Strategic Plan, FY 2000 - FY 2005,' NUREG-1614, Volume 2, page 15; and 'Budget Estimates and Performance Plan, FY 2004,' NUREG-1100, Vol. 19, page 69, the Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan (updated quarterly). Bulletin 91-01 and NRC reporting requirements in 10 CFR Parts 20 - Standards for Protection Against Radiation, 21 - Reporting of Defects and Non-compliance, 40 - Domestic Licensing of Source Material, and 70 - Domestic Licensing of Special Nuclear Material.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight 11%

Explanation: For the performance goals, in several cases, the targets are zero events each year. Where the target is other than zero, the number is based on historical data and risk-assessment, and has decreased over time. Data for the annual performance measures has been collected and reported for several years, establishing an adequate baseline for each measure. The existing targets are considered to be ambitious and appropriate given the high consequence of the events being measured. Further, for each measure that applies to the fuel cycle licensing and inspection program, operating plan goals and measures which are very specific mechanisms for meeting and measuring progress toward the higher level goals have been developed. The measures and metrics for these goals are continually evaluated to determine whether they are meaningful, and whether the measures are sufficiently ambitious.

Evidence: 'U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005,' NUREG-1614, Volume 2; and 'Budget Estimates and Performance Plan, Fiscal Year 2004,' NUREG-1100, Vol. 19 and Nuclear Materials Safety Arenda Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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: We regulate the fuel facilities in concert with States in our Agreement State program and with EPA, DOT, and OSHA in order to ensure protection of the public and the environment. Interested parties also include licensees and industry groups. Agreement States commit to adequate and compatible programs as part of their agreeements, and are periodically reviewed for conformance. This process was coordinated with the States. The MOUs with EPA, DOT, OSHA are joint agreements between agencies to ensure each meets its own goals consistent with one anothers'.

Evidence: STP Procedure Approval: Processing an Agreement - SA-700, April 2, 2001. NRC Management Directives 5.6, 11.7 and 11.8; MC 1007 and 'Memorandum of Understanding between the Nuclear Regulatory Commission and the Occupational Safety and Health Administration: Worker Protection at NRC-Licensed Facilities,' 53 FR 43950; MOU with EPA.

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 General Accounting Office (GAO), the Agency's Office of the Inspector General (OIG), the Advisory Committee on Reactor Safety (ACRS) and the ACNW (Advisory Committee on Nuclear Waste) have all conducted independent reviews of the program. The ACRS is independent of the NRC staff. One of its primary purposes is to review nuclear facility safety-related items.) The OIG and the ACRS each recently reviewed a fuel facility licensing and inspection activity. In addition, NRC has a review process for Agreement State and NRC materials programs called the Integrated Materials Performance Evaluation Program (IMPEP). The IMPEP process employs a team of NRC and Agreement State staff to assess both Agreement State and NRC materials licensing and inspection programs.

Evidence: NRC Organization Chart, 4/8/02. ACRS and Advisory Commission on Nuclear Waste (ACNW) charters. IMPEP review (3/24/03-3/28/03) focused on the fuel cycle inspection program in Region III. The management review board was held on 6/10/03, and the report should be available shortly. Draft OIG Report "Oversight of Special Nuclear Materials, May 23, 2003". Complete review of Agreement States are on NRC's website.

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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 direct costs for the planned activities performed by the fuel cycle licensing and inspection program are clearly identified in the NRC budget, as are annual performance goals. These annual goals are linked directly to the agency's long term goals. Program activities and the associated budget are designed to accomplish those annual and long-term goals. Activities are prioritized during the budget process each year based on the strategic goals and performance goals. This is described in the NRC's Plannng, Budgeting and Performance Management (PBPM) process. Other agency support costs, such as administrative activity costs, agency support office costs and agency and office labor overhead are assigned to the program according to a cost allocation process.

Evidence: 'U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005,' NUREG-1614, Volume 2; and 'Budget Estimates and Performance Plan, Fiscal Year 2004,' NUREG-1100, Vol. 19, and Memorandum to the Program Review Committee, "Prioritized Listing of Program Office Activities by Arena for FY2004 and FY2005 Budgets," dated April 16, 2003. The Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: NO Question Weight 11%

Explanation: The fuel cycle licensing and inspection program has performance goals that are linked directly to achievement of the agency's strategic goals. The Agency is currently developing its 2003-2008 Strategic Plan, in the context of which this program is updating its performance goals. The associated annual measures are re-evaluated every year as the budget cycle begins. The updated Strategic Plan will show more specific, ambitious long-term goals than were included in the previous Strategic Plan.

Evidence: 'U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005,' NUREG-1614, Volume 2; and 'Budget Estimates and Performance Plan, Fiscal Year 2004,' NUREG-1100, Vol. 19, and 'Success Through Safety; U.S. Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2002.'

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: This program issues specific guidance on the implementation of both its licensing and inspection programs. Before it is made final, the guidance is issued for comment by all stakeholders, and includes a clear discussion of its purpose and intent. The guidance includes a cost/benefit analysis which has supported changes to bring greater alignment between the activities of the program and its long-term goals. Two recent examples are the revisions to 10 CFR Part 70 to create a risk-informed, performance-based requirement, and the development of 2 guidance documents in place of a new 10 CFR Part 41 to update the regulatory framework for the uranium recovery licensing program.

Evidence: 'U.S. Nuclear Regulatory Commission Regulations Handbook,' NUREG-BR-0053, Revision 5; 'Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission,' NUREG-BR-0058, Revision 3; MC 0030 and MC 0040; NRC SECY-00-0111 and 65 FR 56211 (regarding 10 CFR Part 70); SECY-99-011, SECY-01-0026, and SECY-02-0204 (regulatory framework for the uranium recovery licensing program), SECY-99-0188 and SECY-02-0222. Commission memo (3/18/02) (Inspection Program).

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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: We have a number of mechanisms for continually evaluating our performance. (1) We update our operating plan (described in the responses to 2.4 and 2.8) quarterly, with data on how we have been performing, including reported events, and use that information to adjust our priorities, focus our resources, and determine if there are areas that need specific management attention. (2) We routinely inspect our licensee performance. (3) We use a Public Licensee Performance Review (LPR) process. LPR results provide an overview of licensee performance to NRC management, and inform licensees and the public how the NRC assesses facility performance.

Evidence: Reporting requirements in 10 CFR Parts 20, 21, 40, and 70. NRC Bulletin 91-01. Recent LPRs include Westinghouse (3/5/2002), Nuclear Fuel Services (3/14/2003), Honeywell (4/15/2001), BWXT (5/2/2002), and Framatome ANP (6/19/2002). Manual Chapter 2604, 'Licensee Performance Review'. Link Ltr. (6/13/02). SECY-02-0216 "Proposed Process for Providing Information on Significant Nuclear Materials Issues and Adverse Licensee Performance" (12/11/02). NRC Management Directive 8.14 "Agency Action Review Meeting" (5/7/02). MD 5.6, SA-700, and MC 2600.

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: Each manager in the Division of Fuel Cycle Safety and Safeguards is responsible for development and implementation of specific items in the Strategic Plan and Operating Plan. These items are in their SES contracts, elements and standards for performance appraisals, which are used, in part, to determine promotions and awards, and our work tracking and assignment system (ticketing). The SES program is being modified for FY2004 to link individual goals even more explicitly to NRC goals. Agreement States are evaluated for performance and licensees are routinely inspected.

Evidence: For more information see the SES contracts for the NMSS/FCSS Division Director, Deputy Division Director and Branch Chiefs, and the Elements and Standards for the NMSS/FCSS Section Chiefs. 7/15/03 Paul Bird memo on FY 2004 SES Performance Plans. MD 5.6, SA-700, MC 2600.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 9%

Explanation: NRC agency systems for budget execution and the administrative control of funds comply with the requirements set forth in OMB circulars, the Antideficiency Act, the Impoundment Control Act of 1974, Chief Financial Officers Act of 1990, etc. Agency policies and procedures are documented in NRC Management Directive, Volume 4 'Financial Management'. NRC's Office of the Chief Financial Officer monitors commitments, obligations, and expenditures on a monthly basis and reports findings in monthly and quarterly reports in the Budget Execution Reports. In NRC's Office of Nuclear Material Safety and Safeguards, contract funds are tracked at the project manager, Division and Office level. We have specific targets for funding to be committed, obligated and expended each quarter. Through a rigorous oversight and accountability process we limit carryover (unobligated funds) at the end of each year. We use a computer tracking system (COSTS) to track this information for each of our contracts.

Evidence: NRC Management Directives, Manual Chapter 4.2 'Administrative Control of Funds'; Budget and Reporting Number Structure Guide; Regulatory Information Tracking System (RITS) Users Guide; Acquisition Certification and Training program for project managers, technical monitors, and all personnel who are part of the acquisition process as defined in the May 2000 memorandum to Office Directors and Regional Administrators from the Executive Director for Operations, FCSS Monthly Contract Reports.

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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: There are a number of programs in place to measure and achieve efficiencies. One such program is the Business Process Improvement (BPI) review of licensing activities, and a later BPI of inspection activities. There is also an ongoing BPI of the contracts process at the Office level. The staff revised MC2600 and MC2604 for efficiency and effectiveness. Operating Plans are evaluated quarterly in order to reallocate resources.

Evidence: Inspection Manual Chapter 2604, 10 CFR Part 70, and 67 FR 20555. Commission memo: "Status of the Office of Nuclear Material Safety and Safeguards Business Process Improvement Initiative, June 18, 2003". "Prioritized Listing of Program Office Activities by Arena for FY 2004 and FY 2005 Budgets, April 16, 2003," and Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 9%

Explanation: We regulate the fuel facilities in concert with States in our Agreement State program, and with EPA, DOT, and OSHA in ensure the safety of the public and the environment. The NRC has memoranda of understanding with the EPA, the DOT and OSHA to ensure that there are no duplicative efforts for the fuel cycle facilities that we regulate. Agreement States commit to adequate and compatible programs and are routinely evaluated.

Evidence: Memorandum of Understanding Between the U.S Environmental Protection Agency and the U.S. Nuclear Regulatory Commission; Consultation and Finality on Decommissioning and Decontamination of Contaminated Sites,' 67 FR 65375; "Transportation of Radioactive Materials; Memorandum of Understanding," 44 FR 38690; NRC-SECY-92-165, SECY-02-0146, Fee Recovery for Fiscal Year 2003, and the Atomic Energy Act of 1954. MOU with OSHA, SA-700 and MD 5.6.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 9%

Explanation: NRC financial management practices governing control of funds and resource allocation are codified in MD4.2 and are fully implemented by the fuel facilities licensing and inspection program. The adequacy of these practices is reflected in the fact that NRC's financial statements have earned unqualified opinions for nine consecutive years. NRC's cost accounting system was identified as having a material weakness because the system is not in full compliance with SFFAS Number 4 by capturing the full cost of program outputs. NRC is implementing a remediation plan to resolve the instance of non-compliance; all other financial systems are in full compliance. NRC offers a financial management training seminar to staff twice a year on Administrative Control of Funds and Financial Management.

Evidence: NRC's Performance and Accountability Report for FY 2002, Monthly Budget Execution Reports (BER), Quarterly review of BER by top Agency management, NRC Management Directive 4.2, 'Administrative Control of Funds;' NRC Financial Management Seminar. The day-to-day operations of the program are unaffected by the noted material weakness in cost accounting.

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 9%

Explanation: Resources are reallocated in response to inspection findings, license reports and reviews of operating plans. Each quarter, the operating plan for the fuel cycle licensing and inspection program, including annual measures and metrics linked to strategic goals (discussed in the responses to questions 2.1-2.4) is updated and examined. In addition, in FY02, the Office of Nuclear Material Safety and Safeguards (NMSS) contracted with Gallup to survey the employees in an effort to build a stronger workplace. NMSS has already taken a number of actions in response to the survey results, and will continue to do so.

Evidence: NRC Management Directive 4.4, "Annual Reasonable Assurance Statements; 'Success Through Safety; U.S. Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2002; Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY2003 Operating Plan (updated quarterly). "Nuclear Regulatory Commission (NRC) Manager's Workbook, Building a Stronger Workplace," The Gallup Organization, and "NRC NMSS Executive Presentation (06/02)," The Gallup Organization

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: One of our Agency Performance goals is 'increase public confidence.' To that end we have an open and participatory rulemaking process. The process takes into account the views of the affected parties, recognizes the public's interest in the proper regulation of nuclear activities, and provides opportunities for citizens to make their opinions known. The NRC elicits public involvement early in the regulatory process so that safety concerns that may affect a community can be resolved in a timely and practical manner. All rulemakings provide the public with at least one opportunity for comment. In some cases, NRC holds meetings and workshops before a proposed rule is drafted so that members of the public can express their concern early in the process. The NRC may also publish an Advance Notice of Proposed Rulemaking in the Federal Register to obtain public comments and provide clarification of certain issues before developing a proposed rule. NRC is subject to the Small Business Regulatory Enforcement Fairness Act, which evaluates impact on small businesses.

Evidence: Revised 10 CFR Part 70 and 65 FR 56211, revisions to Inspection Manual Chapters 2600, and 2604 and 67 FR 53815 and 67 FR 20555. NRC SECY-00-0111 and 65 FR 56211 (regarding 10 CFR Part 70); SECY-99-011, SECY-01-0026, and SECY-02-0204 (regulatory framework for the uranium recovery licensing program), SECY-99-0188 and SECY-02-0222. Commission memo (3/18/02) (Inspection Program).

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: NRC is covered by SBREFA and the Regulatory Flexibility Act and is in full compliance with their requirements on applicable rulemakings. For example, the final Fee Rule for FY2003 (10CFR Parts 170 and 171), contains a Regulatory Flexibility Analysis and a SBREFA determination. As an independent agency, NRC is not bound by the Unfunded Mandate Reform Act, or for the most part, by Executive Order 12866. The one exception is the requirement in the Executive Order to regularly post the overall agency regulatory agenda, which the NRC does in full compliance with the order.

Evidence: 6/18/2003 Federal Register Notice 1010 CFR Parts 170 and 171 Revision of Fee Schedules; Fee Recovery for FY 2003; Final Rule". SECY-00-0111.

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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: We conduct ongoing assessments of the licensingand inspection program. For example, (1) We updated 10 CFR Part 70 to create a risk-informed, performance-based regulation. (2) Staff had proposed a new 10 CFR Part 41 in 1999 to update the regulatory framework for the uranium recovery licensing program, but later proposed a new strategy, to update the appropriate guidance documents instead. (3) Finally, Inspection Manual Chapters 2600 and 2604 were recently revised as a result of a larger project that is continually reviewing inspection program development and guidance. We also have a process to accept and evaluate Petitions for Rulemaking when stakeholders see an opportunity for greater regulatory effectiveness, and we review the fuel cycle regulations when changes are made to similar regulations. We assess the regulations as part of the regular trending and analysis of reported events.

Evidence: 10 CFR Part 2, NRC-SECY-00-0222. NRC SECY-00-0111 and 65 FR 56211 (regarding 10 CFR Part 70); SECY-99-011, SECY-01-0026, and SECY-02-0204 (regulatory framework for the uranium recovery licensing program), SECY-99-0188 and SECY-02-0222. Commission memo (3/18/02) (Inspection Program).

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: NRC conducts regulatory impact analyses (RIAs) to determine whether proposed changes maximize benefits. NRC guidance states that "OMB maintains that the regulatory analysis should select the regulatory alternative that achieves the greatest present value-the discounted monetized value of expected net benefits. The NRC guidance also states, "[s]electing the alternative with the largest net value is consistent with obtaining the largest societal gain from among the alternatives analysed." However, not all benefits can be quantified, and in some cases qualitative benefits are determined to justify the costs. In some cases NRC determines that regulatory changes are the most cost effective, given the constraints of time.

Evidence: 'U.S. Nuclear Regulatory Commission Regulations Handbook,' NUREG-BR-0053, Revision 5; 'Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission,' NUREG-BR-0058, Revision 3; and NRC Inspection Manual, Manual Chapters 0030 and 0040. Also see NRC-SECY-00-0222 for example regarding the Nuclear Fuel Safety Oversight program.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: YES Question Weight:16%

Explanation: The NRC, including the fuel facility licensing and inspection program, has met all of its strategic goal measures since GPRA reporting began in 1997.

Evidence: 'Success Through Safety; U.S. Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2002, page 46.'

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight:16%

Explanation: The fuel cycle licensing and inspection program has met all of its annual performance goal measures since 1997.The NRC has a review process for Agreement States and NRC materials programs called the IMPEP. The IMPEP process employs a team of NRC and Agreement State staff to assess the performance of both parties' materials licensing and inspection programs. Operating plans are evaluated quarterly in order to reallocate resources.

Evidence: Success Through Safety; U.S. Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2002, page 47.'

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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

Answer: YES Question Weight 16%

Explanation: In developing the FY2002 budget, the Office of Nuclear Material Safety and Safeguards estimated that 10% efficiencies would be achievable in the fuel cycle licensing and inspection programs. The numbers reflected in the FY2002 budget include that decrease. Fuel cycle licensing and inspection has continued to get the work done, and meet the performance goals with fewer resources.

Evidence: Other efficiencies have also been planned and achieved in the fuel cycle licensing and inspection program. In FY2002, the staff revised Inspection Manual Chapter 2604, Licensee Performance Review, to make the LPR process more timely and efficient. See IMC 2604, and background information. Also see response to question 3.4.

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 16%

Explanation: EPA and the chemical industry have some similar purposes and goals to the NRC's fuel facility licensing and inspection program. Although we have not benchmarked our performance with respect to the chemical industry, and the associated chemical and safety hazards, NRC's safety record with respect to radiation hazards as evidence by our strategic goal measure results compare favorably to other programs.

Evidence: U.S. Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2002, page 46.

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

Answer: LARGE EXTENT Question Weight 16%

Explanation: We have some independent evaluators, like the Agency's Office of the Inspector General (OIG), and the Advisory Committee on Reactor Safety (ACRS). (The ACRS is independent of the NRC staff and reports directly to the Commission, which appoints its members. One of its primary purposes is to review nuclear facility safety-related items.) The OIG and the ACRS each recently reviewed a fuel facility licensing and inspection activity. In addition, the fuel cycle inspection program, itself, indicates that our program is effective and achieving results, as does the IMPEP program (see response to question 2.6).

Evidence: Meeting transcripts for the ACRS Subcommittee on Reactor Fuel on 4/21/03, and the Full Committee, 502nd Meeting on 5/9/03 and Draft Audit Report, 'Audit of NRC's Regulatory Oversight of Special Nuclear Materials,' NRC Office of the Inspector General. IMPEP review (3/24/03 - 3/28/03) focused on the fuel cycle inspection program in Region III. Nuclear Materials Safety Arena Division of Fuel Cycle Safety and Safeguards FY 2003 Operating Plan.

4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?

Answer: YES Question Weight 16%

Explanation: RIA's almost always show a net benefit for NRC regulations. Without this condition, there is a potential not to proceed with the rulemakings unless there is a question of public health and safety that will be degraded as a result. The Agency strives to implement regulatory change when there is a net benefit toward safe operation of fuel cycle facilities and the societal costs are minimized. However, in all aspects of rulemaking at the NRC, public health and safety is paramount where programmatic goals are concerned.

Evidence: Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, "NUREG/BR-0058, Rev. 3, July 2000. SECY-00-0111.

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

Measure: No deaths resulting from acute radiation exposures from civilian or malevolent uses of source, byproduct, or special nuclear materials, or deaths from other hazardous materials used or produced from licensed material

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2001	0	0	
2002	0	0	
2003	0	0	
2004	0		
2005	0		

Measure: No more than 5 substantiated cases per year of attempted malevolent use of source, byproduct, or special nuclear material. (Transferred to another office in 2002.)

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2001	0	0	
2002	0	0	

Measure: No breakdowns of physical protection or material control and accounting systems resulting in a vulnerability to radiological sabotage, theft, or unauthorized enrichment of special nuclear material. (Transferred to another office in 2002.)

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2001	0	0	
2002	0	0	

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

Measure: No more than 6 events per year resulting in significant radiation or hazardous material exposures from the loss or use of source, byproduct, and special nuclear material

Additional Information:

Year	Target	Actual
2001	<6	0
2002	<6	0
2003	<6	0
2004	<6	
2005	<6	

Measure Term: Annual

Measure: No events resulting in releases of radioactive material from civilian or malevolent uses of source, byproduct, or special nuclear materials that cause an adverse impact on the environment.

Additional Information:

Year	Target	Actual
2001	0	0
2002	0	0
2003	0	0
2004	0	
2005	0	

Measure Term: Long-term

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

Measure: No losses, thefts or diversion of formula quantities of strategic special nuclear material; radiological sabotages; or unauthorized enrichment of special nuclear material regulated by NRC. (Transferred to another office in 2002.)

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2001	0	0	
2002	0	0	

Measure: No unauthorized disclosure or compromise of classified information causing damage to national security. (Transferred to another office in 2002.)

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2001	0	0	
2002	0	0	

Measure: No occurrences of accidental criticality

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2001	0	0	
2002	0	0	
2003	0	0	
2004	0		
2005	0		

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

Measure: No more than 30 events per year resulting in radiation overexposures from radioactive material that exceed applicable regulatory limits (with another Division in NRC)

Additional Information:

Year	Target	Actual
2001	<40	27
2002	<30	23
2003	<30	18
2004	<30	
2005	<30	

Measure Term: Annual

Measure: No more than 5 releases per year to the environment of radioactive material from operating facilities that exceed the regulatory limit (with another Division in NRC)

Additional Information:

Year	Target	Actual
2001	<6	0
2002	<5	4
2003	<5	0
2004	<5	
2005	<5	

Measure Term: Annual

PART Performance Measurements

Program: Fuel Facilities Licensing & Inspection
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Materials and Safeguards
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

Measure: No non-radiological events that occur during the NRC regulated operations that cause impacts on the environment that can not be mitigated within applicable regulatory limits, using reasonably available methods (with another Division in NRC)

Additional Information:

Year	Target	Actual
2001	0	0
2002	0	0
2003	0	0
2004	0	
2005	0	

Measure Term: Annual

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

1.1 Is the program purpose clear? Answer: YES Question Weight25%

Explanation: Congress established laws designed to restore and maintain investor confidence in capital markets by providing more structure and government oversight. Securities laws and regulations were established to prevent fraud and misrepresentation in the public offering, trading, voting, and tendering of securities. This Program monitors the collection, review, and dissemination of this material information to the public so they may make informed investment decisions.

Evidence: Three primary statutes authorize the SEC to implement a program to support the full disclosure of information: the Securities Act of 1933, the Securities Act of 1934, and the Sarbanes-Oxley Act of 2002. These laws require that companies publicly offering securities tell the truth about their business and the risks of investing. Recent allegations of corporate fraud have confirmed the importance of accurate and timely disclosures in maintaining the public's confidence in the securities markets. The issue was deemed of sufficient importance that Congress and the President recently approved the Sarbanes-Oxley Act of 2002 to tighten disclosure rules and provide increased staff and funding for this Program.

1.2 Does the program address a specific and existing problem, interest or need? Answer: YES Question Weight25%

Explanation: A safe and sound securities market continues to be instrumental to the U.S. economy. At the end of 2002, over 52% of U.S. households owned securities. and the value of assets under investment company management ($6.3 trillion) significantly exceeded the amount on deposit at commercial banks ($3.7 trillion).

Evidence: Statutory Authority is identified in the agency's strategic plan and is reinforced in the program's mission statement in the annual budget request, and on the agency's website: www.sec.gov/about.whatwedo/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 Weight25%

Explanation: The SEC is uniquely charged with the responsibility of administering the securities laws and regulations established to prevent fraud and misrepresentation in the public offering, trading, voting, and tendering of securities.

Evidence: The SEC has primary jurisdiction for requiring and reviewing corporate registrations and filings to ensure the disclosure of material information to the public through this Program. Other federal and state regulators also may review disclosure materials, but do so for different purposes. For example, banking regulators consider safety and soundness issues, and states and other Federal regulators evaluate mergers for merit and fairness issues.

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

1.4 Is the program design free of major flaws that would limit the program's effectiveness or efficiency? Answer: YES Question Weight 25%

Explanation: The design of the disclosure review process is fundamentally sound. In reviewing filings under the 1933 and 1934 Securities Acts, this Program seeks to monitor and enhance compliance with financial and other disclosure requirements. Filings are received electronically through the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system and made available to the public via the agency's website. As part of the review process, division staff may issue comments to an issuer to elicit better compliance with applicable requirements through amended filings and restatements by the company. Through this comment process, the Program facilitates investor access to information necessary to make informed investment decisions, deters fraud, and enhances the efficiency of the capital markets. When appropriate, matters are referred to SEC's Enforcement division for possible action.

Evidence: The U.S. model for the disclosure of material information has become a defacto standard for other countries to follow. In the U.S., many states also accept filings made to the SEC as sufficient to satisfy their corporate disclosure requirements. Recent legislation (particularly the Sarbanes-Oxley Act of 2002) underscored the relevance of the SEC's disclosure program and resulted in increased funding to expand disclosure activities to support the SEC mission.

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: NA Question Weight: 0%

Explanation: The program does not have beneficiaries as defined by the question.

Evidence:

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: The Program's long-term performance goal is the adequate, accurate, and timely disclosure of material information to investors. Accomplishing this goal protects investors and facilitates capital formation. The program has certain measures that reflect timeliness of disclosure review but do not directly address the long-term performance goal. SEC is in the process of developing broader long-term measures.

Evidence: The Program needs to develop long-term outcome-based goals. The Program is in the process of developing new outcome-oriented measures. Depending upon the results of these efforts, the agency may consider using surveys to evaluate the usefulness of material information and the efficacy of the Program.

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

Explanation: SEC needs to develop long-term measures. Refined targets and timeframes are under development.

Evidence: SEC has targets for its efficiency measures that are ambitious and have timeframes. SEC needs to develop long-term outcome measures and related targets. SEC is working to provide these measures in their 2005 GPRA plan.

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

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: SEC has specific annual measures that are used to monitor the performance of the program. These measures address the extent and timeliness of reviews as well as quantifiable outcomes from those reviews, such as number or reviews that result in significant income restatements. These measures are being refined in light of Sarbanes-Oxley Act mandates.

Evidence: As shown in the SEC's Annual Performance Reports, the Program tracks a number of annual measures. The primary measures the Program is currently tracking are listed under the measures tab. For example, the Program measures the average time it takes to issue initial comments on full-review registration statements and merger proxy filings.

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

Explanation: The Program is in the process of developing baselines and targets. For many measures, it is difficult to estimate a baseline or set reasonable targets. For the example, one annual measure is the total dollar value of restatements with financial changes greater than 10%. The Program has a limited basis to project the dollar amount of erroneous statements in future years. The Program has baselines and targets for certain other measures, such as the average number of days to resolve comments.

Evidence: Examples of historical baselines, actuals, and projections are located in the FY04 budget request on page I-16 under the Full Disclosure Program and in the SEC's FY04 GPRA Annual Performance Report.

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: The full disclosure corporate review program is unique to the SEC and does not have partners (grantees, contractors, etc.).

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: YES Question Weight 12%

Explanation: Evaluations or program performance reviews are conducted on a periodic basis to evaluate program effectiveness and consider program improvements. Internal management reports also are used regularly and systematically to assess program performance against targets. In many instances, independent evaluators have used and reviewed internal Program management reports as part of their assessments (see reference to management information system reports in question 3.1).

Evidence: Regular audits of the program are conducted by the General Accounting Office and the SEC's Office of Inspector General. Recent OIG audits covered the following topics: Comment Letter Follow-up, Commission Review of Periodic Reports, Planning the Enforcement of F/D Rules, EDGAR Utility to Commission Staff, the Rulemaking Process, and Collection of Filing Fees. Three of these audits (EDGAR Utility, Rulemaking Process, and Collection of Filing Fees) were issued within the last year. Audits and studies conducted by the GAO included reviews of rulemaking compliance and a study on Financial Statement Restatements. Currently, GAO is conducting an update of its previous review on Section 10a Reporting.

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

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: The SEC FY05 Budget needs to be better aligned with the agency's GPRA plan. Currently, the budget reflects workload estimates, such as the impact of staffing levels on the volume of applications and filings that are reviewed. While this information is helpful, the agency needs to align its budget requests with outcome-oriented goals.

Evidence: SEC 2005 Budget

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

Explanation: The Program undertakes periodic reviews of its activities in light of changes in agency resources and market conditions. These reviews result in refinements of businesses processes, staff workload, and the various selection criteria for filing reviews. The Program staff are currently creating new performance measures for its 2005 GPRA plan. The Program is considering using new data sources, such as investor surveys, to measure program results.

Evidence: The General Accounting Office report, SEC OPERATIONS: Increased Workload Creates Challenges (GAO-02-302), identified a number of issues that affected the agency's performance. GAO found that while the agency has established a GPRA strategic plan, the agency would benefit from a comprehensive strategic planning process. Since the GAO report was issued, the Program has taken steps to address the report's recommendations. Also, the agency filled a position that will support its GPRA strategic planning and performance management activities and is revising its GPRA performance measures to be more outcome-oriented.

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 program maintains a management information system to track performance information on the receipt, review, and processing of filings. The information is used to analyze the effectiveness of the program and identify possible changes to regulations to better meet program goals.

Evidence: The Program's Filing Activity Tracking System (FACTS) produces management reports on program performance and workload levels. Analysis of data results in changes to Program activities. Data can be analyzed across issues, managers, and staff performance. Regular review of results at the branch and staff level are used to manage performance against targets.

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: Senior officers and supervisors in the agency are held accountable for performance and program management through performance standards and evaluations. No grantees, sub-grantees, contractors, or cost-sharing partners perform full disclosure activities.

Evidence: Senior Officer Performance Plan/Rating document, and Supervisory Performance Plan and Evaluation form (SEC 2495).

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 9%

Explanation: Most program funding is associated with compensation and benefits and therefore is obligated quickly for that purpose. In the past year, there have been some delays in obligations due to hiring delays. The Program has not yet completed hiring a large number of the new accountants for which the Program recently received funding. New hiring authorities are helping speed up the process.

Evidence: Of the funds appropriated for the Program in 2002, 91.1% were obligated in the first year, all for the originally stated purpose. For example, a major IT project, the recent modernization effort for EDGAR, was completed on time and within budget.

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: 9%

Explanation: The Program does not currently have procedures in place to measure cost effectiveness in program execution.

Evidence: The Program's FACTS system tracks timeliness of disclosure reviews, but the agency has not developed procedures to track cost efficiencies.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 9%

Explanation: The Program frequently consults and coordinates with other SEC programs. For example, the Program communicates with other programs on new rulemaking that affects their responsibilities, and will refer matters uncovered during disclosure reviews to the SEC's Enforcement Division for further investigation. The Program also actively seeks the input of other affected offices on recommendations to the Commission. The Program also has strong working relationships with other securities-related groups and Federal regulators, including the North American Securities Administrators Association, the Comptroller of the Currency (OCC), and other banking regulation agencies.

Evidence: The SEC's Government-Business Forum on Small Business Capital Formation recently held its 21st annual meeting. This yearly gathering provides the only national forum for small businesses to let officials from different parts of the federal government know how the laws, rules and regulations affect the ability of small companies to raise capital. The SEC also participates in the North American Securities Administrators Association annual uniformity conference. In addition, internal manuals and procedures cover matters requiring coordination and staff liaison work across SEC programs.

3.6 **Does the program use strong financial management practices?** Answer: NO Question Weight: 9%

Explanation: The SEC has not undergone a full financial audit. A majority of the Program's resources are expended on compensation and benefits and are managed via the SEC's payroll system through an inter-agency agreement with the Department of Interior. The Program also is involved in the collection of filing fees and the security of the EDGAR filing system. Recommendations for improvements in these areas are being implemented.

Evidence: The SEC is currently scheduled to complete its first audited financial statements for fiscal year 2004. OIG audits on internal controls and financial management included assessments on the Collection of Filing Fees (Audit #348), and an Independent Accountant's Report (Audit #362). The implementation of a new automated filing fee system addressed a material weakness previously reported to Congress. The Filing Fee audit concluded that corrections had been made and did not identify any material weaknesses in the management controls over the collection of filing fees. The Independent Accountant's Report found some items concerning the collection of filing fees that were without policies. These items are expected to be resolved by the end of fiscal year 2004. System security certification and accreditation activities for the EDGAR system also are currently underway.

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 9%

Explanation: The Program successfully resolved prior deficiencies and materials weaknesses reported to Congress. In addition, in the past year, with the assistance of a consultant, SEC has made a full management review of the agency.

Evidence: Corrective action is taken on IG recommendations and tracked centrally by the agency. For example, an audit on confidential treatment requests identified areas for improvement. The Program implemented changes to ensure documents were safeguarded and SSNs were eliminated aherever practicable. An audit on IT security and data validation also resulted in changes in how information is collected, tracked, and analyzed.

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: Proposed Rulemakings and the process of soliciting views of affected parties in the drafting process is formalized. Intended rulemaking activities also are identified in the semi-annual Unified Agenda publications. Furthermore, notices of Commission meetings and the results of Open Meetings are published in the daily SEC News Digest, which is available on the Commission's website.

Evidence: Agency releases are published in the Federal Register and also are made available on the SEC's website. The releases formally solicit public views. The views of all public commentators are summarized, analyzed, and fully considered. Revisions to Proposed Rulemakings are made as appropriate in response to pubic comment. The majority of Proposed Rulemakings are considered at Commission Open Meetings, which may be attended by members of the public. The Unified Agenda contains information on SEC rulemaking activities as well. Depending upon the nature of the rule, selected audiences are contacted for feedback on rulemaking initiatives. Public comments on proposed rules or concept releases also are gathered electronically via the agency's web site. For example, the Program is considering possible changes to proxy rules. Public hearings and roundtables often are held in connection with comprehensive or controversial rulemaking initiatives. Comments are being sought from a wide variety of sources in advance of any formal rulemaking. Individual investor feedback also is gathered through work with groups representing investing communities. Also the public may petition the Commission to adopt or rescind rules on matters. The Program occasionally will seek the assistance of corporate and investor groups, as well as organizations, to help ensure broad dissemination of requests for public comment.

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

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: As an independent agency, the SEC is not required to prepare the regulatory impact analyses required by the Executive Order. However, SEC rulemaking follows a formal process to ensure that requirements are met in both the proposing and adopting stages. Regulatory Flexibility Act (RFA), SBREFA, and cost analyses are conducted on all rulemaking activities by the office drafting the proposing and adopting release, although most of the work associated with the SBREFA analysis is required only at the adopting stage. These documents are reviewed by the Office of Economic Analysis and the Office of General Counsel at the proposing and adoption stages. Internal controls are in place to ensure that rulemaking packages are complete before being issued and distributed outside the agency. The Office of Economic Analysis issues formal memos regarding its review of the RFA, cost-benefit, and SBREFA analyses.

Evidence: GAO conducts reviews of SEC rulemaking to determine compliance with applicable requirements. For example, a report was issued on the promulgation of the SEC's rule on Acceleration of Periodic Report Filing Dates and Disclosure Concerning Web Site Access to Reports. In addition, the SEC's Office of General Counsel maintains a guide on rulemaking requirements (Title: SEC Compliance Handbook), and the Program also provides guidance to staff to ensure compliance with Federal requirements (Memo entitled: Corporation Finance Rulemaking Outline). The Program further maintains a separate "Rulemaking Style Manual". Additionally, Division rulemakers compile a "closing binder" that contains documents and memos evidencing compliance with the RFA, PRA, and SBREFA requirements.

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: When a Program determines that an area of regulation (text or forms) needs to be reviewed, related matters are incorporated and considered.

Evidence: Regular and systematic reviews are required by statute (RFA and PRA), and rules are reviewed consistent with those guidelines. The Program also has undertaken initiatives such as establishing a Disclosure Simplification Task Force to review all rules and forms administered by the Program with a view toward eliminating outdated requirements and eliminating any unnecessary duplication among requirements. Major issues also are identified by the Program and result in periodic, comprehensive reviews of rules covering targeted areas. For example, a review of the proxy rules is underway and the Program is considering formulating broad changes to the Securities Act registration process. Studies also are conducted on cross-cutting issues affecting the financial regulatory community. For example, the SEC and the Federal Reserve jointly issued a white paper on structural change in the settlement of government securities, and a staff report on the Task Force on Mortgage-Backed Securities Disclosure was prepared with the Department of the Treasury and the Office of Federal Housing Enterprise Oversight.

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

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: The Program's primary regulatory activity is to establish new disclosure requirements or to eliminate obsolete disclosure requirements so that investors get information that is relevant to their investment decisions. Proposed rulemaking identifies proposed new requirements and requests comment on implementation benefits and costs. Alternatives are addressed and cost/benefit analyses are prepared in accordance with rulemaking and cost/benefit analysis guidance. To collect and verify data on potential costs and benefits a small number of companies may be contacted to ask for estimates (provided the activity is undertaken consistent with Paperwork Reduction Act requirements). Both qualitative and quantitative benefits are evaluated against the potential cost of regulations. The agency attempts to maximize the benefit while minimizing the burden of its regulatory activity to the extent practicable.

Evidence: The Office of General Counsel provides guidance on developing regulations, and the Office of Economic Analysis provides a manual containing guidance on preparing a cost-benefit analysis. The Program has published a small business compliance guide and routinely considers possible means to lessen burdens on small business issuers. The Program also considers special issues associated with foreign private issuers.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight20%

Explanation: The Program's current long-term goals are not outcome based.

Evidence: The program needs to develop more outcome based measures. SEC is currently refining its long-term and annual performance goals and will provide further information during the FY 2005 GPRA Annual Planning process.

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

Explanation: The Program met performance goals for the percentage of issuers reviewed annually and average time to issue initial comments on full review registration and merger proxy statement filings. The Program is in the process of developing other measures.

Evidence: The Program's goal was to review 20% of issuers in 2003, the program reviewed 23 percent. The program's goal was to issue initial comments on full review registration and merger proxy statement filings in 30 days. In 2003, the average time to issue comments was 27.7 days.

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

Explanation: The Program has not demonstrated improved efficiencies or cost effectiveness in program goals each year.

Evidence: The program needs to develop measures of efficiencies or cost effectiveness.

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

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: The SEC is uniquely charged with the responsibility of administering the securities laws and regulations established to prevent fraud and misrepresentation in the public offering, trading, voting, and tendering of securities.

Evidence:

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

Answer: YES Question Weight20%

Explanation: GAO and OIG audits indicate that the program is effectively managed and generally achieves results. Audits have noted that some improvements are possible and the Program recently received increased staff and funding to help make these changes. In addition, the Program recently received through legislation greater flexibility to hire accounting professionals.

Evidence: The SEC's Office of Inspector General issued a report, GPRA Performance Reports (#329), assessing whether the Commission prepared its performance reports in accordance with GPRA requirements. The audit found that the reports generally complied with the requirements and also recommended actions for some of the measures. Additional OIG audits assessed factors of the Program including an audit on EDGAR Utility to Commission Staff (#351) and Comment Letter Follow Up (#326). The General Accounting Office report, SEC OPERATIONS: Increased Workload Creates Challenges (GAO-02-302), identified a number of issues that affected agency and program performance. The GAO study included interviews with stakeholder communities and their assessment of program performance. The report found that the SEC is a respected regulator but that limited resources were having a significant impact on the work of the agency. Other GAO audits and studies have assessed rulemaking compliance as well as Financial Statement Reporting.

4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?

Answer: YES Question Weight20%

Explanation: The Program's primary regulatory activity is establishing or eliminating disclosure requirements. Proposed rulemaking identifies proposed new requirements and requests comment on implementation burden. Alternatives are addressed and cost/benefit analyses are completed. The agency attempts to minimize the burden of its regulatory activity to the extent practicable while maximizing net benefits.

Evidence: The Program published a small-business compliance guide and routinely considers possible means to lessen burdens on small-business issuers. The Program also considers special issues associated with foreign private issuers.

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:

Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

Measure: Percentage of issuers reviewed annually

Additional Information: The Sarbanes-Oxley Act sets a target of reviewing each issuer once every three years. The Program estimates achieving this one-third target by 2006. The Act provided the Program additional staffing in order to achieve the mandated target.

Year	Target	Actual
2003	20	23
2004	24	
2005	28	
2006	33	
2007	33	

Measure Term: Long-term (Efficiency Measure)

Measure: Number and percentage of comment letters issued on 34 Act annual report filings selected for review

Additional Information: Sarbanes-Oxley mandates the review of all companies once every three years. More frequent reviews should assist companies in accomplishing better disclosure. Over time, it is expected that the number of filings and companies reviewed will increase but with improved disclosure practices, a smaller percentage of reviews will result in comment letters being issued.

Year	Target	Actual
2003	2,500	2,330
2004	2,600	
2005	2,675	
2006	2,700	
2007	2,700	

Measure Term: Annual

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)

Agency: Securities and Exchange Commission

Bureau:

Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

Measure: Average time to issue initial comments on full review registration and merger proxy statement filings (in days)

Additional Information: The target of 30 days has become a defacto industry standard for the maximum time to receive SEC comments. Companies often build this timeframe into timelines. The 30 days is considered aggressive given the other mandatory reviews conducted by the Program and the fluctuation in filing volume that impacts workload plans.

Year	Target	Actual
2003	30	27.7
2004	30	
2005	30	
2006	30	
2007	30	

Measure Term: Annual (Efficiency Measure)

Measure: Average number of days to resolve comments provided to issuers on reviews of annual reports

Additional Information:

Year	Target	Actual
2003	117	126
2004	115	
2005	110	
2006	100	
2007	90	

Measure Term: Annual (Efficiency Measure)

PART Performance Measurements

Program: Full Disclosure Program (Corporate Review)

Agency: Securities and Exchange Commission

Bureau:

Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

Measure: Number of issuers that materially revise disclosures in response to staff comments (under development)

Additional Information: Comments are issued to an issuer to elicit better compliance with applicable disclosure requirements.

Year	Target	Actual	**Measure Term:** Annual
2003			

Measure: Number of reviews that resulted in significant income restatements. (under development)

Additional Information: Comments are issued to an issuer to elicit better compliance with applicable disclosure requirements. In many instances, the issuer amendments involve financial restatements. The determination of "significance" stems from the nature of the change (restating positive income as a loss) or the size of the company.

Year	Target	Actual	**Measure Term:** Annual
2003			

Measure: Number of IPO reviews resulting in income restatements greater than 10% (under development)

Additional Information: Comments are issued to an issuer to elicit better compliance with applicable disclosure requirements. In many instances, the issuer amendments involve financial restatements. The percentage change is determined from the source document being reviewed and the resulting amendment.

Year	Target	Actual	**Measure Term:** Annual
2003			

Measure: Total dollar value of restatements with financial changes greater than 10% (under development)

Additional Information: Comments are issued to an issuer to elicit better compliance with applicable disclosure requirements. In many instances, the issuer amendments involve financial restatements. Targets are not appropriate for this measure.

Year	Target	Actual	**Measure Term:** Annual
2003			

Measure: Number of Enforcement referrals (under development)

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2003		218	

Program: Full Disclosure Program (Corporate Review)
Agency: Securities and Exchange Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
100%	38%	82%	47%	Demonstrated

2005

2006

Measure: Number of interpretive advice requests or telephone calls on rules received and responded to by staff (under development)

Additional Information: Providing guidance reduces the likelihood that a filer will submit inaccurate or inadequate material under SEC rules. The nature of requests are reviewed to identify where rules should be clarified or improved. It is anticipated that the level of requests will grow while regulations stemming from Sarbanes-Oxley are implemented, then begin to decrease.

Year	Target	Actual
2003	46,000	41,700
2004	47,000	
2005	48,000	
2006	49,000	
2007	50,000	

Measure Term: Annual

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	Demonstrated

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

Explanation: PBS's mission is to provide a superior workplace for the federal worker and a superior value for the taxpayer. The purpose of the GSA New Construction program is to create these workplaces when the existing inventory or leased space cannot meet client agency space needs. In these cases, GSA, the client, and OMB/Congressional stakeholders determine that new construction is the best alternative to meet that need.

Evidence: For example, the GSA mission statement is "We help federal agencies better serve the public by offering, at best value, superior workplaces, expert solutions, acquisition services and management policies." The PBS mission statement is "To deliver a superior workplace to the Federal worker and at the same time superior value to the American taxpayer." It is the mission of the New Construction program to create these workplaces when they cannot be provided in existing space. GSA's Congressional Justification FY 2005 (page FBF -18) explains its abilities and responsibilities in doing so. Also, the relevant portions of the Federal Property and Administrative Services Act of 1949, Public Buildings Act of 1959, also identfy GSA's responsibilities (41 USC 3302-3304).

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

Explanation: There is a continuing need to build new facilities for government agencies with long term requirements (20 years or greater) for space in a specific geographical location when specialized space is required or suitable space is not readily available in the leasing market. The New Construction program meets this need. As part of its capital planning process, GSA analyzes its existing portfolio and the market prior to determining that only new space acquisition will satisfy the need. The need for every new construction project is first approved as a valid need by the client agency, supported by the agency's internal needs assessment and budget controls. Further, the vast majority of new construction projects are for the courts or border station agencies (80% of funded prospectus projects in the last 5 years were Courts or border stations). These facilities have an internal process that analyzes needs and establishes long-term priorities nationwide. Only after a project is determined to meet these prioritized needs is it proposed as part of the annual budget for OMB and Congressional review.

Evidence: PBS works with several client agencies that drive most new construction projects to assess their long-term space needs. For example, PBS executes a Court's Five Year Plan prepared by the Administrative Office of the U.S. Courts that outlines the court's additional space needs in priority order over the next 5 years and the Border Station's long term plan that outlines the additional need the Department of Homeland Security has for space. Agencies must request space requirements in writing and agree to the requirements in an Occupancy Agreement.

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	Demonstrated

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: GSA's New Construction program serves a client base that is not served by other programs. In fact, by law, GSA has the exclusive authority to construct public buildings, as defined by the Public Buildings Act of 1959. This Act specifically gives GSA the sole authority to construct federal buildings such as courthouses, border inspection facilities, and office buildings. It excludes construction projects in foreign countries or on military facilities. However, other agencies do provide similar programs for their service populations. Methodologies for analyzing program costs are currently under development. These will determine how fixed costs compare to these other programs. PBS intends to use this information to develop its baseline for improvement.

Evidence: GSA's New Construction program serves a client base that is not served by other programs. In fact, by law, GSA has the exclusive authority to construct public buildings, as defined by the Public Buildings Act of 1959. However, other agencies and the private sector do provide similar programs for their service populations. Methodologies for analyzing program costs are currently under development. These will determine how fixed costs compare to these other programs. PBS intends to use this information to develop its baseline for improvement.

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: GSA follows industry practices in design and construction of new facilities. The lines of authority for execution of the program are clear. The Office of the Chief Architect (OCA) has a project management presence in all of GSA's 11 regions. Strategic program and policy direction is delivered through the national office. The OCA is responsible for delivering the construction program on time and on budget through the 11 offices. However, the clear common private industry practice is to have only one construction "shop" instead of separate "stove-piped" regional offices. One central office is the proven effective and efficient method for the private sector. Also GSA still is developing efficiency measures for the construction program.

Evidence: GSA is investigating private industry practices to determine how to apply them to its business model. They are also developing efficiency measures.

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 projects are subject to Administration prioritization and line item approval by Congress. Extensive portfolio planning determines the new construction program. Resources are prioritized at multiple levels within GSA, with additional reviews by customer agencies. The majority of GSA's new construction projects are initiated on behalf of the U.S. Courts and the border inspection agencies (80% of funded prospectus projects in the last 5 years were Courts or border stations). Both of these clients have internal long-range capital investment plans. GSA considers these plans in conjunction with other Executive Branch needs in the development of its construction budget request.

Evidence: PBS uses the long-term assessment of structural needs provided by the U.S. Courts (U.S. Courts Five Year Plan - 6 pages) and the DHS (Land Port-of-Entry Scoring Criteria and Factors - 5 pages) to aid the portfolio planning process. In addition, every new construction project develops an annual projected spending plan to ensure funds are being used for the intended purpose. As an added measure of control, PBS follows a procedure for the distribution of project funds, which is outlined in a memorandum signed by the CFO of PBS, and dated June 5, 2003. This memorandum not only guides the distribution of the funds but also outlines the allowance process, which must be followed for the project to receive the allocated project funding from the National Office. Congressional Budget Justification (pages FBF 8, 24, & 25) has line items for each new construction project.

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	Demonstrated

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:11%

Explanation: GSA is reviewing ways to address the true value of the program.

Evidence:

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

Explanation: GSA is reviewing ways to address the true value of the program.

Evidence:

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: Annual measures demonstrate progress towards achieving long-term budget and schedule goals. The New Construction annual performance measures of On-Time and On-Budget are reported quarterly and re-evaluated annually. If results are not demonstrating progress toward achievement of long-term goals, needed improvements in the execution of the program are identified and implemented.

Evidence: GSA's Linking Budget to Performance measures (page 4) and the Annual Performance and Accountability report (pages 46-48) both list and discuss the PBS reported measures and their progress each year. Additionally, the Annual Congressional Budget Justification (pages FBF 21-23) outlines measures, their progress, and the future annual targets, which will assist in reaching the long-term goal(s).

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight:11%

Explanation: GSA establishes baselines and tracks progress for On-Time and On-Budget performance at both regional and national levels. Standardized construction cost benchmarks are used to set individual project baselines at the outset of each project. Ambitious but realistic annual targets at the regional and national levels are derived from these baselines.

Evidence: The Project Information Portal (PIP), the PBS IT tool for project management, establishes/reflects baseline schedule and budget for projects. The Courthouse Design Guide, Courthouse Construction Benchmark Report, and Courthouse PM Guide (Ai)(pages 3.9-3.12) outline standards for the construction of courthouse projects. These documents assist in the development of baselines and target setting for the new construction program. The Annual Congressional Budget Justification (pages FBF 21-23) describes each measure and the progress along with the targets for the annual measures. Additionally, it discusses any failures in meeting previous targets.

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	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: YES

Question Weight:11%

Explanation: The use of incentive-based contracts and GSA's emphasis on performance measures help align customer agencies, contractors, and program managers with our On-Time an On-Budget annual and long-term goals. Agencies are expected to sign Occupancy Agreements (OAs) indicating their commitment to the project. Cost overruns during construction due to agency tenant changes are paid for by the customer agency through these agreements. Agency-provided design guides define program requirements which help to ensure projects are on budget.

Evidence: PBS uses incentive-based contracts to ensure that contractors have a vested interest in the success of the annual and long-term goals. The Project Management Center of Expertise Website aids project managers by suggesting additional methods of increasing the level of commitment to PBS and project goals. An Occupancy Agreement assists PBS in receiving a commitment to the goals and measures through holding the tenant agency accountable for cost overruns caused by the customer agency.

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	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:11%

Explanation: The New Construction program is subject to multiple independent reviews at the project specific and program-wide levels. Reviews address scope and quality, as well as the ability to deliver that scope and quality. Reviews include multiple professional reviews, a separate independent quality assurance evaluation for each project, and additional program reviews by independent bodies: "professional" reviews are conducted at regular intervals on every project, during both design and construction. The "professionals" are private sector professionals, selected as the top architects, urban designers, and engineers in the field; they work in teams of three. Each team is assembled to meet the specific needs presented by that project (e.g., all projects involve architectural peers but HVAC-intensive projects would include an engineer who specializes in the field; a new downtown courthouse team would likely include an urban designer). During design, there are typically two team reviews: 1) Concepts: the teams evaluate the lead designer's proposed concepts for the new facility, which must present three fundamentally different options; the teams' evaluations inform the decision making to select a concept to develop further. 2) Design: After the lead designer develops the selected concept further, the teams meet again and evaluate it. This type of team review and critique is the established professional evaluation for the design field. It is only after this second independent team review that the project team presents a final concept to the PBS Commissioner for approval. Additional team reviews may be called for if PBS determines that the project is not yet sufficiently developed to seek this approval.A similar team review is conducted by independent construction professionals at two stages of the construction project, typically during startup and then again later in the process. The teams go onsite and evaluate quality, schedule progress and plans, and make recommendation for changes. Like the design team, the construction team is assembled to provide the type of review expertise needed for that specific project. Additionally, PBS is developing a Quality Assurance (QA) program that would be applied to every project beginning in FY05. Booz Allen Hamilton (BAH) is developing the scope of work for this process. Unlike the review teams, QA evaluators would oversee multiple projects and do so at these three stages: design concepts (i.e., prior to PBS Commissioner approval), design drawings, and construction drawings. The QA's design concepts stage would overlap with the team reviews but would be more detailed, and the QA would continue through the end of design. They would apply a 'checklist type' approach that assesses the developing project's adherence to the quality and performance requirements established in the Facilities Standards for PBS (P100). In response to lessons learned and outside audits, the QA process is intended to ensure that as project and budget decisions are made through development, they are made to keep quality and scope intact.At the program level, recommendations from independent GSA's Office of the Inspector General (OIG) audits are also used to identify the need for improvements to the program. Since fiscal year 1997, the OIG has completed 9 evaluations of the New Construction program. Although the FY 2005 OIG schedule of evaluations has not yet been released, we are confident that at least one evaluation per year will be completed over the next several years. Progress in implementing these recommendations is tracked through GSA's management control system. Ernst and Young have conducted similar independent evaluations of the New Construction program. These types of independent program evaluations have informed the project specific processes described above.

Evidence: The PBS professional team review-tracking file includes financial information concerning all team reviews that occurred from fiscal year 2001 through April of 2004. It indicates how many professional team reviews PBS has completed and the 2006 Strategic Assessment indicates that it is the intention of PBS to increase the amount of team reviews. A Commissioner memo dated 12-23-2003 articulates additional actions suggested as a result of the Study of Cost Overruns on New Construction and Repair Projects completed by Ernst and Young dated March 29, 2002. A Scope Feasibility Study is completed on prospectus level projects to evaluate that the needs of the client agency and the standards of a public owned facility are being met. A Cost Consulting and Index Study for New Federal Courthouse Construction comparing the costs of Federal verses State courthouse construction has allowed PBS to compare scope also. The P100 is an book which can be found at the PBS website at http://insite.gsa.gov/_pbs/centers/courthouse/pdf/courtsguide.pdf. This book contains Architectural and Engineering Guidelines.

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	Demonstrated

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: The annual Congressional Budget Justification includes the annual and long-term performance targets for the New Construction program, detailed project descriptions, and funding requirements. In addition, the budgetary resources required for program management are clearly presented as related to the New Construction program goals.

Evidence: The annual Congressional Budget Justification (See FBF-23) breaks down the funding request to show what will directly support the long-term and annual goals. This breakdown is also shown in the annual Strategy and Action Plans.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:11%

Explanation: GSA implemented the annual Performance Management Process (PMP) in 2003, of which the New Construction program is a major component. This annual process emphasizes a strategic assessment of past performance, actions required to achieve long-term goals, and a Strengths, Weaknesses, Opportunites, and Threats (SWOT) analysis. As a result of this agency-wide effort, the New Construction program has created a prioritized list of initiatives designed to improve performance. Additionally, as part of the PMP process, recommendations for program improvements generated from external audits of the program or specific issues are considered. For example, PBS implemented audit recommendations for project managers to attend design and construction workshops and to complete Project Definition Rating Index (PDRI) evaluations.

Evidence: The PBS Strategic Assessment on Construction takes an in depth look at where the construction program is currently, where PBS wants the construction program to be in the future, and what motions PBS must make to successfully achieve the desired future position. Additionally, it examines the major influences on the construction program and how to use these influences positively for the best interest of the new construction program. A strategy and action plan for the new construction program has been developed for the 2006 fiscal year. This strategy and action plans outlines what the new construction program will do to directly implement the actions stated in the strategic assessment. A Commissioner memo dated 12-23-2003 articulates additional actions suggested as a result of the Study of Cost Overruns on New Construction and Repair Projects completed by Ernst and Young dated March 29, 2002. Examples of actions the Commissioner's letter comments on are enhanced due diligence, administer a "verification of preparedness" checklist, and establish a design managers evaluation.

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	Demonstrated

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight:11%

Explanation: New construction projects go though multiple levels of review prior to submission in a budget request. In addition to a customer agency's own priority planning - such as that of the Courts - GSA conducts an analysis using The Automated Prospectus System (TAPS) to analyze the long-term financial impact of the various alternatives available for space acquisition (Leasing, Repairs and Alterations, Purchase, or New Construction). In addition, for exceptionally large capital projects, GSA prepares a Form 300 business case for OMB approval.

Evidence: PBS conducts an Automated Prospectus System Analysis for its higher dollar level new construction projects, which includes an abbreviated Asset Plan and Business Case as part of each prospectus. A Commissioner memo dated 12-23-2003 articulates additional actions suggested as a result of the Study of Cost Overruns on New Construction and Repair Projects completed by Ernst and Young dated March 29, 2002. Examples of actions the Commissioner's letter comments on are enhanced due diligence, administer a "verification of preparedness" checklist, and establish a design managers evaluation. The Capital Investment and Leasing Program (CILP) conducts a feasibility study before the project is approved. Construction Team Reviews aid the construction process by having field professionals make recommendations on any part of the project.

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:13%

Explanation: From a program perspective, GSA conducts quarterly performance management reviews. This process ensures frequent top management attention to key program goals and adjustments to program priorities, if necessary, based on performance. For example, this process identified a need to compile all program data into one system, resulting in the development of the Project Information Portal. From a project perspective, new construction progress in meeting On-Time and On-budget goals is monitored monthly using an earned value assessment model. Variances are analyzed and investigated by program analysts, resulting in earlier awareness of potential problems. In the source selection process, GSA uses information from NIH's contractor performance system.

Evidence: Quarterly Performance information is monitored at the project and at the national level via the Project Information Portal (PIP). Quarterly performance briefings and monthly variance reports on the status of funds are held with the Commissioner and the Administrator. As PBS analyzes data and reviews studies and reports new ways of assisting the project manager are developed. PBS makes use of the Project Management Center of Expertise Website (PMCOE) by posting documents that will aid contract managers and the construction process. The National Institutes of Health (NIH) contractor performance system is used to review contractors during the source selection process.

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	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:13%

Explanation: GSA is in the process of implementing a new Associate Performance Plan and Appraisal System which links individual performance plans to the PMP. In addition, all parties are held accountable through the Linking Budget to Performance program, whereby discretionary funding is allowed to those regions that succeed in achieving established targets, two of which are On-Time and On-Budget for New Construction. Contractors may share in cost savings through incentive-based contracts. Conversely, liquidated damages are assessed against contractors who--by their actions--cause delays to the construction contract. Similarly, A/Es are expected to produce a design that is bid within the available budget and must redesign at their cost if this does not occur. Designers are also held accountable for errors and omissions and are responsible for re-design costs. Cost overruns during construction due to tenant agency changes are paid for by the customer agency through the OA agreement.

Evidence: PBS uses incentive-based contracts to ensure that contractors have a vested interest in the success of the annual and long-term goals. The NIH Contractor Performance System is used to evaluate a contractor. Likewise, the NIH contractor performance system is used to review contractors during the source selection process. The Occupancy Agreement allows PBS to hold the customer agency accountable if delays or cost overruns are the fault of the customer tenant. The new GSA Associate Performance Plan and Appraisal System order holds GSA and PBS employees accountable through their performance ratings.

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

Answer: NO Question Weight:13%

Explanation: National Office approves new Construction funds when spending plans are received from the regions. Monthly funds status reports with detailed explanations for variances from plan are reviewed at the highest levels of GSA. In addition to system-generated reports, PBS also maintains a Capital Projects Website, which contains detailed appropriation and obligation data. A quarterly funds aging report is prepared and reviewed for all capital projects. A recent study of erroneous payments showed that the New Construction Program had $0 in erroneous payments in FY 2003 and $2,715 (actual $) in erroneous payments through February 2004.

Evidence: Each construction project's projected Spending Plan is generated at the start of each fiscal year. Monthly regions must report any cumulative variances greater that 5% along with the reasons behind the variance. This monthly Status of Funds report is presented to both the Commissioner and the Administrator. GSA Risk Assessment and Erroneous Payment Audit has shown that the new construction program is very accurate in the accounting of obligations. The Stratification of Funds Report identifies the age of all available funds in the new construction program.As an added measure of control, PBS follows a procedure for the distribution of project funds, which is outlined in a memorandum signed by the CFO of PBS, and dated June 5, 2003. This memorandum not only guides the distribution of the funds but also outlines the allowance process, which must be followed for the project to receive the allocated project funding from the National Office.

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:13%

Explanation: PBS is in the process of developing an efficiency measure(s) which will be used to evaluate program execution.

Evidence:

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	Demonstrated

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight:13%

Explanation: GSA collaborates effectively with both internally and externally related programs. Examples of internal programs include Asset Management, Leasing, Customer Service, IT and the Federal Supply Service. Externally, in addition to its unique collaborative role with the U. S. Courts, the program collaborates extensively with the Department of Homeland Security and other Executive Branch organizations as well as construction industry leaders. The Program's relationship with industry leaders includes sharing best practices and standards, and professional team reviews.

Evidence: The asset management and construction areas of PBS use the Capital Investment and Leasing Program (CILP) and Project Information Portal (PIP). The CILP is the system or process by which each years capital investment program is developed, from inception to completion. The PIP system maintains project management information for individual capital projects. This close connection and sharing of systems allows for minimal duplication of efforts an increased effectiveness. PBS continuously works with the Courts and DHS on their 5-year and long range plans. Interagency Security Committee agreements demonstrate the coordination of activities with other agencies. Additionally, PBS works very closely with private sector peers such as: Construction Management for Assocation of America (for contract language), American Institute of Architects (for training classes and professional team reviews), Project Management Institute (for training classes), and many more organizations.

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:13%

Explanation: The program has both systemic and manual controls in place to ensure that payments are proper and for the intended purpose. Multiple levels of fund status review take place daily, monthly, and quarterly. GSA has received a clean audit opinion every year since audited financial statements became a requirement--the best record of all federal agencies. However, in the FY2003 Annual Report, PBS had a reportable condition concerning controls over the balance sheet transfer of substantially completed construction projects from work in process to completed projects. In a recent audit of erroneous payments, the New Construction Program had $0 in erroneous payments during FY 2003 and $2,715 during the first five months of FY 2004. The Capital Projects Website and the Project Information Portal contain detailed project funding and status information, supporting our day-to-day operations.

Evidence: Erroneous Payment Study & Statement of Work demonstrates PBS's excellent record of limited erroneous payments. The fiscal year 2004 Performance and Accountability Report (page 123-124) demonstrates that the auditors believe PBS is using strong financial management practices while noting that additional work needs to be done. The Capital Projects Website, Project Information Portal, and FR 83 AB are all areas PBS uses to record and report financials internally. Internal Controls of Greater Southwest Finance Center Accounts Payable Process Report indicated "...we conclude that the controls governing the accounts payable process and the degree of compliance with them provides sufficient reasonable assurance that control objectives were achieved..." As an added measure of control, PBS follows a procedure for the distribution of project funds, which is outlined in a memorandum signed by the CFO of PBS, and dated June 5, 2003. This memorandum not only guides the distribution of the funds but also outlines the allowance process, which must be followed for the project to receive the allocated project funding from the National Office.

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	Demonstrated

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight:13%

Explanation: To enhance project success in budget and schedule measures, the Project Information Portal (PIP) was developed and is now widely used. Additionally, a professional team review process - often including a third-party cost estimate - is completed on all prospectus projects at project milestones. All cost escalation requests are reviewed by a multi-program adjudication committee and are accepted or rejected. In December, 2003, a number of new initiatives to further improve performance during project delivery were initiated.

Evidence: A Commissioner memo dated 12-23-2003 articulates additional actions suggested as a result of the Study of Cost Overruns on New Construction and Repair Projects completed by Ernst and Young dated March 29, 2002. Examples of actions the Commissioner's letter comments on are enhanced due diligence, administer a "verification of preparedness" checklist, and establish a design managers evaluation. The Project Planning Guide, Project Planning Tool, internal website pages, and Project Management training are all examples of ways PBS supplies a variety of tools to managers to assist them in reaching their goals. Additionally, a Construction Excellence Council Charter was signed by all project managers to show a commitment to the work.

3.CA1 **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: NO Question Weight:13%

Explanation: On many projects, original cost and schedule goals are not met and reprogrammings or resubmissions of prospectuses are required to establish more appropriate cost and schedule goals. However, all contracts used to provide services for new construction projects are performance-based and fixed-price with clearly defined deliverables, and baselines and targets are established early in project development and included in the contract language. Projects are tracked against their baselines to ensure On-Time and On-Budget performance.

Evidence: The Capital Investment and Leasing Program (CILP) review ensures the "readiness" of projects in program. The Strategy and Action Plan states how the program is going to implement the strategies specified in the annual Strategic Assessment. The Project Information Portal (PIP) is used to set and track timelines and goals for individual projects. Incentive Based Contracts are utilized to clearly define deliverables and performance requirements to the contractors.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight:17%

Explanation: GSA is reviewing ways to address the true value of the program.

Evidence:

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
60%	78%	63%	22%	

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight:17%

Explanation: The new construction program has demonstrated adequate progress in achieving its annual performance goals. Currently, the program is on track to meet its annual performance goals, with the exception of the Brooklyn Courthouse project.

Evidence: A Commissioner memo dated 12-23-2003 articulates additional actions suggested as a result of the Study of Cost Overruns on New Construction and Repair Projects completed by Ernst and Young dated March 29, 2002. Examples of actions the Commissioner's letter comments on are enhanced due diligence, administer a "verification of preparedness" checklist, and establish a design managers evaluation. Strategy and Action Plan states the goals each year and the action PBS plans to achieve these goals. The progress of the goals is tracked in the Project Information Portal (PIP) and reported in the Annual Performance and Accountability Report and the Congressional Budget Justification.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: NO Question Weight:17%

Explanation: PBS is in the process of developing an efficiency measure which will be used to benchmark program costs.

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:17%

Explanation: PBS is in the process of establishing an efficiency measure to include benchmarking program costs.

Evidence:

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: LARGE EXTENT Question Weight:17%

Explanation: Our post occupancy evaluations have indicated that the new construction program is effective in achieving its goals. The Office of the Inspector General has conducted 9 evaluations of the construction program since FY 1997. Evaluations of a narrow scope have been completed to identify areas that need improvement. In addition, as a government agency, a large portion of our construction program is evaluated based on less measurable outcome goals such as urban livability, historic preservation, LEED sustainability, and other less quantitative performance elements.

Evidence: The Team Review System is one of Office of the Chief Architect's methods for obtaining independent evaluations of program effectiveness. The "teams" are private sector professionals, selected as the top architects, urban planners and engineers in the field. A Commissioner memo dated 12-23-2003 articulates additional actions suggested as a result of the Study of Cost Overruns on New Construction and Repair Projects completed by Ernst and Young dated March 29, 2002. Examples of actions the Commissioner's letter comments on are enhanced due diligence, administer a "verification of preparedness" checklist, and establish a design managers evaluation. A Cost Consulting and Index Study for New Federal Courthouse Construction comparing the costs of Federal verses State courthouse construction has allowed PBS to compare scope also.

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	Demonstrated

4.CA1 **Were program goals achieved within budgeted costs and established schedules?** Answer: SMALL EXTENT Question Weight:17%

Explanation: The New Construction Program strives to reach all budget and schedule goals. Interruptions in the Congressional funding cycle limit the accuracy of our cost and schedule estimates. Individual large projects such as Brooklyn can negatively skew entire program results significantly. In addition, uncontrollable factors such as weather conditions or the price of materials significantly impact program performance. Within these constraints, the New Construction program performs effectively and efficiently. We are continually improving our ability to accurately forecast cost and schedule information through technology and training initiatives.

Evidence: PBS utilizes Spending Plans for all new construction projects. These spending plans are tracked against the actual obligations and reported monthly in the form of a Status of Funds variance report to the Commissioner and the Administrator. The Project Information Portal (PIP) is a tool used to track the measures including on time and one budget. Congressional Budget Justification (Pages FBF 21-23) states the budget request in addition to timeline information in the project descriptions. The Annual Performance and Accountability Report (pages 46-48) indicates PBS's progress on achieving its goals such as on time and one budget.

PART Performance Measurements

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	Demonstrated

Measure:

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2010	90%		

Measure:

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2010	1%		

Measure: Construction projects on schedule

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2003	80%	68%	
2004	84%	80%	
2005	85%		
2006	86%		
2007	87%		

Measure: Percent of escalations on construction projects

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2003	1%	.6%	

Program: GSA New Construction (BA51) Program DRAFT
Agency: General Services Administration
Bureau: PBS
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	78%	63%	22%	Demonstrated

2004	1.5%
2005	1%
2006	1%
2007	1%

PART Performance Measurements

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	50%	75%	44%	Demonstrated

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

Explanation: The purpose of GSA's Regional Information Technology Solutions (ITS) program is to provide expert technical, acquisition, and IT products and services to Federal clients. The Regional ITS program provides IT products/services within particular geographic regions whereas the National ITS program provides large-scale, agency-wide, or specialized products/services.

Evidence: ITS Mission Statement and ITS Concept of Operations (April 2001); and OMB Designation Letter to GSA (April 2003); and OMB Designation Letter to GSA (August 1996).

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

Explanation: Regional ITS combines its in-house technical expertise with commercially available technology to provide its customer agencies with timely and cost-effective IT products and services. Many agencies do not have onboard contracting experts and the Regional ITS program eliminates the need for agencies to award and administer their own IT contracts.

Evidence: GSA FY 2002 Annual Performance and Accountability Report; Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies" (April 2002); ITS Concept of Operations (1999, rev. April 2001); and Doherty & Associates and JD Power & Associates, "FTS Blueprint Project: 2002 Customer Satisfaction Survey: Final Report" (September 2002).

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: Several agencies are designated to operate governmentwide acquisition contracts (GWACs) for information technology. These IT contracts help encourage competition to ensure the Government gets the best price. Furthermore, there are overlapping IT contracts in GSA's Federal Technology Service (FTS) and Federal Supply Service (FSS).

Evidence: OMB GWAC Designation Letter (April 2003); and Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies: Analysis of FSS and FTS Structure and Services" (April 2002).

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: In response to a recent Accenture study, GSA combined and realigned within FTS and FSS market research, marketing, customer account planning, sales, service delivery, and contract development and maintenance. However, GSA has not yet rationalized the number/type of IT contracts offered by both FTS and FSS, which results in inefficient allocation of resources and unclear marketing messages. GSA established a Contract Review Board to address this issue.

Evidence: Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies: Analysis of FSS and FTS Structure and Services" (April 2002); "GSA Federal Supply Service/Federal Technology Service Performance Improvement Initiative" (December 2002); Professional Services-Phase 1 Implementation Letters (May 2003); GSA Order: "Changes in GSA Organization," (December 2002).

PART Performance Measurements

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	50%	75%	44%	Demonstrated

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: ITS Regional offices are located in close geographic proximity to clients and many clients house ITS personnel on-site. Many Regional ITS associates possess Top Secret and higher security clearances, which allows the program to begin work immediately on classified projects. ITS is fully cost-reimbursable and is not subsidized by any other program.

Evidence: GAO Audit Report, "Contract Management: Interagency Contract Program Fees Need More Oversight" (July 2002); Booz Allen & Hamilton, "FTS: Benchmarking IT Solutions" (December 1999); OMB Designation Letter (April 2003).

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: ITS' performance measures are tied to GSA's Strategic Plan. However, these measures are not outcome-oriented. ITS has began work to develop program-specific, long-term outcome goals that will meaningfully reflect what ITS will achieve for its customers. For example, by 2008, the Regional IT program will provides its services to federal agencies at XX% price lower than benchmarks (e.g. in the private or public sectors). [Measure should focus on best value to customer.]

Evidence: GSA Strategic Plan (April 2002); FY 2003 and 2004 Performance Plans.

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

Explanation: ITS in the process of developing long-term outcome goals and measures with ambitious targets and timeframes.

Evidence: GSA Strategic Plan (April 2002); FY 2003 and 2004 Performance Plans; FTS "Getting to Green:" Integrating Performance with Budget (March 2003).

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: ITS' developed performance measures and targets linked to the agency's strategic goals at the business unit level--Regional and National--in FY 2004. The annual performance measures do not sufficiently measure the savings (cost or time) agencies realize by using the ITS program. ITS should develop measures that benchmark to non-GSA sources (e.g. private sector, state/ local governments, other federal agencies).

Evidence: GSA Strategic Plan (April 2002); FY 2003 and 2004 Performance Plans.

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

Explanation: Baseline data were established in FY 2003, but annual targets for each measure will not be established until FY 2004. The FY 2005 performance and budget planning processes will allow for a more systematic approach to goal-setting.

Evidence: FY 2002, FY 2003, and FY 2004 Performance Plans; GSA FY 2002 Annual Performance and Accountability Report; and GSA Semi-Annual Report on GWAC Activity (November 2002).

PART Performance Measurements

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	50%	75%	44%	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: NA Question Weight: 0%

Explanation: Intimately involving contractors in the strategic planning process would create a perception of a conflict of interest.

Evidence: FAR Part 9.5: Organizational and Consultant Conflicts of Interest

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: Over the last several years, there have been several comprehensive, independent studies that have evaluated the effectiveness of the ITS program and compared it to other similar government programs. Also, there is a schedule for future evaluations of the program.

Evidence: Booz Allen & Hamilton, "FTS: Benchmarking IT Solutions" (December 1999); Gartner Consulting: "Information Technology Solutions Application Analysis (January 2001); Gartner Consulting: "IT Solutions Application System Analysis Phase 2: Target State Definition and Business Case" (March 2001); Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies: Analysis of FSS and FTS Structure and Services" (April 2002); and GSA Office of Inspector General Audit Plan FY 2003.

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: The Regional ITS' FY 2004 Budget linked budgetary resources and performance goals. However, FTS must first work to refine its annual goals and develop long-term, outcome goals before it can demonstrate that its Budget is fully integrated with program performance.

Evidence: GSA FY 2004 Annual Performance Plan and Congressional Justification.

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

Explanation: ITS has taken meaningful steps to address the strategic planning deficiencies identified by: 1) developing performance measures at the business line and unit levels; 2) working with OMB to develop long-term goals, efficiency targets, and data for benchmarking its performance against non-GSA entities; and 3) linking performance goals to resource requirements in the FY 2004 Budget.

Evidence: GSA FY 2004 Annual Performance Plan and Congressional Justification; and "Getting to Green: Integrating Performance with Budget (March 2003).

PART Performance Measurements

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	50%	75%	44%	Demonstrated

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight:12%

Explanation: Regional ITS conducts analyses of alternatives on task orders. An acquisition strategy is used, which includes consideration of factors such as customer requirements, time, complexity, costs, special requirements, and contract comparisons. The level of effort to conduct the analysis is commensurate with the value and complexity of the task; knowledge and experience of the project manager may also be a factor.

Evidence: Contract Comparison Matrix-ANSWER SDC; Manual and Reference Guide for IT Solutions; Solutions Edu Training Services.

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: NO Question Weight:12%

Explanation: Annually, contracting officers collect detailed contractor performance information at the task order level from clients. Monthly, the program's current business system (ITSS) allows customers to certify receipt of goods/services and rate their overall satisfaction on contractor performance. Regional ITS does not routinely use this data to manage the program and improve performance. Also, EVMS is only used on very large dollar contracts.

Evidence: Sample ITSS and NIH Past Performance Database Reports.

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:12%

Explanation: FTS senior managers are held accountable through the annual performance review process. IT Solutions industry partners are held accountable for conducting client projects on time, at or under cost, and with satisfactory results. Accountability for ITS contractors is specified at the task order level.

Evidence: Sample SES Performance Plans; Interagency Agreements; Samples of Statement of Work, Memorandum of Understanding for IT Solutions, and Task Order Award.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:12%

Explanation: All Regional ITS funds are obligated in a timely manner and spent for the intended purpose. Establishing obligations prior to processing payments is an inherent aspect of GSA's accounting system. Monthly, Regional ITS reports on actual expenditures are compared to planned use.

Evidence: GSA FY 2002 Annual Performance and Accountability Report; IT Fund Briefings; Monthly and Quarterly Briefings for the Administrator; Use of Performance Management Tool.

PART Performance Measurements

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	50%	75%	44%	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: YES Question Weight:12%

Explanation: Regional ITS' efficiency measure is operating expenses as a percent of gross margin. This measure provides the program with information needed to assign fees and recover full costs. It is reviewed monthly through the agency's performance tracking tool. A more appropriate efficiency measure would be the savings (time and cost) its customers realize from using the program.

Evidence: GSA FY 2002, 2003, and 2004 Annual Performance Plans and Reports.

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

Answer: YES Question Weight:12%

Explanation: In response to a recent study, FTS has reorganized to help improve coordination and collaboration with FSS. Toward this end, GSA established the Office of Professional Services to provide leadership in the areas of acquisition, financial, and project management. The Contract Vehicle Review Board was also established to evaluate each GSA contracting vehicle and determine if it should be continued or eliminated.

Evidence: Accenture Report: "GSA Delivery of Best Value Information Technology Services to Federal Agencies: Analysis of FSS and FTS Structure and Services: Findings and Recommendations" (April 2002); Professional Services-Phase 1 Implementation (May 2003); GSA Order: "Changes in GSA Organization," ADM 5440.568 (December 2002).

3.6 Does the program use strong financial management practices?

Answer: YES Question Weight:12%

Explanation: GSA has had clean audit opinions for the past 15 years and no material weaknesses have been identified in the Regional ITS program. In addition, GSA's financial systems meet statutory requirements and are integrated with its performance system. Procedures are in place to provide financial information accurately and timely.

Evidence: GSA FY 2002 Annual Performance and Accountability Report; IT Fund Briefings; Monthly and Quarterly Perry Briefings; Use of Performance Measurement Tool; Monthly Customer Funding Statement.

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: NO Question Weight:12%

Explanation: There are several means by which FTS evaluates management effectiveness. For example, FTS' Center for Regional Operations provides program oversight; develops plans, policies, and procedures. However, there is no systematic approach to correcting/addressing deficiencies when they are identified.

Evidence: Accenture Study: "GSA Delivery of Best Value Information Technology Services to Federal Agencies: Analysis of FSS and FTS Structure and Services" (April 2002); Gartner Consulting Report: "ITS Application Analysis (January 2001); Gartner Consulting Report: "ITS Application System Analysis Phase 2" (March 2001); GSA FSS/FTS Performance Improvement Initiative (December 2002); IT Solutions Regional Services Center Program and Risk Assessment Reviews (1999, 2001, 2002).

PART Performance Measurements

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	50%	75%	44%	Demonstrated

3.CA1 **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: YES Question Weight:12%

Explanation: The program makes good use of performance contracting by including statement of objectives, statement of work, evaluation criteria/performance indicators at the task order level. These items outline the quality, capability, and performance objectives of a specific project.

Evidence: Manual and Reference Guide for IT Solutions; GSA Semi-annual Report on GWAC Activity (November 2002); Examples of Statement of Work, Task Order Award (Statement of Objectives, Risk Matrix, and Award Fee Schedule).

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight:16%

Explanation: GSA will continue to develop long-term, measurable outcome goals.

Evidence: FTS "Getting to Green:" Integrating Performance with Budget (March 2003).

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight:16%

Explanation: Regional ITS met one of its three annual program goals.

Evidence: FY 2002 Annual Performance and Accounting Report.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight:16%

Explanation: Regional ITS achieved its efficiency measure to reduce direct operating expenses as a percent of gross margin. However, Regional ITS should develop efficiency measures that capture savings (cost or time) agencies realize by using the ITS program.

Evidence: FY 2002, FY 2003 , and FY 2004 GSA Annual Performance Plans.

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:16%

Explanation: Studies indicate that Regional ITS performs favorably with respect to its benchmark programs when judged across all performance measures and business practice areas (including performance, growth, price, timeliness, customer service, and customer retention/satisfaction). Furthermore, Regional ITS is fully costed when compared to other Federal GWAC programs.

Evidence: Booz-Allen & Hamilton Report "Benchmarking IT Solutions: Final Report" (December 1999); GAO Audit Report "Contract Management: Interagency Contract Program Fees Need More Oversight," (July 2002).

PART Performance Measurements

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	50%	75%	44%	Demonstrated

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: LARGE EXTENT Question Weight:16%

Explanation: Independent evaluations indicate that Regional ITS performs favorably when evaluated across many performance measures (price, timeliness, customer service, customer retention). GSA has taken steps to address inefficiency issues in FTS and FSS that cause confusion for vendors. However, there are still overlapping IT contracts offered by GSA.

Evidence: Doherty & Associates and JD Power & Associates, "FTS Blueprint Project: 2002 Customer Satisfaction Survey: Final Report" (September 2002); GAO Audit Report "Contract Management: Interagency Contract Program Fees Need More Oversight" (July 2002); and Booz-Allen & Hamilton Report: "Benchmarking IT Solutions: Final Report" (December 1999).

4.CA1 **Were program goals achieved within budgeted costs and established schedules?** Answer: SMALL EXTENT Question Weight:16%

Explanation: The IT Fund operated within budget and met one its three annual goals. Regional ITS operates out of a revolving fund, is fully costed, and receives no appropriated funds.

Evidence: GSA FY 2002 Congressional Justification and GSA FY 2002 Annual Performance and Accountability Report.

PART Performance Measurements

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	50%	75%	44%	Demonstrated

Measure: Percentage of task orders subject to the fair opportunity process (i.e. all contractors, including small businesses, were considered for the award).

Additional Information: This measure is intended to support the ITS goal of fostering competition by maximizing the fair opportunity process for all contract holders.

Year	Target	Actual
2002	75%	70%
2003	>80%	86%
2004	>80%	
2005	>85%	
2006	>85%	

Measure Term: Annual

Measure: Percent of dollar savings between independent government cost estimates (IGCEs) and award amounts.

Additional Information: This measure is intended to help support the ITS goal of helping clients achieve significant savings in the acquisition of IT products and services.

Year	Target	Actual
2002	10%	7.9%
2003	>6%	
2004	>7%	
2005	>8%	
2006	>8%	

Measure Term: Annual

PART Performance Measurements

Program: GSA's Regional IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
60%	50%	75%	44%	Demonstrated

Measure: Percentage of negotiated award dates for services and commodities that are met or bettered.

Additional Information: This measure is intended to support the ITS goal of improving acquisition processes and methods to reduce time to award through increased customer communication.

Year	Target	Actual	**Measure Term:** Annual
2002	90%	93%	
2003	>90%	91%	
2004	>93%		
2005	>94%		
2006	>95%		

Measure: Measure under development. Measure will focus on savings agencies achieve when using the program.

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term

PART Performance Measurements

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	71%	63%	11%	Demonstrated

1.1 Is the program purpose clear? Answer: NO Question Weight 20%

Explanation: The purpose of the High Intensity Drug Trafficking Areas (HIDTA) program is to provide Federal assistance to law enforcement agencies located in areas that are drug trafficking centers. However, the focus of the program has weakened over time. The first five HIDTAs, designated in 1990, met then, and still meet, the statutory criteria. Since 1995, twenty-three additional HIDTAs have been designated, almost three a year. HIDTAs are now located in 43 of the 50 States, and the Office of National Drug Control Policy estimates that HIDTAs include more than 13 percent of all counties in the United States. While it is undeniable that there is some level of drug problem in all areas designated as HIDTAs, the sheer magnitude of this expansion raises questions about whether the drug trafficking in all of these areas meets the intent of the statute as enacted. Congressional pressures have been primarily responsible for this expansion.

Evidence: Authorizing language (21 U.S.C. Sec. 1706) and program documents. Section 1706 includes the following factors for consideration when designating a HIDTA: (1) the area is a center of illegal drug production, manufacturing, importation, or distribution; (2) State and local law enforcement agencies have committed resources to respond to the drug trafficking problem in the area, thereby indicating a determination to respond aggressively to the problem; (3) drug related activities in the area are having a harmful impact in other areas of the country; and (4) a significant increase in allocation of Federal resources is necessary to respond adequately to drug related activities in the area.

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

Explanation: The number of current users of illegal drugs (19.5 million persons age 12 and over, or 8.3% of that population) is unacceptably high. Drug-related crime remains unacceptably high also. Disrupting the market for drugs is one of three priorities in the President's National Drug Control Strategy.

Evidence: Designation criteria in the authorizing language clearly identify the specific problem to be addressed. However, some HIDTAs, or parts of HIDTAs, were designated in statute by the Congress and drug-related activities in those areas do not appear to be having a harmful impact in other areas of the country.

1.3 Is the program designed to have a significant impact in addressing the interest, problem or need? Answer: YES Question Weight 20%

Explanation: Program guidance assigns significant authority to local HIDTAs to design and carry out activities that reflect the specific needs of that area. The HIDTA Councils and tasks forces include participants from all Federal law enforcement agencies and from a wide variety of local agencies. ONDCP annually requires each HIDTA to: (1) assess drug threats within its geographic area; (2) prepare strategies and initiatives to address these threats; (3) develop a proposed budget to accomplish its initiatives; and (4) report the details of its accomplishments.

Evidence: Annual submissions of strategy, threat assessments, initiatives and associated budget, and annual report from each HIDTA to OSLA.

PART Performance Measurements

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	71%	63%	11%	Demonstrated

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: YES Question Weight 20%

Explanation: HIDTA programs are intended to provide additional Federal law enforcement resources, including financial assistance to local law enforcement, to establish multijurisdictional task forces in areas that have particularly severe drug problems. (See the four criteria above.) More importantly, operational control of these task forces is not held by Federal law enforcement agencies but is shared jointly with participating State and local agencies through the Executive Council for that HIDTA.

Evidence: Authorizing language and program documents.

1.5 **Is the program optimally designed to address the interest, problem or need?** Answer: YES Question Weight 20%

Explanation: There is no evidence that a competitive grant system would work better. Congressional earmarks are problematic.

Evidence: No contrary evidence.

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: YES Question Weight 14%

Explanation: In FY 2003, ONDCP developed a performance measurement system that will be applied to each of the 28 HIDTAs. These measures included "core measures" that each HIDTA is expected to address and "specific threat measures" that reflect the particular focus of each HIDTA's threat assessment and strategy. The HIDTA program's performance will be measured by the extent to which the individual HIDTAs meet the targets established for each.

Evidence: HIDTA Program Policy and Budget Guidance for FY 2003.

2.2 **Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?** Answer: YES Question Weight 14%

Explanation: ONDCP has established a series of annual goals that reflect significant tasks that must be accomplished and also numerical measures of progress toward the long-term goal.

Evidence: FY 2005 Annual Performance Plan; HIDTA Program Policy and Budget Guidance for FY 2003.

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: HIDTA program documents specify requirements for participating agencies, including use of the performance system. Participants must agree to these requirements as a condition of receiving funds. In addition, refinement of the system has is being developed by a group of local HIDTA officials.

Evidence: ONDCP Performance Measures of Effectiveness and GPRA documents.

PART Performance Measurements

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	71%	63%	11%	Demonstrated

2.4 **Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?** Answer: YES Question Weight 14%

Explanation: At the local level, where resources are allocated to specific task forces, the HIDTA Councils and tasks forces include participants from all Federal law enforcement agencies and from a wide variety of local agencies. At the National level, HIDTA officials have worked closely with Organized Crime Drug Enforcement Task Force (OCDETF) program to improve coordination and program management.

Evidence: Annual HIDTA reports, OCDETF documents

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: There has not been an independent evaluation of the HIDTA program.

Evidence: Discussions with HIDTA staff and other ONDCP staff.

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: NO Question Weight 14%

Explanation: ONDCP is working to align its budget with its programs and performance measures.

Evidence: ONDCP Budget submissions.

2.7 **Has the program taken meaningful steps to address its strategic planning deficiencies?** Answer: YES Question Weight 14%

Explanation: ONDCP modified the HIDTA Program Policy and Budget Guidance includes a chapter on Performance Management. The chapter requires that Core and Specific Threat measures be establsihshed for each HIDTA. ONDCP is using $500K of program funds to begin implementation of a performance measurement system. This use of limited funds for a contract to establish a performance measuring system reflects program managers' new commitment to measuring performance.

Evidence: HIDTA budget requests and operating 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: NO Question Weight 12%

Explanation: ONDCP has developed a performance measurement system that will use FY 04 data as a baseline for measuring changes in HIDTA targeting of core and threat specific threats. However, that system is not yet in place.

Evidence: HIDTA Program Policy and Budget Guidance for FY 2003.

PART Performance Measurements

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	71%	63%	11%	Demonstrated

3.2 **Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?** Answer: NO Question Weight: 12%

Explanation: HIDTA threat assessments, strategies, and budgets are reviewed at ONDCP for internal consistency, reasonableness, etc. and ONDCP's performance measurement system will make it possible for ONDCP to hold individual HIDTAs responsible for performance for the first time ever. However, there is no evidence that program performance is linked to the performance assessments of key program mangers.

Evidence: ONDCP budget requests

3.3 **Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 12%

Explanation: Obligations are timely. In 2001, $206M was appropriated and $205M was obligated or transferred to Federal law enforcement agencies within 12 months. Each grant closeout is reviewed by ONDCP to ensure expenditures are aligned properly to the approved budgets. Also, ONDCP reviews all grants prior to grant closeout to ensure funds are reconciled from the grantees' financial status reports to the Office of Administration's accounting reports. KPMG has been contracted to perform financial audits on HIDTA funds. First set of final reports resulted in all unqualified opinions on full-scope audits and no major findings on limited-scope audits.

Evidence: SF -133s, HIDTA Operating Plans, Independent audits by KPMG, Inc.

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: NA Question Weight: 0%

Explanation: Very few procurement decisions are made by the HIDTA National Office. Virtually all procurements are approved by the separate HIDTA Executive Councils and completed by the participating agency that will use the equipment/service acquired.

Evidence: HIDTA Operating Plans, GPRA, ONDCP budget submissions

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: NA Question Weight: 0%

Explanation: Neither the HIDTA Operating Plan nor ONDCP Budget submissions identify all direct and indirect costs for the program. However, these personnel and overhead costs are so small (approximately $1M) that they have no significant or measurable effect on the overall program budget.

Evidence: ONDCP Budget submissions

PART Performance Measurements

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	71%	63%	11%	Demonstrated

3.6 Does the program use strong financial management practices? Answer: YES Question Weight 12%

Explanation: Grantees must submit source documentation (such as invoices) along with each reimbursement request to the Nat'l HIDTA Assistance Center. Desk Audit is performed to ensure that funds are used appropriately in conforming with OMB Cost Principles (A-87) and the HIDTA Program Guidance. An ONDCP Budget Analyst reviews the reimbursement requests before forwarding them to the Office of Admin for payment. In addition, KPMG has been contracted to perform financial audits on HIDTA funds. First set of final reports resulted in all unqualified opinions on full-scope audits and no major findings on limited-scope audits.

Evidence: PriceWaterhouseCoopers management review of ONDCP, KPMG audits

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight 12%

Explanation: In the past two years ONDCP has established a program to audit the individual HIDTA to ensure the program funds are used properly, has intensified the review process of individual HIDTAs, has entered into a contract to help develop a performance measurement system, and has established a performance measurement system as part of its program guidance to grantees.

Evidence: ONDCP Operating plan, budget submissions

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 12%

Explanation: Each year ONDCP/HIDTA reviews requests from officials seeking a HIDTA designation for their area and reviews those areas against the established criteria. The review process includes HIDTA national Office staff, former law enforcement officers under contract to ONDCP, and senior law enforcement officials in existing HIDTAs. In recent years, most of the requests have been turned down. For a few years (1996-1998) the Appropriations Acts included specifically designated HIDTAs named by the Congress.

Evidence: Interviews with HIDTA officials, observation of HIDTA reviews, and HIDTA program descriptions.

3.CO2 Does the grant competition encourage the participation of new/first-time grantees through a fair and open application process? Answer: NA Question Weight: 0%

Explanation: The HIDTA program is markedly different from other "competitive grant" programs. The expectation is that a designation of an areas as a HIDTA entails a commitment by the Federal government to provide assistance for an extended period of time.

Evidence:

3.CO3 Does the program have oversight practices that provide sufficient knowledge of grantee activities? Answer: YES Question Weight 12%

Explanation: ONDCP's HIDTA office maintains close contact with local HIDTAs, reviews annual assessment, strategy, and budgets documents thoroughly, performs in-depth field reviews by HQ staff and peers every three years (or more frequently if problems arise), and brings all HIDTAs together annually for a program review and update.

Evidence: Interviews with HIDTA officials, observation of HIDTA reviews, and HIDTA program descriptions.

PART Performance Measurements

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
80%	71%	63%	11%	

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: NO Question Weight 12%

Explanation: ONDCP has implemented a performance measurement system that will use FY 04 data as a baseline for measuring changes in HIDTA targeting of core and threat specific threats. However, that system is not yet in place.

Evidence: GPRA Reports and HIDTA website

4.1 **Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)?** Answer: NO Question Weight 33%

Explanation: ONDCP has established goals for individual HIDTAS and is in the process of developing specific targets for the national program. However, these measures are new and no performance data are available.

Evidence: HIDTA Program Policy and Budget Guidance for FY 2003; discussions with ONDCP staff.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight 33%

Explanation: ONDCP's performance measurement system for the HIDTA program is too new to have performance data. However, the first goal --establishing a performance measurement system -- has been met.

Evidence: GPRA documents, HIDTA Operating Plans, discussions with HIDTA and ONDCP staff

4.3 **Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?** Answer: NA Question Weight: 0%

Explanation: Efficiency measures are not appropriate for law enforcement programs. In addition, all of ONDCP FTEs are inherently governmental and therefore exempt from competitive sourcing requirements.

Evidence: Efficiency measures that are not appropriate for law enforcement include cost per arrests, seizure, or investigation. Targets are generally not accepted for these types of measures and are not helpful in determining a law enforcement program's effectiveness.

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

Explanation: No similar programs

Evidence: Discussions with HIDTA and ONDCP staff

4.5 **Do independent and quality evaluations of this program indicate that the program is effective and achieving results?** Answer: NO Question Weight 33%

Explanation: There has not been an independent evaluation of the HIDTA program.

Evidence: Discussions with HIDTA and ONDCP staff

PART Performance Measurements

Program: High Intensity Drug Trafficking Areas (HIDTA)
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Competitive Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	71%	63%	11%	Demonstrated

Measure: Number of individual HIDTAs that meet performance goals established for core measures of anti-drug efforts

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2003	Design System		
2004	Establish Targets		

Measure: Number of individual HIDTAs that meet performance goals established for the specifc threat assessment developed by the HIDTA.

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2003	Design System		
2004	Establish Targets		

Measure: Develop an Effective Performance Measurement System

Additional Information: Performance Target: Design System Actual Performance:System designed.

Year	Target	Actual	**Measure Term:** Annual

Measure: Implement an Effective Performance Measurement System

Additional Information: Performance Target: Apply system to individual HIDTAs Actual Performance:System designed but not yet implemented

Year	Target	Actual	**Measure Term:** Annual

PART Performance Measurements

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	75%	17%	Demonstrated

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

Explanation: The purpose of GSA's Leasing program is to provide commercially available space for government agencies when Federally-owned space is not available.

Evidence: Leasing property for Federal tenants is fundamental to GSA's mission statement: "help Federal agencies better serve the public by offering, at best value, superior workplaces'" (GSA's Strategic Plan). Authorizing legislation: Federal Property and Administrative Services Act of 1949, and the Public Buildings Act of 1959, as amended.

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

Explanation: There is a continuing need to house government agencies in leased space when Federally-owned space is not available or there is a short-term requirement for space. Leasing space, as oppose to owning space, also provides the government flexibility to meet changes in government housing needs, such as unanticipated growth (i.e., establishment of the Transportation Security Administration (TSA)) or downsizing.

Evidence: Approximately 46% of GSA's total space inventory is now leased space ("State of the Portfolio FY2002"). A recent example of a specific need for leased space is the TSA, which must be located at or near airports, where federal space is generally not available. In order to satisfy these space needs, GSA awarded over five hundred leases at or near airports throughout the country.

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: In addition to GSA, over 25 Federal agencies lease real property including DoD, Transportation, and Agriculture.

Evidence: GSA's leases accounts for approximately 44% of the government's total leased space. Federal Real Property Profile as of September 30, 2002.

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: There is no recent evidence of major design flaws. In the mid-1990's, GSA redesigned the leasing program to streamline its operations and reduce cost. For example, GSA began using commercially available databases to support leasing decisions; relying on local codes as a guide for complying with accident/fire-safety/handicap criteria; and contracting services for market analysis and surveys, A/E, and lease acquisition.

Evidence: GAO Report: More Businesslike Leasing Approach Could Reduce Costs and Improve Performance (February 1995). GSA Study: Re-engineered Lease Acquisition Process (1994). Can't Beat GSA Leasing initiative.

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: GSA's Leasing program is designed to provide space to those Federal agencies who do not possess authority to own or lease space. GSA's knowledge of market conditions and multiple agency needs often allows it to consolidate several agencies into a single facility, resulting in efficient use of private sector leased space and taxpayer dollars.

Evidence: GSA's FY 2004 Capital Improvement and Leasing Program. Authorizing legislation: Federal Property and Administrative Services Act of 1949, and the Public Buildings Act of 1959, as amended.

PART Performance Measurements

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	75%	17%	Demonstrated

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:11%

Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures that have clear targets and timeframes. For instance, one goal under consideration is to "deliver 90 percent of new space requirements within the time frame and budget committed to our customers through 2010."

Evidence: GSA's FY 2004 Annual Performance Plan.

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

Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures with ambitious targets and timeframes.

Evidence: GSA's FY 2004 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:11%

Explanation: GSA uses several annual performance measures, linked to its strategic goals and program purpose, to measure its success in managing the leasing program. As part of its development of long-term outcome measures, GSA is encouraged to review these measures and determine whether a smaller subset or other measures would be appropriate (such as lease cost compared to the private sector in the 10 highest-cost cities) and to develop an efficiency measure.

Evidence: GSA's FY 2004 Annual Performance Plan and Performance Measurement Tool. GSA's annual measures include: the cost of leasing space compared to the private market; customer satisfaction; the timeliness of delivering leased space; and the amount of non-revenuing producing space. GSA is also in the process of developing efficiency measures for this program.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight:11%

Explanation: Three out of four of the annual measures for the Leasing program have baselines and measurable targets. Since the establishment of its baselines, GSA has demonstrated improvement in all three areas -- customer satisfaction, lease cost, and non-revenue producing space.

Evidence: GSA's FY 2004 Annual Performance Plan, FY 2002 Annual Performance and Accountability Report, and Performance Measurement Tool.

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:11%

Explanation: GSA uses both regional and local brokerage firms to help acquire lease space. These brokerage contracts do not contain any provisions or commitments of working towards GSA's annual performance goals.

Evidence: GSA's Brokerage Contracts.

PART Performance Measurements

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	75%	17%	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: NO Question Weight:11%

Explanation: There are no regularly scheduled, independent evaluations of performance in GSA's Leasing program.

Evidence: GAO last evaluated this program in Feb. 1995, while the IG recently evaluated the use of brokerage contracts in FY 2002. Given the age of the GAO report and the limited scope of the IG evaluation, it is recommended that a more recent evaluation of the leasing program be conducted.

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 Federal Buildings Fund budget identifies all of the relevant costs associated with the Leasing program. However, the budget presentation does not identify the impact funding, policy, or legislative changes will have on performance.

Evidence: GSA's FY 2004 Annual Performance Plan and FY 2004 Congressional Budget Justification.

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:11%

Explanation: GSA is addressing strategic planning deficiencies in several ways. In July 2002, GSA established the National Office of Realty Services to ensure national coherence and guidance in leasing transactions. GSA is in the process of developing program-specific, long-term outcome goals with a target of completion by Q4/2003. GSA also plans to implement new National Broker Contracts to increase regional workload capacity, help get the best deal in the market place, and improve customer service.

Evidence: GSA Order establishing the National Office of Realty Services. GSA's Proud to Be for Budget and Performance Integration. National Broker Contract Implementation Plan.

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight:11%

Explanation: When there is a long-term need to house agencies in a given location, alternatives and trade-offs are conducted at the project level by comparing the cost of leasing to purchase/construction. (Working with OMB, GSA developed this cost-benefit model over 15 years ago.) After a determination is made to pursue a leasing alternative, GSA compares proposed rental rates to comparable private sector leases to ensure the rates are within current industry standards.

Evidence: GSA's FY 2004 Capital Investment and Leasing Program, including TAPS analyses. Society of Industrial & Office Realtors database.

PART Performance Measurements

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	75%	17%	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:12%

Explanation: GSA's senior management meets quarterly to review performance and financial data. For instance, the Society of Industrial and Commercial Realtors (SIOR) data is used to compare GSA's lease costs to market costs. GSA's Performance Measurement Tool also tracks performance data on a monthly basis.

Evidence: GSA's Performance Measurement Tool. SIOR data and LMI analysis.An illustrative example of a recent management action: In evaluating regional offices' performance in leasing space at or below market rates, GSA's Central Office identified a region with a high percentage of leases above the market rates. This was discussed with the region and steps were taken to ensure future leases were at or below the market rates. This region's progress continues to be monitored.

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:12%

Explanation: The National Realty Services Officer (NRSO) is responsible for providing strategic direction and achieving the goals of the leasing program at the national level. Since each of GSA's regions manages its leasing program differently, the individual responsible for achieving performance results at the regional level varies from the Assistant Regional Administrator (ARA) to Realty Services Officers (RSO). At the regional level, it is not clear whether program performance is incorporated into the these managers' performance evaluation criteria. In addition, GSA's current brokerage contracts are not structured in such a way as to reflect a commitment towards achieving GSA's annual performance goals.

Evidence: Implementation Plan for the National Office of Realty Services. NRSO, ARA, and RSO performance evaluation criteria. Brokerage Services Contracts.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:12%

Explanation: Funds for the Leasing program are obligated consistently with the overall program plan and within established timeframes/schedules. Over the past 5 years, GSA obligates, on averages, 97.5% of its available rental of space funds each year. As of March 2003, GSA is projecting that it will obligate 99% of its rental of space funds.

Evidence: Rental of Space Annual Plan; Rental of Space March 2003 Financial Report; SF-132s and SF-133s.

PART Performance Measurements

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	75%	17%	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:12%

Explanation: GSA's performance plan does not include efficiency measures and targets for the Leasing program. Through IT investments such as the Spatial Data Management system and STAR, GSA is striving to improve its responsiveness to customer space planning requests, identifying vacant space, and increasing the accuracy of the Rent bills. However, GSA is unable to measure the impact these systems have had on program efficiency and effectiveness.

Evidence: GSA's FY 2004 Performance Plan. STAR Master Plan and Special Data Management guidance.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight:12%

Explanation: GSA works closely with state and local governments to designate the appropriate delineated areas in accordance with the government's location policy. GSA also participates with such industry groups as the Corporate Real Estate Network, and Building Owners and Managers Association International (BOMA), and works with customer agencies to identify housing and budgetary requirements.

Evidence: FY 2004 Capital and Leasing Program. E.O. 12072 and the Rural Development Act of 1972. GSA recently hosted Industry Roundtables with BOMA to discuss security requirements for leased space.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight:12%

Explanation: GSA has had clean audit opinions for the past 15 years and no material weaknesses have been identified in the leasing program. In addition, GSA's financial systems meet statutory requirements and are integrated with its performance system. Procedures are in place to minimize erroneous payments and provide financial information accurately and timely.

Evidence: GSA's FY 2002 Annual Accountability Report and Performance Measurement Tool.

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight:12%

Explanation: The National Office of Realty Services (NORS) reviews all performance data at least quarterly. When a region is not performing, NORS and the region works together to identify and correct the deficiency. In addition, NORS coordinates a Peer Review process to ensure that regional real estate programs are consistent with national initiatives and current polices. One region is reviewed each quarter. If deficiencies are identified, the region develops a plan on how the deficiency will be addressed and corrected in a 12 month period.

Evidence: Performance Measurement Tool. Peer Review guidance.

PART Performance Measurements

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	75%	17%	Demonstrated

3.CA1 **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: YES Question Weight:12%

Explanation: GSA uses performance-based Solicitations for Offers and lease contracts which clearly define the space deliverables required, thus ensuring the quality of the space and the financial capability of the lessor to deliver the space and provide services during the lease term. GSA investigates the financial responsibility of contractors, as well as their past performance. All SFOs & leases include specified time frames for space delivery and an analysis of offers ensures that the price is reasonable and in the best interest of the Government prior to award.

Evidence: A Standard Solicitation for Offers Template defines the quality of space, such as type of carpeting, window treatments, and permanent partitions. Language is also included to establish milestones for space delivery, including project design, construction completion, and occupancy.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight:16%

Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures.

Evidence: FY 2004 Annual Performance Plan

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight:16%

Explanation: GSA met 2 of the 3 annual performance goals as set out in its FY 2002 performance plan for the leasing program. However, the brokerage firms (GSA's program partners) are not held accountable for achieving performance goals.

Evidence: FY 2004 Annual Performance Plan. FY 2002 Annual Performance and Accountability Report. Brokerage Contracts.

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: NO Question Weight:16%

Explanation: GSA's performance plan does not include efficiency measures and targets for the Leasing program.

Evidence: FY 2004 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: NO Question Weight:16%

Explanation: Even though there are over 25 Federal agencies that lease real property, there are no current studies comparing GSA's leasing program to these agencies or any studies comparing GSA's leasing program with the private sector.

Evidence:

PART Performance Measurements

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	75%	17%	Demonstrated

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight:16%

Explanation: There has been no recent, comprehensive, independent study evaluating the effectiveness of GSA's leasing program. Two recent IG reports identified concerns with 1) the design and use of the current brokerage contracts, and 2) the controls over contracting and leasing documentation. GSA is taking steps to address the IG's concerns and implement the recommendations.

Evidence: IG Report No. A020135/P/W/R03003: Review of PBS' Use of Brokerage Contracts for Lease Acquisition Services. FY 2000 Interim and Year-End Management Letters (Pricewaterhouse Coopers LLP).

4.CA1 **Were program goals achieved within budgeted costs and established schedules?** Answer: LARGE EXTENT Question Weight:16%

Explanation: GSA achieved 2 out of 3 of its goals -- customer satisfaction and acquiring lease space at or below private sector rates -- within budget costs. In addition, for the first time in five years, the leasing program had a positive balance (revenue exceeded costs).

Evidence: FY 2002 Annual Performance and Accountability Report. FY 2004 Congressional Budget Justification.

PART Performance Measurements

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	75%	17%	Demonstrated

Measure: Percent of lease cost at or below the average market rate

Additional Information: This measure compares GSA's cost in leasing space to average lease rates in the commercial market.

Year	Target	Actual
2001	98.9%	99.5%
2002	99.1%	99.1%
2003	99.2%	
2004	99.3%	
2005	99.4%	
2006		

Measure Term: Annual

Measure: Percent tenants that rate leased space services as satisfactory or better.

Additional Information: This measure tracks the percentage of customers satisfied with the leased space provided by GSA.

Year	Target	Actual
2001	82%	85%
2002	83.0%	84.0%
2003	85%	
2004	85.5%	
2005	85.5%	
2006		

Measure Term: Annual

PART Performance Measurements

Program: Leasing Space
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	75%	17%	Demonstrated

Measure: Percent of space delivered when the customer says they need it.

Additional Information: This measure tracks whether GSA delivers the leased space to customer agencies by the requested date.

Year	Target	Actual	**Measure Term:** Annual

Measure: Percent of vacant space in leased inventory

Additional Information: This measure tracks how much leased space is vacant.

Year	Target	Actual	**Measure Term:** Annual
2002	2.0%	2.0%	
2003	2.1%		
2004	2.0%		
2005	2.0%		
2006			

PROGRAM ID: 10001157

OMB Program Assessment Rating Tool (PART)

Direct Federal Programs

Name of Program: Multiple Awards Schedules

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 purpose of GSA's Multiple Award Schedule (MAS) Program is to provide Federal agencies with a simplified acquisition process to acquire commercially available products and services at discount prices.	The Federal Property and Administrative Services Act of 1949 and FAR 8.4 and FAR 38.1.	20%	0.2
2	*Does the program address a specific interest, problem or need?*	YES	The MAS Program eliminates the need for Federal agencies to establish separate contracts. Agencies achieve time and cost savings by utilizing the established Schedule contracts.	Logistics Management Institute (LMI) study, "Establishing Baselines for Measuring Acquisition Streamlining Improvements, found that it takes an agency an average of 268 days to put a contract in place (9/96).	25%	0.3
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	YES	The MAS Program is designed to provide time and cost savings for Federal agencies in acquiring products and services.	Johnson & Johnson Report: Impact on FAR 8/4, Comparative Analysis of Customer Elapsed Time Savings (11/98), found it takes 49 days to establish a Blanket Purchase Order, 15 days to issue. The e-Buy program (no data on costs yet) and MAS program savings and benefits paper (savings from administrative costs and FTE resources).	25%	0.3
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	The MAS Program provides access to over 4 million commercial products and services, through established contracts with over 10,000 commercial firms, at discount pricing on a direct-delivery basis. Over half of the sales are for IT products and services. There are four agencies, including GSA's FTS, designated to operate information technology Governmentwide Acquisition Contracts (GWACs). Other IT GWACs help encourage competition to ensure the Government gets the best price.	Business volume for IT products and services (FSS-19 Report 72A). Accenture Report: GSA Delivery of Best Value Information Technology Services to Federal Agencies (4/30/02). GSA Administrator memos: Results of Study of FTS and FSS Operations Related to Information Technology Offerings (5/1/02) and Update on FSS/FTS Initiative to Provide Best Value Solutions in IT Procurements (7/17/02).	10%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Is the program optimally designed to address the interest, problem or need?*	NO	An Accenture study revealed that FSS and FTS are not optimally designed. Overlaps exist in the areas of IT sales and marketing and IT contract offerings.	Accenture Report: GSA Delivery of Best Value Information Technology Services to Federal Agencies (4/2002). GSA Administrator memos: Results of Study of FTS and FSS Operations Related to	20%	0.0
Total Section Score					**100%**	**70%**

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?*	NO	The Schedule's program's strategic goals, while clear, are not measurable and do not have specified time frames for future assessment. GSA should develop long-term goals that assess success/failure of the program. For example, by 200X, increase the savings realized by the agencies by XX%.	GSA Strategic Plan and FY 2003 Annual Performance Plan	17%	0.0
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	YES	Annual performance goals for the MAS program include key measures such as cost per $100 sales, small businesses on schedules contracts, and customer satisfaction.	GSA's FY 2001 Annual Performance Plan.	17%	0.2
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?*	N/A	Intimately involving contractors in the strategic planning process would create a perception of a conflict of interest. Program goals are communicated to vendors to get buy-in and support for the Program purpose.	Coalition for Government Procurement, Testimony before House Technology and Procurement Policy Subcommittee, 4/02.	0%	
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	NO	Most importantly, GSA does not coordinate with FTS' GWAC program. GSA delegated procurement of medical and pharmaceutical products to VA. The MAS Program issues policy guidance to VA, which ensures standardized policies and procedures.	FSS Acquisition Letter FC-01-1 (3/02). Accenture Report: GSA Delivery of Best Value Information Technology Services to Federal Agencies (4/30/02).	17%	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?*	NO	There have been several independent studies conducted over the last several years; however, they are limited in scope and not performance-based. Also, there no regularly scheduled, independent reviews of GSA's MAS program.	GAO, GSA IG, and other independent reports.	17%	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?*	NO	The budget for managing the MAS program is neither clearly aligned with the program goals nor are the requests clearly derived by estimating what is needed to accomplish the annual performance measures and long-term goals.	GSA's FY 2003 Annual Performance Plan and Congressional Justificiation.	17%	0.0
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	YES	GSA will submit an integrated budget and performance plan for FY 2004. Also, FSS: 1) developed an FY 2003 corporate scorecard for the Commercial Acquisition business line and will drill down the performance measures to the program and individual levels, 2) separated the supply and schedules programs to better evaluate achievement of performance goals, 3) established teams to prepare a business plan to realign redundant FTS and FSS functions, 4) is taking steps to conduct regular evaluations of the program.	Commercial Acquisition Corporate Scorecard and the FSS Performance Measurement System. Accenture Report: GSA Delivery of Best Value Information Technology Services to Federal Agencies (4/2002).	17%	0.2
Total Section Score					**100%**	**33%**

Section III: Program Management (Yes,No, N/A)

Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score

	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	FSS' senior management meets quarterly to review performance data. A Performance Measurement System tracks monthly progress in meeting the targets established for each performance goal and measure. Performance data is also used by program managers overseeing the supply program in several ways, such as using monthly performance indicators evaluate the efficiency of the program. The MAS program also conducts semiannual meetings to assess performance and initiate changes to improve performance.	FSS Performance Measurement System; FSS Management Council quarterly meetings; Commercial Acquisition Business Meetings; Customer Surveys.	14%	0.1
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	YES	Managers are held accountable through the annual performance review process and ongoing monitoring of major business performance and internal process quality indicators to anticipate and adjust for failure. Corrective actions have included reassignment of staff, strengthening management commitment, realignment of resources, or other appropriate steps.	SES Performance Plans and MAS senior managers' Performance Plans.	14%	0.1
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	YES	All MAS program funds are obligated in a timely manner and spent for the intended purpose. It is an inherent part of the GSA accounting system requirements, that obligations be established prior to processing payments for goods and services. This ensures that payments correspond to their intended purpose.	FY 2001 GSA Consolidated Annual Financial Statements. GSA Accounting Classifications Handbook.	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	An annual performance goals/efficiency measure for the program is total cost per $100 of business volume.	FY 2003 Annual Performance Plan	14%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
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	All direct and indirect costs are allocated to the Program, including agency administrative costs and other overhead. However, GSA does not have a system that can link the full program cost to achieving performance goals.	FY 2001 GSA Consolidated Annual Financial Statements.	14%	0.0
6	*Does the program use strong financial management practices?*	YES	GSA received clean audit opinions for 14 years. No material internal control weaknesses for several years.	GSA's FY 2001 Annual Accountability Report. GAO Report 02-734: Contract Management: Interagency Contract Program Fees Need More Oversight (8/02).	14%	0.1
7	*Has the program taken meaningful steps to address its management deficiencies?*	YES	A contractor was hired to evaluate options and make recommendations to reduce the 1% industrial funding fee.	GSA's Audit Follow-up and Evaluation Branch (established by GSA Order ADM 5440.166, 10/15/79) tracks actions taken in response to audit recommendations. LMI study on fees.	14%	0.1
Total Section Score					**100%**	**86%**

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 lack of specific long-term performance goals makes it difficult to determine whether adequate progress has been made in achieving these goals.	GSA's Strategic Plan and FY 2003 Annual Performance Plan.	25%	0.0

Long-Term Goal I:	Provide Best Value for Customer Agencies and Taxpayers
Target:	N/A
Actual Progress achieved toward goal:	N/A
Long-Term Goal II:	Operate Efficiently and Effectively
Target:	N/A
Actual Progress achieved toward goal:	N/A
Long-Term Goal III:	Ensure Financial Accountability

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Target:			N/A		
	Actual Progress achieved toward goal:			N/A		
2	*Does the program (including program partners) achieve its annual performance goals?*	Large Extent	The Supply and Procurement Programs were one business line prior to FY 2002; therefore, the customer satisfaction target was combined for both programs and no quantitative target was established. The MAS program met or exceeded its annual performance goals in FY 2001. However, the threshold was set very low (at or below the baseline level) for two of the three performance goals. To receive full credit for this question in the future, the program should establish stretch, meaningful annual goals that are linked to the achievement of the long-term outcome goals.	GSA's FY 2001 Annual Performance Report and FY 2001 Annual Performance Plan. FSS Business Plans on Operating Costs and Business Volumes.	**25%**	0.2
	Key Goal I:		Reduce costs per $100 sales.			
	Performance Target:		In 2001, reduce costs per $100 sales to $0.73 (FY 2000 baseline=$0.61).			
	Actual Performance:		GOAL WAS MET: Cost per $100 sales was $0.65.			
	Key Goal II:		Maintain the percent of schedule contracts awarded to small businesses.			
	Performance Target:		In 2001, 77% schedule contracts awarded to small businesses (FY 2000 baseline=77%).			
	Actual Performance:		GOAL WAS MET: Schedule contracts awarded to small businesses was 78.1%			
	Key Goal III:		Increase customer satisfaction.			
	Performance Target:		In 2001, increase customer satisfaction above baseline of 72%. (FY 2000 baseline=72%)			
	Actual Performance:		GOAL WAS MET: Customer satisfaction was 74.4%.			
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	Yes	Operating costs per $100 sales decreased in FY 2001. [Target=$0.73, Actual=0.65, Baseline=$0.61].	FY 2001 GSA Annual Performance Report and FY 2001 GSA Performance Plan. FSS Business Plans on Operating Costs and Business Volumes.	25%	0.3
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	N/A	Although there are other IT GWACs, there are no studies that compare their performance.		0%	

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	Small Extent	Studies of the MAS Program reveal that the MAS Program: 1) demonstrates time savings through a streamlined procurement progress, 2) needs to improve training to help agencies achieve best value; 3) needs to consistently negotiate Most-Favored Customer Pricing, 4) need to reevaluate the 1% industrial funding fee to approximates a break-even position.	GAO Report: Contract Management: Not Following Procedures Undermines Best Pricing Under GSA's Schedules (11/00); GSA IG Report: Audit of FSS' Industrial Funding Fee (5/99); GSA IG: MAS Pricing Practices (8/01)	25%	0.1
Total Section Score					**100%**	**50%**

PART Performance Measurements

Program: National IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	88%	39%	Demonstrated

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

Explanation: The purpose of GSA's National Information Technology Solutions (ITS) program is to provide expert technical, acquisition, and IT products and services to Federal clients. The National ITS program provides large-scale, agency-wide, international, and specialized products/services.

Evidence: ITS Mission Statement; ITS Concept of Operations (April 2001).

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

Explanation: National ITS combines its in-house technical expertise with commercially available technology to provide its customer agencies with timely and cost-effective IT products and services. Many agencies do not have sufficient onboard contracting experts and IT project managers, and the National ITS program eliminates the need for agencies to award and administer their own IT contracts/task orders.

Evidence: GSA FY 2003 Annual Performance and Accountability Report; Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies" (April 2002); ITS Concept of Operations (April 2001); and Doherty & Associates, Inc. "Blueprint Project: 2003 Customer Satisfaction Survey Final Report (December 2003).

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: ITS offers a full range of pre- and post-award services that includes the provision of full-service program/project management through the integration of in-house and commercial services. However, OMB designates several agencies as providers of governmentwide IT products and services to encourage competition to ensure the government gets the best price.

Evidence: "ITS Performance Measurement Assessment," Gartner Consulting Deliverable (November 2003); "ITS Alternate Sources Matrix," Gartner Consulting Deliverable (November 2003).

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: An April 2002 Accenture study revealed design flaws in contract overlap/redundancy between FTS and FSS. In response to the study, GSA combined and realigned within FTS and FSS market research, marketing, customer account planning, sales, service delivery, and contract development and maintenance. GSA has formed a Contract Vehicle Review Board to rationalize the number and type of IT contracts on an on-going basis.

Evidence: Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies" (April 2002); "GSA Federal Supply Service/Federal Technology Service Performance Improvement Initiative" (December 2002); Report of the GSA IT Contract Vehicle Review Board (CVRB); and GSA Order ADM 5440.568, "Changes in GSA Organization" (December 2002).

PART Performance Measurements

Program: National IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	88%	39%	Demonstrated

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Evidence: ITS Mission Statement; ITS Concept of Operations (April 2001).

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

Explanation: National ITS combines its in-house technical expertise with commercially available technology to provide its customer agencies with timely and cost-effective IT products and services. Many agencies do not have sufficient onboard contracting experts and IT project managers, and the National ITS program eliminates the need for agencies to award and administer their own IT contracts/task orders.

Evidence: GSA FY 2003 Annual Performance and Accountability Report; Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies" (April 2002); ITS Concept of Operations (April 2001); and Doherty & Associates, Inc. "Blueprint Project: 2003 Customer Satisfaction Survey Final Report (December 2003).

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: ITS offers a full range of pre- and post-award services that includes the provision of full-service program/project management through the integration of in-house and commercial services. However, OMB designates several agencies as providers of governmentwide IT products and services to encourage competition to ensure the government gets the best price.

Evidence: "ITS Performance Measurement Assessment," Gartner Consulting Deliverable (November 2003); "ITS Alternate Sources Matrix," Gartner Consulting Deliverable (November 2003).

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Explanation: An April 2002 Accenture study revealed design flaws in contract overlap/redundancy between FTS and FSS. In response to the study, GSA combined and realigned within FTS and FSS market research, marketing, customer account planning, sales, service delivery, and contract development and maintenance. GSA has formed a Contract Vehicle Review Board to rationalize the number and type of IT contracts on an on-going basis.

Evidence: Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies" (April 2002); "GSA Federal Supply Service/Federal Technology Service Performance Improvement Initiative" (December 2002); Report of the GSA IT Contract Vehicle Review Board (CVRB); and GSA Order ADM 5440.568, "Changes in GSA Organization" (December 2002).

PART Performance Measurements

Program: National IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	88%	39%	Demonstrated

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 National ITS program provides specialized, client-focused life cycle IT support to a geographically dispersed customer base throughout the world. While most National ITS associates are physically located in the Washington, DC metropolitan area, a few (including those in the National ITS European Client Support Center) are assigned overseas or to other locations within CONUS.

Evidence: Booz-Allen & Hamilton, "FTS Benchmarking IT Solutions Final Report (December 1999); OMB Designation Letter to GSA (April 2003); Doherty & Associates, Inc., "Blueprint Project: 2003 Customer Satisfaction Survey" (December 2003); GAO Audit Report, "Contract Management" (July 2002).

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: 11%

Explanation: The IT Solutions program is developing new long-term goals and measures for the FY 2006 budget. These long-term measures will focus on achieving outcomes (e.g. high quality, efficient, and cost-effective IT services).

Evidence: GSA Office of the CFO Discussion Paper on IT Solutions Proposed Long-Term Performance Goals (March 2004).

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

Explanation: FY 2006 performance measures are under development. Ambitious targets and timeframes for the measures will be established once the measures are finalized.

Evidence: FY 2005 Congressional Justification.

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: Although the program has annual goals for the program that are tied to the achievement of its long-term goals, they do not sufficiently measure savings and quality improvement achieved through use of the program. GSA is developing measures for the FY 2006 Budget that will focus on best value and time savings achieved when using the program. These measures will, where appropriate, benchmark ITS to non-GSA sources.

Evidence: FY 2005 Congressional Justification.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight: 11%

Explanation: The program has baseline data for only two of the four measures. In addition, when newannual goals are developed for FY2006, ambitious targets and timeframes will be established.

Evidence: FY 2005 Congressional Justification.

PART Performance Measurements

Program: National IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	88%	39%	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: YES Question Weight:11%

Explanation: The program includes measures and incentives in performance-based contracts to hold industry partners accountable for performance. Many contracts require that vendors subcontract with 8a, HUBZone, women-owned, service disabled veteran-owned, or small disadvantaged owned companies to help meet GSA's goals in these areas.

Evidence: GSA Office of the CFO Discussion Paper on IT Solutions Proposed Long-Term Performance Goals (March 2004); Sample of Performance Based Service Contract Statement of Work; Sample of Award Fee Plan; Sample of Contractor Progress Report

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: Several comprehensive, independent studies have evaluated the effectiveness of the ITS program. One study compared the program to its benchmark partners on many performance measures (price, timeliness, customer service, customer retention). The IG also reviews program effectiveness on an on-going basis. Beginning in FY 2004, the IG will conduct pre-award audits and contract performance assessments of government-wide contracts.

Evidence: Booz-Allen & Hamilton, "FTS: Benchmarking" (December 1999); Gartner Consulting: "IT Solutions Application Analysis (January 2001); Accenture: "GSA Delivery of Best Value IT Services to Federal Agencies" (April 2002); GSA, IG Audit Plan FY 2004; OMB Budget Passback to GSA (November 2003).

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: When the program refines its annual goals that are linked to its long-term outcome goals, it will be able to fully integrate its budget with performance.

Evidence: FY 2005 Congressional Justification and GSA "Performance Management Process Guide -- Strategic Planning, Budget, and Performance Management Cycle" (March 2004).

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:11%

Explanation: ITS is taking meaningful steps to address strategic planning deficiencies by (1) working towards developing long-term and annual goals; (2) initiating a performance management process to integrate strategic planning, budget development, and performance management; and (3) developing an FTS Business Strategy to document FTS goals and capabilities, and a plan for achieving them.

Evidence: FY 2005 Congressional Justification; GSA "Performance Management Process Guide" (March 2004); "FTS Business Strategy" - Gartner Consulting Final Deliverable (April 2004).

PART Performance Measurements

Program: National IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	88%	39%	Demonstrated

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: NO Question Weight:11%

Explanation: The National ITS program, as the contracting entity for the acquisition, take a more active role in assisting agencies with their major acquisitions by participating in the full development of the business case, including participating in the development of the performance standards, alternative analysis, risk assessment, and cost and schedule goals in order to develop the acquisition strategy that ensures the best value solution for the federal government. Currently, these activities are accomplished only when the customer seeks GSA's assistance.

Evidence: GSA/FSS GWAC Center, "Contract Comparison Matrix"; GSA/FSS "Solutions Training Services" Brochure; GSA Order, OGP 2800.1, "Acquisition Planning Guidance" (January 2004); GSA Memorandum, "FTS Acquisition Checklist" (October 2003); GSA Memorandum, "Guidance Concerning Procurement Management Review (PMR) Program" (November 2003).

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: NO Question Weight:13%

Explanation: National ITS does not regularly collect and track performance information on its capital projects at the program level to ensure adherence to meeting cost and schedule goals. The program monitors performance through progress reports and status meetings with the vendor and client. Vendor performance information is provided by the client upon completion of tasks.

Evidence: Sample of Performance Based Service Contract Statement of Work, Sample of Award Fee Plan; Sample of Contractor Progress Report; and Sample of Past Performance Evaluation; Acquisition Planning and Checklist Tool.

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:13%

Explanation: Nearly 60% of the dollar value of eligible service awards during Q1 FY 2004 included performance-based statements of work. In addition, industry partners are held accountable for conducting client projects on time, at or under cost, and with satisfactory results.

Evidence: Standards for Performance Based Service Acquisition

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:13%

Explanation: National ITS funds are obligated in a timely manner and spent for the intended purpose. Establishing obligations prior to processing payments is an inherent aspect of GSA's accounting system. ITS reports monthly on actual expenditures compared to planned use.

Evidence: GSA FY 2003 Annual Performance and Accountability Report; and IT Fund - Monthly and Quarterly Reports for the Administrator.

PART Performance Measurements

Program: National IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	88%	39%	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: YES Question Weight: 13%

Explanation: National ITS' efficiency measure is direct operating expenses as a percent of gross margin. This measure provides the program with information needed to assign fees and recover full costs. The measure is reviewed monthly through GSA's performance measurement tool. The program is in the process of developing additional efficiency measures. The IT Solutions program is in the process of developing additional efficiency measures.

Evidence: GSA FY 2003 Performance and Accountability Report; FY 2005 Congressional Justification; IT Fund - Monthly and Quarterly Reports for the Administrator; and Performance Measurement Tool (PMT).

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

Answer: YES Question Weight: 13%

Explanation: FTS collaborates with other Federal agencies and the services within GSA. In response to a recent study, FTS has reorganized to help improve coordination and collaboration with FSS to improve contract development and maintenance, and marketing functions. FTS is also coordinating and collaborating with other GSA services and staff offices to develop and implement an Enterprise-wide Customer Relationship Management (CRM) program, which will help GSA better understand its customer's needs.

Evidence: Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies - Analysis of FSS and FTS Structure and Services" (April 2002); GSA Order ADM 5440.568, "Changes in GSA Organization" (December 2002); and DVA/GSA Partnership (interagency) Agreement - Global Information Technology Support Services (GITSS) (December 2003).

3.6 Does the program use strong financial management practices?

Answer: YES Question Weight: 13%

Explanation: GSA has received a "clean audit opinion" for 16 years in a row, with no material weaknesses identified in the National ITS program. GSA's financial systems meet statutory requirements and procedures are in place to provide financial information accurately and timely via the Pegasys/NEAR system. Financial and performance data are monitored on a monthly basis using GSA's Performance Measurement Tool.

Evidence: GSA FY 2003 Annual Performance and Accountability Report; IT Fund - Monthly and Quarterly Reports for the Administrator; Performance Measurement Tool (PMT); and Reconciliation Report.

3.7 Has the program taken meaningful steps to address its management deficiencies?

Answer: YES Question Weight: 13%

Explanation: ITS has taken a number of steps to evaluate program management controls and correct deficiencies: (1) established a Procurement Management Review (PMR) Program that systematically reviews Client Support Centers (CSCs) on a scheduled basis; (2) established an Acquisition Checklist that is required to be used by all CSCs; (3) established a Legal Review process; and (4) periodic reviews of CSCs through the Management Control Program. Deficiencies that may be found as a result of PMRs will require follow-up.

Evidence: GSA Memorandum, "Guidance Concerning Procurement Management Review (PMR) Program for FTS Acquisition Matters" (November 2003); GSA Memorandum, "FTS Acquisition Checklist" (October 2003); GSA Memorandum, "Legal Review of FTS Contractual Matters,"; Management Control Reviews, FEDSIM, and Center for Information Security Services; GSA FY 2003 Annual Performance and Accountability Report.

PART Performance Measurements

Program: National IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	88%	39%	Demonstrated

3.CA1 **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: YES Question Weight:13%

Explanation: The National ITS program makes significant use of performance based contracting (nearly 60% of eligible awards during the first quarter of FY 2004) by including statements of objectives, statements of work, and evaluation criteria/performance indicators at the task order level. These task orders outline deliverables, capabilities, performance characteristics, cost, schedule, quality, and performance objectives of a specific project.

Evidence: GAO Report, "Contract Management - Guidance Needed for Using Performance-Based Service Contracting (September 2002); Sample of Performance Based Service Contract Statement of Work; Sample of Award Fee Plan and Project Management Training Brochures.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight:17%

Explanation: The National ITS program is in the process of developing new Long-Term Outcome Goals for FY 2006.

Evidence: GSA Office of the CFO Discussion Paper on IT Solutions Proposed Long-Term Performance Goals (March 2004).

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight:17%

Explanation: While National ITS achieved its FY 2003 annual program goals, these goals are inadequate to sufficiently measure best value/savings and quality improvement.

Evidence: GSA FY 2003 Annual 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 Weight:17%

Explanation: In FY 2003, excluding prior year adjustments, National ITS achieved its goal (59.1%) for the efficiency measure "Direct operating expenses as a percent of gross margin" (56.5%). When the program develops additional efficiency measures, it will be better able to demonstrate efficiencies and cost effectiveness.

Evidence: GSA FY 2003 Annual Performance and Accountability Report; Supplemental information on Direct Operating Expenses for FY 2003 and 2004.

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: Studies indicate that National ITS performs favorably with respect to its benchmark programs when judged across all performance measures and business practice areas (including performance, growth, price, timeliness, customer service, and customer retention/satisfaction). ITS is developing performance measures for inclusion in the FY 2006 budget that will allow ITS to benchmark against non-GSA sources.

Evidence: Booz-Allen & Hamilton, "FTS: Benchmarking IT Solutions Final Report" (December 1999); "ITS Performance Measurement Assessment," Gartner Consulting Deliverable (November 2003); "ITS Alternate Sources Matrix," Gartner Consulting (November 2003); and GAO Audit Report, "Contract Management" (July 2002).

PART Performance Measurements

Program: National IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	88%	39%	Demonstrated

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: LARGE EXTENT Question Weight: 17%

Explanation: Independent evaluations indicate that National ITS performs favorably when evaluated across many performance measures (price, timeliness, customer service, customer retention). GSA recently took steps to correct duplication issues in FTS and FSS. However, there are still opportunities to demonstrate efficient operations, add value over internal procurement shops, and help eliminate redundancies across the government.

Evidence: Doherty & Associates, Inc., "Blueprint Project" (December 2003); Gartner, "Performance Measurement Assessment (November 2003), Booz-Allen & Hamilton, "FTS: Benchmarking IT Solutions Final Report" (December 1999); GSA Order ADM 5440.568, "Changes in GSA Organization" (December 2002); GAO Report, "Contract Management" (September 2002); GAO Report, Accenture: "GSA Delivery of Best Value Information Technology Services to Federal Agencies" (April 2002).

4.CA1 **Were program goals achieved within budgeted costs and established schedules?** Answer: SMALL EXTENT Question Weight: 17%

Explanation: In FY 2003, National ITS, which operates out of the IT Fund, achieved its three annual goals within budgeted cost. The program does not routinely collect information at the program level on achieving cost and schedule goals.

Evidence: GSA FY 2003 Annual Performance and Accountability Report and IT Fund - Monthly and Quarterly Reports for the Administrator.

4.RG1 **Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

PART Performance Measurements

Program: National IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	88%	39%	Demonstrated

Measure: Percentage of negotiated award dates for services and commodities that are met or bettered.

Additional Information: This measure supports the ITS goal of meeting customer requirements for transaction cycle time.

Year	Target	Actual	**Measure Term:** Annual
2003	>90%	95%	
2004	>93%	92%	
2005	>94%		
2006	>95%		
2007	>96%		

Measure: Percentage of the dollar value of eligible service orders awarded with performance-based statements of work.

Additional Information: This measure supports the ITS goal of obtaining best value solutions through competition.

Year	Target	Actual	**Measure Term:** Annual
2003	Not Measured	Not Measured	
2004	>40%	58%	
2005	>50%		
2006	60%		
2007	>51%		

PART Performance Measurements

Program: National IT Solutions Program
Agency: General Services Administration
Bureau: Federal Technology Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
80%	44%	88%	39%	Demonstrated

Measure: Percentage of task and delivery orders subject to the fair opportunity process.

Additional Information: This measure supports the ITS goal of obtaining best value solutions through competition by measuring the fair opportunity process for all contract holders.

Year	Target	Actual
2003	>80%	86%
2004	>95%	98%
2005	>95%	
2006	>95%	
2007	>86%	TBD

Measure Term: Annual

Measure: Direct operating expense as a percent of gross margin.

Additional Information: This measure provides ITS with information needed to control and manage the cost of delivering products and services to Federal agencies.

Year	Target	Actual
2003	59%	57%
2004	67%	TBD
2005	62%	TBD
2006	62%	TBD
2007	61%	TBD

Measure Term: Annual

PART Performance Measurements

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	60%	Effective

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

Explanation: NRC seeks to promote reinvestment in older neighborhoods by local financial institutions working cooperatively with community people and local government. The corporation funds selected neighborhood preservation projects which show promise as mechanisms for reversing neighborhood decline and improving the quality of neighborhood life. The NeighborhWorks network includes 225 neighborhood housing services programs in neighborhoods throughout the United States, monitors their progress, and provides grants and technical assistance. Many organizations choose quality housing opportunities as a cornerstone of their revitalization strategy.

Evidence: The Corporation's authorizing legislation (42 U.S.C. 8101-8107), which has been has been adjusted at the direction of Congress through Committee reports states, 'The Corporation shall experimentally replicate neighborhood preservation projects which have demonstrated success, and after creating reliable developmental processes, bring the new programs to neighborhoods throughout the United States which in the judgment of the Corporation can benefit there from, by providing assistance in organizing programs, providing grants in partial support of program costs, and providing technical assistance to ongoing programs.'

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

Explanation: NRC aims to address the problems of decline that occur in older neighborhoods. Specifically, NRC focuses on housing and homeownership as the means through which they seek to reverse neighborhood decline. The Corporation has also become involved in homebuyer training, and has agreed to fill a gap in services by establishing standards for 'training the trainers' of homebuyer education and counseling through the NeighborWorks Center for Homeownership Education and Counseling.

Evidence: While the homeownership rate in the U.S. has hit a record level of 68%, many segments of the population and areas have been left behind. The homeownership rate for whites is 75%, the African-American homeownership rate is only 48% and only 47% Latino families own their own homes. If a family's income is at or above the median, the rate of homeownership is 83.3 percent. For families earning less than the median income, the rate of homeownership is 51.3 percent. Furthermore, poverty areas (census tracts with poverty rates greater than 30 percent) have average homeownership rates of 31 percent compared to the metropolitan area average of 64 percent.

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: While NRC funding overlaps with other Federal assistance, NRC's approach distinguishes itself from other efforts by its chartering process for member organizations must maintain a high level of effectiveness to receive funding for neighborhood revitalization efforts.

Evidence: Similar programs include HUD's HOME 15 percent set-aside for Community Housing Development Organizations and the Living Cities initiative, which provides technical assistance and capacity building to community development corporations. While these programs have some similarities, NRC distinguishes itself by also providing training and certification for community development professionals and a mantaining a dedicated secondary market, the Neighborhood Housing Services of America (NHSA).

PART Performance Measurements

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	60%	

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: NRC receives a flexible appropriation each year, which it uses to promote and strengthen their professional core and grassroots network. Grants are supplemented by targeted technical assistance and coupled with a program evaluation process that assist the organizations to implement proven strategies and to evaluate their results against other organizations engaged in similar lines of business. Neighborhood Reinvestment mandates a rigorous affiliation and review process that evaluates the organization's mission and target neighborhoods and populations before admitting applicants into the network.

Evidence: The emphasis on homeownership as a means for improving a families quality of life and neighborhood revitalization is supported by research. Compared to renters, homeowers are 15 percent more satisfied with their home, 20 percent happier with their neighborhood, and have a median net wealth of a low-income homeowner is over 13 times that of a similar renter. Homeowners are more stable -- more than a 33 percent of low-income renters move yearly, while less than 8 percent of homeowners do. Homeownership also improves neighborhoods: homeowners are 28 percent more likely to repair or improve their homes than renters, higher homeownership rates lead to higher home prices, and homeowners are 26 percent more likely to be involved in block clubs, parent-teacher organizations and other civic groups.

1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly? Answer: NO Question Weight 20%

Explanation: Data suggest organizations succeed in targeting low- to moderate-income populations; however, it is unclear whether distressed neighborhoods are targeted. While affordable housing activities may target middle- or even upper class areas, where housing costs are higher. Given, NRC is primarily a neighborhood revitalization program one would expect a majority of their funding to be targeted to more distressed areas than this data indicate. During NRC's affiliations process, NWOs must declare a service area that focuses on a community need. Organizational Assessment and Field Operations Units then assess their ability to serve that area during the affiliation process. Organizations must describe their service area in terms of census tracts and describe the lines of business active in those areas.

Evidence: Several measures demonstrate the successful targeting of their activities to low-income persons:94 percent are first-time buyers; 67 percent earn less than 80 percent of area median income; and 52 percent are ethnic/minority households. The targeting of funds to distressed neighborhoods needs to be more clearly outlined with better neighborhood-level data. For example, 47 percent of NeighborWorks organizations' service areas (census tracts) fall within 'underserved areas' designated by HUD, which is equal to the 47 percent of metropolitan areas covered by this designation.

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: Neighborhood Reinvestment has several long term measures and goals, but is in the process of developing measures that focus on outcomes such as changes in neighborhoods or the lives of persons assisted. NRC has committed to developing an index of comunity development indicators to measure improvement in distressed NWO neighborhoods. This index will combine factors focusing on physical, social and economic dimensions of the community, including: resident and stakeholder perception of the neighborhood to gauge the first hand perception of improvement and confidence, HMDA data on mortgage lending to gauge investment and homeownership; and crime data to gauge community safety/security.

Evidence: Some other potential long-term measures include: homeownership rates, home equity that has accrued to homebuyers assisted by NWOs, and home price or other neighborhood trends in NWO target areas.

PART Performance Measurements

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	60%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: NO Question Weight 13%

Explanation: See. 2.1.

Evidence:

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: NRC reports several annual performance measures as part of its GPRA plans. NRC has also adopted an efficiency measure that focuses on the cost per unit produced. Annual performance measures such as the number of homeownership units produced directly contribute to NRC's long-term outcomes of neighborhood revitalization achieved through increasing homeownership for low-income families.

Evidence: Key annual output measures include: number of homeownership units contructed, total investment by NeighborWorks Organizations, total number of professional training certificates awarded, total number of housing rehab and other units produced. The efficiency measure is the cost per unit produced, broken down by hoemownership unit, mutual housing and multi-family unit, and single-family rehab units.

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

Explanation: These annual measures have been projected and tracked in Neighborhood Reinvestment's plan and budget documents (Budget submission, GPRA, Budget Justification) each year, with consistent increases each year

Evidence: See targets in measure tab.

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 NeighborWorks network participates directly in establishing and achieving the annual and long-term goals articulated by Neighborhood Reinvestment. Through programmatic 'steering committees' associated with key program initiatives, Neighborhood Reinvestment consults actively with the leadership of NeighborWorks organizations to ensure that 100% of corporate goals align with NeighborWorks organizations' goals.

Evidence: Through the annual submission of their organizational plans and requests for services and resources, 100 percent of NeighborWorks organizations outline their own goals, including their capacity-building goals, their goals in terms of services to families and individuals. In the new Organizational Underwriting system (which will be fully rolled out by 2006). NWOs set community-level goals, which NRC will review and use to make decisions on which projects to fund. The NeighborWorks organizations then report their progress against these goals through regular production reports and annual updates of their plans/goals.

PART Performance Measurements

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	60%	

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: NRC has agreed to complete a sufficiently rigorous evaluation over the next year. Several studies have been done on various aspects of NRC operations and a series of regular independent evaluations have been conducted to assess short- and longer-term results of various components of the overall programmatic spectrum of the NeighborWorks network. The evaluation method will provie the most rigorous evidecne of the program's effectiveness that is appropriate and available. It will also examine the underlying cause and effect relationship between the program and achievement of performance targets. The evaluation will focus on the relative effectiveness of the NeighborWorks network in contributing to positive change in their target communities against comparable communities not served by NeighborWorks organizations.

Evidence: A recent study entitled, 'Individual and Neighborhood Impacts of Neighborhood Reinvestment's Homeownership Pilot Program' begins to evaluate the fundamental question regarding NRC's impacts on neighborhoods. However, the study focused on only a few 'high producing' NWOs. More comprehensive studies are needed to determine impact and effectiveness of Neighborhood Reinvestment network.

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: Neighborhood Reinvestment's Budget Justification identifies performance targets for each major function (capacity building, preserving homeownership and private rental housing/equity capital, organizational assessment, training and informing, secondary market) in an activities and output measures table.

Evidence: The estimated cost of achieving these targets is provided in a functional budget breakdown. Further detailed programmatic and cost information for each function, including current and future year goals, and prior year results, is provided in the 'major functions' section of the Justification. Several budget tables and analyses are presented in the Congressional justifications The annual audit presents the actual costs, by major function, including allocation of overhead across functional areas.

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

Explanation: A comprehensive strategic planning process was undertaken in 2000-2001, which resulted in several substantive improvements. For example, NRC developed more clear and measurable articulation of corporate goals, linking outcome goals to corporate goals, and overhauled performance plans for individual staff members.

Evidence: NRC created a COO position and reorganized reporting lines to coordinate better across key functional divisions to support more integrated service delivery. Two years ago, an internal review staff noted that 45% of the shortcomings of network organizations related to inadequate Board oversight. As a result, NRC established measurable goals for our own network and designed training specifically targeted to Board Treasurers. Senior management also meet quarterly to review status and adjust strategies as needed.

PART Performance Measurements

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately
80%	88%	100%	60%	Effective

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: The Corporation collects quarterly production and annual organizational data from 100% of NeighborWorks affiliates, as well as annual A-133 financial audits. The NWOs submit annual reports and consultants surveys NWOs each year to NRC for review.

Evidence: Since 1991, NRC has gathered performance data from all NeighborWorks organizations quarterly to track progress toward annual performance goals. This regular performance data is analyzed in the aggregate and also at the district and program initiative levels to allow for follow up. Progress toward annual goals is monitored and influence NRC award decisions. See measures sheet for specific measures.

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: The Corporation, its grantees and its contractors are all held accountable by annual reviews, legal letters of agreement that clearly articulate 'deliverables', and evaluations by Neighborhood Reinvestment managers. The use of Neighborhood Reinvestment capital is tracked through careful review of the required A-133 annual audit, which each network member must submit to the Corporation along with any management letters provided by external auditors.

Evidence: Rigorous annual performance reviews include evaluations of corporate managers by supervisors and direct reports, as well as measurable progress toward goals of each department. All sub-grantees are assessed on an annual or more frequent basis to determine and address any areas of risk through NRC's Organizational Health Tracking System. Neighborhood Reinvestment uses a Request of Qualifications and Proposals process to manage the acquisition and use of professional services to ensure that these services are obtained and managed in the most cost-effective manner.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight 11%

Explanation: Neighborhood Reinvestment's Budget justification includes analyses of actual spending compared to estimates and plans submitted in prior justifications. Department budget managers have real-time access to the corporation's computerized accounting system, providing them the most up-to-date budget vs. actual information. Over the past 5 years, the carry-forward from the federal appropriation (excluding set-asides) and other unrestricted sources such as interest and training registration fees ranged from one to three percent.

Evidence: Every month the Corporation's budget analyst monitors budget to actual performance corporate-wide, including analysis of total expenditures by cost category against the Congressionally-approved operating plan. When organizations are disaffiliated, the Corporation's Office of General Counsel takes action to recapture unspent funds in the organization's revolving loan fund.

PART Performance Measurements

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	60%	

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 11%

Explanation: Program has been able to demonstrate efficiencies over time. Neighborhood Reinvestment has formed an Information Management Investment Committee that is comprised of the direct reports of the CEO and COO; the committee is dedicated to aligning IM's work with corporate strategic plans, establishing priorities for investment and ensuring cross-functional coordination on IM issues.

Evidence: The Corporation's personnel policies provide cash awards as incentives to managers who can document 'efficiencies and innovations resulting in saved time and money.' Other IT-related improvements designed to increase cost effectiveness include: a data management project with goals of eliminating data redundancy and improving data integrity;implementation of e-commerce applications to provide efficiencies in customer service; and, a portal for efficient document sharing and knowledge sharing across the organization.

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

Explanation: Founded on a partnership model of public sector, private business and residents, Neighborhood Reinvestment Corporation and its affiliates coordinate with other federal agencies and with national and regional nonprofit organizations. Directors from the five financial regulatory agencies and HUD comprise the Board of Directors for Neighborhood Reinvestment Corporation. All NeighborWorks organizations involve government, business and residents in leadership.

Evidence: On average, all governmental contributions/grants per NeighborWorks organization in 2002 amounted to 37 percent of their total operating budget. Furthermore, NRC has raised funds from a variety of private sectors sources such as banks and mortgage companies ($1.2M), national foundations ($.4M), retail stores ($3.6M), government sponsored entities ($1.7M), and insurance companies ($.3M). The Corporation is a HUD Housing Counseling intermediary and partnered with the Corporation to deliver training to Public Housing Authorities on the Housing Choice Voucher program nationwide and achieved results in support of the administrations minority homeownership initiative.

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

Explanation: The Corporation's policies and procedures that manage daily operations are consistent with generally accepted accounting procedures. In addition, the Corporation's internal auditor conducts regular reviews of significant internal systems and processes (financial, administrative and programmatic). During the last year, the internal auditor has reviewed time and expense procedures, the payroll process, and procedures for managing outside funds.

Evidence: From 1998-2003, the external auditors noted no material internal control weaknesses in the Corporation's annual audits -- 'Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Preformed in Accordance with Government Auditing Standards' and 'Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.'

PART Performance Measurements

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	60%	

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

Explanation: In July 1992, the General Accounting Office reviewed the operations of Neighborhood Reinvestment Corporation and found several areas that needed improvement, most notably, oversight of NeighborWorks Organizations and grant management practices. In response, the Organizational Health Tracking System for all NeighborWorks organizations was created to provide regular on-site program reviews.

Evidence: Neighborhood Reinvestment is moving toward an organizational underwriting model where investment decisions are based on a multi-year plan for the NeighborWorks organization to strengthen in measurable ways the neighborhoods which it serves. In 2003, 98.26% of financial audits of 225 NWOs were in compliance, which is the highest rate ever.

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

Explanation: Neighborhood Reinvestment's practices support strong oversight of NeighborWorks organizations (grantees) activities and management consultants provide programmatic oversight and assistance. NRC uses its PROMPT reviews to rate each organization as exemplary, stable or vulnerable based on ratings in the following areas: planning; resource management; organizational oversight; financial, contract, and personnel management; production/program services; and technical operating systems. If an organization is found to be vulnerable, an action plan is jointly developed and closely monitored until corrective actions are resolved. NRC can place an organization's membership charter in provisional status or permanently revoke it and recapture funds.

Evidence: All NeighborWorks organizations submit comprehensive organizational reports and independent audits annually and production reports quarterly. As a result of the PROMPT reviews, the Corporation has disaffiliated more than 24 organizations and revoked charters of 40 over the past five years due to management deficiencies, changed missions or other types of non-compliance with the chartering agreement. Capital funds were recaptured from three NWOs in FY2003 for a total of $457,000.

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: YES Question Weight 11%

Explanation: Neighborhood Reinvestment Corporation collects annual and quarterly performance data from grantees, which is made public through the Corporation's website. Accomplishment information is updated annually and made available on the web for each NWO.

Evidence: All NeighborWorks organizations submit comprehensive production reports annually, and more specific reports on specific programs are collected quarterly. These reports are aggregated to track progress toward numeric goals for the NeighborWorks system, and the level of future grants to NeighborWorks organizations is tied to performance. The progress toward goals can be compared across NeighborWorks organizations by examining the organizations' profiles on www.nw.org.

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

Explanation: Program received a yes on question 2.1 and a no on 2.2. However, NRC has committed to developing an index of community development indicators and hold NWOs accountable for measuring the index over time.

Evidence:

PART Performance Measurements

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	60%	

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: LARGE EXTENT Question Weight 20%

Explanation: Recent GPRA annual reports have indicated that Neighborhood Reinvestment and the NeighborWorks network consistently met or exceeded the annual performance goals, except where external conditions (e.g. economy, financial and housing markets, and security threats) have affected meeting these goals.

Evidence: For example, in FY 2003, the Corporation exceeded eight of its thirteen aggressive 'stretch' goals. The five exceptions were the result of the external conditions, and in every case, the 2003 results surpassed 2002 achievements.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight 20%

Explanation: Data suggest that Neighborhood Reinvestment Corporation has been successful at enhancing their productivity and leveraging federally appropriated funds.

Evidence: The ratio of outputs (key performance measures) compared to inputs (staffing and congressional funding) demonstrates improved efficiency in achieving program goals. From 1993 to 2003, the Federal appropriation has grown 260 percent and staff has grown 17 percent; however, the number of home-ownership units increased 600 percent and training contract hours increased 299 percent and affordable multifamily, mutual or rental housing units increased 91 percent. Targeting remained as strong or stronger.

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: NRC uses federal appropriations to leverage outside private investment to fund new innovations and initiatives and then disseminates lessons learned. Neighborhood Reinvestment and the NeighborWorks network repeated pilot new products, test new approaches and convene internal and external practitioners on matters of concern to the industry. Neighborhood Reinvestment shares a focus on capacity building with Living Cities, but Neighborhood Reinvestment Corporation is more fully engaged, through an intensive chartering process of NeighborWorks organizations, annual organizational health reviews and financial audits, providing financial assistance through organizational underwriting, extensive data collection on impact indicators, on-site technical assistance, specialized training and peer learning opportunities.

Evidence: For every federal $1, NeighborWorks organizations leverage $19.40 in private funds. In comparison, the federal government invested $254 million in Living Cities investments, which leverage $2.2 billion in private investment, indicating that each $1 of federal investment in Living Cities generates $8.66 in private investment.

PART Performance Measurements

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	60%	

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: Several evaluations of specific programs of the Corporation indicate strong accomplishments and results. Moreover, independent surveys of grantees show grantee and stakeholder satisfaction. The independent evaluations have validated the effectiveness of program strategies and implementation by Neighborhood Reinvestment and the NeighborWorks organizations. However, NRC has agreed to research and develop a study with a wider scope to analyze the effectiveness of a greater percentage of the Corporation's programs.

Evidence: The study entitled, 'Individual and Neighborhood Impacts of Neighborhood Reinvestment's Homeownership Pilot Program' begins to evaluate and demonstrate the fundamental question regarding NRC's impacts on neighborhoods. Another study, "Estimating the Economic Benefits of NeighborWorks Homebuyer Programs, estimates a variety of benefits for families becoming homeowners, helping families mantain homeownership, and benefits from the contruction activity. Several others have focused on aspects such as their multi-family extremely low income pilot program and NRC grantmaking.

PART Performance Measurements

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	60%	

Measure: Total direct investments made by NeighborWork Organizations (in millions of dollars)

Additional Information: Measures the direct investment made in low-income communities by 225 NeighborWorks Organizations, which are supported by NRC's network and capital grants.

Year	Target	Actual	**Measure Term:** Annual
2003	1934	1908	
2004	2211	2209	
2005	2260		
2006	2300		

Measure: Number of homeownership units constructed

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2003	14475	13421	
2004	15900	14643	
2005	16150		
2006	14670		

Measure: Single-family rehabilitation and other units

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2002	4550	4203	
2003	5040	5214	

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:
Type(s): Block/Formula Grant

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	60%	

2004	5540
2005	5600

Measure: Total number of professional training certificates awarded

Additional Information:

Year	Target	Actual
2002		
2003		
2004	6000	
2005	6100	

Measure Term: Annual

Measure: Total individuals provided with homeownership counseling

Additional Information: Both pre- and post-purchase counseling is provided

Year	Target	Actual
2003	78000	75561
2004	84000	90111
2005	86000	
2006	85000	

Measure Term: Annual

PART Performance Measurements

Program: Neighborhood Reinvestment Corporation
Agency: Neighborhood Reinvestment Corporation
Bureau:

Section Scores				Rating
1	2	3	4	Moderately Effective
80%	88%	100%	60%	

Type(s): Block/Formula Grant

Measure: Cost per homeownership unit produced

Additional Information: NRC capital grant expenditures per units produced.

Year	Target	Actual	**Measure Term:** Annual
2003		1733	
2004	1683		

Measure: Community Development Index

Additional Information: Index will combine indicators such as perception of the neighborhood; data on mortgage lending and homeownership; and crime data.

Year	Target	Actual	**Measure Term:** Long-term

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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

Explanation: The U.S. Nuclear Regulatory Commission (NRC) and 33 Agreement States (AS) regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, to promote the common defense and security, and to protect the environment. To support the NRC's mission, the Nuclear Materials Users Licensing and Inspection program (hereafter referred to as the materials program) ensures applicants for licenses can and will control safety and national security related risks to acceptable levels, verifies licensee performance in accordance with the regulatory requirements, and takes rulemaking and enforcement actions as necessary to enable mission outcomes.

Evidence: The Atomic Energy Act of 1954, Energy Reorganization Act of 1974, Section 204; NRC FY 2003 Performance & Accountability Report, p. 4 & pp. 42-44. "Statements of Principles and Policy for the Agreement State Program," 62 FR 46517-25. Manual Chapter (MC) 2800, "Materials Inspection Program." 'Consolidated Guidance About Materials Licenses,' NUREG-1556, Vol. 1-20; 10 CFR Parts 20, 30-36, 39, 40, 70, 71, and 150 and equivalent AS regulations and licensing and inspection guidance. NUREG-BR-0053 Rev. 5 Regulations Handbook, March 2001.

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

Explanation: The materials program regulates all of the Nation's non-defense related use of byproduct, source, and special nuclear materials in medical, academic, and industrial applications (~20,000 specific and 150,000 general licensees in 2004). Its licensing program is designed to issue licenses to receive title to, own, acquire, deliver, receive, possess, use, and transfer these materials. It verifies that licensees can safely use byproduct, source, and special nuclear materials prior to taking possession and starting operations. The inspection program's purpose is to obtain objective information that will permit NRC and AS to assess whether licensees are handling materials safely, and that licensee activities do not pose undue safety and safeguards risks.

Evidence: The Atomic Energy Act of 1954, NRC Inspection Manual, Manual Chapter 2800, 'Materials Inspection Program,' 11/25/03; and equivalent AS procedures.

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: NRC regulates materials licensees in 17 non-Agreement States. Thirty-three States have entered into Agreements with NRC whereby they assume responsibility to regulate, issue licenses and conduct inspections within their borders. NRC maintains regulatory authority over certain activities in AS and oversees AS to ensure the overall national materials program is free of conflicts, duplication, or gaps. The NRC has memoranda of understanding with the U. S. Environmental Protection Agency (EPA), Department of Transportation (DOT), Department of Energy (DOE), Food and Drug Administration (FDA) and Occupational Safety and Health Administration (OSHA) to ensure that there are no duplicative efforts for the materials licensees that we regulate.

Evidence: Thirty-three State Agreements (e.g., SECY-03-0096, 6/6/03,"Section 274b Agreement with the State of Wisconsin"). 10 CFR Part 150. Memorandum of Understanding (MOU) between the US Environmental Protection Agency (EPA) and the NRC; Consultation and Finality on Decommissioning and Decontamination of Contaminated Sites, 67FR 65375. "Transportation of Radioactive Materials; Memorandum of Understanding" 44 FR 38690; NRC - SECY-92-165, SECY - 02-0146, and the Atomic Energy Act of 1954. MOU with OSHA, SA-700 and Management Directives (MD) 5.6, 5.8, and 5.9.

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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: Numerous internal and external program audits have shown no major design flaws limiting effectiveness or efficiency. (ALSO SEE Q2.6, Q3.4, Q 4.5) Effectiveness is demonstrated through success against NRC Strategic and Performance goals. Rigorous training and qualification programs ensure that license reviewers and inspectors are qualified. Efficiency is demonstrated through continued operation within budget constraints, mindful of the program's cost to taxpayers and licensees' fees. Each of the program's rulemaking actions includes a regulatory analysis that evaluates the cost/benefit of the proposed action. The program is continuing to focus efforts and resources on the most risk-significant regulatory activities. The program's Operating Plans track work and resolve expenditures and help ensure efficiency and effectiveness.

Evidence: NUREG-1100, Volume 20, Performance Budget, Fiscal Year 2005, 'Green Book' (primarily pages 59-82), and Appendix IX. FY2004 1st Quarter Leadership Operating Plan, Nuclear Materials Safety Arena (see cost metrics on page 5. Inspection Manual Chapter 1246. SECY-00-0048, Nuclear Byproduct Material Risk Review, dated 2/24/00. NUREG-BR-0058, Rev. 3. "Regulatory Analysis Guidelines of the USNRC"; OIG report, "Inspector General's Assessment of the Most Serious Management Challenges Facing NRC (OIG-04-A-01) dated 11/5/03. Other effectiveness and efficiency report citations appear in Evidence for 2.6, 3.4, 4.5.

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 program enables and ensures that licensees use radioactive material in a safe and secure manner. This protects public health and safety and the environment and allows licensees to conduct business with significant societal benefits. The program uses a Planning, Budgeting, Performance Management budget approach, with assumptions made about key internal and external factors that might influence the program's resource allocation. All new and ongoing projects are prioritized annually based on contributions to the NRC's strategic goals. Work that cannot demonstrate direct links to the goals is eliminated in favor of higher-priority projects. The Operating Plans are the performance management tools used to evaluate success and inform the next planning cycle.

Evidence: NUREG-1100, Volume 20, Performance Budget, Fiscal Year 2005 (primarily pages 59-82). 2/04. FY 2004 1st Quarter Leadership Operating Plan, Nuclear Materials Safety Arena. Memo dated 4/16/03 illustrates prioritization methodology used in FY 2005 budget.

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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: Three long-term measures are used (Items 1, 3 & 4 in the Measures section) to define the ultimate safety and security outcomes for the program. These measures accurately reflect the primary purpose of the program as stated in 1.1. Program activities, outputs, and annual measures are all designed to position the program for success relative to its long-term objectives (i.e., to minimize the risk of breaching one of the long-term targets). The long-term measures are essential to program success for nuclear materials since they establish a zero-tolerance threshold for significant adverse events. Any such outcomes, or near misses such as abnormal occurances (AO's), would lead to immediate review of the causes of the event, and evaluation of what program changes would be required to prevent recurrence. AO's are events or accidents involving a major reduction in the degree of protection of public health and safety, are reported to Congress in compliance with Acts enacted in 1974 and 1995. Long-term measures (set at zero adverse events) are linked to the annual measures (set at lower thresholds to target key precursor events that the program can influence). Data are collected on these measures each month, and quarterly meetings are held to determine if program changes are needed to ensure both long-term and annual success. The program's performance measures are in the process of being updated to support the revised Strategic Plan for 2004-2009. As part of this effort, new annual and long-term programmatic measures will also be developed (e.g., potential changes to reduce the number of events by 2009).

Evidence: 'U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005,' NUREG-1614, Volume 2, pp. 11 and 12; and 'Performance Budget, Fiscal Year 2005,' NUREG-1100, Vol. 20, pp. 60-63; 'Strategic Plan, Fiscal Year 1997 - Fiscal Year 2002,' September 1997, NUREG-1614, Vol. 1; 'Draft U.S. Nuclear Regulatory Commission FY 2004-2009 Strategic Plan, NUREG-1614, Vol.3,' 68 FR 65968-9; COMSECY-04-0009, March 16, 2004, Key Planning Assumptions and Performance Measures for the FY2005-FY2006 Budget (confidential/pre-decisional document). OMB White Paper "Performance Measurment Challenges and Strategies," June 18, 2003, p. 11. Section 208 of the Energy Reorganization Act of 1974 and the Federal Reports and Sunset Act of 1995. NRC Management Directive 8.1, 'Abnormal Occurrence Reporting Procedure.'

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 11%

Explanation: The targets for the long-term measures, set at zeros, are extremely challenging and are intended to focus NRC programs on preventing the most significant adverse outcomes relative to its safety and security mission. These targets are set against a regulatory environment that is becoming more challenging due to the variety and complexity of technologies that use nuclear materials, the increasing volume and complexity of work and constant-to-declining resources for the program over the next several years. Historically, the licensing actions show continual increases, even as much as 20% increase in one of the last five years. The program is continually challenged to absorb the increasing complexity and volume of work, such as the introduction and deployment of new technologies, while ensuring that the risk of breeching the long-term measures remains acceptably low. Even with these challenges, the materials program has demonstrated a good uncontested safety record.

Evidence: 'NRC Strategic Plan, Fiscal Year 2000-2005,' NUREG-1614, Volume 2, p. 12; 'NRC Performance and Accountability Report, Fiscal Year 1999', NUREG-1542, Vol. 5, p. 10; Performance Budget, FY 2004 & 2005, NUREG-1100, Vol. 19 (p.71 & 87, Endnotes 29-32), Vol. 20 (pp. 63-64); Div. of Industrial and Medical Nuclear Safety FY 2004 Operating Plan and Performance Budget, FY 2005; Commission memorandum, 7/19/03, "Update to the Planning, Budgeting and Performance Management Process (PBPM);" FY 2003 Leadership Level Operating Plan, 1st Quarter, Nuclear Materials Safety Arena (memorandum from Melvyn Leach to William Dean, 11/21/03, ML033250555; Plan: ML033250473); FY 2004 Leadership Operating Plan, 1st Quarter, Nuclear Materials Safety Arena (memorandum from Melvyn Leach to William Dean, 2/11/04, ML040420432; Plan: ML040420019).

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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: Five annual measures with quantitative non-zero values (Items 2, 5, 6, 7 & 8 in Measures) are essential links to the long-term goals, and to lower-level (operational) implementing activities. These annual measures are designed to monitor trends and identify critical precursor events of lower safety significance, but of higher probability, over which the program can have a direct influence. These are valuable in terms of day-to-day program management since they can indicate weaknesses that need to be immediately addressed. The annual measures, if met, are designed to position the program for success in meeting its long-term safety and security goals (i.e., provide confidence that the risk of breaching one of the long-term measures remains acceptably low). One other measure (Item 9 in Measures) was added in response to current events to ensure security of radioactive material. Programmatic activities are designed and adjusted, as needed, to achieve the annual measures. The program analyzes the Nuclear Materials Events Database (NMED) every day, and calls its regions each morning to evaluate current events, monitor trends, and determine if immediate or longer-term actions are required by the program or its licensees. The measures are tracked in the operating plan and are reviewed quarterly to indicate whether the program is achieving its annual and long-term goals, and they serve as an interim performance measurement tool. In addition to measures specific to radiation safety, the program has quantitative measures to ensure program effectiveness, efficiency, and timeliness (e.g., Item 10 in Measures).

Evidence: 'U.S. NRC Strategic Plan, FY2000-05,' NUREG-1614, Vol.2, p.15; and 'Performance Budget, FY 2005,' NUREG-1100, Vol.20, pp 63-68 and 73-74; Div. of Industrial and Medical Nuclear Safety FY04 Operating Plan (updated quarterly); FY03 Leadership Level Operating Plan, 4th Quarter (memorandum from M. Leach to W. Dean, 11/21/03, ML033250555; Plan: ML033250473); FY 2004 Leadership Operating Plan, 1st Quarter (memorandum from M. Leach to W. Dean, 2/11/04, ML040420432; Plan: ML040420019); Nuclear Materials Events Database (NMED, http://nmed.inel.gov/); Policy and Procedures Letter (P&PL) 1-57 (trending using NMED data), ML020170155; March 2004 report on Materials Licensing, Inspection, and Events, SECY-04-0064, Annual Report to the Commission on Performance in Materials and Waste Arenas.

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight 11%

Explanation: The program has had ambitious annual targets since 1997. Annual targets focus on events over which the program has direct influence that are more likely to occur than events associated with the long-term goals. For example, several million medical procedures occur each year using radioactive material, so even a small percentage of adverse outcomes will result in a measurable level of events. The current target of 45 or fewer medical events is very challenging given the increasing volume and complexity of medical procedures (see Question 2.2), and is designed to provide confidence that the risk of breaching higher-level goals (e.g., deaths from acute exposures) remains acceptably low. Targets for each annual measure are based on analyses of historical data, and have generally decreased over time. Data for the annual targets are collected in NMED, enabling the program to set an adequate baseline for each measure. Existing targets are ambitious, challenging and appropriate given the consequence of the events being measured. The measures and metrics for these targets are continually evaluated to determine whether they are meaningful, and whether the measures are sufficiently ambitious. The program also established color-coded implementation tools to trigger preventive action well before the targets are reached or exceeded (i.e., the 'yellow' zones, in the operating plan).

Evidence: 'U.S. NRC Strategic Plan, Fiscal Year 2000-Fiscal Year 2005,' NUREG-1614, Volume 2; 'Performance Budget, Fiscal Year 2005,' NUREG-1100, Vol. 20, Nuclear Materials Safety Arena; Division of Industrial and Medical Nuclear Safety FY 2004 Operating Plan (updated quarterly); Information Notice 2003-09, 7/19/03, "Source Positioning Errors...Intravascular Brachytherapy;" NRC FY 2003 Performance & Accountability Report, p. 47; Information Notice 2003-21, 11/24/03, "High-Dose Rate Remote Equipment Failure;" Information Notice 2004-003, "Radiation Exposure to Members of the Public...;" http://www.nrc.gov/materials/miau/mat-toolkits.html (see Guidance section); Office of NMSS Corporate (Management and Support) Strategies FY 2004 Operational Operating Plan - 1st QTR Update; Nuclear Materials Events Database (NMED, http://nmed.inel.gov/): Quarterly Reports; Policy and Procedures Letter (P&PL) 1-80 (data verification in NMED), ML032380589; P&PL 1-57 (trending using NMED data), ML020170155; STP Procedure SA-300 (State input to NMED).

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 NRC co-regulates nuclear materials users with the AS and count their licensee events in the NRC's performance targets. Achieving the NRC's strategic goals requires the collective efforts of the NRC (includes both Headquarters and the Regional Offices), the AS, other partners as delineated below, and the licensees. NRC and the AS share the same data base (NMED) to achieve the national safety goals. NRC contractors are monitored in accordance with procedures that are aligned with our long-term goals by formally qualified project managers. The program maintains continual communication with the licensees and the AS through a number of channels such as the NMSS Licensee Newsletter, issued quarterly, and with generic communications.

Evidence: "Statement of Principles and Policy for the Agreement State Program," 62 FR 46517-25; STP Procedure: Processing an Agreement - SA-700, 4/2/01; STP Procedures SA-300 "Reporting Material Events, 5/23/01; NRC MD 5.6 and 5.9, 11.7 and 11.8; MC 1007; NRC-SECY-03-0096, 6/6/03, "Section 274b Agreement with the State of Wisconsin;" Nuclear Materials Events Database (NMED, http://nmed.inel.gov/); Contract management training: http://www.internal.nrc.gov/ADM/DCPM; NMSS Policy and Procedures Letter 1-36 (ML031780929); NMSS Licensee Newsletter, NUREG/BR-0177, No. 03-4, Dec. 2003.

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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: 1. Formalized, periodic Integrated Materials Performance Evaluation Program (IMPEP) assessments, conducted by teams of NRC and AS staff, evaluate the NRC and the AS programs to ensure adequacy and consistency in the Nation's materials safety program to protect health and safety. Teams are independent, staffed by qualified reviewers selected from outside the program being audited. The OAS, a separate, independent, non-profit organization, performs a key staffing role by coordinating AS personnel participation on IMPEP reviews. AS managers also help ensure objectivity in the review process by participating on the IMPEP Management Review Board. A GAO survey found the IMPEP program 100% adequate to assess the effectiveness of a regulatory program. 2. GAO evaluated the program's oversight of sealed sources; NRC is taking steps to resolve recommendations. 3. NRC's IG had an independent contractor survey NRC's workforce to measure the safety culture and compare with government and national benchmarks. IG found significant progress as compared to a similar survey in 1998. NRC scores exceeded national benchmarks. 4. The NRC contracted a risk study of the use of radioactive materials by the materials program. The analysis included a study of regulations already in place. In several uses, the analysis showed that the regulations helped lower the risk level, such as with gamma irradiators. 5. A 2003 internal audit identified training and procedural issues that the NRC also resolved. 6. NRC conducted a self-assessment review of the Event Reporting System; the recommendations are scheduled for implementation.

Evidence: STP Procedure Approval: Processing an Agreement - SA-700, April 2, 2001; NRC MD 5.6; NRC/STP Procedures SA-101 through SA'900 (available on NRC web-site); "Reviews of Agreement State and NRC Regional Programs" at NRC web site (e.g. Headquartes audit, 1/30/02); GAO Report 'Federal and State Action Needed to Improve Security of Sealed Radioactive Sources,' Aug. 2003, GAO-03-804 (p. 87); letter from Chairman Diaz to U.S. Representative Thomas Davis, 2/4/04; "Technical Quality of the Division of Industrial and Medical Nuclear Safety Product - Exempt Distribution Licensing," memorandum from T. Carter to C. Miller, 8/28/03; "IMNS Audit Results, MSIB, Section A, Responses on Recommendations to Address Identified Weaknesses", e-mail from M. Bailey to C. Miller, 10/2/03; "Technical Quality of NMSS Products", internal audit procedure, 12/11/02. http://www.internal.nrc.gov/safety-culture. NUREG/CR-6642, Vols. 1-3, "Risk Analysis and Evaluation of Regulatory Options for Nuclear Byproduct Material Systems, 2/2000. "Event Reporting Self-Assessment," 3/22/04, ML041600705.

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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 Materials Program budget is explicitly linked to accomplishment of the agency and program performance goals. The program uses a prioritization process to rank each activity's contributions to agency strategic and performance goals in making budget decisions. Annual goals are linked directly to the agency's long term goals. Program activities and the associated budget are designed to accomplish those annual and long-term goals. This process is to be made more transparent in the FY 2006 budget formulation cycle. The Operating Plans are structured in accordance with strategic goals and are used to monitor performance and make necessary adjustments. These are described in the NRC's Planning, Budgeting and Performance Management (PBPM) process. The methodology for allocating infrastructure and supports costs is consistent with the methodology used to prepare NRC financial statements.

Evidence: 'U.S. Nuclear Regulatory Commission Strategic Plan, Fiscal Year 2000-Fiscal Year 2005,' NUREG-1614, Volume 2; and 'Performance Budget, Fiscal Year 2005,' NUREG-1100, Vol. 20, and Memorandum to the Program Review Committee, "Prioritized Listing of Program Office Activities by Arena for FY2004 and FY2005 Budgets," dated April 16, 2003. The Nuclear Materials Safety Arena Division of Industrial and Medical Nuclear Safety FY 2004 Operating Plan. GAO Report, 'Efforts to Strengthen the Link Between Resources and Results at the Nuclear Regulatory Commission,' December 2002. Commission memorandum, dated July 19, 2003, "Update to the Planning, Budgeting and Performance Management Process (PBPM)." Prioritized list of activities in support of the FY 2006 budget request (prepared by NMSS/PMDA, February 2004); Prioritized list of activities in support of the FY 2005 budget request (prepared by NMSS/PMDA, February 2003)

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

Answer: YES Question Weight 11%

Explanation: NRC's updated Strategic Plan, now under final Commission review, includes new goals for Security, Effectiveness & Efficiency, and Management Excellence, which incorporates the five items of the President's Management Agenda. The new Management Excellence goal provides additional visibility and accountability for the Agency's support organizations and the role they play in ensuring programmatic success. The new Plan responds to significant external factors that have arisen since issuance of the previous Strategic Plan. The Plan also specifically outlines strategies and means to improve budget and performance integration. The formalized and systematic prioritization process links activities with their contributions to attaining long-term goals. Performance measures being developed to reflect the new Strategic Plan are fewer in number and are more refined and streamlined to better reflect program contributions to the NRC's strategic goals. These measures are evaluated annually through the validation and verification process.

Evidence: 'U.S. Nuclear Regulatory Commission Strategic Plan, FY 2004-2009,' NUREG-1614, Volume 3; and 'Performance Budget, Fiscal Year 2005,' NUREG-1100, Vol. 20, and NRC Report, Fiscal Year 2003. 'Key Planning Assumptions and Performance Measures for the FY 2005- FY 2006 Budget,' COMSECY-04-0009, March 16, 2004.

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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: Before a proposed rule is developed, a rulemaking plan (RP) is prepared for Commission approval. It is not required by the APA, but is used to describe the regulatory issue, analyze options, identify resource impacts, and how the rule would support achievement of the program's strategic goals. It provides opportunity for early input on the proposed regulatory change. The program works cooperatively with AS in developing the RP, as well as in developing regulations or guidance. The public and interested stakeholders have at least one opportunity to comment on proposed regulatory actions. The Statements of Consideration for each proposed and final rule provide a background and summary of the regulatory action and include a discussion as to why the program is taking the regulatory action.

Evidence: Administrative Procedures Act of 1946. MD 6.3, The Rulemaking Process. NUREG/BR-0053, Rev. 5, NRC Regulations Handbook, March 2001. NMSS Policy and Procedures Letter 1-63. NUREG-BR-0058, Revision 3, Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, Final Report, July 2000. SECY-01-0072 (distribution of source material). Denial to Petition for Rulemaking, PRM-34-5, 68 FR 41757. Part 71: SECY-01-0035 and 67 FR 21390 (proposed rule) and SECY-03-0141 and 69 FR 3698 (final rule). SECY-03-0068 and 10/9/03 SRM (Interagency Jurisdictional Working Group). Control of the Disposition of Solid Materials: various SECYs, i.e. SECY-02-0133, SECY-00-0070.

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 program has several mechanisms for evaluating performance. It updates its operating plan quarterly with licensee performance data, including reported events, and uses that information to adjust priorities, focus resources and determine which areas need specific management attention. The program collects and evaluates event information from all NRC and Agreement State licensees via our Nuclear Materials Events Database (NMED) system. It implements a systematic inspection program to evaluate licensee performance, and based on poor performance reduce the inspection interval.

Evidence: Reporting requirements in 10 CFR Parts 20, 21, 30, 40 and 70. SECY-02-0216 "...Significant Nuclear Materials Issues and Adverse Licensee Performance" 12/11/02. NRC MD 8.14 "Agency Action Review Meeting" 5/7/02. MD 5.6, SA-300, SA-700 and Manual Chapter 2800. NMED, http://nmed.inel.gov/: Quarterly Reports (trending analysis,; Policy and Procedures Letter 1-80 (data verification in NMED) ML032380589; P&PL 1-57 (trending using NMED data) ML020170155; SA-300 State input to NMED.

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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: Managers implement specific tasks in support of the Strategic Plan and Operating Plan, including cost schedules and results. SES contracts and performance standards are used, in part, to determine promotions and awards. The SES program in FY 2004 links individual goals more closely to NRC goals. AS commit to administer adequate and compatible programs, and their performance is evaluated through the IMPEP process. The NRC does not establish costs or targets, except for inspection schedules, for its partners. AS must also adopt regulations that are compatible with NRC's to eliminate potential for conflicts, duplications or gaps in the nationwide program.

Evidence: 7/15/03 Paul Bird memo on FY2004 SES Performance Plans. NRC Form 351, FY 2004 SES Performance Plan and Appraisal, dated 12/2003. MD 5.6, SA-700 and MC 2800. NRC-SECY-03-0096, 6/6/03, "Section 274b Agreement with the State of Wisconsin." MD 5.6 and 5.9 and SA-200, "Compatibility Categories...," 2/6/01 and SA-201, "Review of State Regulations," 6/19/03.

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

Answer: YES Question Weight: 9%

Explanation: NRC agency systems for budget execution and the administrative control of funds comply with the requirements set forth in OMB circulars, the Antideficiency Act, the Impoundment Control Act of 1974, Chief Financial Officers Act of 1990, etc. Agency policies and procedures are documented in NRC MD, Volume 4 'Financial Management'. NRC monitors commitments, obligations, and expenditures on a monthly basis and reports findings in monthly and quarterly reports in the Budget Execution Reports. Contract funds are tracked at the project manager, Division and Office level. The program has specific targets for funding to be committed, obligated, and expended each quarter. Through rigorous oversight and accountability, it limits carryover (unobligated funds) at the end of each year.

Evidence: NRC MD, Manual Chapter 4.2 'Administrative Control of Funds'; Budget and Reporting Number Structure Guide; Regulatory Information Tracking System (RITS) Users Guide; Acquisition Certification and Training program for project managers, technical monitors, and all personnel who are part of the acquisition process as defined in the May 2000 memorandum to Office Directors and Regional Administrators from the Executive Director for Operations, IMNS Monthly Contract Reports, OCFO Budget Execution Reports (prepared monthly and quarterly).

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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 program has conducted numerous process reviews to achieve efficiencies within the materials program. The Business Process Review of inspection activities resulted in: 1) a reduction in the number of inspections required for low-risk licensees, and 2) a more efficient unit cost (labor rate) for each inspection. These changes saved over 6 FTE per year as compared to FY 2000. A BPI of the sealed source and device review function was conducted in 2003, and a second review is planned for FY 2005, in anticipation of similar efficiencies. Next, NRC intends to improve efficiency through web-based licensing. Each SES member has a contract element tracking performance in effectively managing human and financial capital. Annual review, analysis and updating of the NRC's fee structure provides other mechanisms for ensuring cost efficiency. Licensees and other stakeholders have opportunities to comment on the draft fee rule each year, prior to final rule publication. This provides external feedback that also encourages efficiency.

Evidence: Revised Inspection Manual Chapter 2800 slide show, entitled "National Materials Program Pilot Project 5", Chair, Thomas Young. "NRC Form 351-Senior Executive Service Performance Plan and Appraisal" 12/03, page 6. 10CFR Parts 170 & 171, Revisions of Fee Schedules, Final Rule for FY 2003 (68 FR 26714), 6/18/03.. NMSS Licensing Business Process Improvement, Industrial and Medical Nuclear Safety, Management Briefing, 12/1/03. IMNS BPI Opportunities for Improvement, Quick Hit, 12/1/03

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 9%

Explanation: The NRC co-regulates materials licensees in collaboration with AS, and work with EPA, DOT and OSHA to ensure the safety of the public, workers, and the environment. The NRC has MOUs with EPA, DOT and OSHA to ensure that there are no duplicative efforts for the materials licensees that we regulate, and to point out to one another possible problems that fall into each other's purview. AS commit to adequate and compatible programs and their performance is routinely evaluated through the IMPEP process to ensure they continue to administer programs adequate to protect public health and safety and compatible with NRC's program.

Evidence: MOU with EPA and NRC; Consultation and Finality on Decommissioning and Decontamination of Contaminated Sites," 67 FR 65375; "Transportation of Radioactive Materials; MOU " 44 FR 38690; NRC-SECY-92-165, SECY-02-0146, "Fee Recovery for Fiscal Year 2003; Atomic Energy Act of 1954. MOU with OSHA, SA-700 and MD 5.6. Individual IMPEP reports (e.g., Louisiana). NUREG-1100,Vol. 20,Appendix IX, "Cross-Cutting Functions" (pgs. 236-248).

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 9%

Explanation: NRC financial management practices governing control of funds and resource allocation are codified in Management Directive 4.2 and are fully implemented by the nuclear materials users licensing and inspection program. The adequacy of these practices is reflected in the fact that NRC's financial statements have earned unqualified opinions for ten consecutive years, with no material weaknesses found in the FY 2003 audit. On-time payments improved from 87% in FY 2002 to 94% in FY 2003. The rate of improper payments at 0.5% of transactions and 0.1% of total funds is well within CFO Act and OMB criteria for low risk. NRC offers a financial management training seminar to staff twice a year on Administrative Control of Funds and Financial Management.

Evidence: NRC's Performance and Accountability Report for FY 2003, NRC OIG: 'Audit of the Nuclear Regulatory Commission's FY 2003 Financial Statements,' (OIG-04-A-03), Monthly Budget Execution Reports (BER), Quarterly review of BER by top Agency management, NRC Management Directive 4.2, 'Administrative Control of Funds;' NRC Administrative Control of Funds and Financial Management Seminars.

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 9%

Explanation: NRC or AS program deficiencies may be identified from IMPEP reviews, or OIG reports. IMPEP has specific procedures to effect performance improvements when needed. Corrective actions are tracked and effectiveness is evaluated in follow-up IMPEPs, or in the program's color-coded Operating Plan. No management deficiencies have been identified in the program recently, but NMSS strives for continuous improvement and has taken a number of self-initiated actions, including: 1) 10/03 reorganization consolidating all of NRC's Eastern regional activity in one Region; 2) a group to identify communication weaknesses and develop more successful strategies; 3) meetings within NMSS to share the Director's visions and values for the Office.

Evidence: 11/5/03, H. Bell memo, "Inspector General's Assessment of the Most Serious Management Challenges Facing NRC". FY 2003 Leadership Operating Plan 4th Quarter, Nuclear Materials Safety Arena (ML 022350555; ML 033250473.) NRC MD 5.6, provides IMPEP guidance, procedures and criteria. Attachment to COMSECY-02-0030, on the 10/03 Fuel Cycle and Materials Consolidation. 2/17/04 Communications WG Charter: Placard for NMSS Values, dated 1/9/02.

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: The NRC seeks involvement in many ways early in the rulemaking process. It coordinates early and closely with its co-regulator partners, the AS. It seeks early involvement from ACMUI on medical regulations. It may publish an Advanced Notice of PR or an Issues Paper in the Federal Register to obtain comments on regulatory actions under consideration. All PRs are published for comment. The program often holds multiple meetings/workshops at locations convenient to stakeholders, under an enhanced participatory rulemaking process, to address technical issues under consideration as in the case of its work on the Control of Disposition of Solid Materials. The program interacts with other organizations, such as CRCPD/OAS, EPA, OSHA, and DOE, often with representatives participating on its working groups. All final rules include a detailed comment analysis. Please also see response to 2.RG1.

Evidence: Part 2, Section 2.805. "US Nuclear Regulatory Commission Strategic Plan, FY 2000 - FY 2005"-NUREG 1614, Vol. 3. MD 6.3, The Rulemaking Process. NUREG/BR-0053, Rev. 5, NRC Regulations Handbook. ACMUI Meeting Summaries. Part 71: SECY-03-0141, 69 FR 3698, 65 FR 44360. Part 35: Final Rule - 67 FR 20250; Appendix BB to NUREG-1556, Vol. 9; SECY-03-0145 and SRM dated 10/9/03. Control of the Disposition of Solid Materials: 68 FR 9595; SECY-00-0070 and 8/18/00 SRM; NUREG/CR-6682; Issues Paper, 64 FR 35090, 6/30/1999. SECY-03-0092, 6/5/2003 (portable gauge PR). Public meeting notices and Public Feedback Forms for Interagency Jurisdictional Working Group and Control of the Disposition of Solid Materials

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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: NRC is covered by the SBREFA and the Regulatory Flexibility Act and is in full compliance with their requirements on applicable rulemakings. For example, the final Fee Rule for FY 2003 contains a Regulatory Flexibility Analyses and a SBREFA determination. The Fee Rule for FY 2004 will also address these requirements. As an independent agency, NRC is not bound by the Unfunded Mandate Reform Act, or for the most part, by Executive Order 12866. The one exception is the requirement in the Executive Order to regularly post the overall agency regulatory agenda, which the NRC does in full compliance with the order.

Evidence: 68 FR 36714, 6/18/2003,10 CFR Parts 170 and 171 Revision of Fee Schedules; Fee Recovery for FY 2003; Final Rule. NUREG/BR-0053, Rev. 5, NRC Regulations Handbook, March 2001. SECY-03-0092 (portable gauge proposed rule). Part 2, 69 FR 2182, 1/14/2004. Part 35 Final Rule, 67 FR 20250, 4/24/2002. NUREG-0936, Vol. 22, No. 2, July - Dec. 2003 (Regulatory Agenda)

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 Materials Program (MP) participates in an interoffice Rulemaking Coordinating Committee (RCC) that meets monthly. One purpose of the RCC is to ensure that rulemaking is conducted consistently across the agency. The RCC chartered an interoffice Task Force to perform a broad review of the NRC rulemaking process. The MP conducts internal reviews of its regulations. One review led it to revise Part 35 to focus regulations on medical procedures that pose the highest risk, in accordance with its overall movement to risk-informed regulation. This revision decreased regulatory burden. The program periodically reviews regulations for the exemptions in Parts 30 and 40 to ensure that the requirements are still justified and protect public health and safety. It reviews and approves proposed State regulations for adequacy and compatibility as well as reviews State regulations during IMPEP reviews. The program also has a process to accept and evaluate petitions for rulemaking to provide the public and other stakeholders a process and opportunity to seek greater regulatory effectiveness.

Evidence: RCC meeting minutes, i.e. 01/14/03, 10/07/03, 12/02/03. Supplement 1 to NUREG-0053, 07/02/02. Direct Final Rule procedure change to the Regulation Handbook. Rulemaking Process Improvement (RPI) Implementation Plan, May 16, 2003 (ML031360205). RPI Task Force Final Report to the Rulemaking Coordinating Committee, November 6, 2002, (ML023180108). SECY-03-0131 Part 35: FR 67 20250, April 24, 2002, final rule for Part 35, along with direct final rules. Consumer Products Policy. SECY 02-0196 and 11/17/03 SRM. SECY- 99-259 and 03/09/20 SRM. SECY-01-0072 and 06/05/03 SRM. SECY-03-0068 and 10/09/03 SRM. NUREG-1717, Systematic Radiological Assessment of Exemptions for Source and Byproduct Material. STP Procedure SA-201, Review of State Regulatory Requirements. State reviews dated 07/31/03 for LA, and and 10/31/03 for ME. IMPEP reports dated 03/03/04 for LA (p. 10) and 05/01/03 for FL (pages 2 and 11). 10 CFR Part 2, Section 2.802, Petition for rulemaking.

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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: For all rulemakings, NRC conducts Regulatory Analyses (RA) that include a cost/benefit analysis to determine whether proposed changes maximize benefits. Its RA guidance includes OMB guidance about selecting regulatory alternatives that gain the largest net value/benefit. Rulemaking plans always include an analysis of options, including rejection of an action, with an evaluation of pros and cons. However, not all benefits can be quantified and the protection of the public health and safety remains paramount among its goals and drives its decisions. NRC regulations provide for many alternatives for maintaining records, including electronic means. To be in compliance with the Government Paperwork Elimination Act, the program amended the rules to clarify when and how licensees and other members of the public may use electronic means to communicate with the Agency.

Evidence: Management Directive 6.3, The Rulemaking Process. NUREG/BR-0053, Rev. 5, NRC Regulations Handbook, March 2001. NUREG-BR-0058, Revision 3, Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, Final Report, July 2000. Part 35 final rule-67 FR 20250. Part 71-SECY-03-0141 (FR citation-69 FR 3698). SECY-00-0236 and 1/18/01 SRM (reporting requirements). 10 CFR Section 20.2110, Section 30.51(c)(1), and Section 34.87. Electronic Maintenance and Submission of Information, 68 FR 58792, effective 1/1/2004.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: YES Question Weight17%

Explanation: NRC, along with the AS, has met all of its long-term safety and security goals. The performance targets are evaluated and updated annually, if necessary. New security performance measures, now under final Commission review, reflect this evolution.

Evidence: NUREG-1100, Volume 20, Performance Budget, Fiscal Year 2005 (primarily pages 59-82). 02/04. Draft FY 2004-2009 Strategic Plan, draft 11/7/03. See Measures Tab for goals and performance data.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: YES Question Weight17%

Explanation: The materials program, which includes AS event information, has met all of its safety and security related annual performance goal measures since 2000. Systematic integration of performance into programmatic and resource decisions occurs routinely and is documented in the annual performance report as well as in the operating plan. The program identifed ways to continually improve: e.g., improving the performance measures; continuing to revise the targets values, on the basis of quantitative analysis of the results in preceding years and on the evaluation of the events reported in NMED; and implementing the recommendations of the IMPEP audits. In addition, operating plans are evaluated on a quarterly basis to monitor performance.

Evidence: U.S. Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2003, page 46; Performance Budget, Fiscal Year 2005, NUREG-1100, Vol. 20, page 63-64, Nuclear Materials Safety Arena; Division of Industrial and Medical Nuclear Safety FY 2004 Operating Plan.

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight 17%

Explanation: The program has quantitative output measures (e.g., Item 10 in Measures) to ensure program effectiveness, efficiency, and timeliness. Efficiencies have been planned and achieved in the materials program. In FY 2003, the staff revised Inspection Manual Chapter 2800, "Materials Inspection Program," to enhance risk-informed, relative priorities for routine inspections of all licensees and a program of special inspection activities. Concurrently, the Inspection Procedure 87100 series was revised to focus on the most risk-significant licensee activities. This saved 6 FTE per year (20% savings). NUREG-1556 provides a risk-informed, performance-based approach in licensing guidance and reduces the amount of information required to support license applications and renewals. Timeliness in reviewing licensing applications has also improved since 1999, from 94% to 97% resulting in savings to licensees.

Evidence: Manual Chapter 2800 p. 1 and p. 16, and background information. FY2003 Performance and Accountability Report, pp. 43-44. "Performance Budget, Fiscal Year 2005," NUREG-1100, Vol. 20, pp. 72-73. 'Consolidated Guidance About Materials Licenses,' NUREG-1556, Vol. 1-20. Inspection Procedure 87100 series.

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 17%

Explanation: The materials inspection and licensing program is designed to prevent adverse events in contrast to other programs (i.e., OSHA, EPA) where the inspections are conducted in response to adverse events. The program conducts regular, scheduled inspections of its licensees based on the risk of the activities they conduct. Similarly, it issues licenses for the use of radioactive materials based on the same risk criteria used to establish inspection frequency. The program actively involves AS in the development of regulations and guidance, and provide oversight through IMPEP. The materials program has outcome-based measures and efficiency and cost-effectiveness measures, and performs cost-benefit comparisons in its Regulatory Impact Analyses.

Evidence: Atomic Energy Act of 1954, Public Law 83-703 (68 Stat. 919). Energy Reorganization Act of 1974, Public Law 93-438 (H.R. 11510) (88 Stat. 1233). The US Nuclear Regulatory Commission Performance and Accountability Report, Fiscal Year 2002, page 46. Manual Chapter 2800 (inspection program), NUREG-1556 Series documents (license issuance guidance). OMB PART Program Summaries, FY 2005 Budget.

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

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 program conducts both external and internal program quality audits such as third-party IMPEP reviews, the 2003 internal audit of exempt distribution licensing, evaluations of our Byproduct Materials program, and a recent review of the NRC rulemaking process by an interoffice task force. It regulates the use of radioactive materials by program area, or type of materials used. The two largest program areas are medical (doctors, clinics, hospitals, medical centers,) and industrial (portable and fixed gauges, radiographers, well-loggers, et. al.). Program evaluations are conducted by areas and across the entire program. Program area-specific studies have included such evaluations as: the National Academy of Sciences review of the NRC's decision-making process for disposition of slightly radioactive solid materials; the risk analysis of rulemaking actions (see Question 2.6) where the results showed that the regulations in place helped lower the risk level, such as with gamma irradiators. The IMPEP reviews constitute program-wide evaluations and when areas of performance improvement are identified through IMPEP reviews, IMPEP procedures have been effective in improving performance.

Evidence: Region III IMPEP report dated 5/30/03 (ML031530134). Technical Quality Audit of Division of IMNS, Exempt Distribution Licensing, dated 8/28/03. Phase II, Byproduct Material Review, August 2001. RPI Task Force Report, ML023180108. RPI Final Report to RCC, 11/6/02 ML031360205. NUREG/CR-6642, Vols. 1-3, "Risk Analysis of Regulatory Options for Byproduct Material Systems," 2/2000, p 5-3 through 5-5. IMPEP review (3/03) focused on the materials, decommissioning and fuel cycle inspection and licensing programs in Region III."Final Report for the Integrated Materials Performance Evaluation Review of the NRC Sealed Source and Device Evaluation Program," memorandum from Carl Paperiello to Martin Virgilio, 1/30/02. The NAS June 2002 report, "The Disposition Dilemma: Controlling the Release of Solid Materials from Nuclear Regulatory Commission-Licensed Facilities."

4.RG1 Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?

Answer: YES

Question Weight 17%

Explanation: The Regulatory Analysis supporting every rulemaking action addresses the direct costs or savings to licensees, NRC, and State/local gov't agencies; non-radiation risk-related costs or savings to the general public; averted onsite impacts; and changes in regulatory efficiency or scientific knowledge needed for regulatory purposes. RAs in most cases show a net benefit for regulations for the use of radioactive materials regulated by the Materials Program, such as medical uses (Part 35), and transportation (Part 71). Otherwise, the program proceeds with rulemaking only when public health and safety or common defense and security will be degraded without it. In all aspects of rulemaking, public health and safety remains paramount among its goals and will drive its decisions.

Evidence: MD 6.3, The Rulemaking Process. NUREG/BR-0053, Rev. 5, NRC Regulations Handbook, March 2001; NUREG-BR-0058, Revision 3, Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, Final Report, July 2000. Strategic Plan, Fiscal Year 2000 - Fiscal Year 2005, p. ix. Part 35 final rule-67 FR 20250. Part 71-SECY-03-0141 (FR citation-69 FR 3698).

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)

Agency: Nuclear Regulatory Commission

Bureau:

Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

Measure: No deaths resulting from acute radiation exposures from civilian uses, including malevolent uses, of source, byproduct or SNM, or deaths from other hazardous materials used or produced from licensed material.

Additional Information: Safety Measure. SNM refers to special nuclear materials.

Year	Target	Actual
2002	0	0
2003	0	0
2004	0	0
2005	0	
2006	0	

Measure Term: Long-term

Measure: Percentage of licensing actions completed in timely manner.

Additional Information: Goal: 85% in 90 days for new applications, amendments. 180 days for license renewals. See NUREG-1100, Vol. 20, p. 73.

Year	Target	Actual
2002	80%	94%
2003	85%	97%
2004	85%	97%
2005	85%	
2006	85%	

Measure Term: Annual (Efficiency Measure)

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)

Agency: Nuclear Regulatory Commission

Bureau:

Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

Measure: No more than 6 events per year resulting in significant radiation or hazardous material exposures from the loss or use of source, byproduct, or special nuclear materials.

Additional Information: Safety Measure.

Year	Target	Actual
2002	<6	0
2003	<6	1
2004	<6	0
2005	<6	
2006	<6	

Measure Term: Annual

Measure: No events resulting in releases of radioactive material resulting from civilian uses, including malevolent uses, of source, byproduct, or special nuclear materials that cause an adverse impact on the environment.

Additional Information: Safety + Security Measure. Modified in FY 2002 to include malevolent uses. Change reflects the impact of 9/11/01 attacks on this measure.

Year	Target	Actual
2002	0	0
2003	0	0
2004	0	0
2005	0	
2006	0	

Measure Term: Long-term

PART Performance Measurements

Program: Nuclear Materials Users Licensing & Inspection (NMULI)

Agency: Nuclear Regulatory Commission

Bureau:

Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

Measure: No losses, thefts, or diversion of formula quantities of strategic SNM, radiological sabotage, or unauthorized enrichment of SNM regulated. by NRC.

Additional Information: Security Measure.

Year	Target	Actual
2002	0	0
2003	0	0
2004	0	0
2005	0	
2006	0	

Measure Term: Long-term

Measure: No more than 300 losses of control of licensed material per year.

Additional Information: Safety + Security Measure. See endnote 11, pg. 80 of NUREG-1100, Vol. 20.

Year	Target	Actual
2002	350	244
2003	300	272
2004	300	197
2005	300	
2006	300	

Measure Term: Annual

Measure: No more than 30 events per year resulting in radiation overexposures from radioactive materials that exceed applicable regulatory limits.

Additional Information: Safety Measure. See endnotes 14 and 15. pg. 80 of NUREG-1100, Volume 20.

Year	Target	Actual
2002	30	23

Measure Term: Annual

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

2003	30	16
2004	30	7
2005	30	
2006	30	

Measure: No more than 45 medical events per year.

Additional Information: Safety Measure. See endnote 17, pg. 80 of NUREG-1100, Volume 20.

Year	Target	Actual
2002	43	33
2003	45	33
2004	45	41
2005	45	
2006	45	

Measure Term: Annual

Measure: No more than 5 releases per year to the environment of radioactive material from operating facilities that exceed the regulatory limits.

Additional Information: Safety Measure. See endnote 18 , pg. 80 of NUREG-1100, Volume 20.

Year	Target	Actual
2002	6	0
2003	5	4
2004	5	0
2005	5	

Measure Term: Annual

Program: Nuclear Materials Users Licensing & Inspection (NMULI)
Agency: Nuclear Regulatory Commission
Bureau:

Section Scores				Rating
1	2	3	4	Effective
100%	89%	100%	89%	

Type(s): Regulatory Based

2006	5

Measure: No more than 5 substantiated cases per year of attempted malevolent use of source, byproduct, or SNM.

Additional Information: Security Measure. See endnote 20 of NUREG-1100, pg. 80 Volume 20.

Measure Term: Annual

Year	Target	Actual
2002	5	0
2003	5	0
2004	5	0
2005	5	
2006	5	

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

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

Explanation: The Federal Property and Administrative Services Act of 1949, other statutes, and Executive guidance direct the Administrator of General Services to provide for the effective management of most internal business processes in the federal government. These include acquisition of goods and services, asset management and disposal, as well as travel and transportation. GSA either delivers these services directly or, through its Office of Governmentwide Policy, promulgates the policies that GSA and the other Executive Branch agencies must follow.

Evidence: The Federal Property and Administrative Services Act of 1949, as amended; GSA Order ADM 5440.473, 12/20/95; GSA Order OHR P 5440.1; Executive Order 12866; Regulatory flexibility Act; Paperwork Reduction Act; Federal Advisory Committee Act, Clinger Cohen Act.

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

Explanation: The GAO, agency IG, and other evaluators are constantly reporting on the Federal government's problems in carrying out various administrative activities, e.g., the recent GAO high risk designation for real property management. Each Administration also sponsors various management reform efforts to respond to these problems or to management priorities unique to that Administration, e.g., the current Presidential Management Initiative on Electronic Government. The OGP carries out policy and regulatory responsibilities assigned to the Administrator of General Services by Congress for many of the business practices subject to these reform initiatives. In addition, the OGP ensures regulatory systems conform to the requirements of Executive Order 12866 and OMB directives, monitors federal advisory committees for compliance with the 1972 Federal Advisory Committee Act, and carries out other responsibilities assigned under Executive Guidance.

Evidence: The Federal Property and Administrative Services Act of 1949, as amended; GSA Order ADM 5440.473, 12/20/95; GSA Order OHR P 5440.1; Executive Order 12866; Regulatory flexibility Act; Paperwork Reduction Act; Federal Advisory Committee Act; Clinger Cohen Act; Executive Order 13011 of July 16, 1996, Section 7; OMB letter dated 7/10/96 assigning GSA as lead in electronic commerce issues.

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: OGP was designed to play a unique policy development and support role for the administrative services under GSA's purview. OGP occasionally initiates and incubates operational activities that are similar to programs currently or usually run by one of the GSA Services, but its involvement is usually temporary until the operational activity can be assigned a permanent home. From time to time, OGP also goes beyond its authorities and perceived policy boundaries and overlaps other agencies' responsibilities, but this is usually a result of poor communications rather than design.

Evidence: The Federal Property and Administrative Services Act of 1949, as amended. GSA Order ADM 5440.473, 12/20/95. Executive Order 13011 of July 16, 1996, Section 7. OMB letter dated 7/10/96 assigning GSA as lead in electronic commerce issues. OGP-piloted programs such as FedBizOps, Smart Cards, ACES, FirstGov, where OGP was initially the major driver, the operational responsibility has been transferred to FTS/FSS/OCS.

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

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: OGP is designated the organization within GSA responsible for planning, policy and evaluation functions for the acquisition, management and disposal of property, and certain other management activities. When OGP was created, it was intended that its policies would guide the behavior of all Executive Branch agencies, including, where appropriate, the services provided by the operational components of GSA both directly and through contracts. Since the creation of OGP, its intended role has not been well understood or accepted by the Services and its performance in affecting GSA's operational activities has been uneven, and sometimes less than expected.

Evidence: The Federal Property and Administrative Services Act of 1949, as amended; proposed Federal Property Reform legislation.

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: OGP management conducts strategic planning sessions to ensure program goals are aligned with the current environment and consistent with the Administration's agenda. OGP's continuous interaction with Congressional committees, OMB, governmentwide councils and interagency groups assures OGP's various programs address relevant issues and customers needs. Maintaining close alignment with OMB, OGP works with the GSA CFO in the budget formulation and budget execution process to ensure its resources are targeted to accomplish its strategic goals and priorities. In addition, OGP management holds quarterly performance reviews and weekly meetings to evaluate performance in meeting its program goals and performance targets.

Evidence: Annual Performance Plans; FY03 Performance and Accountability Report; list of interagency committees that OGP facilitates. Examples: Allocation of resources to Federal Acquisition Institute for development of training to improve competency of acquisition workforce; Section 508 Accessibility standards to improve IT accessibility for the disabled; Committee Management Secretariat "Desk Officers" approach to improve federal agency management of advisory committees.

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 11%

Explanation: The desired long-term outcome is that the government is better managed because of policies and other guidance developed by OGP. Although OGP has developed goals and measures for certain specific initiatives, it has not yet developed measures and targets for all of its areas of responsibility. Similarly, it has been unable to develop long-term measures that roll up to the overall OGP program level.

Evidence: FY 2005 Integrated Performance and Budget Plan. FY 2004 OGP performance measures in the GSA Performance Measurement Tool.

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

Explanation: OGP is working on developing long-term outcome measures that capture the performance expectations of its total portfolio of policy and regulatory responsibilities. Once these measures have been determined, realistic targets and timeframes will be established.

Evidence: N/A

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

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: 11%

Explanation: OGP's long-term goal reflects alignment with the Administration's management agenda and GSA's strategic goals. OGP has established annual performance measures and target for many of its programs to reflect progress and keep itself on track in achieving its long-term goal. However, not all of these program performance measures have been accepted by OMB. In addition, OGP has not developed a way of rolling up these measures into a limited number of annual measures that demonstrate OGP's overall progress in achieving its long-term goal.

Evidence: FY 2005 Integrated Performance and Budget Plan. FY 2004 OGP performance measures in the GSA Performance Measurement Tool.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight: 11%

Explanation: OGP has established realistic baselines and targets for most of its program-specific annual measures with the input of its customers and stakeholders. However, as noted in the previous answer, OGP has no way of rolling up these measures to support the small number of annual measures needed to assess OGP's overall performance. A No answer to question 2.3 requires a No answer here.

Evidence: FY 2005 Integrated Performance and Budget Plan. FY 2004 OGP performance measures in the GSA Performance Measurement Tool.

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: 11%

Explanation: Federal agencies are OGP's principle partners in the development of governmentwide policies and management information systems, and implementation of governmentwide performance measures. Although governmentwide performance measures exist for a few programs, e.g., real property, this is the exception rather than the norm. Even where there are measures, there are no associated targets, either overall or by agency. Much more work is required to expand the development of performance measures and targets across all OGP programs.

Evidence: List of agencies participating in reporting performance measures; agencies assisting in development of management information systems; agencies participating in eGov initiatives; MOUs/interagency agreements.

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	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: NO Question Weight:11%

Explanation: OGP has not had an independent evaluation of its overall program, much less arranged for such evaluations to be conducted on a regular basis. There have been GAO audits, IG reviews, and other external studies on certain high-visibility program areas in which OGP is involved. However, these reviews do not generally assess OGP's effectiveness with respect to those program areas, although recommendations from the audits/reviews may be useful in identifying corrective actions. It is also the nature of most of these reviews to identify problems with program execution, rather than praise programs for good performance. The Per Diem Advisory Board Report was one of the few external evaluations to comment on OGP's performance.

Evidence: GAO reports: GAO-03-122 High-Risk Series, Federal Real Property; GAO-03-144 Electronic Government, Progress in Promoting Adoption of Smart Card Technology; GAO-03-679 Telework Efforts; GAO-03-952 Electronic Government, Planned E-Authentication Gateway Faces Formidable Development Challenges; GAO-03-983 Contract Management; GAO-04-157 Information Security, Status of Federal Public Key Infrastructure Activities at Major Federal Departments and Agencies; GAO-04-286 Federal Mail Screening. (see list of GAO/IG reports)Independent studies: Utilization and Donation study; Per Diem Advisory Board 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:11%

Explanation: GSA's Performance Management Process has enabled a more focused approach in linking the annual budget to strategic goals and specific initiatives intended to help achieve those goals. OGP also works closely with the OMB and GSA CFO in the annual budget formulation process to ensure resource needs are formulated based on strategic assessments of the program functions and responsibilities. Budget documents display resources required for program execution and are aligned with performance goals and measures. When necessary, OGP reallocates existing resources or requests additonal funding for specific initiatives to meet performance targets. As OGP develops a way of rolling up its specific initiatives into a consolidate performance measure, it will also have to develop a way of assessing the impact of resource decisions on the accomplishment of OGP's consolidated performance targets.

Evidence: FY2004 Congressional Budget; FY2005 Integrated Performance/Budget Plan. Examples: In FY 2005 OGP will reprogram existing resources to support FAR case workload to meet performance targets for the measure "% of new FAR rules completed within 40 weeks". Additional resources will also be shifted to "Increase the number of Federal programs using effective web-enabled real property management systems".

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: NO Question Weight:11%

Explanation: OGP's major strategic planning deficiency is the lack of long-term outcome measures and targets and annual measures and targets that contribute to the long-term targets. Although there have been numerous strategic planning sessions, OGP is still struggling to come up with the appropriate outcome measures that cover the full extent of its responsibilities.

Evidence: FY2004 Performance Plan; FY2005 Integrated Performance/Budget Plan.

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

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: OGP's long-term goals are based on its statutory authority and related federal laws, executive orders and other Executive Branch guidance. These authorities are communicated to the networks of agency representatives who are affected by policymaking in our responsible areas. OGP follows the Administrative Procedures Act and other pertinent requirements in the issuance of all its regulations. In addition, OGP works closely and continuously with its customers and stakeholders to ensure the regulations are necessary, relevant, and timely, and are linked to the goal of improving Government management.

Evidence: The Federal Management Regulations address all major areas of real and personal property asset management; the Federal Travel Regulations address the transportation of government goods and personnel; The Federal Acquisition Regulation address government procurement and contracting issues. The purpose of each regulation and required analyses statements are identified in the preamble.

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: NO Question Weight: 9%

Explanation: OGP has numerous information systems for its program components that collect governmentwide information from agencies to satisfy statutory and/or internal reporting requirements. However, such systems are not in place for all OGP programs, nor do any of them include performance information. Actual performance data on many OGP activities is reviewed on a quarterly basis by OGP leadership and with the Administrator. Major variances are evaluated, with action plans developed to address deficiencies and resources reallocated to meet shifting priorities. As mentioned previously, however, OGP has no way to roll up its internal performance data to provide an overall assessment of its performance across all its program areas.

Evidence: Sample Internal Program Reviews (IPR); Quarterly Program Reviews (QPR); PMT performance measures; list of OGP data stores.

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: OGP has worked with customer agencies in the development of governmentwide performance metrics that are measurable and meaningful. However, these metrics have only been developed for very few OGP programs and no targets have been set for any metric. Without targets, there is nothing for which to hold agencies accountable. OGP managers are held accountable for their program performance through the annual performance evaluation process, where individual performance is tied to the GSA and OGP strategic goals.

Evidence: Governmentwide performance measures; SES performance agreements.

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 9%

Explanation: OGP works closely with the GSA CFO in developing its annual spending plan based on approved funding level. Based on annual spending plan, program components establish projected spending schedules and work closely with the CFO budget analysts to ensure all funds are obligated in a timely manner and for the intended purposes. OGP also conducts monthly fund status reviews, and meets with its Comptroller biweekly to ensure any funding issues are addressed in a timely manger. In addition to obligations by object class, OGP also reviews actual spending by major projects to ensure resources are targeted toward prioritized initiatives.

Evidence: GSA Annual Financial Statements.

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: 9%

Explanation: OGP meets with its Comptroller biweekly to review budget execution relative to its annual spending plan. However there is no efficiency measure that tracks OGP's performance as a whole and only a few of OGP's programs have efficiency measures. Recent enhancements to several OGP systems have brought improved effectiveness/efficiency, e.g., Excluded Parties List System, Worldwide Inventory for Real Property, but not in ways that contribute to overall efficiency targets. Competitive sourcing studies have been done for the Acquisition Policy office and have resulted in slight savings, but not for all of OGP.

Evidence: The FY04 efficiency measure '% of new FAR rules processed within 40 weeks' applies to one of the programs in OGP. Another internal measure is the "processing of exchange/sale waiver requests within 30 days". There is no efficiency measure that applies to all OGP programs.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight: 9%

Explanation: OGP collaborates with customers and stakeholders throughout the policy development process to ensure their input and buy-in, and leads networks of agency representatives to facilitate the adoption of smarter solutions and consistent processes. OGP's role as a leader and partner in numerous cross-agency initiatives have resulted in improved business processes. OGP also coordinates with internal GSA organizations to ensure policy alignment, and collaborates on the development and implementation of programs such as FedBizOps, Smart Cards, ACES, FirstGov. This results in regulations that implement Administration policies in ways that agencies find workable and tries, with mixed success, to assure that GSA products and services support the implementation of those policies.

Evidence: List of interagency committees. The Federal Management Regulation, the Federal Travel Regulation, and the Federal Acquisition Regulation are all results of collaborative efforts with OMB and customers. Other examples include OGP' participation in the E-Rulemaking Governance Board and Advisory Committee helped develop requirements for a central docket system, and participation in the T-Rex Extensible Markup Language group to identify common data elements across rulemaking and Paperwork Act systems environment. Some other examples include the governmentwide Telework website jointly hosted by GSA/OPM; the Fleet Review; Aircraft Acquisition Plan; co-sponsorship of the Fleet and Travel Management Policy Conferences; an agreement with the Department of Defense Computer/Electronic Accommodation Program (CAP) to provide Government-wide support for S.508 requirements.

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight: 9%

Explanation: GSA has had clean audit opinions for the past 15 years and no material weaknesses have been identified in the OGP program. OGP follows the GSA financial systems which meet statutory requirements and are integrated with its performance management and budget planning process. OGP also works closely with the CFO to monitor and ensure obligations and payments are made accurately and timely.

Evidence: FY03 Performance and Accountability Report.

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: YES Question Weight: 9%

Explanation: In addition to GAO and IG audits, OGP annually reviews and updates its Management Control Plan and conducts Management Control Evaluations for its responsible program areas in accordance with the audit schedule. If and when there is a deficiency OGP works with appropriate program managers and/or IG/GAO to identify best solution and develop action plan for corrective action if necessary. Deficiencies are also identified and corrected through regular status reporting between the agencies such as the FAR Council.

Evidence: Annual Management Control Plan.Example: The Federal Advisory Committee office redirected its human resources in implementing the Desk Officer customer relationship model and its Federal staff training programs serve to maximize customer satisfaction and enhance compliance with Federal Advisory Committee Act. Another example of a deficiency identified through management evaluation is the amount of processing time for publishing a FAR rule. OGP has since developed a performance measure and so far has met its target of reducing the processing time to within 40 weeks.

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: Through interagency working groups and various governmentwide Councils, OGP collaborates extensively with customers and stakeholders throughout the policy development process, to seek input and ensure buy-in. Regulations are published in accordance with the Administrative Procedures Act for public comment, and all issues are evaluated and results of those evaluations are documented.

Evidence: The Federal Management Regulation, the Federal Travel Regulation, and the Federal Acquisition Regulation are all results of collaborative efforts with OMB and customers.

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: Regulatory impact analysis is conducted when appropriate, but this is rare since (except for the FAR) most GSA regulations are exempt from these requirements. OGP's analysis of proposed regulations fully complies with OMB's clearance process.

Evidence: Example: The FAR update for S.508 required compliance with the Regulatory Flexibility Act.

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

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: OGP has reviewed all of its regulations contained in the Federal Management Regulations and the Federal Travel Regulation within the last several years to bring them up-to-date and convert them into "plain language" format. Although there is no established schedule, constant changes in legislation and improved business practices have made it necessary for OGP to continously update its regulations to meet customer needs. OGP also works with DOD/NASA to review the Federal Acquisition Regulation on a regular basis to ensure consistency and incorporate best practices.

Evidence: Example: The FMR for Real Property were initially published as a proposed rule in 1997, edited, updated, and published as a final rule in January, 2001, updated again in December, 2002. The FMR is now going through another update and is projected for publication later this year. The changes have been coordinated with customers and stakeholders to ensure they meet current requirements and would lead to improved management practices.

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: OGP issues regulations to implement Congressional intent and to incorporate best business rules designed to improve program effectiveness and efficiency. Best business rules are identified and modified to fit the government environment to achieve the greatest benefit. OGP uses a collaborative process and customers and stakeholders are involved in the analysis of the net effects of the proposed regulations at the beginning of the rule-making process. Additional compliance or reporting requirements are identified and evaluated by working groups represented by affected customers and stakeholders.

Evidence: Existing regulatory procedures support an efficient and effective way to implement the OGP program. Examples are 41 CFR 102-118 which implements PL 105-264 or prepayment audit systems for all transportation acquisitions and billings, and 41 CFR 102-33 which are designed to improve aviation safety, effectiveness, and efficiency.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight:17%

Explanation: Although OGP is still in the process of developing long-term performance measures, its recent accomplishments demonstrate the program is on track to meeting the following long-term goals: Effective and efficient asset managementEffective policy framework and key enablers for eGov operational development and implementationEffective end-to-end travel management program for the federal governmentBest value through acquisition practicesCompetent and responsive acquisition workforce

Evidence: FY01-FY03 Annual Performance & Accountability Reports; list of major accomplishments for the last five years.

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: NO Question Weight:17%

Explanation: In FY03 OGP met 11 of the 17 performance goals in the annual Performance and Accountability Report. The 6 measures with 'target not met' involved initiatives that require joint efforts from customer agencies. The targets were established based on the expectation that all major customer agencies would contribute to the achievement of annual performance goals. The targets were not realistic due to factors mostly beyond OGP control. For FY 2004, OGP is on track to meeting its annual performance goals. OMB guidance requires that this answer must be No if the answer to 2.3 is No.

Evidence: FY03 Performance & Accountability Report; FY04 performance measures in PMT; list of FY03 accomplishments.

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight: 17%

Explanation: There is no specific efficiency measure for the program as a whole to demonstrate an efficiency gain overall over the past year, but individually OGP program areas have shown various degrees of improved efficiencies and effectiveness. Through its efforts in facilitating the adoption of best business practices and innovative approaches, OGP was able to cause governmentwide improvements in the management of assets and travel and transportation services, and best value through improved acquisition practices.

Evidence: FY02 and FY03 Performance & Accountability Reports.

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: Even though some program areas are unique to OGP and there are no similar programs at the state or local level, OGP compares favorably in program areas that have similar counterparts at the state or local level. This is based on customers feedback; there is no quantitative comparison.

Evidence: Examples: The Smart Card handbook was recently recognized by industry as leading guidance. Private industry is participating in the Computers for Learning program because the website provides a consolidated list of 100,000 schools and non-profit organizations and saves companies time and resources in search of eligible recipients.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight: 17%

Explanation: There has not been an independent evaluation of OGP on the whole, and the results of GAO audits and IG reviews on high-visibility program areas generally point out program weaknesses.

Evidence: GAO reports: GAO-03-122 High-Risk Series, Federal Real Property; GAO-03-144 Electronic Government, Progress in Promoting Adoption of Smart Card Technology; GAO-03-679 Telework Efforts; GAO-03-952 Electronic Government, Planned E-Authentication Gateway Faces Formidable Development Challenges; GAO-03-983 Contract Management; GAO-04-157 Information Security, Status of Federal Public Key Infrastructure Activities at Major Federal Departments and Agencies; GAO-04-286 Federal Mail Screening. (see list of GAO/IG reports)

4.RG1 **Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?** Answer: YES Question Weight: 17%

Explanation: The OGP program is designed to provide an effective policy framework so the government can operate better. The basic intent of achieving an effectively-managed government is to maximize the benefits to the American taxpayers. The implementation of OGP regulations and policies promote improved management, and we estimate the net benefits in the increased effectiveness/efficiency and cost savings/cost avoidance governmentwide. There has been no cost study of OGP's total impact since it would be cost prohibitive to quantify the benefits for all of OGP's regulations and initiatives. Our success is demonstrated through the various accomplishments in our program areas.

Evidence: FY03 Performance & Accountability Report; list of accomplishments that improved effectiveness/efficiency and increased cost savings.

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

Measure: Measure Under Development

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term
2004			
2005			
2006			
2007			
2008			
2009			

Measure: Number of eGov initiatives meeting E-Authentication credentialing policy standards.

Additional Information: This initiative provides for the operational infrastructure to support common authentication services for the Federal eGov initiatives that can scale on a governmentwide basis. This performance measure is based on OMB-OIRA guidance to focus on authentication service support for e-Government Initiatives.

Year	Target	Actual	**Measure Term:** Annual
2004	4		
2005	8		
2006	16		
2007	24		

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

Measure: Number of common business processes and/or key components adopted by Federal programs.

Additional Information: The Federal Enterprise Architecture (FEA) is a business-based framework to standardize the description of common Government-wide activities that will guide IT investment decisions for the Federal Government and facilitate data and systems interoperability. Extensible Markup Language (XML) lays the technological foundation of interoperability. This initiative will provide a consolidated Government-wide approach to XML definition, storage, and reuse of data items and business processes within business lines. This approach will promote the implementation of the FEA government-wide.

Year	Target	Actual	**Measure Term:** Annual
2004	12		
2005	24		
2006	36		
2007	48		
2008	60		
2009	72		

Measure: Number of agencies that implement the standard software asset management policy (total of 24 major agencies recognized by the CIO Council).

Additional Information: The objective of this initiative (SmartBuy) is to aggregate requirements and resources to leverage the Federal government's buying power to acquire commercially available software at lower software licensing costs and equal or better value (terms and conditions).

Year	Target	Actual	**Measure Term:** Annual
2004	4		
2005	10		
2006	16		
2007	16		
2008	24		
2009	24		

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

Measure: Percent of new FAR rules completed within 40 weeks

Additional Information: An effective Federal acquisition framework is supported by up-to-date Federal Acquisition Regulations (FAR) that provide the relevant guidelines that are easily accessible by the acquisition community. Timely changes to the FAR are dependent on an efficient regulatory •process that incorporates the needed updates. Therefore the FY 2005 goal is for 80 percent of new or changed rules to be completed through the rulemaking process within 40 weeks.
•

Year	Target	Actual
2002		10%
2003		10%
2004	80%	
2005	80%	
2006	85%	
2007	85%	
2008	85%	
2009	85%	

Measure Term: Annual

Measure: Percent of GSA eligible service contract dollars awarded as performance based contracts

Additional Information: Increasing the effectiveness of acquisition actions Government-wide requires agencies to award an increasing number of performance-based contracts (PBC). The Office of Acquisition Policy will help agencies increase the percentage of contract dollars from 40 percent to 50 percent for performance-based contract awards in FY 2005. The Office of Acquisition Policy will train the Federal acquisition workforce in how to accomplish PBCs. Industry meetings will be held to educate vendors. Government-wide conferences will continue to feature the PBC effort.

Year	Target	Actual
2002		9%
2003	30%	24%
2004	40%	
2005	50%	

Measure Term: Annual

PROGRAM ID: 10002262

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

2006	60%
2007	70%
2008	80%
2009	90%

Measure: Number of FAI Online training instances completed.

Additional Information: The Federal Acquisition Institute (FAI) has partnered with executive agencies, Defense Acquisition University (DAU), and the education communities to leverage resources needed to provide training opportunities for the civilian acquisition workforce. The target population for the number of training instances is estimated at 20,000 persons. This includes approximately 9,000 federal employees in the GS-1102 series and 11,000 individuals in different series who serve as Contracting Officer•s Technical Representatives.

Measure Term: Annual

Year	Target	Actual
2002		19280
2003	21000	19390
2004	21300	
2005	27700	
2006	30500	
2007	33500	
2008	35200	
2009	37000	

PART Performance Measurements

Program: Office of Governmentwide Policy
Agency: General Services Administration
Bureau: Office of Governmentwide Policy
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Results Not
80%	22%	64%	28%	Demonstrated

Measure: Number of Federal agency programs with effective web-enabled software for management of real property.

Additional Information: The OGP adopted the e-RealEstate initiative to encourage the significantly expanded use of web-enabled software for the management of Federal real estate assets. Web-enabled systems lead to improved asset management, lower costs, reduced transaction times with fewer errors, increased productivity, and a more complete understanding of the Federal real property inventory.

Year	Target	Actual
2004	3	
2005	6	
2006	9	
2007	12	
2008	15	
2009	18	

Measure Term: Annual

Measure: Number of vouchers processed through the eTravel Service.

Additional Information: OGP is developing a world-class commercial travel business model known as •eTravel• that will soon be available to all Federal agency travelers. This state-of-the-art travel management tool will make official travel more efficient for the traveler by placing end-to-end travel solutions at their fingertips in a Web-based application. The number of trips serviced through the eTravel Service demonstrates progress towards the transformation of Government-wide travel transactions into a shared services approach.

Year	Target	Actual
2004	68000	
2005	1300000	
2006	3200000	
2007	3200000	
2008	3200000	
2009	3200000	

Measure Term: Annual

PART Performance Measurements

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	71%	8%	Demonstrated

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

Explanation: The purpose of this program is to ensure the timely, effective and efficient disposition of the Federal Government's excess and surplus personal property, yielding the greatest return on investment to the taxpayer. This includes ensuring that excess and surplus property is made available for maximum reuse thus minimizing public expenditure for new procurements.

Evidence: Federal Property and Administrative Services Act of 1949, as amended; Property Management Mission Statement.

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

Explanation: There is a continuing requirement to dispose of Federally owned personal property, as well as a continuing need for Federal and State agencies to reuse available excess and surplus property thereby reducing expenditures on new property.

Evidence: Federal Property and Administrative Services Act of 1949, as amended.

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 program was authorized by Congress as the sole authority for managing transfer and reutilization of excess Federal property and for donating Federal surplus personal property to State and local governments and other eligible recipients. All federal agencies have the authority to determine how they sell surplus federal property after they have completed the reutilization and donation process managed by GSA.

Evidence: Federal Property and Administrative Services Act of 1949, as amended.

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: FSS is one of several entities within GSA whose activities must be closely coordinated to assure that GSA's property disposal role contributes effectively to the overall asset management goals of the Federal government. It does not appear that the roles and responsibilities of these different entities have been sufficiently well defined, and resources made available accordingly, to cause this to happen.

Evidence: FORM Analysis; FMR 102.36

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 Property Management Program has two major customer groups which are potential beneficiaries: Federal agencies for which it provides disposal support and Federal and State agencies which are recipients of transfers and donations of excess and surplus property. Regional program staff provide assistance to both customer groups in processing disposal actions and assisting in searching for and acquiring property.

Evidence: FMR 102.36, Disposition of Excess Personal Property; FMR 102.37, Donation of Surplus Personal Property.

PART Performance Measurements

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	71%	8%	Demonstrated

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: FSS has traditionally focused on annual output measures and has assigned long-term targets to some of those measures. However, GSA is now in the process of developing program-specific, long-term outcome goals and measures. These goals and measures will meaningfully reflect the program's purpose and focus on what GSA will achieve for its customers.

Evidence: GSA's FY 2004 Annual Performance Plan

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

Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures with ambitious targets and timeframes.

Evidence: GSA's FY 2004 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: FSS has several annual performance measures and targets that are aligned with the five GSA strategic goals.

Evidence: Guide to the FSS Performance Measurement System; FSS & FBP Scorecard

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

Explanation: Baselines are generally set using the previous year's actuals. Annual stretch targets (significantly beyond the baselines) are set using a compound annual growth rate (CAGR) methodology.

Evidence: Guide to the FSS Performance Measurement System; FBP Scorecard

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: The State Agencies for Surplus Property (SASPs) are the main partners with Property Disposal who are resonsible for seeing that donated surplus Federal personal property gets to the intended beneficiaries and is used for the intended purposes. FSS has not shown how SASPs commit to working toward either long-range or annual goals.

Evidence: None.

PART Performance Measurements

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	71%	8%	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: NO Question Weight:12%

Explanation: The last external (i.e., non-GSA) review of the Personal Property Management Program was the FORM review in 1996. Since then, there have been no independent performance reviews of the Property Management Program.

Evidence:

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: The budget presentation for this program does not present the resource needs together in one place and identify the impact funding, policy, or legislative changes will have on performance. Rather, the funds for this program are split between two accounts: the GSF for the sales program and Operating Expenses for the Utilization and Donation programs. Also, most of the annual output measures are only presented under the GSF portion of the budget.

Evidence: FY 2004 Congressional Budget

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

Explanation: Strategic planning deficiencies are addressed throughout the year via review by FSS' Office of Enterprise Planning (FE), the Commissioner, and Administrator, during quarterly reviews. FSS is very engaged in GSA's efforts to develop long-term, outcome-oriented performance measures.

Evidence: Guide to the FSS Performance Measurement System; FBP Scorecard; FSS/GPRA FY 04 Performance Plan; FY 02 Property Performance Award; Administrator's Quarterly Review

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: FSS' senior management meets quarterly to review performance data. A Performance Measurement System tracks monthly progress in meeting the targets established for each performance goal and outcome measure. Performance data is also used monthly by program managers overseeing the Personal Property Management program to evaluate the effectiveness and efficiency of the Program. Property Management also conducts meetings with the Leadership Board, which consists of national and regional directors, at least semiannually to assess performance and initiate changes to improve performance.

Evidence: Administrator's Quarterly Performance Review, Actuals & Targets, FBP Scorecard, Program Management and Liaison in the Regions; Guide to the FSS Performance Measurement System. As a result of performance reviews, FBP initiated several activities to reduce its disposal cycle time, including concurrent screening of excess and surplus property with Xcess/Xpress and increasing the disposals on the GSAAuction website.

PART Performance Measurements

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	71%	8%	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: NO Question Weight:14%

Explanation: Managers are held accountable through the annual performance review process, which is directly tied to the Program's Performance Plan and Scorecard; i.e., the Program's measures are the manager's measures. However, FSS has not provided information on how SASPs are required to provide performance information used to manage the donation program.

Evidence: Guide to the FSS Performance Measurement System; FY 02 Property Performance Award, which is based on performance measures for cycle time, percent of favorable customer survey responses, and direct costs as a % of revenue.

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 of the Personal Property Management Program funds are obligated in a timely manner and spent for the intended purpose. It is an inherent part of the GSA accounting system requirements, that obligations be established prior to processing payments for goods and services. This ensures that payments correspond to their intended purpose.

Evidence: FY 02 GSA Consolidated Annual Financial Statements. GSA Accounting Classifications Handbook.

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: The Property Program shows two program-specific efficiency measures and targets in its performance scorecard: operating cost per $100 of business volume and cycle time for the full disposal process. However, neither of these measures meets OMB's definition of efficiency measures. GSA needs to develop good efficiency measures for this program.

Evidence: Guide to the FSS Performance Measurement System; FBP Scorecard

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

Explanation: Property Management staff participate in various inter-Governmental committees and coordinate with other agencies regarding issues and plans for property management programs. Examples of this collaboration at the Federal level include the InterAgency Committee for Property Management, the DoD Disposal Policy Working Group, and the DoD Demil Policy Working Group; and on the State level, the National Association of State Agencies for Surplus Property (NASASP) and The Users and Screeners Association (USA). Property Management associates also assist other agencies in review of their operational and procedural handbooks, provide comments and recommendations to GSA's Office of Governmentwide Policy (OGP) in the development of property management regulations, and provide additional support to OGP on other Property Management policy initiatives.

Evidence: Examples of recent collaboration include working with DLA and DRMS to re-implement internal screening and implement MILSTRIP requisitioning. Also, collaboration has enabled an automated interface between FEDS and USDA Forest Service Excess Property Program's system, FEPMIS. Regular meetings with NASASP and USA.

PART Performance Measurements

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
80%	38%	71%	8%	

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

Explanation: GSA has had clean audit opinions for the past 15 years and no material weaknesses have been identified in the leasing program. In addition, GSA's financial systems meet statutory requirements and are integrated with its performance system. Procedures are in place to minimize erroneous payments and provide financial information accurately and timely.

Evidence: GSA's FY 02 Annual Performance and Accountability Reports

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

Explanation: Performance and program issues are addressed by the Property Leadership Board at scheduled semiannual meetings or during teleconferences convened to address specific issues. Where performance issues are identified, Property Management implements corrective action through modification of processes. The Sales Functional Consolidation, developed in 2001/02, was a major fundamental step to correct program and financial management deficiencies'and an example of Leadership Board management system success.

Evidence: Program Management and Liaison in the Regions; GSA Order-Sales Consolidation; Regional Center of Expertise Memo

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: NO Question Weight: 25%

Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures with ambitious targets and timeframes.

Evidence: FSS/GPRA FY04 Performance Plan

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight: 25%

Explanation: To a large extent, the Personal Property Management Program achieved its annual performance goals for FY 02. However, FBP has not demonstrated how its program partners, the SASPs, have contributed to the achievement of its annual performance goals.

Evidence: FBP Score Card; FY02 Property Performance Award

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: NO Question Weight: 25%

Explanation: Although Property Management is aggressively taking action to improve its performance in several important areas, e.g., reducing the cycle time, from 132 to 99 days in FY02, it does not have any measures that meet OMB's definition of efficiency measures.

Evidence: GSA Order-Sales Consolidation, Xcess Xpress implementation letters

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: We are not aware of any other Federal activity that offers full personal property disposal service to all other Federal agencies.

Evidence: N/A

PART Performance Measurements

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	71%	8%	Demonstrated

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NO Question Weight 25%

Explanation: As noted previously, there have been no independent evaluations of the Personal Property Management Program since the 1996 FORM Review.

Evidence:

PROGRAM ID: 10001158

PART Performance Measurements

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	71%	8%	Demonstrated

Measure: Percent of customers who report service levels as satisfactory or better.

Additional Information: Based on an external customer satisfaction survey. Three questions on the survey are consistent to the American Customer Satisfaction Index. A combination of these scores are used for overall customer satisfaction.

Year	Target	Actual	**Measure Term:** Annual
2001		67%	
2002	68%	73%	
2003	76%		
2004			
2005			
2006			

Measure: Operating cost per $100 of business volume

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2002	1.44	2.31	
2003	2.52		

Measure: Cycle Time: total days required to transfer, donate, or sell property.

Additional Information: Number of days from receipt of excess property to case closure

Year	Target	Actual	**Measure Term:** Long-term
2001		132	
2002	87	99	

Program: Personal Property Management Program (FBP)
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	38%	71%	8%	Demonstrated

2003	87
2004	85
2005	
2006	

Measure: Direct cost as percentage of revenue

Additional Information:

Year	Target	Actual
2000		82%
2001		86%
2003	61%	
2004		
2005		
2006		

Measure Term: Annual

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	100%	47%	Effective

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

Explanation: The D.C. Pretrial Services Agency honors the Constitutional presumption of innocence and enhances public safety by recommending release determinations, providing community supervision for defendants (to assure court appearance and community safety), and addressing social issues that contribute to crime.

Evidence: National Capital Revitalization and Self-Government Improvement Act of 1997 (P.L. 105-33), PSA mission statement, D.C. code Title 23 chapter 13 subchapter I, and PSA Strategic Plan FY 2005 ' FY 2010.

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

Explanation: PSA performs two critical tasks that contribute to the effective administration of justice and the enhancement of public safety: gathering and presenting objective risk information about newly arrested defendants and supervising defendants released from custody during the pretrial period.

Evidence: In FY 2003 PSA prepared over 18,600 bail reports for defendants charged with felonies and misdemeanors and at any given time supervised approximately 7,000 defendants (FY 2005 CSOSA Congressional Budget Justification). In FY 2003, 47 percent of defendants tested positive for drugs at the time of arrest. The PSA Forensic Toxicology Drug Testing Laboratory conducted over 2 million drug tests from over 450,000 specimens (offenders and defendants). PSA made 1,197 defendant drug treatment placements in FY 2003.

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: PSA is the sole entity responsible for the supervision of Dictrict of Coumbia defendants on pretrial release. PSA has the statutory responsibility to secure and provide pertinent reports containing verified information concerning any individual with respect to whom a bail or citation determination is to be made to the Superior Court of the District of Columbia, the United States District Court for the District of Columbia, and to the Metropolitan Police Department.

Evidence: National Capital Revitalization and Self-Government Improvement Act of 1997 (P.L. 105-33), D.C. Code § 23-1301, D.C. Code §24-133.

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: PSA's assessment and supervision programs are rooted in an extensive body of research that documents the linkage between drugs and crime, demonstrates the efficacy of routine drug testing and treatment, provides best practices for close supervision, establishes accountability in the defendant population, and uses sanctions and incentives to modify behavior.

Evidence: Numerous studies including: Harrell, A., Cavanagh, S., and John Roman, 'Evaluation of the D.C. Superior Court Drug Intervention Programs,' Research in Brief, National Institute of Justice, U.S. Department of Justice, 2000. Office of Applied Studies. Services Research Outcome Study (SROS). DHHS Publication No. (SMA) 98-3177. Rockville, MD: Department of Health and Human Services, Substance Abuse and Mental Health Services Administration, Office of Applied Studies, 1998.

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	100%	47%	Effective

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: PSA conducts a risk and needs assessment on each defendant to determine the probability of the risk of flight and the potential for criminal behavior, as well as the defendant's needs in the areas of drug treatment, employment services, education, housing and other social services. The needs assessment is an essential component of case planning and management as well as an effective resource management tool.

Evidence: PSA Sanctions and Incentives, Supervision Plan Management instructions, and budget chart allocation.

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 PSA's two long-term outcome measures speak directly to the PSA's mission: reduction in rearrest (Outcome 1) during the period of pretrial supervision and reduction in the failure to appear in court (Outcome 2).

Evidence: PSA Performance Plan and Report, FY 2005; PSA Strategic Plan, FY 2005 ' FY 2010.

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

Explanation: PSA has baseline data on two long-term outcome measures ' reducing the rearrest rate and reducing the failure to appear (FTA) rate - for FY 2001, FY 2002 and FY 2003. Targets have been established for the following three years (through FY 2006), a time period covered by the FY 2005 ' FY 2010 Strategic Plan.

Evidence: District of Columbia Pretrial Services Agency's Performance Plan and Report, FY 2005; http://mpdc.dc.gov/info/districts/city/crstats_citywide_annual.shtm.

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: PSA has eleven performance measures that span the major functions and operations of the Agency and support the achievement of the two key outcomes. The performance measures selected by PSA address the most important activities conducted for each goal.

Evidence: PSA Performance Plan and Report, FY 2005

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

Explanation: PSA submitted its first GPRA-related Performance Plan in FY 2000. In the four years since that first submission, PSA has refined its measures, adding additional measures to reflect significant programmatic changes, and has established baselines and targets. Target levels for five measures have been raised for the FY 2006 Performance Plan submission.

Evidence: DOJ, Felony Defendants in Large Urban Counties, 2000.

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

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: PSA's partners include all the members of the PSA Executive Committee: the Chief Judges of the federal and local trial and appellate courts, the U.S. Attorney's Office, the Public Defender Service, and CSOSA. Through a review process, the Executive Committe participates in developing and reviewing PSA's mission, financial condition, and performance. PSA's partners also include contract treatment service providers, who are subject to periodic reviews to ensure that their services are provided in accordance with PSA's contract requirements and national standards for treatment.

Evidence: CSOSA/ Public Defender Service (PDS) shared cost reimbursable agreement, Memorandi of Understanding and Letters Of Agreement with D.C. agencies and non-profits, and contract documents with drug treatment providers.

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 13%

Explanation: A few independent studies have been conducted to evaluate certain aspects of PSA's programs such as sanctions, substance abuse treatment and drug testing. Additional studies are needed to examine the programs and services associated with other agency functions and to further explore the impact of treatment and models of supervision. The need for these independent evaluations is underscored in the Agency's Strategic Plan, and resources are being directed to support future evaluations.

Evidence: PSA Strategic Plan, FY 2005 ' FY 2010; Evaluation of the D.C. Superior Court Drug Intervention Programs by A. Harrell, S., Cavanaugh and J. Roman, funded by the National Institute of Justice, U.S. Department of Justice; Understanding Supervision in the District of Columbia: The Baseline Study by F. Taxman; CSOSA Policy Statement 1201.

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 13%

Explanation: PSA's budget presents resource needs organized by general goals or critical success factors. PSA is working towards having a fully integrated performance budget in FY 2007.

Evidence:

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

Explanation: Additional performance measures have been added to PSA's Performance Plan as new programs and services have been identified and implemented. For example, measures 3.4 (Mental Health Referral) and 3.5 (Placement in Mental Health Services) were added to the Performance Plan in response to the development of the Specialized Supervision Unit, a unit funded in FY 2003 to target the needs of dually diagnosed defendants.

Evidence: PSA Performance Plan and Report, FY 2005

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

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: PSA uses a variety of methods to collect performance measurement data. Data is available through PSA's automated Pretrial Realtime Information Systems Manager (PRISM) system, which provides information on the two key outcomes. Manual data is collected on a weekly or monthly basis from each of the supervision and treatment units. Also, PSA regularly accesses the databases of other law enforcement agencies for rearrest data and the D.C. Superior Court and the U.S. District Court for failure to appear data.

Evidence: 3rd Quarter information provided to treatment and supervision branches and executive leadership; draft of the Sanctions and Incentives Management Instruction; General Supervision Unit Agent Notification Report procedure; Compliance Assessment Management Instructions; General Supervision Unit Detailed Court Appearance procedure

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: PSA managers are evaluated according to performance contracts with performance standards designed to increase compliance with key output measures/outcomes such as timely completion of bail reports or correctness of release recommendations. PSA treatment contractors are subject to regular reviews to assure that they are meeting their contract performance standards.

Evidence: Treatment contracts, PSA Substance Abuse Treatment Service - Contract Officers Technical Representative (COTR) Surveillance Guide, Manager's Performance Contract.

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

Explanation: PSA obligates funds for all goods and services for the current year no later than September 30 of the current year within the quarterly apportionment guidance defined by OMB. PSA actively compares actual expenditures against intended use (Enacted Budget/Operating Plans to status of Funds reports).

Evidence: PSA's audited Statement of Budgetary Resources and year-end Status of Funds reports.

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: Efficiency has been enhanced by an automated case management system that allows PSA supervision officers to quickly review the results of drug tests, attendance at substance abuse treatment, as well as compliance with other conditions of release. PSA has also developed an automated system for financial management, Payroll Estimation Tool (PET), for tracking personnel positions, salaries, and benefits requirements. PSA also strives to ensure efficiency and cost effectiveness by aggressively pursuing a policy of competitive sourcing wherever possible.

Evidence: PRISM, PET, and Obligating Document Number (ODN) Log user manuals and reports, vendor contracts and PSA monitoring reports.

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

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

Explanation: PSA works closely with many agencies. PSA worked with the Metropolitan Police Department to reinstate the citation release program. If requested by the Department of Corrections, defendants are asessed by the PSA Specialized Supervision Unit for mental health problems and when required, referred to the Department of Mental Health for treatment. Cooperating with the U.S. Attorney's office and defense counsel at a defendant's initial court hearing, PSA provides an objective assessment of a defendant's liklihood of flight and rearrest, and reccomends the least restrictive conditions necessary for each defendant.

Evidence: 2005 Performance Plan and Report

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

Explanation: Since 2000, CSOSA has issued a combined Statement of Budgetary Resources for the Pretrial Services Agency and Community Supervision Program. In FY 2004 and FY 2005, PSA, along with CSOSA, will be working to fully implement the Accountability of Tax Dollars Act of 2002 (P.L. 107-289), which requires executive agencies to submit comprehensive annual financial statements to Congresss and OMB. To maintain financial integrity and improve funds control processes, PSA is continuing with efforts to develop and implement a financial management system framework, based on the Joint Financial Management Improvement Program framework ' financial management business architecture, data and information, application and services, and technology.

Evidence: Annual Audit Reports

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

Explanation: Since 2001, PSA has sought to correct any management deficiencies through long and short-term projects aimed at enhancing work quality and performance. These include: refining staff position descriptions and individual performance plans; re-defining the supervised defendant populations; analyzing caseload ratios for supervision officers; restructuring Supervision and Treatment Branch units and adding the Community Justice Resources Branch; developing quality assurance and control policies and instructions; tying staff work to strategic targets; streamlining PRISM data entry; and improving the performance of managers in the Operations units.

Evidence: Developing a Curriculum (DACUM) job analysis model, GAP analysis

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

Explanation: PSA has two long-term goals: 1) a decrease in the percentage of defendants rearrested during the period of their pretrial supervision; and 2) a decrease in the percentage of cases in which a defendant failed to appear for at least one court hearing. PSA has shown good progress on both these measures.

Evidence: FY 2005 Performance Plan and FY 2003 Performance Report; The rearrest rate for all defendants was 14% in FY 2004, one percent above the target of 13%. However, the rearrest rate for violent crimes decreased from 1.7% in FY 2001 to 1.0% in FY 2003. The percentage of cases in which a defendant failed to appear for at least one court hearing decreased from 17.7% in FY 2001 to 15.6% in FY 2003 (target was 14%) and to14% in FY 2004 (target was 14%).

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight 20%

Explanation: Of PSA's eleven performance measures, performance meets or exceeds FY 2003 target for six of the measures. More ambitious targets for these measures are established in the FY 2006 Performance Plan. Performance targets have not yet been achieved for two measures (compliance with release conditions and sanctions for noncompliance) and still need to be established for three of PSA's measures.

Evidence: FY 2005 PSA Performance Plan and FY 2003 Performance Report

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: SMALL EXTENT Question Weight 20%

Explanation: PSA has increased both efficiencies and cost effectiveness by implementing new computer-based systems: a computerized case management system (PRISM) ; a payroll estimation tool (PET); and an automated system that allows management to allocate budgetary resources to different program areas and track the rate of obligations and expenditures.

Evidence: PRISM, PET, and ODN Log user manuals and reports.

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: PSA has been designated by the Department of Justice (DOJ) as one of seven model Pretrial Services Programs in the nation. PSA staff presents extensively at workshops for the National Association of Pretrial Services Agencies (NAPSA) and National and Regional Associations of Drug Court Professionals workshops. PSA has hosted staff from jurisdictions from around the nation and abroad who have come to observe PSA's operations. Furthermore, PSA's Superior Court Drug Intervention Program was the recipient of the Justice Potter Stewart Award in 2001 by the Council for Court Excellence. Also, PSA's state-of-the-art automated drug testing management system has long been recognized as setting the standard in the criminal justice drug testing field.

Evidence: DOJ, Enhanced Pretrial Services Delivery Program; 'Pretrial Services Programming at the Start of the 21st Century ' A Survey of Pretrial Services Programs' (2001); ABA Criminal Justice Standards on Pretrial Release; National Institute of Justice Issues and Practices ' Pretrial Services Programs: responsibilities and potential, March 2001, NCJ 181939.

4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? Answer: NO Question Weight 20%

Explanation: Although PSA has participated in several independent research studies, only the Urban Institute study examining the impact of the Superior Court Drug Intervention Program linked program activities to outcomes. Additional studies with sufficient scientific rigor are needed to determine the extent to which agency functions contribute to a reduction in rearrest and failure to appear.

Evidence: PRISM, PET, and ODN Log user manuals and reports.

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

Measure: Reduction of Rearrest Rate - Percentage of all defendants rearrested during the period of pretrial supervision

Additional Information: Percentage of all defendants rearrested during the period of pretrial supervision

Year	Target	Actual
2002	13%	14.6%
2003	13%	12%
2004	13%	14%
2005	13%	
2006	13%	

Measure Term: Long-term

Measure: Reduction of Failure to Appear Rate - Percentage of all cases in which a defendant failed to appear for at least one court hearing

Additional Information: Percentage of all cases in which a defendant failed to appear for at least one court hearing

Year	Target	Actual
2002	14%	15.9%
2003	14%	15.6%
2004	14%	14%
2005	14%	
2006	14%	

Measure Term: Long-term

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

Measure: Reduction in the Failure to Appear Rate

Additional Information: Percentage of cases in which a drug-using defendant failed to appear for at least one court hearing

Year	Target	Actual
2001	Baseline	21.6%
2002	17%	19.5%
2003	17%	18.8%
2004	17%	
2005	17%	

Measure Term: Long-term

Measure: Reduction in the Failure to Appear Rate

Additional Information: Percentage of cases in which a nondrug-using defendant failed to appear for at least one court hearing

Year	Target	Actual
2001	Baseline	11.9%
2002	9%	10.4%
2003	9%	10.6%
2004	9%	
2005	9%	

Measure Term: Long-term

Measure: Risk Assessment

Additional Information: Percentage of defendants who are assessed for risk of failure to appear and rearrest

Year	Target	Actual
2001	Baseline	98%

Measure Term: Annual

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

2002	98%	98%
2003	98%	99%
2004	98%	
2005	98%	

Measure: Initial Release Recommendation

Additional Information: Percentage of defendants for whom PSA recommends the least restrictive conditions consistent with public safety and return to court

Year	Target	Actual
2001	Baseline	85%
2002	87%	88%
2003	90%	91%
2004	90%	
2005	90%	

Measure Term: Annual

Measure: Compliance with Release Conditions

Additional Information: Percentage of defendants who are in compliance with release conditions at the end of the pretrial period

Year	Target	Actual
2002	Baseline	51%
2003	50%	45%
2004	50%	
2005	55%	

Measure Term: Annual

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	100%	47%	Effective

Measure: Sanctions for Noncompliance

Additional Information: Percentage of defendants whose noncompliance with the drug testing condition is addressed by PSA either through the use of an administrative sanction or through a recommendation for judicial action

Year	Target	Actual	**Measure Term:** Annual
2001	Baseline	71%	
2002	75%	72%	
2003	88%; 65%	79%; 82%	
2004	78%		
2005	78%		

Measure: Sanctions for Noncompliance

Additional Information: Percentage of defendants whose noncompliance with the contact condition is addressed by PSA either through the use of an administrative sanction or through a recommendation for judicial action

Year	Target	Actual	**Measure Term:** Annual
2001	Baseline	90%	
2002	90%	66%	
2003	60%	60%	
2004	60%		
2005	60%		

Measure: Sanctions for Noncompliance

Additional Information: Percentage of defendants whose noncompliance with the curfew condition is addressed by PSA either through the use of an administrative sanction or through a recommendation for judicial action

Year	Target	Actual	**Measure Term:** Annual
2001	Baseline	53%	

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

2002	60%	67%
2003	75%	40%
2004	NA	
2005	NA	

Measure: Sanctions for Noncompliance

Additional Information: Percentage of defendants whose noncompliance with the sanction-based treatment condition is addressed by PSA either through the use of an administrative sanction or through a recommendation for judicial action

Year	Target	Actual
2002	Baseline	70%
2003	75%	75%
2004	78%	
2005	78%	

Measure Term: Annual

Measure: Reduction of Rearrest Rate - Percentage of all defendants rearrested for violent crimes

Additional Information: Percentage of all defendants rearrested for violent crimes

Year	Target	Actual
2001	Baseline	1.7%
2002	1.5%	1.6%
2003	1%	1%
2004	1%	
2005	1%	

Measure Term: Long-term

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

Measure: Sanctions for Noncompliance

Additional Information: Percentage of defendants whose noncompliance with the electronic monitoring condition is addressed by PSA either through the use of an administrative sanction or through a recommendation for judicial action

Measure Term: Annual

Year	Target	Actual
2002	Baseline	84%
2003	92%	86%
2004	92%	
2005	92%	

Measure: Substance Abuse Evaluation

Additional Information: Percentage of drug-using defendants who are assessed for substance abuse treatment

Measure Term: Annual

Year	Target	Actual
2001	Baseline	NA
2002	90%	68%
2003	60%	70%
2004	90%	
2005	90%	

Measure: Placement in Substance Abuse Treatment - Percentage of assessed eligible defendants placed in substance abuse treatment programs

Additional Information: Percentage of eligible defendants placed in in-house substance abuse treatment programs

Measure Term: Annual

Year	Target	Actual
2002		
2003		

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

2004	70%	46%
2005	70%	
2006	70%	

Measure: Placement in Substance Abuse Treatment

Additional Information: Percentage of eligible defendants placed in contractual substance abuse treatment programs

Measure Term: Annual

Year	Target	Actual
2001	Baseline	74%
2002	75%	84%
2003	85%	86%
2004	85%	
2005	85%	

Measure: Reduction in Drug Use

Additional Information: Percentage of defendants who have a reduction in drug usage following placement in a sanction-based treatment program

Measure Term: Annual

Year	Target	Actual
2001	Baseline	64%
2002	55%	55%
2003	55%	63%
2004	55%	
2005	55%	

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

Measure: Placement in Educational and Employment Services

Additional Information: Percentage of defendants who are placed in educational or employment services following assessment by the Social Services and Assessment Center

Year	Target	Actual	**Measure Term:** Annual
2002	Baseline	21%	
2003	30%	38%	
2004	35%		
2005	35%		

Measure: Mental Health Referral

Additional Information: Percentage of defendants with need for mental health assessment who are referred to the Specialized Supervision Unit

Year	Target	Actual	**Measure Term:** Annual

Measure: Placement in Mental Health Services

Additional Information: Percentage of eligible defendants placed in mental health services

Year	Target	Actual	**Measure Term:** Annual

Measure: Capital Service Partnerships

Additional Information: Number of agreements established and maintained with organizations and/or agencies through which defendants can fulfill community service requirements

Year	Target	Actual	**Measure Term:** Annual

Measure: Social Service Partnerships

Additional Information: Number of agreements established and maintained with organizations and/or agencies to provide defendants with education, employment training and job opportunities

Year	Target	Actual	**Measure Term:** Annual

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

Measure: Reduction of Rearrest Rate - Percentage of all defendants rearrested for drug crimes

Additional Information: Percentage of all defendants rearrested for drug crimes

Year	Target	Actual
2001	Baseline	5.1%
2002	4%	4.6%
2003	4%	5%
2004	4%	
2005	4%	

Measure Term: Long-term

Measure: Substance Abuse and Mental Health Treatment Partnerships

Additional Information: Number of agreements established and maintained with organizations and/or agencies to provide defendants with substance abuse and/or mental health treatment/services

Year	Target	Actual

Measure Term: Annual

Measure: Reduction of Rearrest Rate

Additional Information: Percentage of drug-using defendants rearrested during the period of pretrial supervision

Year	Target	Actual
2001	Baseline	19.1%
2002	20%	20.6%
2003	19%	17%
2004	19%	
2005	19%	

Measure Term: Long-term

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

Measure: Reduction of Rearrest Rate

Additional Information: Percentage of drug-using defendants rearrested for violent crimes

Year	Target	Actual
2001	Baseline	2.4%
2002	2%	2.3%
2003	2%	1%
2004	2%	
2005	2%	

Measure Term: Long-term

Measure: Reduction of Rearrest Rate

Additional Information: Percentage of drug-using defendants rearrested for drug crimes

Year	Target	Actual
2001	Baseline	8.3%
2002	7%	7.2%
2003	7%	8%
2004	7%	
2005	7%	

Measure Term: Long-term

Measure: Reduction of Rearrest Rate

Additional Information: Percentage of nondrug-using defendants rearrested during the period of pretrial supervision

Year	Target	Actual
2001	Baseline	6.3%

Measure Term: Long-term

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	75%	100%	47%	

2002	5%	7%
2003	5%	2%
2004	5%	
2005	5%	

Measure: Reduction of Rearrest Rate

Additional Information: Percentage of nondrug-using defendants rearrested for violent crimes

Measure Term: Long-term

Year	Target	Actual
2001	Baseline	1%
2002	1%	<1%
2003	1%	<1%
2004	1%	
2005	1%	

Measure: Reduction of Rearrest Rate

Additional Information: Percentage of nondrug-using defendants rearrested for drug crimes

Measure Term: Long-term

Year	Target	Actual
2001	Baseline	1.2%
2002	1.3%	1.4%
2003	1%	<1%
2004	1%	

PART Performance Measurements

Program: Pretrial Services Agency
Agency: Court Services and Offender Supervision Agency for the District
Bureau: Pretrial Services Agency
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Moderately
100%	75%	100%	47%	Effective

2005	1%

PART Performance Measurements

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	54%	90%	40%	Demonstrated

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

Explanation: PDS's mission is to provide and promote quality legal representation to indigent adults and children facing a loss of liberty in the District of Columbia, and thereby protect society's interest in the fair administration of justice.

Evidence: PDS Mission Statement; PDS Enabling Statute, DC Code §§ 2-1601 to 2-1608; PDS Agency Resume; PDS Draft Strategic Plan; Gideon v. Wainwright, 372 US 335 (1963); Bill of Rights: Sixth Amendment

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

Explanation: PDS's services meet the clearly defined, existing need for constitutionally mandated criminal defense services for indigent persons in the District of Columbia courts. The Supreme Court's Gideon v. Wainwright decision established the requirement that state/local governments provide counsel to indigent defendants. In addition, the population size of individuals who qualify for those services in DC based on the application of the U.S. Department of Labor's lower level living standards--more than 95% of criminal defendants in the Superior Court--shows no sign of diminishing.

Evidence: Gideon v. Wainwright; Bill of Rights: Sixth Amendment; The Plan for Furnishing Representation to Indigent Defendants; May 18, 2003 Washington Post Article: D.C. Pockets of Poverty Growing; Former Superior Court Chief Judge Moultrie's March 17, 1983 Memorandum Re: Eligibility Standards

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 District of Columbia delivers services to individuals facing criminal or delinquency charges, or who are facing involuntary commitments, using a 'hybrid representation' system. This system includes an institutional defender organization (PDS) and a panel or panels of private attorneys who are eligible to receive court appointments [Criminal Justice Act (CJA) attorneys]. PDS is the only institutional defender organization serving adults and children in the Superior Court for the District of Columbia. PDS is designed to develop expertise in the most difficult, complex, and time-consuming cases and is the only institution able to handle these types of cases in the Superior Court for the District of Columbia. It is the only organization, public or private, that provides special education advocacy for children in the juvenile delinquency system. It is also the only provider of representation before the U.S. Parole Commission.

Evidence: Federal Criminal Justice Act, 18 U.S.C. § 3006A; D.C. Criminal Justice Act, D.C. Code §§.11-2601 et seq.; The Plan for Furnishing Representation to Indigent Defendants;

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 'hybrid representation' model, whereby an institutional public defender and a group of private attorneys are both appointed to represent indigent clients in the same jurisdiction, is used in Superior Court to provide court-appointed counsel to indigent defendants. This model 1) establishes a full-time defender organization to provide direct representation and to serve as a resource to court-appointed private counsel, and 2) creates panels of private attorneys to handle those cases not assigned to the defender organization. It is efficient and effective because PDS generally is assigned to represent clients charged with the more serious offenses, or clients whose cases require the most resources.

Evidence: Best practices standards adopted by the American Council of Chief Defenders (ACCD), the National Legal Aid and Defender Association (NLADA), and the American Bar Association.

PART Performance Measurements

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	54%	90%	40%	Demonstrated

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: PDS has a staff of eligibility examiners who perform eligibility checks on every person who has been charged with an offense in Superior Court. The results of these examinations are transmitted on a daily basis to the Superior Court electronically and made part of the court record for public inspection. The eligibility exam includes an interview, a sworn statement from the arrestee, and asset verification using ChoicePoint Asset Company's database. False statements made during this process are subject to criminal prosecution. In FY 2002, PDS's Defender Services Office (DSO) performed over 29,000 eligibility exams. PDS uses a 'pick-up' schedule that maximizes the availability of qualified PDS lawyers over a six-week schedule. PDS's DSO prepares the 'lock-up' list each morning for the assigning judicial officer, detailing all the cases, the charges, and the available attorneys. The DSO pre-assigns the most serious juvenile and adult cases to the available PDS attorneys. This list is then transmitted electronically to the appointing judicial officer to complete the remaining appointments from the available panel attorneys and for approval of the recommended assignments.

Evidence: The Plan for Furnishing Representation to Indigent Defendants, Section II. A and B. (2); Eligibility Form; Former Superior Court Chief Judge Moultrie's March 17, 1983 Memorandum Re: Eligibility Standards; Sample Lock-up List, Appointment Material, and Pick-up Schedule; D.C. Code § 1-2702

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 18%

Explanation: Prior to PDS's transition from a District funded agency to a Federally-funded independent agency under the National Capital Revitalization and Self-Government Improvement Act of 1997, PDS operated with less than $8 million dollars in funding, 96% of which was for personnel service costs. Consequently, PDS did little in the way of meaningful strategic and long-term planning and is still not required to comply with GPRA requirements. Regardless, PDS has finalized its first GPRA-compliant strategic plan outlining long-term goals and objectives for FY 2004-FY2009.

Evidence: PDS Strategic Plan

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: NO Question Weight 18%

Explanation: Prior to PDS's transition from a District funded agency to a Federally-funded independent agency under the National Capital Revitalization and Self-Government Improvement Act of 1997, PDS operated with less than $8 million dollars in funding, 96% of which was for personnel service costs. Consequently, PDS did little in the way of meaningful strategic and long-term planning and is still not required to comply with GPRA requirements. As a result, PDS has not yet gathered enough baseline data to have established ambitious targets and timelines for its long-term measures.

Evidence: PDS Strategic Plan; PDS Draft 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: NO Question Weight 18%

Explanation: The agency is currently reassessing its reporting tools and data sets to determine how they may be modified to capture, analyze, and report on the new forms of performance measure the strategic plan envisions. At this time, however, PDS does not have a limited number of specific annual goals.

Evidence: PDS Draft Annual Performance Plan.

PART Performance Measurements

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	54%	90%	40%	Demonstrated

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: NO Question Weight: 5%

Explanation: PDS plans to establish its first full year of baseline data and annual targets for out-years during the upcoming FY 2004, FY 2005, and FY 2006 budget years. The context of PDS's very recent planning process and the fact that this status of baseline and initial year's target data is the norm for any organization undertaking its first-ever performance planning and assessment initiative lead to a reasonable assertion that PDS is on target in its implementation of these requirements.

Evidence: PDS Strategic Plan; PDS Draft 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: NA Question Weight: 0%

Explanation: This question is not applicable to PDS as it has no partners in delivering its program activities. PDS has a distinct mission and serves a distinct and exclusive population; PDS does so independently and unassisted in its core program activities. PDS does not contract with private entities to carry out any major program activities. PDS does not have grant authority to sub-grant funds to conduct its activities. The mission and the population that PDS serves are both exclusive of other government agencies that serve defendants' interests.

Evidence: PDS Enabling Statute, Federal Criminal Justice Act, 18 U.S.C. § 3006A; D.C. Criminal Justice Act, D.C. Code §§ 11-2601 et seq.; Plan for Furnishing Representation to Indigent Defendants

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 Weight18%

Explanation: No formal independent evaluation of PDS's program has been conducted. Such an evaluation has been neither appropriate nor necessary given PDS's relatively small budget ($23.1 million for FY 2003) and PDS's smaller scale impact. In addition, PDS frequently receives informal evaluations of its work (see response to Question 4.4) that are consistent with PDS's reputation as a provider of excellent legal representation. Going forward, however, PDS's strategic plan contemplates scheduling an evaluation through the National Legal Aid and Defenders Association (NLADA) in FY 2005.

Evidence: PDS Strategic Plan; NLADA's Website Pages and NLADA's Evaluation of a Public Defender Office: Clark County, Nevada, March 2003.

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: 5%

Explanation: Prior to PDS's transition from a District funded agency to a Federally-funded independent agency under the National Capital Revitalization and Self-Government Improvement Act of 1997, the agency operated with less than $8 million dollars in funding, 96% of which was for personnel service costs. Consequently, PDS did little in the way of meaningful strategic long-term planning or budget-performance integration. Furthermore, PDS has never been required to have an annual budget submission that complies with GPRA requirements. PDS is now working toward presenting a fully integrated performance-based budget in FY 2006.

Evidence:

PART Performance Measurements

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	54%	90%	40%	Demonstrated

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight 18%

Explanation: The principal deficiency PDS needed to address was the lack of any formal strategic plan with associated goals, targets, and performance measures. Both the GPRA and PART exercises have provided the form and structure necessary to take truly meaningful steps to correct this deficiency.

Evidence: PDS Strategic Plan; PDS Draft Annual Performance 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 15%

Explanation: On a monthly basis, PDS Division Chiefs provide information, including statistical data and trends analysis, to executive staff about Division activities. PDS's executive staff uses this information to make staffing, resource allocation, and policy decisions that are communicated to the Division Chiefs for the purpose of improving program performance and effectiveness. The Divisions' activities are then monitored to ensure that outcome.

Evidence: Monthly Division and Statistical Reporting format

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 15%

Explanation: All of PDS's senior management (i.e., Division Chiefs, Special Counsels, the General Counsel), except the Deputy Director, serves at the will of the Director. The Trial Division has a significant number of mid-level supervisors, all of whom are appointed for a specific term of one or two years. Upon the completion of the term, the position is re-opened for applications. The Director typically requires that the applicants produce a recent sample of original research and writing demonstrating innovative litigation, and list as references two attorneys whom they have supervised in the past year. The Director also solicits confidential comments on the applicants from every staff member. The General Counsel and the Deputy Director forward recommendations to the Director after interviewing all the applicants. The Director then interviews a smaller group of candidates and makes the final selection. Supervisors are selected based on their application materials, their previous legal performance, their supervisory performance, their performance during the interviews, and feedback from references and staff.

Evidence: Sample Supervisor Job Announcements and Solicitation of Staff Comment.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight 15%

Explanation: PDS obligates all goods and services for the current year no later than September 30 of the current year within the quarterly apportionment guidance delivered by OMB. At the end of the year, a minimal portion of appropriated funds remains unobligated. PDS also actively compares actual expenditures against intended use by linking PDS's FY 2003 Enacted Budget and PDS's FY 2003 Operating Budget Plan, and by comparing the estimated year-to-date apportionment to the PDS summary status of funds.

Evidence: The most current reconciliation for FY 2002 reflects that the actual year-end balance of unexpended funds totaled approximately $149,000, or .07% of PDS's total appropriation of $20,829,000 for FY 2002.

PART Performance Measurements

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	54%	90%	40%	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 10%

Explanation: PDS's mission and long-term outcome goals (provide quality representation to all indigent defendants in the District of Columbia) rely largely on the intellectual product and work ethic of its attorneys. These components are difficult to capture and quantify in an efficiency measure. PDS will continue to work on this as they move forward with implementation of their strategic and annual plans.

Evidence:

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: YES Question Weight 15%

Explanation: PDS collaborates with a wide variety of institutions within the criminal justice community and the mental health system, as well as with faith-based and community organizations. PDS collaborates both as a member of larger organizations (for example the Criminal Justice Coordinating Council and the D.C. Sentencing Commission) and on smaller, more informal levels. PDS also coordinates effectively with related programs by referring clients, their family members, and the public to other organizations and agencies when issues are identified that PDS does not handle. PDS provides this service through its Duty Day program and the resource materials generated for that program.

Evidence: The Plan for Furnishing Representation to Indigent Defendants, Section II. A (2) and B; April 2001 OPTIONS Memoranda Of Understanding; CJA Investigator Certification Program Memorandum Of Understanding; Pro Bono Program Memorandum Of Understanding; D.C. Superior Court Administrative Order 02-33; December 2, 2002 Report of the Superior Court Criminal Justice Act Continuing Legal Education Committee; Participation with dozens of committees and informal working groups with partners such as the D.C. Superior Court, the D.C. Department of Mental Health, and the Pretrial Services Agency.

3.6 **Does the program use strong financial management practices?** Answer: YES Question Weight 15%

Explanation: Independent financial audits for FY 1999 and FY 2000 found that PDS's "financial statements presented fairly, in all material respects, the financial position of PDS, and the results of its operations and the cash flows for the years then ended in conformity with generally accepted accounting principles." Independent financial audits for FY 2001 and FY 2002 are currently underway. Since the passage of the Revitalization Act, PDS has taken significant steps to enhance the design and operation of internal controls over financial reporting to ensure PDS's ability to record, process, summarize, and report financial data. PDS has used recommendations provided by auditors to ensure PDS's financial management structure is in full compliance with statutory and regulatory requirements governing PDS's financial management practices, procedures, reporting, and internal controls.

Evidence: June 4, 2003 Memorandum Re: Statement of PDS Financial Management Practices; FY 2001/2002 Audits Engagement Purchase Order and Related Materials.

PART Performance Measurements

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	54%	90%	40%	Demonstrated

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight 15%

Explanation: For years prior to the passage of the 1997 Revitalization Act, PDS operated with only a Director, a Deputy Director, and an Executive Assistant responsible for the entire administrative function. In recognition of this deficiency, PDS sought and obtained funding for basic management and administrative support. This has enabled PDS to establish a human resources office, competent and professional budget and finance staff, and a core information technology unit that supports PDS's technological infrastructure. PDS has also examined its management structure and addressed weaknesses created by its past practice of relying on centralized management. For example, PDS has created Unit/Division Chief positions where incumbents are held responsible for the operation and effectiveness of their Divisions. These managers provide monthly reports that are used by executive management to track progress, examine trends, and spot and address deficiencies that may exist in the program areas.

Evidence: PDS Organizational Chart; Sample Monthly Division and Statistical Reporting Format.

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

Explanation: PDS and OMB recently agreed on a final strategic plan for FY 2004-FY 2009, which includes long-term performance goals. Measurement of these goals should become possible in FY 2006 and beyond.

Evidence:

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

Explanation: PDS does not now have the type of annual performance goals envisioned by GPRA, but is currently in the process of establishing them through the drafting of its annual performance plan.

Evidence:

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: SMALL EXTENT Question Weight 30%

Explanation: PDS has demonstrated high levels of efficiency through innovative use of technology. Over the past year, PDS has developed and launched the first few of several program modules in its state of the art case management and tracking system, Atticus. This system provides desktop access to real-time case activity and status information in the form of a running case resume and calendar. Significant efficiencies are gained through this system, including: the increased accountability of individual program staff on a case-by-case basis through program management's ability to track cases and to provide direction; and increased ability of the individual program staff member to follow the current status of a case and to implement next required tasks toward achieving timely and effective client representation. PDS has also achieved significant efficiency gains in its Investigations Division through the widespread dissemination and use of cell phones by investigators in the field as well as by providing access to a variety of online databases providing real-time information.

Evidence: Sample pages from Atticus Training Manual

PART Performance Measurements

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
100%	54%	90%	40%	Demonstrated

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 30%

Explanation: PDS's status as one of the best public defender organizations in the country is well known in the legal community. The Legal Aid Society for DC awarded PDS the 2003 Servant of Justice award for "faithful dedication and remarkable achievement in ensuring that all persons have equal and meaningful access to justice in the District of Columbia." PDS is the first institution to receive this prestigious award. Past honorees include: Justice Thurgood Marshall, Janet Reno, Peter Edelman, and Charles Ruff. PDS staff are also in demand to act as speakers/trainers for academic institutions, federal law enforcement agencies, state and federal defender organizations, and private organizations. PDS's reputation is also recognized internationally, and the Department of State's International Visitor Program routinely arranges for delegations from countries reforming their criminal justice systems (Chile, Kosovo, Canada, and China) to meet with and receive presentations from PDS staff. PDS recently received funding for a DNA initiative and in a short period of time has become a national leader in the defense community in addressing the admissibility of new DNA technologies and challenges to this evidence at trial.

Evidence: Legal Aid Society Award; Recent requests for staff to act as speakers/trainers have come from: Federal Judicial Center; Harvard Law School's Trial Advocacy Program; Superior Court for the District of Columbia Judicial Conference; National Legal Aid and Defender Association; Georgetown Law School, Criminal Justice Clinic; University of Virginia School of Law; Bureau of Alcohol, Tobacco, and Firearms; Defender Service Division for the Administrative Office of the U.S. Courts; Public Defender Association of Pennsylvania; New Mexico Public Defender; Illinois Office of the Appellate Defender; George Washington School of Law; Howard University School of Law; American Professional Society on the Abuse of Children; District of Columbia Bar; National Association of Sentencing Advocates; The Sentencing Project; American University School of Law; University of Maryland, School of Social Work; California Public Defenders Association; George Washington University, School of Medicine; and National Institute of Trial Advocacy. Transcript Excerpts; Supreme Court Order of Appointment, and Order Granting Certiorari.

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: NA Question Weight: 0%

Explanation: No formal independent evaluation of PDS's program has been conducted. Such an evaluation has been neither appropriate nor necessary given PDS's relatively small budget ($23.1 million for FY 2003), PDS's smaller scale impact, and the frequent positive assessments of PDS performance through informal evaluations of its work.

Evidence: Legal Aid Society Award; Brennan Center for Justice's Evaluation of PDS's Community Defender Program; District of Columbia Court of Appeals Rule 49 (c) (9) (B);

PART Performance Measurements

Program: Public Defender Service for the District of Columbia
Agency: Public Defender Service for the District of Columbia
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	54%	90%	40%	

Measure: Effectiveness of PDS legal representation (a survey of judges and other adjudicators)

Additional Information: This measure will track the effectiveness of PDS legal representation using a survey of judges and other adjudicators.

Year	Target	Actual	**Measure Term:** Annual

Measure: Percentage of cases resulting in pre-trial release

Additional Information: The measure will track the percentage of cases resulting in pre-trial release.

Year	Target	Actual	**Measure Term:** Annual

Measure: Percentage of clients visited within 2 days after an attorney is appointed

Additional Information: This measure will track the percentage of clients visited within 2 days after an attorney is appointed.

Year	Target	Actual	**Measure Term:** Annual

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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

Explanation: The U.S. Nuclear Regulatory Commission (NRC) regulates the Nation's civilian use of byproducts, source, and special nuclear materials to ensure adequate protection of public health and safety, to promote common defense and security, and to protect the environment. The NRC has several programs to fulfill its responsibility to protect public health and safety, one of which is the Reactor Inspection and Performance Assessment program. This purpose of this program is to ensure that the 104 power reactors licensed to operate identify and resolve safety issues before they affect safe plant operation.

Evidence: The Atomic Energy Act of 1954, as amended Mission Statement from the NRC FY2002 Performance and Accountability Report, pages 2 and 5. FY2004 Budget Estimates and Performance Plan, page 50.

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

Explanation: The Reactor Inspection and Performance Assessment program provides the NRC regulatory oversight of commercial operating power reactors. The reactor inspection program provides the means for the NRC to gather information on licensee performance and oversee safe operation. The assessment process provides the means for the NRC to use this information to identify performance deficiencies and determine appropriate Agency actions in response.

Evidence: The Atomic Energy Act of 1954, as Amended, Section 25 states that an Inspection Division shall be responsible for gathering information to show whether or not licensees are complying with the provisions of this Act and the appropriate rules and regulations of the Commission.

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 NRC has the sole responsibility to license commercial power reactors and ensure that these facilities are being operated in accordance with license conditions and other Federal regulations. As discussed later, the NRC does collaborate with other State and Federal agencies on some aspects of the oversight of operating commercial power reactors.

Evidence: The Atomic Energy Act of 1954, as Amended, Section 101, states that it shall be unlawful for any person within the United States to acquire, possess, or use any utilization facility except under and in accordance with a license issued by the Commission pursuant to section 103.

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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 Reactor Oversight Process (ROP) is the key component of the Reactor Inspection and Assessment program and was designed to improve the oversight processes by making them more objective, predictable, understandable, and risk-informed. This initiative resulted from internal reviews, external stakeholder input, and direction from the Commission, and was specifically designed to address the interests, problems, and needs of all stakeholders. The ROP also includes a built-in self-assessment process, including senior management review, to ensure that the program continues to meet the interests and needs of its stakeholders. Independent external stakeholders have responded favorably to the ROP as a significant improvement over the previous oversight programs, and annual self-assessments have concluded that the ROP is effective.

Evidence: NRC Commission paper SECY-03-0062 dated April 21, 2003, provides the results of the latest self-assessment of the ROP. Also Reference SECY-99-007 and 007A, SECY-00-0049, SECY-01-0114, and SECY-02-0062, as well as ACRS letters dated March 13, 2003 (ML030730366) and February 13, 2002 (ML020500775), and the OIG report dated August 21, 2002. Commission memo on "Results of the NRC Agency Action Review Meeting, April 22-23, 2003," dated May 2, 2003.

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: Resource allocations for the program target the direct work (70% of program resources) performed either by NRC technical and professional staff or by NRC contractors, as well as the overhead and support activities (30% of resources) needed to implement the program. Approximately 90% of the total program resources are directed to the four regional offices to conduct inspections, assess reactor performance, respond to events, and address allegations. The remaining 10% of resources are directed to NRC Headquarters to: support continuing program development, improvement, and oversight; address emergency preparedness; maintain liaison with State, local, and tribal organizations and other Federal agencies; and conduct legal, investigative, and enforcement activities. In addition to targeting specific resources to support the program as described in the NRC budget, the Agency also monitors the use of funding and staff during the execution year to ensure that resources are expended as planned.

Evidence: Budget Estimates and Performance Plan - Fiscal Year 2004. NRC MD 4.2, "Administrative Control of Funds". NRR Rainbow Reports

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 strategic goal for the oversight of power reactors through the Reactor Inspection and Performance Assessment program is to prevent radiation related deaths and illnesses, promote the common defense and security, and protect the environment in the use of civilian nuclear reactors. The NRC has identified five measures to determine if it is meeting this strategic goal.

Evidence: FY2002 Performance and Accountability Report, Chapter 2

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight 11%

Explanation: The targets for the Nuclear Reactor Safety Strategic Goal performance measures are very ambitious. In fact they are zero for all five measures. These are also long-term performance measures that generally have an unlimited timeframe. These targets and timeframes are appropriate given the extremely low frequency and high consequence of the events that would contribute to these performance measures.

Evidence: FY2002 Performance and Accountability Report, Chapter 2, page 36

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 NRC has established performance measures such as "No statistically significant adverse industry trends in safety performance" and "No more than one event per year identified as a significant precursor of a nuclear accident" that provide indication on an annual basis of the programs ability to meet its long-term goal of maintaining safety. Another key performance goal of the program is to make it more effective and efficient. The ROP self-assessment program includes several measures that promote continuous improvement and drive the staff to evaluate the program annually for effectiveness and efficiency improvements.The ROP tracks and trends 39 performance metrics related to its four principal functional areas and 19 performance metrics related to the overall effectiveness of the ROP.

Evidence: FY2002 Performance and Accountability Report, Chapter 2. Budget Estimates and Performance Plan FY2004. IMC 0307, Reactor Oversight Process Self-Assessment Program , Appendix A. For example, performance measure IP-9 in IMC 0307 requires the analysis of inspection hours expended against budgeted resources. Reactor Oversight Process Self-Assessment for Calendar Year 2002 (SECY-03-0062). FY 2003 Operating Plan and quarterly updates.

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight 11%

Explanation: Data for the annual performance measures related to maintaining safety have been collected and reported for several years, thus establishing an adequate baseline level of performance for each measure. Ambitious targets have also been set for each measure, with several of the targets being zero. These targets are appropriate given the extremely low frequency and high consequence of the events being measured. The ROP self-assessment program includes several measures that promote continuous improvement and drive the staff to evaluate the program annually for effectiveness and efficiency improvements. However, the Commission determined early during the development of the ROP that establishing resource demands artificially would be inconsistent with the goal of maintaining safety. Therefore, specific measures and targets for cost-effectiveness of the program have not been developed. Resource requirements for the program are determined by using risk-insights to determine those Agency actions required to provide reasonable assurance of public health and safety.

Evidence: FY2002 Performance and Accountability Report, Chapter 2, pages 32 and 37. IMC 0307, Reactor Oversight Process Self-Assessment Program, Appendix A. Item 8 of the Staff Requirements Memorandum for SECY-99-007 and SECY-99-007A dated June 18, 1999 provides Commission guidance establishing resource measures for the program.

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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: There are several key partners for the Reactor Inspection and Performance Assessment program. Most important are the four NRC Regional Offices which implement the program on a day-to-day basis. Each regional office has developed and implemented an operating plan and performance metrics that measure program performance against the strategic and performance goal measures. In addition, the NRC's performance measure of "No statistically significant adverse industry trends in safety performance" links the performance of the regulated entities to the performance goal of maintaining safety. Industry performance is a key input in evaluating the effectiveness of the Reactor Inspection and Performance Assessment program. An Industry Trends Program (ITP) has been developed by the staff to identify and evaluate adverse trends, and take appropriate action. The results of this program are documented in an annual Commission Paper and reviewed by senior NRC managers as part of the annual Agency Action Review Meeting and Commission briefing on the status of the ROP.

Evidence: FY2002 NRC Regional Office Operating Plans. FY2002 Performance and Accountability Report, pages 32 and 33. Commission Paper SECY-03-0057 "Results of the Industry Trends Program for Operating Power Reactors and Status of Ongoing Development." Management Directive 8.14 "Agency Action Review Meeting."

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: Several independent advisory committees reviewed the ROP prior to implementation and continue to evaluate the program on a regular basis, including the Advisory Committee on Reactor Safeguards (ACRS) and the Office of the Inspector General (OIG). Specific panels were established, by charter under the rules of the Federal Advisory Committees Act, to independently evaluate ROP effectiveness; namely, the Pilot Program Evaluation Panel (PPEP) and the Initial Implementation Evaluation Panel (IIEP). In addition, annual surveys via Federal Register notice are administered to obtain stakeholder input regarding the efficacy of the ROP and provide insights for improvement. These critical reviews have resulted in several program enhancements as described in the annual self-assessments, including developing a structured self-assessment program, streamlining the Significance Determination Process, refining several performance indicators, and clarifying the inspection reporting guidance.

Evidence: Reference IIEP report dated May 10, 2001 (ML011290025, attachment 4 to SECY-01-0114), PPEP report dated December 21, 1999, (ML993550449, attachment 2 to SECY-00-0049), as well as ACRS letters dated March 13, 2003 (ML030730366) and February 13, 2002 (ML020500775), and the OIG report dated August 21, 2002 (Review of NRC's Significance DeterminationProcess, OIG-02-A-15). NRC Inspection Manual Chapter 0307, "Reactor Oversight Process Self-Assessment Program"

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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 budget for the Inspection and Performance Assessment program reflects the activities and anticipated level of effort that contributes to achieving the four performance goals that support the Agency's mission. Program resources are aligned annually in accordance with the concept of "prioritization" " defined in NRC's Planning, Budgeting and Performance Management (PBPM) process as 'the ranking of activities ... based on their contribution to performance goals.' In the past, the direct and overhead costs for this program have been clearly identified in the NRC budget, and beginning in the FY 2005 budget, full cost for the program will be shown in the budget document. Although the current budget presentation is more descriptive than analytical, future NRC budgets will provide additional analytical information and will reflect the impact of resource allocation on effectiveness and efficiency.

Evidence: NRC Strategic Plan (FY 2002-FY 2005); FY 2004 Budget Estimates and Performance Plan; FY 2002 Performance and Accountability Report; Memorandum to the Program Review Committee, 'Prioritized Listing of Program Office Activities by Arena for FY 2004 and FY 2005 Budgets,' dated April 16, 2003.

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: YES Question Weight 11%

Explanation: The NRC is currently revising strategic goals and performance goal measures, and including some ROP performance attributes in these. These revised measures, which are primarily output measures, are then incorporated into the annual performance plan. The ROP is the main process for regulatory oversight under the Reactor Inspection and Performance Assessment program. NRC has been developing and using risk-informed and less-prescriptive performance-based regulatory approaches, where appropriate, to maintain safety and promote efficiency. As a direct result of this process, efficiencies have been identified for FY 2004, freeing up staff and budget to address unanticipated developments, such as the Davis-Besse performance issues.

Evidence: NRC Strategic Plan (FY 2002-2005); FY 2004 Budget Estimates and Performance Plan;FY 2002 Performance and Accountability Report.

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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: NRC regulations issued are considered necessary to provide assurance that licensees operate their facilities in a safe manner and the goals are met to protect public health and safety. The Reactor Inspection and Performance Assessment program ensures that licensees are complying with these requirements. NRR has issued office instructions for rulemaking that provide procedures and guidance to its staff. Any rule imposing requirements needs a backfit analysis (per 10CFR50.109 - Backfit Rule) either justifying that the requirements are necessary for adequte protection or are cost-beneficial safety enhancements. An internal review committee (Committee to Review Generic Requirements) reviews these analyses before any rule is forwarded to the Commission for consideration. Additionally, the NRC has undertaken various efforts to review its regulations to reduce unnecessary regulatory burden and ensure consistency with NRC goals. For example, the NRC has embarked on a number of rulemakings to risk-inform requirements in 10 CFR Part 50 and remove unnecessary regulations.

Evidence: NRC Regulations Handbook, NUREG/BR-0053, Rev 5 (ADAMS Assession No. ML011010183 and ML011010201) and Supplement 1 (ML021990398); and NRC Regulatory Analysis Guidelines, NUREG/BR-0058, July 2000 (See 3RG3 for web page references). LIC 300, 'Rulemaking Procedures' and Commission White Paper, 'Risk-informed and Performance-Based Regulations,' SRM to SECY-98-144, dated March 1,1999. SECY-98-300, Options for Risk-informed Revisions to 10 CFR Part 50, December 23, 1998; SECY-00-0198, Status Report on Study of Risk-informed changes to 10 CFR Part 50, September 14, 2000; SECY-02-0057, 4th Status Report on Study of Risk-informed changes to 10 CFR Part 50, March 29, 2002; SECY-03-0044, Update to Risk-informed Implementation Plan, March 21, 2003. Some current regulatory actions underway to conform with the initiatives of the program are: (1) Performance-Based Risk-Informed Fire Protection, (2) §50.69 - Risk-Informing 10 CFR Part 50, Option 2 (Special Treatment Requirements), (3) Risk-Informed 50.44 Rulemaking, (4) Fitness For Duty Rulemaking, and (5) Risk-Informed Part 73/Exercise Rule.

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: ROP's self-assessment program annually evaluates the program's success in meeting its intended objectives. A detailed program assessment, using objective criteria, is conducted annually to evaluate program effectiveness. The sources of the data include Regional Operating Plans, performance indicators, internal and external stakeholder surveys, independent audits, program documents reviews, and agency databases. The self-assessment program has resulted in significant improvements in the effectiveness and efficiency of the ROP, including streamlining the Significance Determination Process, refining several performance indicators, and clarifying the inspection and assessment guidance. The results of the annual self-assessment are discussed and confirmed by senior NRC management during the annual Agency Action Review Meeting, and are subsequently provided to the Commission and interested stakeholders. Plant-specific performance indicator data is used to improve regulatory oversight.

Evidence: Reference IMC 0307 and SECY-03-0062. MD 8.14 describes the Agency Action Review Meeting. FY2002 Performance and Accountability Report, pages 32 and 33.

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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: Each manager in the Office of Nuclear Reactor Regulation is responsible for development and implementation of specific items in the Strategic Plan and Operating Plan. These items are in their SES contracts, elements and standards for performance appraisals, which are used, in part, to determine promotions and awards, and our work tracking and assignment system (ticketing). The SES program is being modified for FY2004 to link individual goals even more explicitly to NRC goals. In addition, the ROP characterizes the performance of our licensee partners in an ongoing manner, updating this assessment quarterly. When licensee performance declines, the ROP has predictable, clearcut linkages to regulatory responses which include additional inspection and increased regulatory interface with licensee management. Licensee partners are held accountable for the safety performance of their plants, adherence to all regulatory requirements, and strive to operate in a manner that the ROP will explicitly reflect as acceptable performance.

Evidence: Management Directive 10.137, "Senior Executive Service Performance Management System." Mid-year review of each manager's performance; annual performance review which includes the performance review board compensation adjustments. Example of SES Performance Plan for Chief, Inspection Program Branch. IMC 0305 "Operating Reactor Assessment Program" creates an 'accountability structure' in that licensee's are given quarterly performance reviews that are made public in a clear and understandable manner.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight: 9%

Explanation: It is the policy of the NRC that agency systems for budget execution and the administrative control of funds conform to policies, procedures, and standards that comply with the requirements set forth in OMB circulars, the Antideficiency Act, the Impoundment Control Act of 1974, Chief Financial Officers Act of 1990, etc. Agency policies and procedures are documented in NRC Management Directive, Volume 4 'Financial Management'. NRC's Office of the Chief Financial Officer monitors commitments, obligations, and expenditures on a monthly basis and reports findings in monthly and quarterly reports in the Budget Execution Reports. NRC's Office of Nuclear Reactor Regulation tracks funding and staff utilization, and projects annual resource expenditures for the majority of resources in the Inspection and Performance Assessment program through the NRR Rainbow Reports which are issued monthly.

Evidence: NRC Management Directives, Manual Chapter 4.2 'Administrative Control of Funds'; Budget and Reporting Number Structure Guide; Management Directive and Handbook 10.43, Time and Labor Reporting; monthly Budget Execution Reports; NRR Rainbow Reports; Acquisition Certification and Training program for project managers, technical monitors, and all personnel who are part of the acquisition process as defined in the May 2000 memorandum to Office Directors and Regional Administrators from the Executive Director for Operations.

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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: As noted in the response to item 2.3, procedures are in place that establish clearcut measures and goals to monitor ROP performance. The annual ROP self-assessment further includes analysis of resources expended as compared to resources budgeted, with established goals as targets. The combined thorough evaluation of performance and cost provides regular insights from which ROP changes to improve efficiency and cost effectiveness have been made and are being made. NRC annually analyzes inspection resources required for preparation, travel, communication, conduct of the inspection, and documentation of results to identify ways to make inspection more efficient and effective. The NRC also formed an efficiency focus group to explore additional ways to achieve efficiency gains within the ROP. Ongoing efficiency evaluations include the consolidation of inspection procedures, the streamlining of the inspection reporting process, and reevaluating the scope and frequency of the annual public meetings.

Evidence: IMC 0307, Appendix A, measure IP-9, "Analysis of Inspection Hours". Commission paper SECY-03-0062, Attachment 7 "ROP Resource Analysis". NRC Letter to Congress on Efficiencies Gained Through Implementation of the ROP, dated March 31, 2003 (ML030690522)

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 9%

Explanation: The NRC collaborates with many other Federal and State regulatory bodies on certain aspects of the Reactor Inspection and Performance Assessment program. For example, NRC works in conjunction with FEMA to provide oversight of Emergency Preparedness activities at and around the power reactor sites. Many states, such as the State of Illinois, regularly participate in inspections of power reactors lead by the NRC. The NRC also collaborates and coordinates internally with other programs related to power reactor oversight, such as the security and safeguards programs run by the Office of Nuclear Safety and Incident Response.

Evidence: Collaboration with FEMA as described in the NRC/FEMA memorandum of understanding, dated August 26, 1993. Per the Atomic Energy Act of 1954, as Amended, Section 274 (i), the Commission in carrying out its licensing and regulatory responsibilities under this Act is authorized to enter into agreements with any State, or group of States, to perform inspections or other functions on a cooperative basis as the Commission deems appropriate. Management Directive 5.2, "Memoranda of Understanding With States." NRC's Policy Statement on "Cooperation With States at Commercial Nuclear Power Plants and Other Nuclear Production or Utilization Facilities" (57 FR 6462, February 25, 1992).

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 9%

Explanation: NRC financial management practices governing control of funds and resource allocation are codified in MD4.2 and are fully implemented by the reactor oversight process (ROP). The adequacy of these practices is reflected in the fact that NRC's financial statements have earned unqualified opinions for nine consecutive years. NRC's cost accounting system was identified as having a material weakness because the system is not in full compliance with SFFAS Number 4 by capturing the full cost of program outputs. NRC is implementing a remediation plan to resolve the instance of non-compliance; all other financial systems are in full compliance. NRC offers a financial management training seminar to staff twice a year on Administrative Control of Funds and Financial Management.

Evidence: NRC's Performance and Accountability Report for FY 2002, Monthly Budget Execution Reports (BER), Quarterly review of BER by top Agency management, NRC Management Directive 4.2, 'Administrative Control of Funds;' NRC Financial Management Seminar, 'Audit of the Nuclear Regulatory Commission's FY 2002 Financial Statements,' OIG-03-A-04.

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 9%

Explanation: The NRC has identified management challenges for the Reactor Inspection and Performance Assessment program in developing and implementing risk-informed and performance-based regulatory oversight. Actions taken to address these challenges resulted in significant changes and improvements to the program structure and its implementation. For example, during ROP development the assessment process was streamlined and consolidated from three separate processes to one and the core/baseline inspection program was revamped using risk-informed evaluations. Annual program self-assessments have produced improvements as a result of program deficiencies identified and lessons learned, as shown by the last one conducted for CY 2002. The NRC IG has also identified challenges in the implementation of the ROP, which the staff has taken actions to address. A recent internal employee survey aimed at determining trends in the NRC's 'safety culture' identified certain areas where improvement could be made. The NRC created a task force to review this safety culture survey and they published a report with recommendations (NRC Safety Culture & Climate, ADAMS number ML031630816), for which the staff comment period is still open.

Evidence: NRC Management Directive 4.4; Annual Reasonable Assurance Statements; FY2002 Performance and Accountability Report. NRC MD 8.14, "Agency Action Review Meeting," IMC 0305, "Operating Reactor Assessment Program," SECY-03-0062, "Reactor Oversight Process Self-Assessment for CY2002," SECY-00-0049, "Results of the Revised Reactor Oversight Process Pilot Program," IMC 0307,"Reactor Oversight Process Self-Assessment Program"; 'Management Challenges Appendix of Budget Estimates and Performance Plan FY 2004; OIG-03-A-02, 'Inspector General's Assessment of the Most Serious Management Challenges Facing NRC,' NRC Safety Culture & Climate, ADAMS number ML031630816.

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 support of the program, the rulemaking process at the NRC takes into account the views of the affected parties, recognizes the public's interest in the proper regulation of nuclear activities, and provides opportunities for citizens to make their opinions known. The NRC seeks to elicit public involvement early in the regulatory process so that safety concerns that may affect a community can be resolved in a timely and practical manner. All rulemakings provide the public with at least one opportunity for comment. Often, there are several opportunities. In some cases, NRC holds meetings and workshops before a proposed rule is drafted so that members of the public can express their concerns early in the process. Sometimes, the NRC may publish an Advance Notice of Proposed Rulemaking in the Federal Register to obtain public comments and provide clarification of certain issues before developing a proposed rule. NRC is subject to the Small Business Regulatory Enforcement Fairness Act, thus evaluating any expected impact on small businesses.

Evidence: NRC Regulations Handbook, NUREG/BR-0053 and NRC Regulatory Analysis Guidelines, NUREG/BR-0058. The handbooks assist NRC staff in drafting and preparing rulemaking documents for publication in the Federal Register. LIC 300, 'Rulemaking Procedures' and Commission White Paper and SRM to SECY-98-144, 'Risk-informed and Performance-Based Regulations,' dated March 1,1999. The following rulemakings pertinent to the Reactor Inspection and Performance Assessment program requested public participation and are stored in the NRC Document Management system ADAMS under the following accession nos. - ML021080576, ML021300030, & ML022630007.

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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: NRC is covered by SBREFA and the Regulatory Flexibility Act and is in full compliance with their requirements on applicable rulemakings. For example, the final Fee Rule for FY2003 (10CFR Parts 170 and 171), contains a Regulatory Flexibility Analysis and a SBREFA determination. As an independent agency, NRC is not bound by the Unfunded Mandate Reform Act, or for the most part, by Executive Order 12866. The one exception is the requirement in the Executive Order to regularly post the overall agency regulatory agenda, which the NRC does in full compliance with the order. However, as a matter of normal practice, the NRC performs cost-benefit analyses on proposed rules which are not on matters of immediate safety concern. The NRC's guidance directs the analyst to use OMB's 'Regulatory Impact Analysis Guidance,' Appendix V in Regulatory Program of the United States Government: April 1, 1992 - March 31, 1993, and 'Benefit-Cost Analysis of Federal Programs; Guidelines and Discounts,' Circular No. A-94, Federal Register, Vol. 57, November 10, 1992, pp. 53519-53528.

Evidence: 6/18/2003 Federal Register Notice 1010 CFR Parts 170 and 171 Revision of Fee Schedules; Fee Recovery for FY2003; Final Rule". SECY-00-0111. Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, NUREG/BR-0058, Rev. 3, July 2002 The following proposed rulemakings pertinent to the Reactor Inspection and Performance Assessment program prepared regulatory impact analyses and are stored in the NRC Document Management system ADAMS under the following accession nos. - ML021080807, ML022630028, ML021080576, ML021300030, & ML022630007.

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: As fostered by Commission policy, and in recognition of risk insights, the NRC has undertaken various efforts to review its regulations to reduce unnecessary regulatory burden and ensure consistency with NRC goals. For example, the NRC has embarked on a number of rulemakings to risk-inform requirements in 10 CFR Part 50. Significant examples include the revision to 10 CFR 50.44 and the proposed addition of 10 CFR 50.69. Most recently, the NRC has been engaged in an initiative to improve the coherence among its risk-informed regulatory programs. As part of this effort, the NRC will be systematically looking at its regulations to determine whether they are built on a unified safety concept (and consistent with our performance goals) and are properly integrated. This effort is using information from the ROP to identify candidate areas where our regulations and our risk-informed oversight process may not be fully compatible.

Evidence: SECY-98-300, Options for Risk-informed Revisions to 10 CFR Part 50, December 23, 1998; SECY-00-0198, Status Report on Study of Risk-informed changes to 10 CFR Part 50, September 14, 2000; SECY-02-0176 Proposed Rule Risk-informed Categorization and Treatment of Structures, systems and components, September 30, 2002; SECY-02-0080 Proposed Rule Risk-informed revision to 10 CFR 50.44, Combustible Gas Control, May 13, 2002; SECY-02-0057, 4th Status Report on Study of Risk-informed changes to 10 CFR Part 50, March 29, 2002; SECY-03-0044, Update to Risk-informed Implementation Plan, March 21, 2003; Meeting Summary March 28, 2003 on Coherence (ML031210499); LIC-300 'Rulemaking Procedures'; White Paper, 'Risk-Informed and Performance-based Regulations,' SRM to SECY-98-144, dated March 1, 1999; SECY-00-0191, High-level Guidelines for Performance-based Activities, September 1, 2000.

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

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: NRC conducts regulatory impact analyses (RIAs) to determine whether proposed changes maximize benefits. NRC guidance states that 'OMB maintains that the regulatory analysis should select the regulatory alternative that achieves the greatest present value-the discounted monetized value of expected net benefits.' The NRC guidance also states 'Selecting the alternative with the largest net value is consistent with obtaining the largest societal gain from among the alternatives analyzed.' However, not all benefits can be quantified; and in some cases qualitative benefits were determined to justify the costs. Examples of significant RIAs are noted under Evidence.

Evidence: Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, NUREG/BR-0058, Rev. 3, July 2002. Some of the supporting RIAs for rulemakings pertinent to the Reactor Inspection and Performance Assessment program are stored in the NRC Document Management system ADAMS under the following accession nos. - ML021080807 and ML022630028.

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: YES Question Weight:16%

Explanation: The Reactor Inspection and Performance Assessment program has achieved its long term strategic goal to prevent radiation related deaths and illnesses, promote the common defense and security, and protect the environment in the use of civilian nuclear reactors. As previously discussed, the effectiveness of the program in achieving these goals has been has been the subject of frequent independent evaluations. While areas of program improvement have been noted, and the NRC continues to work to improve the program, these evaluations have concluded that the program is effective at providing reasonable assurance of the adequate protection of public health and safety.

Evidence: The program has met all of its strategic goal measures as demonstrated on page 36 of the FY2002 Performance and Accountability Report. For the results of independent evaluations, reference IIEP report dated May 10, 2001 (ML011290025, attachment 4 to SECY-01-0114), PPEP report dated December 21, 1999, (ML993550449, attachment 2 to SECY-00-0049), as well as ACRS letters dated March 13, 2003 (ML030730366) and February 13, 2002 (ML020500775), and the OIG report dated August 21, 2002 (Review of NRC's Significance Determination Process, OIG-02-A-15).

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight 16%

Explanation: The Reactor Inspection and Performance Assessment program has achieved its performance goal of maintaining safety at operating power reactors as demonstrated through achieving the five annual performance measures for this goal. The key program partners are the four NRC regional offices, which commit to and achieve this goal through their regional operating plans. Measures reflecting industry performance also link external partners to the program. Systematic integration of licensee performance into ROP programmatic and resource decisions occurs routinely as described in MD 8.14 and as documented in the annual ROP self-assessment Commission Papers. Also as described in the annual Commission Papers, the staff has been succesful at identifying ways to contnually improve the program. Examples include pursuing improved performance indicators and continuing to revise the Signficance Determination Process to make it more effective. However, as previously discussed, appropriate targets for continuous improvement and cost effectiveness have not been able to be established.

Evidence: The program has met all of its performance goal measures for maintaining safety as demonstrated on page 37 of the FY2002 Performance and Accountability Report. Measures on industry performance are shown on pages 32 and 33 of the FY2002 Performance and Accountability Report. MD 8.14 describes the NRC's Agency Action Review Meeting Process. SECY-03-0062 and SECY-03-0057 document the NRC's most recent assessments of the ROP and the industry trends programs respectively. Commission paper SECY-03-0062 also describes the results of evaluating the program against its annual self-assessment performance measures to identify areas for continued improvement and increased effectiveness.

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight 16%

Explanation: NRC has taken several steps to continuously evaluate the Reactor Inspection and Performance Assessment program to identify ways to make it more cost efficient. Resource analyses conducted as part of the annual ROP self-assessment have demonstrated improved efficiencies and cost effectiveness in each of its three years of program implementation. The staff has identified methods to make inspection preparation and documentation more efficient, and has also identified certain inspection procedures that can be conducted together, possibly requiring less resources. These efficiency gains were recognized by identifying a 15 FTE resource savings that could be applied to the conduct of the Baseline Inspection program effective for FY 2004 and beyond.

Evidence: Commission paper SECY-03-0062 Attachment 7 "ROP Resource Analysis". FY2004 Budget Estimates and Performance Plan, page 52.

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 16%

Explanation: During the development of the ROP inspection program, the NRC benchmarked the concepts with similar programs in the Environmental Protection Agency and the Federal Aviation Administration. The purpose was to glean insights into how these agencies incorporated risk into their inspection programs.

Evidence: Commission Paper SECY-99-007, Attachment 3, dated January 8, 1999

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

4.5 **Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?** Answer: YES Question Weight 16%

Explanation: Recent reports from the Advisory Committee on Reactor Safeguards and the Office of the Inspector General have indicated that the ROP is generally effective, though suggested improvements were noted. The Pilot Program Evaluation Panel and Initial Implementation Evaluation Panel also provided favorable results with some noted improvements. External stakeholders have responded favorably to the ROP as a significant improvement over the previous oversight programs.

Evidence: Reference SECY-03-0062, as well as ACRS letters dated March 13, 2003 (ML030730366) and February 13, 2002 (ML020500775), and the OIG report dated August 21, 2002.

4.RG1 **Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?** Answer: YES Question Weight 16%

Explanation: The NRC Regulatory Impact Analysis (RIA) Guidelines state that the value-impact analyses must consider implementation of the regulation both upon affected entities and on the NRC. These RIAs are subject to public comment. The NRC Office of Nuclear Reactor Research has also conducted a number of 'look-back' studies on the regulatory effectiveness of particular regulations. Examples include: (1) Section 50.63- Loss of all alternating current (Station Blackout); (2) 50.62, Requirements for reduction of risk from anticipated transients without scram; and (3) Option B of Appendix J (Containment Leak Rate Testing). For each study, a draft version of the report was circulated for both internal NRC and external comment before finalization. Examples of this are noted under Evidence Section.

Evidence: Regulatory Analysis Guidelines of the U.S. Nuclear Regulatory Commission, NUREG/BR-0058, Rev. 3, July 2002; Station Blackout Study (ML003741781); Anticipated Transient Without Scram Study (ML011200001), and 10 CFR 50 Appendix J Study (ML023100201)

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

Measure: No nuclear reactor accidents

Additional Information: Defined as those accidents which result in substantial damage to the reactor core, whether or not serious offsite consequences occur.

Year	Target	Actual
2002	0	0
2003	0	0
2004	0	
2005	0	

Measure Term: Long-term

Measure: No breakdowns of physical security that significantly weaken the protection against radiological sabotage or theft or diversion of special nuclear materials in accordance with abnormal occurrence criteria.

Additional Information:

Year	Target	Actual
2002	0	0
2003	0	0
2004	0	
2005	0	

Measure Term: Annual

Measure: No deaths resulting from acute radiation exposures from nuclear reactors

Additional Information:

Year	Target	Actual
2002	0	0
2003	0	0

Measure Term: Long-term

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

2004	0
2005	0

Measure: No events at nuclear reactors resulting in significant radiation exposures

Additional Information: Significant radiation exposures defined as those that result in unintended permanent functional damage to an organ or physiological system.

Year	Target	Actual
2002	0	0
2003	0	0
2004	0	
2005	0	

Measure Term: Long-term

Measure: No radiological sabotage at nuclear reactors

Additional Information:

Year	Target	Actual
2002	0	0
2003	0	0
2004	0	
2005	0	

Measure Term: Long-term

PART Performance Measurements

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

Measure: No events that result in releases of radioactive material from nuclear reactors causing a adverse impact on the environment

Additional Information: Releases that have the potential for an adverse impact is taken to mean those that exceed the reporting limits given by Abnormal Occurrence Criterion 1.B.1 of Appendix B to 10 CFR Part 20.

Year	Target	Actual
2002	0	0
2003	0	0
2004	0	
2005		

Measure Term: Long-term

Measure: No more than one event per year identified as a significant precursor of a nuclear accident

Additional Information: Such events have a probability of 1/1000 or greater of leading to a reactor accident.

Year	Target	Actual
2002	1 or less	0
2003	1 or less	0
2004	1 or less	
2005	1 or less	

Measure Term: Annual

Measure: No statistically significant adverse industry trends in safety performance

Additional Information:

Year	Target	Actual
2002	0	0
2003	0	0
2004	0	

Measure Term: Annual

Program: Reactor Inspection and Performance Assessment
Agency: Nuclear Regulatory Commission
Bureau: Office of Nuclear Reactor Regulation
Type(s): Regulatory Based

Section Scores				Rating
1	2	3	4	Effective
100%	78%	100%	83%	

2005	0

Measure: No events resulting in radiation overexposures from nuclear reactors that exceed applicable regulatory limits

Additional Information: Overexposures are those that exceed limits as provided by 10 CFR 20.2203(a)(2)

Year	Target	Actual	**Measure Term:** Annual
2002	0	0	
2003	0	0	
2004	0		
2005	0		

Measure: No more than three releases per year to the environment from nuclear reactors that exceed the regulatory limits

Additional Information: Releases that have a 30-day reporting requirement under 10 CFR 20.2203(a)(3)

Year	Target	Actual	**Measure Term:** Annual
2002	3 or less	0	
2003	3 or less	0	
2004	3 or less		
2005	3 or less		

PART Performance Measurements

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	25%	43%	13%	Demonstrated

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

Explanation: The purpose of GSA's Office of Property Disposal (PR) is to ensure that Federal landholding agencies realize maximum utilization and efficiencies from their real property holdings and, when appropriate, to redeploy their unneeded properties to benefit the Federal Government and surrounding communities. PR does this by managing the reutilization of excess property and disposal of surplus property.

Evidence: Federal Property and Administrative Services Act of 1949 (Property Act or 49 Act), as amended; FMR; Economy Act; E.O. 12512; PR's mission statement; PR's vision statement.

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

Explanation: The Federal government owns millions of acres of land and thousands of facilities with millions of square feet of space. Much of this property is underutilized and should be redeployed within the Federal government or disposed of in a manner that maximizes its benefit to the taxpayers.

Evidence: Hoover Commission Report (June 1955) pg. 49; Property Act; E.O. 12512; GAO Report: High Risk Series Federal Real Property.

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: Although many agencies have obtained their own statutory authorities to manage and dispose of their real property, GSA is the only agency authorized to handle transfers of property within the Federal government and donations of property to state and local governments.

Evidence: Federal Property and Administrative Services Act of 1949 (Property Act or 49 Act), as amended.

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: The PBS Property Disposal Program is one of several activities within GSA whose activities must be closely coordinated to assure that GSA's property disposal role contributes effectively to the overall asset management goals of the Federal government. It does not appear that the roles and responsibilities of these different entities have been sufficiently well defined, and resources made available accordingly, to cause this to happen. Also, it does not appear that PBS has accepted PR as a core business line, given the absence of this program from its GPRA plans.

Evidence: Corporate Real Estate Services Practices Roundtable Abstract.

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: PR's disposal process assures that Federal agencies and prospective state and local donees are informed of the availability of Federal property and provided the necessary degree of assistance in acquiring property for which they are eligible.

Evidence: Property Act; FMR 102-75 -- Real Property Disposal

PART Performance Measurements

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	25%	43%	13%	Demonstrated

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: PBS has not included any performance measures and goals for this program in its Annual Performance Plan and only one measure in its budget submission. However, GSA is now in the process of developing program-specific, long-term outcome goals and measures. These goals and measures will meaningfully reflect the program's purpose and focus on what GSA will achieve for its customers.

Evidence: FY 2004 Congressional Justification; GSA Annual Performance Plan, FY 2004; FY01 - FY06 Business Plan for Office of Property Disposal.

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

Explanation: Neither the PBS Budget request, nor the GSA Annual Performance Plan, nor the Office of Propert Disposal '01 - '06 Business Plan include long-term performance goals for this program.

Evidence: FY 2004 Congressional Justification; GSA Annual Performance Plan, FY 2004; FY01 - FY06 Business Plan for Office of Property Disposal.

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: PBS sets annual targets at the beginning of each fiscal year. These targets tie to GSA's strategic goals and are used in its Pay for Performance system to hold managers accountable. The target for reducing disposal cycle time is also used in quarterly performance reviews with the Administrator to assess the disposal program during the year. Additional work is required to develop useful efficiency measures for this program.

Evidence: Pay for Performance Plan; Performance Measurement Tracking system reports.

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

Explanation: PBS uses the previous year's results as the baseline for setting targets for the following year. However, this target-setting approach appears to be more mechanical than based on business conditions and "stretch goals."

Evidence: Pay for Performance Plan; FY 02 Goals and Results Chart

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: PBS uses level of effort contracts, not performance-based contracts, with its contractors, e.g., brokers and appraisers. It holds the PBS staff who manage these contracts accountable for achieving the results that the contracts are intended to support.

Evidence: Various statements of work for contractor support.

PART Performance Measurements

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	25%	43%	13%	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: NO Question Weight:12%

Explanation: PBS has contracted for customer and industry surveys or roundtable conferences to assess its disposal activities on a nearly annual basis. While these surveys provide many valuable recommendations for improving the program, they do not evaluate the performance of the program against its own targets or against external benchmarks.

Evidence: Industry Roundtable Report; Office of Property Disposal Customer Survey Analysis; Customer Segmentation Analysis Summary Report; Confidential Study of Corporate Real Estate Services Practices; (Draft) GSA/PR Best Practices Overview--feedback from the private sector industry roundtables; Final Results of FY 2002 GSA Customer Satisfaction Study.

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: The budget identifies all of the relevant costs associated with the real property disposal program. However, these costs are not presented together in one place. Also, the budget presentation does not identify the impact funding, policy, or legislative changes will have on performance.

Evidence: GSA's FY 2004 Congessional Jusification

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

Explanation: PBS has been working to develop long term goals for all of its programs. However, no satisfactory long term goals have been developed to date. PBS has also begun to review its various contracts to look for opportunities to insert performance requirements tied to Property Disposal's annual and long term goals.

Evidence: Draft Property Disposal Long Term Goals

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: PR senior management meets quarterly to ensure that products and service delivery meet quality and operational performance goals, including goals for activities performed by contractors. Annual strategic planning meetings are held to re-evaluate PR's missions, goals, expectations of performance and customer and stakeholder commitments. PR conducts regular Program Management Reviews (PMRs), through monthly and quarterly status reports, with contractors/strategic partners to review the status of contracted activities and adjust project goals as necessary. PR also keeps abreast of any GAO and IG reports on Federal real property issues.

Evidence: Monthly status reports for contracted activities; PR FY01-06 Business Plan. Based on its performance reviews, PR tooks steps to reduce the disposal cycle time, e.g., initiating collaboration with agencies prior to the report of excess so that certain activities can be completed while holding agencies are working on reporting the property; using the Internet to report property excess; and disposing of property via online auctions.

PART Performance Measurements

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	25%	43%	13%	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: NO Question Weight:14%

Explanation: PR's managers have annual performance plans that contain critical elements, general and specific performance measures and success standards; they also use a 'Pay for Performance' plan that rewards associates for meeting annual performance goals, including goals that are achieved with contractor support. However, PR does not use performance-based contracts to hold its contractors accountable for meeting cost, schedule, or performance targets.

Evidence: Performance Plans; FY02 performance goals; quarterly and monthly contract status reports.

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

Explanation: GSA obligates its funds properly and timely. Over the past five years, GSA has obligated 95.4% of its available funds for the real property disposal program.

Evidence: GSA Standard Form 132; 5 year Operating Expense Obligation Chart, GSA FY 02 Annual Accountability Report (including the auditor's opinion on the financial statements).

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: PR has been able to demonstrate increased efficiencies and cost effectiveness in its reimbursable program where PR's goal for reimbursable costs of sales is under 4% (industry average is 6%). However, PR needs to develop effectiveness and efficiency measures for its utilization and donation programs, which comprise the majority of its work, to measure its overall program in a meaningful way.

Evidence: PR's reimbursable cost of sales goal is less than 4%.

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

Explanation: PR partners with agencies (e.g. - DOD) with their own disposal authority to ensure that Federal real property is appropriately redeployed in a consistent manner. PR collaborates with other agencies on initiatives (I.e. - EPA's Brownfields Redevelopment; USCG's and DOI 's Lighthouse Initiative; PBS's Portfolio Restructuring Initiative; Army on the divestiture of its ammunition plants and the Corps of Engineers on integrating cleanup and redevelopment for Formerly Used Defense Sites (FUDS)

Evidence: Brownfields Fact Sheet/Brochure; PBS Portfolio Restructuring presentation; AAP status and statistics; Lighthouse Fact Sheet; Base Closure Report.

PART Performance Measurements

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	25%	43%	13%	Demonstrated

3.6 Does the program use strong financial management practices? Answer: NO Question Weight: 14%

Explanation: This program appears to have the good controls over spending that characterize most GSA activities. However, GSA typically has problems in obtaining and reporting data on property sales in a timely and accurate manner, since such data is not maintained by GSA centrally, but must be obtained by data calls to the regional offices. In addition, the independent auditor has raised concerns about the way that GSA determines the amount of disposal proceeds to be transferred to the Land and Water Conservation Fund.

Evidence: Various Inspector General reports; FY 2002 management letter from independent auditor.

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: NO Question Weight: 14%

Explanation: No evidence has been provided of actions taken to address IG concerns or to respond to customer and industry survey recommendations.

Evidence:

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

Explanation: GSA is in the process of developing program-specific, long-term outcome goals and measures with ambitious targets and timeframes.

Evidence:

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight: 20%

Explanation: Since the measure was adopted and a baseline established, PR has reduced the average cycle time for 49 Act disposals by approximately 30%; the annual return on the appropriation has steadily increased over the last four years; and the reimbursable cost of sales goal is less than 4%. The exception is the customer satisfaction goal of 95%; PR twice achieved a 93% customer satisfaction rating (FY99 and FY01). However, PR does not appear to have baselines and ambitious targets for all its annual measures.

Evidence: Customer Satisfaction Charts; Business Plan; 5-yar goals and results.

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

Explanation: PR has no efficiency or cost effectiveness measures with which to demonstrate improvements.

Evidence: PR's awards list; 5-year auction results; Homepage/RC paper with results; FY03/04 budget presentation.

PART Performance Measurements

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	25%	43%	13%	Demonstrated

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 several agencies have disposal authority and real property disposal programs, PR is unaware of any formal studies comparing its utilization and disposal program and corresponding performance measures with these other agencies. However, PR's reimbursable sales program costs compare very favorably to commission rates for selling property.

Evidence: LMI report; FORM Report.

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

Answer: NO

Question Weight 20%

Explanation: PBS has contracted for customer and industry surveys or roundtable conferences to assess its disposal activities on a nearly annual basis. However, these surveys do not evaluate the performance of the program against its own targets or against external benchmarks.

Evidence:

PART Performance Measurements

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	25%	43%	13%	Demonstrated

Measure: Percent of customers who report service levels as satisfactory or better.

Additional Information:

Year	Target	Actual
2001	95%	93%
2002	95%	93%
2003	95%	
2004	95%	
2005		
2006		

Measure Term: Annual

Measure: Dollar ratio of the value of properties disposed to program costs.

Additional Information: The ratio of the total value of properties disposed to the cost of the disposal program.

Year	Target	Actual
2001	16.1	18.1
2002	17.1	22.1
2003	18.1	
2004		
2005		
2006		

Measure Term: Annual

PART Performance Measurements

Program: Real Property Disposal (PR)
Agency: General Services Administration
Bureau: Public Buildings Service
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Results Not
80%	25%	43%	13%	Demonstrated

Measure: Cycle Time: total days required to transfer, donate, or sell property.

Additional Information: Average days to complete a disposal action.

Year	Target	Actual
2001	528	357
2002	528	232
2003	336	
2004	330	
2005		
2006		

Measure Term: Annual

Measure: Total Number of Disposals

Additional Information:

Year	Target	Actual
2001	323	308
2002	337	389
2003	334	
2004	374	

Measure Term: Annual

PART Performance Measurements

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

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

Explanation: NARA's mission is to ensure ready access to essential evidence that documents the rights of American citizens, the actions of Federal officials, and the national experience.

Evidence: NARA Strategic Plan

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

Explanation: NARA's Records Services program provides guidance and assistance to Federal officials on the management of records, determines the retention and disposition of federal records, and preserves for public and historical use records determined by the Archivist of the United States to have sufficient historical or other value to warrant their continued preservation by the U.S. Government.

Evidence: Title 44 U.S.C, sections 3101 and 3301

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: NARA's Records Services program is for the most part designed to complement rather than duplicate records management and preservation efforts of other Federal Agencies and entities. The major exception is in regards to NARA Records Centers, which provide records management services to agencies (i.e. storage) that are also available from private sector companies and at least one Federal agency.

Evidence: Title 44 USC, Chapter 29, 31,33. As of October 1, 2002, federal agencies have the ability to store records with NARA, a private sector records company, or establish their own records center (36 CFR part 1228, subpart I) pursuant to NARA regulations (36 CFR part 1228, subpart k).

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: NARA's records services program adequately supports the mission of NARA by managing, preserving, and providing access to US government records to the public. As part of NARA's strategic planning process, NARA anticipates and plans for future challenges in records management. As a result, NARA has initiated two major long-term programs to help address the challenges posed by the change from a federal government that produces mainly paper documents to one that produces mainly electronic records: the Records Management Initiative is intended to streamline and improve NARA's Federal records management services, and the Electronic Records Archives is intended to preserve and provide access to the growing number of federal electronic records.

Evidence: Report on Current Recordkeeping Practices within the Federal Government, SRA International, December 10, 2001. NARA Proposal for A Redesign of Federal Records Management, July 24, 2002. Electronic Records Archive website: http://www.archives.gov/electronic_records_archives/index.html. Electronic Records Management Initiative website: http://www.archives.gov/records_management/initiatives/erm_overview.html

PART Performance Measurements

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

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: Appropriated funding for NARA's Records Services program is applied to the management, preservation, and access to federal records. NARA's regional records centers operate on a fee-for service basis.

Evidence: The President's FY 2004 Budget requests more than $200 million dollars for NARA's Records Services Program, which include regional records services facilities, Presidential libraries, ISOO and records management services. This accounts for over 70 percent of NARA's total program costs.

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: NARA's records services program has three long-term goals: (1) that essential evidence will be created, identified, appropriately scheduled, and managed for as long as needed; (2) essential evidence will be easy to access regardless of where it is or where users are for as long as needed; (3) all records will be preserved in an appropriate environment for use as long as needed. NARA has adequate long-term measures in place for goals two and three; NARA has reassessed its measures related to the creation and management of records for FY 2005 in order to make them more outcome-oriented.

Evidence: NARA Strategic Plan. An new goal related specifically to electronic records was added in NARA's 2003 update to its Strategic Plan.

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

Explanation: NARA's targets and timeframes for its long-term measures are for the most part sufficiently ambitious, with the majority of its measures baselined in 1999.

Evidence: NARA's 2003 Strategic Plan. FY 2005 NARA 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: NARA has annual goals for records services that are determined based on the Long Range Targets set forth in the Strategic Plan. While NARA's annual measures related to access and preservation of records demonstrate progress towards long-term goals, NARA has reassessed its annual measures related to the creation and management of records for FY 05, some of which remain under development.

Evidence: NARA's 2003 Strategic Plan. FY 2005 NARA Annual Performance Plan.

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

Explanation: Most of NARA's annual measures were baselined in 1999, and have long range targets out through 2007. Quarterly trend data is available for most of these.

Evidence: Annual Performance Plans

PART Performance Measurements

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

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: NARA and other federal agencies share responsibility for Federal records management under the Federal Records Act. A NARA-commissioned report on records management practices indicated that, with certain exceptions, agencies for the most part view records management overall as a low priority, which may put records at risk. As part of its Records Management Initiative, NARA plans to more strongly advocate the importance of records management practices with agencies. In regards to the Electronic Records Archive, NARA has established multiple formal partnerships with educational and research institutes, such as the National Academy of Science and the Georgia Institute of Technology.

Evidence: Report on Current Recordkeeping Practices within the Federal Government, SRA International, December 10, 2001.The report cites the following factors as evidence that several agencies view records management and recordkeeping as a low priority: lack of staff and budget resources, absence of up-to-date policies and procedures, lack of training and lack of accountability. Electronic Records Archives partnership agreements with research institutions and universities.

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 General Accounting Office and NARA's Office of the Inspector General perform reviews as needed on NARA's Records Services program.

Evidence: For a list of such reviews, see NARA's FY 2002 Annual Performance Report, Appendix B.

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 NARA's budget is clearly aligned to each of NARA's strategic goals, and NARA includes information on performance costs by linking goals and activities to dollars from each of its budget accounts, where practical NARA should more clearly indicate the connection between its annual and long-term performance measures and program activities and associated unit costs for base activities.

Evidence: NARA's FY 2004 Budget, Congressional Justification.

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

Explanation: NARA updates its Strategic Plan every three years to correct any strategic planning deficiencies. Its recent update included new unit cost measures. NARA assesses annual targets on a yearly basis to ensure continued improvement. For its FY 2005 budget, NARA indicated the connection between its performance measures and associated costs for new activities.

Evidence: For example, as NARA is in the update cycle of its Strategic Plan it is adding a new strategic goal and corresponding long-term and annual targets specifically related to disposition and preservation of electronic records due to the increased importance of this issue. NARA Notice 2003-064, Request for Comments on Strategic Plan Update; NARA Notice 2003-147, Request for Comments on Draft Strategic Plan.

PART Performance Measurements

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

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: NARA collects regular monthly performance data (published for agency-wide use on a quarterly basis) that it uses to manage its program and improve performance via the Performance Measurement and Review System (PMRS). NARA plans to move to a monthly data reporting system during FY 2004. The PMRS system incorporates both automatic and manual data checks to spot missing, partial, or discrepant data. NARA's Inspector General assists in determining the credibility of this data via yearly evaluations to assess data accuracy and validity of a portion of NARA's performance measures. IG reports over the last three years indicate that the majority of performance measures it has reviewed are supported by credible data.

Evidence: Performance Measurement and Reporting System; Quarterly Reports to the Archivist. IG Reports: Evaluation of the Accuracy of the Performance and Measurement and Reporting System. Since implementation of the Performance Measurement and Reporting System, NARA's IG has performed three reviews of PMRS. In total, 27 measures have been reviewed out of a current total of 27; 11 recommendations to improve the validity of the data were made over the course of the three reviews. NARA responds to IG recommendations via action plans. Further discussion of the data validity of NARA's measures may be found in NARA Annual Performance Reports.

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: The majority of NARA's employees, both temporary and permanent, are held accountable for performance results by linkage of their performance plans to NARA's strategic objectives. NARA managers' performance plans tie to annual performance targets, and performance is measured against these results.

Evidence: Performance Measurement and Reporting System; Quarterly Reports to the Archivist; NARA's 2002 APR stated that as of FY 02, 80% of NARA employees had performance plans linked to strategic outcomes.

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

Explanation: NARA has a limited amount of unobligated funds at the end of the year in its records services' accounts. Obligations and outlays are reviewed monthly.

Evidence: NARA obligated 99.5% of its appropriated funds in FY '02. NARA prepares monthly reports and conducts quarterly reviews that compare actual spending to program operating plans.

PART Performance Measurements

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

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: Several of NARA's performance measures examine NARA's timeliness in providing access to records and in completing processing of scheduled records. In its updated Strategic Plan and APP for FY 2005, NARA has adopted a new cost-efficiency measure for management of electronic records and has developed several per unit cost measures for its services (with targets under development), including unit costs for storage of records.

Evidence: Annual APPs and APRs, NARA 801, IT Investment Analysis and Decision Process

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

Explanation: NARA's records management staff, part of their overall Records Services program, work with Records Managers at Federal agencies to provide guidance and assistance for agency Records Management programs via training, promulgation of regulations, guidance to agencies via Targeted Assistance Partnerships (TA) and limited audits. In its current form, the TA program has been largely limited to agency-determined, rather than NARA-determined needs, which may or may not show the full picture of an agency's records management challenges. As part of NARA's Records Management Initiative, NARA is looking at ways to focus and prioritize its assistance to agencies based on greater determination by NARA of which areas are most crucially in need of assistance. NARA should continue to examine methods with which it can more comprehensively address Federal records management challenges.

Evidence: Setting Priorities: A Handbook for Records Management Allocation.

3.6 Does the program use strong financial management practices? Answer: NO Question Weight 14%

Explanation: NARA reported two material weaknesses in its FY '02 Financial Manager's Financial Integrity Act (FMFIA) report that relate to its records services programs- IT security (a material weakness since FY '00) and security of records collections. No definitive assessment may be made on the financial management of NARA's appropriated funding, because NARA has not previously produced audited financial statements on these funds. However, independent audits of NARA's Records Center Revolving Fund found no material weaknesses for FY 2001 and 2002.

Evidence: FY '02 Assurance Report to the President, IG reports. NARA will be required to produce audited statements on its appropriated funding for the first time in FY '04. Although the Accountability of Tax Dollars Act of 2002 required NARA and other listed agencies to produce audited financial statements in FY '03, NARA received a waiver for FY '03 from OMB.

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

Explanation: NARA managers prepare annual assurance statements, which identify management deficiencies and steps for remediation. NARA managers prepare quarterly reports for the Archivist, which address annual performance targets, and progress on implementing recommendations from audits and reviews. Also, NARA's Leadership Team reviews strategic-level schedules and issues every month, and participates in cross-agency program review. NARA has either developed or plans to develop action plans to address all managerial weaknesses listed above.

Evidence: Annual Assurance Statements; Quarterly Reports to the Archivist; Monthly Strategic Schedule Reviews

PART Performance Measurements

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: SMALL EXTENT Question Weight 25%

Explanation: The program has demonstrated adequate progress towards meeting its long-term performance goals related to access to records and preservation of records. NARA developed new, more outcome-oriented performance goals related to the creation and management of records for FY 2005, but results for these goals are not available at this time.

Evidence: NARA 2003 Strategic Plan, annual APPs and APRs

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: LARGE EXTENT Question Weight 25%

Explanation: The program for the most part achieves its annual performance goals.

Evidence: NARA Strategic Plan, annual APPs, APRs

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: SMALL EXTENT Question Weight 25%

Explanation: NARA's peformance measures indicate that the program for the most part has increased efficiency by meeting several timing targets related to customer service. However, NARA is currently unable to demonstrate improved cost-efficiency in achieving its program goals. In its 2003 Strategic Plan and FY 05 APP, NARA developed a cost-efficiency measure for electronic records and developed several unit cost measures, but NARA will need to develop targets for its unit cost measures in order to be able to demonstrate improved cost-efficiency for its programs.

Evidence: FY 2002 Annual Performance Report. An example of NARA's improved efficiency in responding to customer service requests is its response rate to Freedom of Information Act (FOIA) requests, which improved from 20 percent to 81 percent of FOIA requests answered within 20 working days over the past two years.

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: For the most part, this program is not directly comparable to any other Federal government programs or the private sector, and no studies have been made between the performance of NARA's Records Services program and those of other National Archives.

Evidence: Although NARA's Records Centers program offers services that could be compared with those provided by the Veterans Administration and by the private sector, no independent assessments have been made regarding how their performance compares with NARA.

PART Performance Measurements

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:

Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

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

Answer: SMALL EXTENT

Question Weight 25%

Explanation: Independent evaluations of NARA's record services programs have indicated the need for major improvements in areas such as electronic records management and preservation and processing of veterans records. However, these evaluations also indicate that NARA is making progress in its efforts to improve program performance.

Evidence: For a list of such evaluations, see NARA's FY 2002 Annual Performance Report, Appendix B.

PART Performance Measurements

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

Measure: Annual cost of archival storage space per cubic foot of traditional holdings. (under development)

Additional Information:

Year	Target	Actual	**Measure Term:**	Annual	(Efficiency Measure)
2003					

Measure: Percent of requests for military service records answered within 10 working days.

Additional Information:

Year	Target	Actual	**Measure Term:**	Annual	(Efficiency Measure)
2002	35%	40%			
2003	45%	37%			
2004	70%				
2005	95%				

Measure: Cost per megabyte of managing archival electronic records through the Electronic Records Archives.

Additional Information:

Year	Target	Actual	**Measure Term:**	Long-term	(Efficiency Measure)

Measure: Percent of traditional NARA archival holdings described in an on-line catalog. Traditional holdings are books, papers, maps, photographs, motion pictures, sound and video recordings and other material not stored electronically.

Additional Information: Traditional holdings include books, papers, maps, photographs, motion pictures, sound and video recordings and other documentary material that is not stored on electronic media. The unit of measure for traditional records is the cubic foot.•

Year	Target	Actual	**Measure Term:**	Annual	(Efficiency Measure)
2002	20%	19%			
2003	25%	20%			

PROGRAM ID: 10001167

Program: Records Services Program
Agency: National Archives and Records Administration
Bureau:
Type(s): Direct Federal

Section Scores				Rating
1	2	3	4	Adequate
100%	75%	86%	42%	

2004	35%
2005	40%

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Type(s): Regulatory Based Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

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

Explanation: There is wide-spread agreement on the purpose of the Schools and Libraries portion of the Universal Service Fund (commonly known as the E-rate program) mandated by the Telecommunications Act of 1996 (P.L. 104-104, codified in 47 U.S.C. §254). This statute requires the FCC to establish a program to provide discounts on services provided to schools and libraries in order to 'enhance'access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms'and libraries.'

Evidence: Congress set forth the purpose of the program in 47 U.S.C. §254 (b) (6) and (h) (1) (B) where they state that 'Elementary and secondary schools and classrooms'and libraries should have access to advanced telecommunications services'.at rates less than the amounts charged for similar services to other parties.' The consensus surrounding this purpose is further evidenced in a May 29, 2002 Congressional Research Service study by Angele Gilroy (IB98040: Telecommunications Discounts for Schools and Libraries) that notes the purpose of the program is that 'schools and classrooms, and libraries'have access to telecommunications services'at discounted rates.' Finally, GAO in a December 2000 report on the Schools and Libraries Program (GAO-01-105) stated the purpose of the program is the extension of 'universal service support to eligible schools and libraries'to implement a program to assist these institutions in acquiring advanced telecommunications and information services.'US Codehttp://www.access.gpo.gov/uscode/title47/chapter5_subchapterii_partii_.htmlCongressional Research ServiceIB98040 http://carper.senate.gov/acrobat%20files/ib98040.pdf Earlier version:http://www.ncseonline.org/NLE/CRSreports/Science/st-52.cfmGAOGAO-01-105 www.gao.gov/new.items/d01105.pdf

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

Explanation: The specific problem the E-rate program addresses is that when Congress passed the Telecommunications Act of 1996 (P.L. 104-104), schools and libraries had only limited access to the advanced telecommunications and information services necessary to effectively support the educational, economic, and cultural needs of the United States. The program was designed to ensure not just one-time support to hook up classrooms and libraries to the Internet but ongoing discounted access to advanced telecommunications and information services. However, as these services become an integral part of the nation's infrastructure (such as electricity and water, which are not subsidized for schools and libraries) and as competition and technology drive costs down, in the future it may be advisable to revisit the funding level and eligible services for this program.

Evidence: Congressional Research Service reports, beginning as early as 1988 (88-419, Computers in Elementary and Secondary Schools: An Analysis of Recent Congressional Action, James B. Stedman; and 96-178 and its subsequent updates, Information Technology and Elementary and Secondary Education, Stedman and then Patricia Osorio-O'Dea), noted awareness among federal, state, and local policymakers 'that technology is becoming a central component of many jobs, changing the skills and knowledge needed to be successful in the workplace.' (America's Choice: High Skills or Low Wages, Commission on the Skills of the American Workforce, National Center on Education and the Economy, 1990; Connecting Students to a Changing World: A Technology Strategy for Improving Mathematics and Science Education, Committee for Economic Development, 1995; and Education and Technology: Future Visions, Office of Technology Assessment, 1995). The program was established to 'enhance'access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms'and libraries' (47 U.S.C. §254 (b) (6) and (h) (1) (B)).Data on public instructional classroom access to the Internet are found in reports from NCES' Fast Response Survey System, 95-731, 96-854, 97-394, 97-994, 98-031, 1999-005,1999-017, 2000-002, 2000-013, 2000-031, 2000-042, 2000-062, 2000-086, 2000-090, 2001-034, 2001-037, 2001-045, 2001-071, 2002-018, 2002-029, 2002-130, 2003-381, and 2003-605; conducted by Westat. Congressional Research Service:IB98040 http://carper.senate.gov/acrobat%20files/ib98040.pdf96-178 EPW http://usinfo.state.gov/usa/infousa/tech/reports/96-178.pdf

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

Type(s): Regulatory Based Block/Formula Grant

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 program that provides discount-rate 'access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms'and libraries' (47 U.S.C. §254 (b) (6) and (h) (1) (B)). Other programs provide funding for equipment and/or training that builds upon availability of advanced telecommunications services, but do not directly fund access to such services.Thirteen states and, possibly, a few local governments, as well as private organizations, also fund similar or complementary efforts to provide information technology hardware and software once access to advanced telecommunications and information services is established through the E-rate program.

Evidence: The National Regulatory Research Institute (www.nrri.ohio-state.edu) publishes survey results regarding state's implementation of the Telecommunications Act's (1996) 'universal service' mandate, which includes discount-rate 'access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms'and libraries' (47 U.S.C. §254 (b) (6) and (h) (1) (B)). Their most recent publication is State Universal Service Funding Mechanism: Results of the NRRI's 2001-2002 Survey, Rosenberg, Lee, and Perez-Chavolla, 02-10. This report confirms that all states are utilizing E-rate funds provided by the Universal Service Fund.Survey results presented in a February 2002 GAO study, Federal and State Universal Service Programs and Challenges to Funding (GAO-02-187), identifies thirteen state-funded E-rate programs.US Codehttp://www.access.gpo.gov/uscode/title47/chapter5_subchapterii_partii_.htmlGAOGAO-02-187 www.gao.gov/new.items/d02187.pdf

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

Explanation: While funding is generally going to the statutority-intended beneficiaries of the program, there is currently no way to tell whether the program has resulted in cost-effective deployment and use of advanced telecommunications services for schools and libraries. Given the size and the scope of the program, a meaure of cost-effectiveness is important. Further, there is currently little oversight to ensure that receipients of the program are using the funding appropriately and effectively. The FCC is addressing some areas of improvement. Over the past few years, the FCC has modified the funding levels and administrative structure (CC docket 96-45, 1998) of the program to improve its efficiency and accountability. Additionally, the FCC's FY04 budget request includes $3.4 million in additional funding to enable greater auditing and review of Universal Service Fund (USF) programs (E-rate is a USF program) by the Commission's Inspector General.

Evidence: An history of the E-rate program is found in the Congressional Research Service's Telecommunications Discounts for Schools and Libraries, Angele Gilroy, 2002. IB98040 http://carper.senate.gov/acrobat%20files/ib98040.pdf Earlier version http://www.ncseonline.org/NLE/CRSreports/Science/st-52.cfm The Tech Law Journal (http://www.techlawjournal.com/agencies/slc/Default.htm and http://www.techlawjournal.com/congress/erate/Default.htm) also has an extensive history of the early years of the program, including earlier efforts to change the overall structure of the program as well as the FCC's administrative improvements to the program

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

Type(s): Regulatory Based Block/Formula Grant

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 E-rate program is targeted to public and private schools and libraries in the U.S. The program provides 20% - 90% discounts on advanced telecommunications service based upon a school or library's demonstration of need. There is some evidence to suggest that the availability of E-rate funding has accelerated the introduction of Internet-based learning and related technology-based learning into schools.As of November 2002, the E-rate has funded 136,697 individual requests from over 73,000 schools, school districts, and libraries in 56 states, territories, and the District of Columbia. These requests are for telecommunications service, Internet access, and internal connections services are provided at discount rates by private, competitive service providers. This means, of the 92,000 public schools and 27,000 private schools within the U.S., the E-Rate program has provided funding to over 66% of public schools and over 3% of private schools.

Evidence: Baseline data on the number of schools comes from the NCES' Digest of Education Statistics: 2001 and Quick Facts. NCES compiles these data from multiple sources including the Census Bureau, their own surveys, and state and local providers. USAC's Funding Commitments, 1998-2002: State Funding Reports and Cumulative National Data, as well as Analysis of Participation in E-Rate Program by Entity Type, are the sources for the number of E-rate fund request approvals from schools, school districts, and libraries. NCES Digest of Education Statisticshttp://nces.ed.gov/pubs2002/digest2001/ Quick Factshttp://nces.ed.gov/ccd/quickfacts.aspUSAC Funding Commitmentshttp://www.sl.universalservice.org/funding/ State Funding Reportshttp://www.sl.universalservice.org/funding/y2003/waves/Cumulative National Datahttp://www.sl.universalservice.org/funding/y2003/national.aspThe National Bureau of Economic Research analyzed the impact of E-rate funding in California and concluded that it did accelerate the introduction of the Internet into classrooms. Austan Goolsbee and Jonathan Guryan, "The Impact of Internet Subsidies in Public Schools," NBER Working Paper 9090, August 2002.

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 11%

Explanation: The E-rate program has a statutory long term goal. Congress mandated that the FCC establish a program to provide discounts on services provided to schools and libraries in order to 'enhance'access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms'and libraries.' Within the context of the FCC strategic plans in place from FY99 to the present, the E-rate program has been measured under various strategic goals and performance measures. However, specific performance measures for the E-rate were discontinued after FY02. The FCC should develop a long-term outcome measure that addresses the purpose of providing the E-rate discounts. Such measures could focus either on amount of use and/or educational achievement (or, in the case of libraries, community benefits). While "connectivity" of schools and libraries may be an apppropriate interim goal or indicator of program peformance, the FCC currently has not decided what percent connectivity for classrooms and libraries is an appropriate goal. It is not clear whether 100% connectivity is an appropriate goal or whether some level below that is appropriate to fund and maintain. Also, the FCC currently does not have any efficiency measures associated with the E-rate, such as cost of service per student or per student-hour connected. It is developing such measures.

Evidence: The FCC's Strategic and Annual Performance Plans identify strategic and performance goals related to the E-rate program. In FY99, the E-rate programs performance goal was to 'improve the connections of classrooms, libraries, and rural health facilities to the Internet.' Due to the success of the program, by FY02 the performance measure was '93% of public school instructional classrooms connected to the Internet.' However, there are no specific E-rate measures for FY03 or FY04. FCC All Strategic Plans, 2004 Performance Plan, 2002 Performance Reporthttp://www.fcc.gov/omd/strategicplan 2003 Performance Planhttp://www.fcc.gov/Reports/fcc2003budget_section_2.pdf

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Type(s): Regulatory Based Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

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

Explanation: Congress set forth the purpose of the program in 47 U.S.C. §254 (b) (6) and (h) (1) (B) where they state that 'Elementary and secondary schools and classrooms'and libraries should have access to advanced telecommunications services'.at rates less than the amounts charged for similar services to other parties.' From 1998 through November 2002, the E-rate program has funded 136,697 individual requests from over 73,000 schools, school districts, and libraries in 56 states, territories, and the District of Columbia. However, the FCC does not have a long-term outcome measure for the E-rate program, its long-term measure and timeline for Internet connectivity is unclear, and the program does not have any efficiency measures, or in turn, targets and baselines for such measures.

Evidence: US Codehttp://www.access.gpo.gov/uscode/title47/chapter5_subchapterii_partii_.html Due to the success of the program in providing connectivity, by FY02 the performance goal was '93% of public school instructional classrooms connected to the Internet.' However, there are no specific E-rate measures after FY03.FCC All Strategic Plans, 2004 Performance Plan, 2003 Performance Plan, 2002 Performance Reporthttp://www.fcc.gov/omd/strategicplanData on public instructional classroom access to the Internet are found in reports from NCES'Fast Response Survey System, 95-731, 96-854, 97-394, 97-994, 98-031, 1999-005,1999-017, 2000-002, 2000-013, 2000-031, 2000-042, 2000-062, 2000-086, 2000-090, 2001-034, 2001-037, 2001-045, 2001-071, 2002-018, 2002-029, 2002-130, 2003-381, and 2003-605; conducted by Westat.

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 11%

Explanation: From FY99 through FY02, the E-rate program's performance goal focused on the program's purpose of 'enhancing)' discount-rate 'access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms'and libraries.' In part due to the program's success in enhancing access to advanced telecommunications and information services (e.g., nearly 90% of public school instructional classrooms now have Internet access), and in keeping with the implementation of the FCC's revised Strategic Plan: FY03-FY08, the E-rate program no longer has specific performance measures. For FY05, the FCC should develop a long-term outcome goal for the program; consider reinstituting the "connectivity" measure and developing an efficiency measure.

Evidence: The FCC's Annual Performance Reports: 1999 through 2002 note the E-rate program's accomplishment of its performance goal. The metric attached to the performance goal changed each year to reflect the growing success of the program. The FY02 goal was '93% of public school instructional classrooms connected to the Internet.' However, there are no longer any specific performance measures in the FCC's most recent strategic plan and performance plan.FCC 2002 Performance Reporthttp://www.fcc.gov/omd/strategicplan

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: NO Question Weight 11%

Explanation: In contrast to earlier FCC strategic plans, the FCC's FY03-FY08 Strategic Plan and FY 2004 Performance Plan no longer include performance measures for the E-rate.

Evidence: The FY02 goal was '93% of public school instructional classrooms connected to the Internet.' However, there are no longer any specific performance measures in the FCC's most recent strategic plan and performance plan.FCC 2002 Performance Report, 2004 Performance Plan, 2003-2008 Strategic Planhttp://www.fcc.gov/omd/strategicplan

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Type(s): Regulatory Based Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	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 11%

Explanation: While the partners support the overall intent of the program, since the long-term goals and efficiency measures are still undefined, this response must be no. However, it should be possible to have the program partners commit to and report on the E-rate goals as established by the FCC. Already, schools and libraries applying for support develop a technology plan that documents the library service strategy or the school improvement purpose for the requested services. Approved technology plans must establish the connections between the access and the professional development strategies, curriculum initiatives, and objectives that will lead to improved education and library services.

Evidence: Descriptions of the technology plan requirements can be found at: http://www.sl.universalservice.org/overview/techplan.asp.A fact sheet regarding documentation requirements and audits is located at: http://www.sl.universalservice.org/reference/AuditFactSheet.asp.

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

Type(s): Regulatory Based Block/Formula Grant

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: A 2000 Department of Education evaluation was the first planned, independent evaluation of the E-rate program in what was intended to be a series of such evaluations. It found that the program 'has clearly made its most substantial inroads into the nation's public schools, with about three-fourths of all public districts and schools applying for E-Rate in each of the first two years of the program.' No subsequent evaluations have been released. The FCC is committed, however, to designating funds for a future study to be conducted by an outside contractor.There have been numerous other evaluations of the E-rate program, but they were arguably not 'regularly scheduled evaluations examining how well the program is accomplishing its mission and meeting its long term goals.' These include numerous reviews of the E-rate program by the GAO and Congressional Research Service. The FCC's Inspector General has also conducted audits and investigations of specific program applicants, and the FCC requested $3 million in its fiscal year 2004 budget to support the Inspector General. Additionally, the Universal Service Administrative Company has an internal audit staff and, as required by FCC rules, employs an independent, private auditor to develop its annual financial statement.

Evidence: Evaluations and reviews of the E-rate program by the Department of Education include: E-Rate and the Digital Divide: A Preliminary Analysis From the Integrated Studies of Educational Technology; Michael J. Puma, Duncan D. Chaplin, and Andreas D. Pape; September 31, 2000; (DOEd Doc #00-17). http://www.ed.gov/offices/OUS/PES/erate_fr.pdfIndependent Congressional Research Service reviews of the E-rate program include: Telecommunications Discounts for Schools and Libraries, CRS, Angele Gilroy, May 29, 2002; and Information Technology and Elementary and Secondary Education, CRS, Patricia Osorio-O'Dea, June 9, 2000.IB98040 http://carper.senate.gov/acrobat%20files/ib98040.pdf96-178 EPW http://usinfo.state.gov/usa/infousa/tech/reports/96-178.pdfRelevant GAO reviews include Schools and Libraries Program: Application and Invoice Review Procedures Need Strengthening, GAO-01-105, December 2000; Schools and Libraries Program: Actions Taken to Improve Operational Procedures Prior to Committing Funds, GAO/RCED-99-51, March 1999; Schools and Libraries Corporation: Actions Needed to Strengthen Program Integrity Operations Before Committing Funds, GAO/T-RCED-98-243, July 1998; Telecommunications: Court Challenges to FCC's Universal Service Order and Federal Support for Telecommunications for Schools and Libraries, GAO/RCED/OGC-98-172R, May 1998; and Telecommunications: FCC Lacked Authority to Create Corporations to Administer Universal Service Programs, GAO/T-RCED/OGC-98-84, March 1998.GAO-02-187 www.gao.gov/new.items/d02187.pdf GAO-01-105 www.gao.gov/new.items/d01105.pdf GAO/RCED-99-51 www.gao.gov/archive/1999/rc99051.pdf GAO/T-RCED-98-243 www.gao.gov/archive/1998/rc98243t.pdf GAO/RCED/OGC-98-172R archive.gao.gov/paprpdf2/160411.pdfGAO/T-RCED/OGC-98-84 www.gao.gov/archive/1998/r598084t.pdf IG audits of the E-rate program can be accessed from www.fcc.gov/oig/oigreportsaudit.html. The most recent IG report is at www.fcc.gov/oig/sar092.pdf, and further audits of the program are described in the IG's FY03 Audit Plan.

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 FCC does not currently have annual and long-term performance goals for the E-rate program. Therefore this answer must be no. In developing goals and measures, it would be helpful for the FCC to review how the overall level of mandatory funding for the E-rate program is determined.

Evidence:

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Type(s): Regulatory Based Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

2.8 Has the program taken meaningful steps to correct its strategic planning deficiencies? Answer: NO Question Weight: 11%

Explanation: The FCC is encouraged to develop outcome-oriented, long-term performance goals, as well as annual measures and efficiency measures to replace those that it discontinued in FY02.

Evidence: Federal Communications Commission, Strategic Plan, 2003-2008; and the 2004 Performance Plan.http://www.fcc.gov/omd/strategicplan/

2.CA1 Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity? Answer: NA Question Weight: 0%

Explanation: The statutory language establishing the E-rate program (common name for the Schools and Libraries portion of the Universal Service Fund) does not give either the FCC or USAC express authority to determine which E-rate investment 'provides the best value to the government.' Instead, 47 U.S.C. §254 says 'All telecommunications carriers serving a geographic area shall, upon a bona fide request'provide such services to elementary schools, secondary schools, and libraries for educational purposes at rates less than the amounts charged for similar services to other parties.'

Evidence: 47 U.S.C. §254 (b) (6) and (h) (1) (B). (http://www.access.gpo.gov/uscode/title47/chapter5_subchapterii_partii_.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: The E-rate program was established in statute and is implemented by regulation. Changes to eligible services, application processes, funding levels, etc. are achieved through either administrative or regulatory changes. In making regulatory changes, the rulemakings address why the changes are necessary to meet the statutory goal of providing discounted access to schools and libraries.

Evidence: FCC rulemakings regarding the Schools and Libraries program: www.fcc.gov/wcb/universal_service/schoolsandlibs.html

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: NO Question Weight: 8%

Explanation: The Universal Service Administrative Company (USAC), the not-for-profit organization appointed by the FCC in 1997 to administer the disbursement of all Universal Service Funds (including the E-rate program), does not directly collect performance data from funding recipients. Independent confirmation that schools are increasingly connected to the Internet comes from NCES' Fast Response Survey System. USAC audits selected samples of those who receive funds to ensure that the funding was spent in compliance with all requirements.

Evidence: www.nces.ed.gov

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Type(s): Regulatory Based Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	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: NO Question Weight: 8%

Explanation: While the Schools and Libraries Committee of the USAC Board oversees the E-rate program, there is no specific evidence that Federal managers and program partners are held accountable for cost, schedule, and performance results. For Federal managers, such accountability could be built into their performance evaluations. Program partners could be required to achieve specific performance standards.

Evidence: General information about the USAC Board of Directors and its by-laws are located at: http://www.universalservice.org/board and http://www.universalservice.org/download/usacbylaws.pdf.The FCC rules relating to the Fund Administrator can be found at 47 C.F.R. §§ 54.701-54.705. (http://www.access.gpo.gov/nara/cfr/waisidx_02/47cfrv3_02.html)

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

Answer: NO Question Weight:10%

Explanation: A continuing issue surrounding the E-rate program is ensuring that all disbursed funds are spent in ways that comply with the program's rules. While USAC and the FCC believe that significant progress has been made in addressing this issue in the last fiscal year, there are currently 21 investigations involving the Universal Service Fund (USF), of which the E-rate program is a part, that have been referred to the FBI and Department of Justice. In addition, the IG has opened five additional USF-related investigations ' for a total of 26 open USF-related cases. The FCC OIG has requested $3.4 million in the Presidents FY 2004 budget to conduct a statistically sound sample audit of the program beneficiaries. Not waiting for the results of this effort, the OIG together with USAC has hired an outside accounting firm to initiate a significantly increased number of beneficiary audits in FY 2003 and the FCC has committed $500,000 of additional funding in FY 2003 to support the OIG's investigations. Since the inception of the program, USAC has not made payments to entities that are under investigation by USAC or other federal, state or local authorities. This effort to assure improved accountability is continuing to produce positive results.

Evidence: Schools and Libraries Universal Service Support Mechanism, FCC 02-175, Released 6/13/02, CC Docket No. 02-6, can be viewed at: http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-02-175A1.pdf and http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-224183A1.pdf (an errata).The budgetary submission for the Universal Service Fund is found on page 100 of the Federal Communications Commission, FY 2004 Budget Estimates to Congress. This document can be found at: http://ftp.fcc.gov/Reports/fcc2004budget_complete.pdf.The FCC Inspector General's most recent report to Congress can be found at: http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-224183A1.pdf

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

Type(s): Regulatory Based Block/Formula Grant

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: 8%

Explanation: The FCC previously tracked performance connecting public school instructional classrooms to the Internet. The FCC proposes to adopt its own E-rate performance plan, reintroducing the "connectivity" measure and setting forth the sorts of customer satisfaction, quality, and timeliness measures and targets that USAC has adopted, in a more transparent manner. The FCC also proposes to establish appropriate efficiency measures.

Evidence: Federal Communications Commission, FY 2002 Annual Program Performance Report, page 18. Available at: http://www.fcc.gov/Reports/ar2002.pdf.For purposes of this question, we have not construed 'program performance plan' to include the performance plan utilized by USAC. USAC's performance plan is memorialized in its contractual agreement with NECA, the vendor utilized by USAC for the E-rate program. USAC/NECA Performance Agreement, Schools and Libraries Universal Support Mechanism (7/1/02 - 6/30/03). That agreement contains, among other things, "timing targets, and other efficiency and productivity indicators germane to the program." The agreement specifies financial incentives and credits shall be applied to performance on specified measures relating to customer satisfaction, quality and timeliness, which demonstrate "procedures to measure and achieve efficiencies and cost effectiveness in program execution." USAC submits a report on actual performance to the FCC on a quarterly basis.USAC/NECA Performance Agreement, Schools & Libraries Universal Service Support Mechanism (7/1/02 ' 6/30/03).

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

Answer: NA Question Weight: 0%

Explanation: The E-rate program is the only federal program that provides discount-rate 'access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms'and libraries.'

Evidence: Federal and State Universal Service Programs and Challenges to Funding (GAO-02-187), February 2002.(www.gao.gov/new.items/d02187.pdf)

3.6 Does the program use strong financial management practices?

Answer: NO Question Weight10%

Explanation: The FCC's most recent (FY02) Annual Financial Report found a material weakness related to USF programs, including the E-rate program. The explanation states that the 'FCC did not apply adequate review procedures to ensure that financial information provided by the USF'(is) accurate, reasonable, and properly supported prior to inclusion in the FCC's consolidated financial statements.' This comment relates to the FCC's review of financial information provided by USAC and is not related to USAC's management of the records. USAC currently uses generally acceptable accounting principals governing not-for- profit funds. However, USAC has taken actions requested by the FCC to alter its reporting and/or management of the Fund. USAC has asked the Commission to officially determine whether the fund should adopt federal accounting practices and that decision is likely before the close of Fiscal Year 2003. The OIG has indicated that improvements are necessary in both the audits of beneficiaries and the agency's monitoring of USF activities. To that end the FCC has appointed a coordinator toimprove agency-USAC communications, the FCC has dedicated $500,000 in agency funds to assist the OIG in current investigations, and included $3,000,000 in the 2004 Budget request to Congress. Still much remains to be done to fully integrate the program accounting and reporting activities into those of the agency.

Evidence: Fiscal Year 2002 Annual Financial Report, FCC (http://www.fcc.gov/omd/strategicplan/).The FCC Inspector General's most recent report to Congress can be found at: http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-224183A1.pdfThe 2004 request for OIG funding is on page 4 and budgetary estimates for the Universal Service Fund are on page 100 of the Federal Communications Commission, FY 2004 Budget Estimates to Congress. This document can be found at: http://ftp.fcc.gov/Reports/fcc2004budget_complete.pdf.

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

Type(s): Regulatory Based Block/Formula Grant

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

Explanation: The FCC has worked diligently with the Universal Service Administrative Company (USAC) to correct deficiencies when they are identified. Early in the history of the program, the FCC abolished the Schools and Libraries Corporation and created instead the Schools and Libraries Division within USAC in response GAO concerns. More recently, in 2002, the FCC revised and released three forms, adopted interim measures complying with court decisions on the implementation of the Children's Internet Protection Act, adopted a framework for the treatment of undisbursed funds, and released an NPRM on ways to streamline the administrative and procedural processes of the E-rate program. On April 23, 2003, the Commission adopted an order that, among other things, provides for debarment of entities that have been criminally convicted or found civilly liable for matters involving fraud in the E-rate program.

Evidence: For a list of the improvements the FCC has made in the E-rate program see: http://www.fcc.gov/wcb/universal_service/schoolsandlibs.html. See Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Notice of Proposed Rulemaking and Order, 17 FCC Rcd 1914 (2002) requesting comment on changes to the E-rate program to make the program more efficient and effective; Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6, Report and Order, 17 FCC Rcd 11521 (2002); Schools and Libraries Universal Service Support Mechanism, CC Docket No. 02-6.Telecommunications Discounts for Schools and Libraries, CRS, Angele Gilroy, 2002 provides a good overview of administrative improvements made in the early days of the program. (http://carper.senate.gov/acrobat%20files/ib98040.pdf; Earlier version http://www.ncseonline.org/NLE/CRSreports/Science/st-52.cfm)

3.BF1 Does the program have oversight practices that provide sufficient knowledge of grantee activities? Answer: NO Question Weight 10%

Explanation: Audits have been sporadic and not performed according to federal auditing practices. While these have uncovered some irregularities and potential fraud cases that are under investigation, the FCC and USAC are establishing procedures to more systematically audit and monitor E-rate recipients use of funds. USAC has also established a Waste, Fraud and Abuse task force and created a Whistleblower hotline. These actions should lead to increased and better oversight over procurement processes and use of the funds.

Evidence: FCC IG reports - March 2003, September 2002, March 2002www.fcc.govDiscussions with FCC managementwww.sl.universalservice.org/taskforce/www.sl.universalservice.org/reference/whistle.asp

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: 8%

Explanation: The program does not collect performance data from the E-rate recipients.

Evidence:

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

Type(s): Regulatory Based Block/Formula Grant

3.CA1 **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: NA Question Weight: 0%

Explanation: The Universal Service Administrative Company (USAC) operates within a clear framework, established by the FCC in 1998. This framework first establishes the budgetary cap for the program ($2.25 billion). Section 54.507(a) of the Commission's rules further codifies this amount and sets forth other requirements. USAC is then responsible to the FCC to meet schedules for reviewing and deciding on applications within the allowable budget. Currently USAC works to a performance schedule on notifying applicants about funding commitments for Funding Year 2002 (July 1, 2002- June 30, 2003) in waves. Every other Monday, a wave of letters is mailed to applicants and a list of those applicants is posted on the USAC Web Site on that day.

Evidence: The FCC Universal Service Order (corrected) can be found at: http://www.fcc.gov/wcb/universal_service/fcc97157/97157pdf.htmlInformation on the funding waves for FY02 can be found at:http://www.sl.universalservice.org/funding/y5/waves/default.aspDescriptions of the technology plan requirements can be found at: http://www.sl.universalservice.org/overview/techplan.asp.Information about what services are eligible for inclusion in the E-rate program can be found at:http://www.sl.universalservice.org/reference/EPSFAQ.asp,http://www.sl.universalservice.org/reference/eligserv_framework.asp, andhttp://www.sl.universalservice.org/reference/eligible.asp

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: 8%

Explanation: The rulemaking establishing the E-rate included comments from a wide range of affected parties, including the Federal-State Board on Universal Service, schools, libraries, telecom carriers, educational associations, etc.

Evidence: FCC Common Carrier Docket No. 96-45 and subsequent Orders and Notices regarding the Schools and Libraries Program.www.fcc.gov/wcb/universal_service/schoolsandlibs.html

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: NA Question Weight: 0%

Explanation: FCC regulations are not subject to E.O. 12866 or the Unfunded Mandates Reform Act. They are subject to the Regulatory Flexibiltiy Act and SBREFA, however, OMB only review of FCC rules is under the Paperwork Reduction Act.

Evidence:

3.RG3 **Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?** Answer: YES Question Weight: 8%

Explanation: The FCC reviews and updates the E-rate regulations as necessary to streamline the program based on participants' suggestions and to address any questions regarding implementation of the program as they arise.

Evidence: FCC rulemakings regarding the Schools and Libraries program: www.fcc.gov/wcb/universal_service/schoolsandlibs.html

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

Type(s): Regulatory Based Block/Formula Grant

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: 8%

Explanation: The program was designed to reach as many schools and libraries as possible in a short amount of time. However, it is not clear that the current structure maximizes net benefits in terms of targeting the most disadvantaged areas to close the gap among schools and libraries, and ensuring the most cost-effective method for collecting and distributing funds as well as cost-effective type and use of access to advanced telecommunications services.

Evidence:

4.1 **Has the program demonstrated adequate progress in achieving its long-term performance goals?** Answer: NO Question Weight20%

Explanation: The E-rate program has been very successful in promoting connectivity. However, the FCC currently lacks long-term, outcome-oriented performance goals and efficiency measures against which to measure this success and to improve and refine the program going forward.When Congress passed the Telecommunications Act of 1996 (P.L. 104-104), which mandates the E-rate program, schools and libraries had only limited access to the advanced telecommunications and information services necessary to effectively support the educational, economic, and cultural needs of the United States. One indicator of this lack of access was that when Congress mandated the E-rate program in 1996, 14% of public school instructional classrooms had access to the Internet. Today, nearly 90% of such classrooms have Internet access. The E-Rate program's contribution to this long-term success is substantial. Since the program began operation in 1998 through November 2002, it has funded 136,697 individual service requests from over 73,000 schools, school districts, and libraries in 56 states, territories, and the District of Columbia. These services are provided at discount rates by private, competitive telecommunication service providers. This means, of the 92,000 public schools and 27,000 private schools, the E-Rate program provided funding for telecommunications service, Internet access and internal connections to over 66% of public schools and over 3% of private schools.

Evidence: The FCC's most recent strategic plan and annual performance plan do not include performance goals or measures for the E-rate program. At this time, it is not clear what the end goal of the E-rate is or how to measure effectiveness other than incremental increases in the number of classrooms and libraries with access to the Internet.FCC 2004 Annual Performance Plan and 2003-2008 Strategic Plan.Baseline data on the number of schools come from NCES' Digest of Education Statistics: 2001 and Quick Facts service. USAC's Funding Commitments, 1998-2002: State Funding Reports and Cumulative National Data, as well as Analysis of Participation in E-Rate Program by Entity Type, are the sources for the number of E-rate fund request approvals.NCES Fast Response Survey Systemhttp://nces.ed.gov/surveys/frss/publications/ Digest of Education Statisticshttp://nces.ed.gov/pubs2002/digest2001/ Quick Factshttp://nces.ed.gov/ccd/quickfacts.aspUSAC Funding Commitmentshttp://www.sl.universalservice.org/funding/ State Funding Reportshttp://www.sl.universalservice.org/funding/y2003/waves/ Cumulative National Datahttp://www.sl.universalservice.org/funding/y2003/national.asp

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

Explanation: This answer must be no, since 2.3 is no. Once the FCC develops new performance measures for the program, the answer can be "small extent" since the program met earlier, related performance measures.The E-rate program met its annual performance goals in FY99 and FY00. It slightly missed its goal in FY01. Data are not yet available to assess performance in FY02. However, the goal has been discontinued in FY03. The FCC is looking at reinstating the "connectivity" goal as well as other measures.

Evidence: Federal Communications Commission, FY 2002 Annual Program Performance Report, page 18. Available at: http://www.fcc.gov/Reports/ar2002.pdf.

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

Type(s): Regulatory Based Block/Formula Grant

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

Explanation: The annual financial statements of the Universal Service Administrative Company (USAC) show that the E-rate program and other elements of the Universal Service Fund are run efficiently and effectively but additional data are needed to meet this question's requirement for a 'yes' response. We anticipate that by adopting its own performance plan, the FCC can better evaluate this question in subsequent years.

Evidence: In calendar year 2000, the Schools and Libraries Division of the Universal Service Administrative Company, a not-for-profit organization established in 1997 under FCC regulations, incurred program operating costs of 1.9% of the E-rate fund's annual assets. Operating cost data come from the USAC 2001 Annual Report. Found at: http://www.universalservice.org/reports/2001Data on number of applications received are found in USAC's Analysis of Participation in E-Rate Program by Entity Type.

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: The E-rate program is the only federal program that provides discount-rate 'access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms'and libraries.'

Evidence: Federal and State Universal Service Programs and Challenges to Funding (GAO-02-187), February 2002

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: A 2000 Department of Education study was the first planned, independent evaluation of the E-rate program in what was intended to be a series of such evaluations. It found that the program 'has clearly made its most substantial inroads into the nation's public schools, with about three-fourths of all public districts and schools applying for E-Rate in each of the first two years of the program.' No subsequent evaluations have been released, though the FCC is committed to designating funds for a future study to be conducted by an outside contractor.There have been numerous other evaluations of the E-rate program, but we do not interpret the question to extend to such reviews, as they were arguably not 'regularly scheduled evaluations examining how well the program is accomplishing its mission and meeting its long term goals.' Therefore, while the initial evaluation indicated that the program is effective and achieving results, additional evaluations are necessary to confidently determine that subsequent years of the program have likewise been effective and achieved results.Also, there have been few or no evaluations about the educational or community-based benefits of the E-rate.

Evidence: Evaluations and reviews of the E-rate program by the Department of Education include: E-Rate and the Digital Divide: A Preliminary Analysis From the Integrated Studies of Educational Technology; Michael J. Puma, Duncan D. Chaplin, and Andreas D. Pape; September 31, 2000; (DOEd Doc #00-17). Independent Congressional Research Service reviews of the E-rate program include: Telecommunications Discounts for Schools and Libraries, CRS, Angele Gilroy, May 29, 2002; and Information Technology and Elementary and Secondary Education, CRS, Patricia Osorio-O'Dea, June 9, 2000.Department of EducationDOEd Doc #00-17 http://www.ed.gov/offices/OUS/PES/erate_fr.pdfCongressional Research ServiceIB98040 http://carper.senate.gov/acrobat%20files/ib98040.pdf Earlier version http://www.ncseonline.org/NLE/CRSreports/Science/st-52.cfm96-178 EPW http://usinfo.state.gov/usa/infousa/tech/reports/96-178.pdf Earlier version http://budget.senate.gov/democratic/crsbackground/itedu.pdf

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Type(s): Regulatory Based Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

4.CA1 **Were program goals achieved within budgeted costs and established schedules?** Answer: NA Question Weight: 0%

Explanation: Program goals have been achieved within budget and on schedule.

Evidence: The E-rate program (common name for the Schools and Libraries portion of the Universal Service Fund) is operated by the Universal Service Administrative Company (USAC), a not-for-profit organization established by FCC regulations in 1997. Financial support for the program goal of 'enhance(ing)' discount-rate 'access to advanced telecommunications and information services for all public and nonprofit elementary and secondary school classrooms'and libraries' has occurred in a timely manner since operations began in 1998. Since then (through November 2002), the E-rate program has funded 136,697 individual requests from over 73,000 schools, school districts, and libraries in 56 states, territories, and the District of Columbia.The operating expenses of USAC are audited by independent, private-sector firms and reported in an annual financial report. USAC's 2001 Annual Report presents several changes in accounting policy designed, in part, to bring greater transparency and accountability to the financial operations of USAC. These changes include recognition of 'all the operating costs and the related contract revenues associated with administering the Support Mechanisms.' This accounting change ensures that USAC's financial statement 'more accurately reflects all operating costs and revenues related toUSAC's operations.' (http://www.universalservice.org/Reports/).

4.RG1 **Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?** Answer: NO Question Weight20%

Explanation: The program was designed to reach as many schools and libraries as possible in a short amount of time. However, it is not clear that the current structure maximizes net benefits in terms of targeting the most disadvantaged areas to close the gap among schools and libraries, and ensuring the most cost-effective method for collecting and distributing funds as well as cost-effective type and use of access to advanced telecommunications services.

Evidence: FCC rulemakings regarding the Schools and Libraries program: www.fcc.gov/wcb/universal_service/schoolsandlibs.htmlUSAC website: http://www.sl.universalservice.org.

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:
Type(s): Regulatory Based Block/Formula Grant

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

Measure: Improve the connections of classrooms, libraries, and rural health facilities to the Internet.
Additional Information:

Year	Target	Actual	**Measure Term:**	Long-term

Measure: Complete the establishment of necessary regulatory framework in FY99.
Additional Information:

Year	Target	Actual	**Measure Term:**	Long-term

Measure: Measure Under Development
Additional Information:

Year	Target	Actual	**Measure Term:**	Annual	(Efficiency Measure)

Measure: Further increase the percentage of schools and libraries connected to the Internet by the end of FY01.
Additional Information:

Year	Target	Actual	**Measure Term:**	Annual
2001				

Measure: 93% of public school instructional classrooms connected to the Internet
Additional Information:

Year	Target	Actual	**Measure Term:**	Annual
2001				

PROGRAM ID: 10001155

PART Performance Measurements

Program: Schools and Libraries - Universal Service Fund
Agency: Federal Communications Commission
Bureau:

Section Scores				Rating
1	2	3	4	Results Not
80%	11%	27%	7%	Demonstrated

Type(s): Regulatory Based Block/Formula Grant

Measure: Measure Under Development

Additional Information:

Year	Target	Actual

Measure Term: Long-term

PART Performance Measurements

Program: Supply Depots and Special Order
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	100%	88%	56%	

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

Explanation: The Office of Global Supply's purpose is to provide agencies with a method of acquiring commodities that: 1) fulfill their socio-economic requirements and 2) achieve cost and time efficiencies.

Evidence: Federal Property and Administrative Services Act of 1949, Federal Property Management Regulation 101-26.107, and GSA Bulletin FPMR E-95 (July 28, 1971), 48 CFR 8.7 (JWOD and UNICOR), and Executive Order 13101" Greening the Government."

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

Explanation: Customer agencies' either desire the Supply program's full-service method of purchasing and delivering products (acceptance and management of orders, delivery of product from stock or directly from vendors, billing, and customer service) or require disaster and/or common use supplies to be quickly accessible in emergency situations or wartime conditions

Evidence: Federal Property and Administrative Services Act of 1949, which sets forth the purpose of the program.

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: GSA and DOD are both responsible for separate and discrete components of the National Supply System, which supplies commercial products to government activities worldwide. There is no commercial counterpart in the number/type of products and the way agencies are billed. However, there are redundancies in types of products offered and ineffeciencies in the delivery mechanisms employed.

Evidence: GSA Bulletin FPMR E-95 (July 28, 1971), which outlines the agreement with DoD regarding the National Supply System. Private sector availability of various products.

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: There are numerous opportunities to streamline operations, increase efficiency, reduce costs and improve decision-making and customer satisfaction. For example, the program should improve its IT applications to improve automation and become more customer-oriented.

Evidence: Tompkins Report : "Supply Fulfillment Enterprise Operations Analysis and Improvement Plan (3-12-02).

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 intended beneficiaries are federal agencies, both civilian and military, who require global delivery, guaranteed compliance with federal purchasing regulations, government-to-government billing, and requisition-based ordering.

Evidence: Federal Property and Administrative Services Act of 1949, which sets forth the purpose of the program.

PART Performance Measurements

Program: Supply Depots and Special Order
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	100%	88%	56%	

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: FSS has established long-term performance measures to guide program mangement and performance, and to gain insight into how well FSS' business lines are meeting our customers' needs and the federal government as a whole. The long-term goals establishe a clear link to a similar DoD program, while driving towards decreased in product mark-up.

Evidence: Provide best value for the customer; operate efficiently and effectively, and government responsibility (GSA's Strategic Plan). FSS 2004 Annual Performance Plan

2.2 **Does the program have ambitious targets and timeframes for its long-term measures?** Answer: YES Question Weight:11%

Explanation: Specific quanified targets have been established for the long-term goal. Ambitious targets are established each year to place emphasis on continuous improvement in key areas and to help the organization evolve to best meet its customers' needs.

Evidence: FY 2005 Congressional Justification

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: Annual performance goals for the program include key measures such as external customer satisfaction, percent markup for stocked items and fill-rate for requisitions. These goals support achievement of the program's long-term goals. In FY05, GSA will develop a goal to benchmark against a similar DoD program to measure Time Definite Delivery (TDD) standards.

Evidence: FY 2005 Congressional Justification

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: YES Question Weight:11%

Explanation: Baselines and amibitious targets are identified for most of the annual measures.

Evidence: FY 2005 Congressional 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: YES Question Weight:11%

Explanation: Global Supply contractors contribute toward overall programatic goals by virture of contractual Terms and Conditions that outline specific performance standards by which they are evaluated on. Successful achievement of the Terms and Conditions directly relate to the business lines ability to achieve its annual performance measures and contribute to the Long Term Goal.

Evidence: Expanded Direct Delivery Blanket Purchase Agreement with Boise Cascade

PART Performance Measurements

Program: Supply Depots and Special Order
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	100%	88%	56%	

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: There are no regularly scheduled, independent reviews of GSA's Supply program. However, there have been several comprehensive, independent studies conducted over the last several years, which have evaluated program effectiveness, informed program improvements, and influenced program planning.

Evidence: GAO, GSA IG, and other independent reports, including Tompkins Report: "Supply Fulfillment Enterprise Operations Analysis and Improvement Plan"(3-12-02); LMI: "Business Review of GSA's Stock Program" (2-10-01)

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: The FSS budget is formulated based on GSA strategic goals and individual program performance goals. Funding levels are determined based on the activities that are required to achieve these goals and the performance targets that are set. Through linking the Congressional Budget with the performance goals and measures, program budgets are directly aligned with program goals.

Evidence: FL Scorecard; FY 2005 OMB Budget submission; FY 2005 Congressional Budget Justification

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:11%

Explanation: FSS has taken meaningful steps to address strategic planning deficiencies: 1) developing annual and long term performance measures 2) linking performance goals to resource requirements and, 3) incorporating the GSA Performance Management Process in the annual business planning and budgeting cycles.

Evidence: Guide to the FSS Performance Measurement System, FSS & Global Supply Scorecard, FY 2005 Congressional Budget Justification Transportation Audits SAP's

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight:11%

Explanation: The program conducts regular reviews of Global Supply-managed commodities to determine which products to stock and how best manage them. Established inventory management and demand forecasting guidelines are used as the basis for evaluation of items and the method(s) by which they are supplied. Past demand patterns are analyzed on a monthly basis and adjustments are made based on demand fluctuations. An item-by-item review is conducted annually using the econometric model to recommend methods of supply based on the cost to the customer.

Evidence: FSS Handbook 2901.11B, Supply Operations, Commodity Management. Tompkins Report: Relocation Study Alternative Recommendation Report (3/00).

PART Performance Measurements

Program: Supply Depots and Special Order
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	100%	88%	56%	

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: 13%

Explanation: FSS' senior management meets quarterly to review performance data. Performance data is also used on an on-going basis by program managers overseeing the supply program in several ways, such as using monthly performance indicators to adjust inventory and customer satisfaction data to identify performance strengths and specific customer concerns.

Evidence: Monthly performance reports and an annual customer satisfaction survey.

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: 13%

Explanation: Global Supply utilizes firm fixed price contracts with penalties for nonperformance. In addition, managers are held accountable through the annual performance review process and ongoing monitoring of major business performance and internal process quality indicators to anticipate and adjust for failure.

Evidence: Contract administration files illustrate enforcement of commercial vendor performance. FSS' annual employee review and rating evaluation.

3.3 Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose? Answer: YES Question Weight: 13%

Explanation: Funds are carefully tracked through a budget process that matches expenditures against program plans throughout the year. FSS' accounting system requires that obligations must be established prior to processing payments for goods and services to ensure payments correspond to their intended purpose.

Evidence: FY 2005 Congressional Justification

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: 13%

Explanation: An annual performance goals/efficiency measure for the program is operating cost per $100 of business volume.

Evidence: FY 2004 Annual Performance Plan.

PART Performance Measurements

Program: Supply Depots and Special Order
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	100%	88%	56%	

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight:13%

Explanation: GSA participates in various intergovernmental committees relating to standards, cataloging, billing, ordering, transportation, and quality of service. GSA also coordinates with the Defense Logistics Agency (DLA) on aspects of the National Supply System. Additionally, the program collaborates with USDA Forest Service and USDI Bureau of Land Management in the national wildfire suppression effort.

Evidence: Distribution Transformation Task Force, Supply Process Review Committee, MILSTAMP, and committees that help promulgate procurement standards. Interagency Memorandum of Understanding with USDA Forest Service

3.6 Does the program use strong financial management practices? Answer: YES Question Weight:13%

Explanation: GSA had integrated financial and performance management processes that support daily operations. In addition, GSA has received clean audit opinions for the past 16 years.

Evidence: GSA's FY2003 Annual Accountability Report

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: NO Question Weight:13%

Explanation: FSS implemented a formalized process for addressing GAO and IG audit recommendations; however, Global Supply has not implemented a process for systematic internal review of these recommendations.

Evidence:

3.CA1 Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals? Answer: YES Question Weight:13%

Explanation: The program uses an extensive preaward system to evaluate potential contractors to ensure that they meet facilities, capacity, and quality control requirements. If selected, each contract includes appropriate design and/or performance specifications. Additionally, the contract awards process includes an evaluation of manufacturing/supply capacity and financial capability to perform under the stated contracts.

Evidence: GSA Handbook on Preaward checks of contracts, Federal Product Specification and Commercial Item Descriptions, Voluntary Commercial Standards, Commercial Item Descriptions, Military Standards, and Contracts. Office of Contract Management procedures for administration of contract contained in FSS Manual on Preaward Evaluation of Plant Facilities and Capabilities.

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: LARGE EXTENT Question Weight:17%

Explanation: FSS has established long-term goals for the FY 2005 budget cycle for each business line. To date, Global Supply has made measurable progress towards achieving the identified Long Term Goal, as evidenced by the results of the program's performance goals that contribute to the long-term goal. Targets were met and/or exceeded in 3 out of 4 annual performance goals.

Evidence: FY2005 Congressional Budget Justification

PART Performance Measurements

Program: Supply Depots and Special Order
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	100%	88%	56%	

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight:17%

Explanation: Four annual performance goals have been developed that focus on the accomplishment of the long-term goal. These goals also have annual performance measures that are measured to determine the success or progress that Global Supply is making toward achievement of the goals. In FY05, involvement in DoD's focused logistics initiative will require regular reporting of performance indicators consistent with Time Definite Delivery (TDD) standards.

Evidence: FY2005 OMB Budget Submission and FY 2005 Congressional Justification

4.3 Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year? Answer: YES Question Weight:17%

Explanation: An annual performance goals/efficiency measure for the program is total cost per $100 of business volume.

Evidence: FSS Scorecard, FY 2005 GSF Congressional Justification

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: DoD and GSA are defining Time Definite Delivery (TDD) standards, the logistics performance standards by which DoD suppliers (including GSA) will be measured. GSA is in the process of validating the data used for TDD standards. Heavy shipment volume related to Operation Iraqi Freedom afffected distribution metrics for both DLA and Global Supply; however, the external customer satisfaction survey still shows positive evaluations.

Evidence: FY03 Customer Satisfaction Survey results: overall shipping (80.9), including the components of Exterior Condition (85), Accuracy of Shipment (81.6) and speed of delivery (76).

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 program has been largely effective in meeting its customer demands, as evidenced by the external customer satisfaction survey. As referenced in 2.6, although there have been no regularly scheduled, independent reviews of the program, several comprehensive, independent studies conducted over the last several years have evaluated program effectiveness and influenced program planning. There are still opportunities to streamline operations, increase efficiency, reduce costs.

Evidence: FY 03 Customer Satisfaction Survey Results. Tompkins Report: "Supply Fulfillment Enterprise Operations Analysis and Improvement Plan" 3/02)

PART Performance Measurements

Program: Supply Depots and Special Order
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	100%	88%	56%	

4.CA1 **Were program goals achieved within budgeted costs and established schedules?** Answer: LARGE EXTENT Question Weight:17%

Explanation: The program has continued to reverse previous years of negative financial trends, ending FY03 with an increase in business volume while gernerating sufficient revenue to cover all program operating costs. The improvement in financial condition is a result of increased DoD support related to Operation Iraqi Freedom, and lowering the product markup.

Evidence: Annual Pricing Guidelines Memorandum, FY 2005 OMB Budget Submission and FY 2005 Congressional Budget Submission

PART Performance Measurements

Program: Supply Depots and Special Order
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	100%	88%	56%	

Measure: Provide supply chain solutions for the global needs of our key strategic customers by delivering timely supplies for national emergencies and disasters at best value

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term

Measure: External customer satisfaction survey score

Additional Information: Based on an external customer satisfaction survey. Three questions on the survey are consistent to the American Customer Satisfaction Index. A combination of these scores are used for overall customer satisfaction.

Year	Target	Actual	**Measure Term:** Annual
2003	79%	79.6%	
2004	79.7%	79.0%	
2005	79.8%		
2006	79.9%		

Measure: Percent of Supply mark-up for stocked items

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2003	47.5%	45.9%	
2004	45.0%	42.8%	
2005	43.5%		
2006	40.1%		

PART Performance Measurements

Program: Supply Depots and Special Order
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
60%	100%	88%	56%	

Measure: Operating cost per $100 of Business Volume

Additional Information:

Year	Target	Actual
2002	NA	$20.77
2003	$20.77	$18.13
2004	$17.75	
2005	$17.50	
2006	$17.25	

Measure Term: Annual

Measure: Percent of domestic, non-hazardous orders shipped within 24 hours

Additional Information:

Year	Target	Actual
2003	89%	86%
2004	90%	85%
2005	92%	
2006	93%	

Measure Term: Annual

OMB Program Assessment Rating Tool (PART)

Capital Assets & Service Acquisition Programs

Name of Program: TVA Power

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

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	Yes.	The purpose of TVA's power program is to provide TVA's customers ample supplies of economical and reliable power.	TVA's power program today is a $7 billion per year business. The basis in law for TVA's power program is the TVA Act of 1933 (48 Stat. 58). Section 10 reads "The Board is hereby empowered and authorized to sell the surplus power not used in its operations..." Building on this somewhat narrow base, and working to serve its customers' needs, the agency expanded its power program during World War II. Congress delineated TVA's service area in 1959. The agency embarked on a major expansion of its power plants during the 1980s, so that today TVA is one of the five largest electric power companies in the country. The purpose of TVA's power program today is spelled out further in the agency's Vision Statement, its Government Performance and Result Act (GPRA) statements and related documents.	20%	0.2
2	*Does the program address a specific interest, problem or need?*	Yes.	TVA supplies the power needed by 8.3 million people -- four percent of the nationwide total -- living in Tennessee and parts of six neighboring states.	There is a 70-year legislative history supporting TVA's mission to meet the power needs of the people the agency serves.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	Yes.	See the box immediately above. TVA generates power and transmits it to 158 municipal utilities and rural electric cooperatives. They in turn deliver the power to retail customers. TVA played a leadership role in helping accelerate the availability of electric power in rural areas at affordable prices	TVA Act, Sec. 11 - " permit domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity."	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)?*	No.	TVA made a unique contribution during its start-up phase, supplying power to small towns and rural areas at low prices. Its role today is important but not unique. Electric power today is of course widely available throughout the US and around the world. That power is supplied by non-federal governmental and privately owned entities, as well as federal entities. Each of these approaches works reasonably well and each has its advocates. Each of these approaches is capable of providing affordable power. Note, for example, that some non-federal power companies supply power at costs that are lower than those TVA charges. In short, there are a number of ways to provide the economical power TVA currently supplies.	For information on the US electric power industry and alternate organizational forms of electric utilities, turn to the information and statistics provided by the Energy Information Administration (EIA) in the Department of Energy. Investor-owned utilities supply 75 percent of the country's power, municipal utilities 15 percent and cooperatives 10 percent. See the related EIA link: http://www.eia.doe.gov/cneaf/electricity/page/prim2/fig4.gif The prices TVA charges for power are lower than many utilities but higher than some, including utilities neighboring TVA's service area.	20%	0.0

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Is the program optimally designed to address the interest, problem or need?*	No.	TVA's power program has had its ups and downs. The program today is taking the steps needed to improve its design and operation and to prepare for changes now occurring in power markets. Three areas where TVA is seeking to improve include national energy policy, debt reduction, and strategic planning: (1) The Administration is working with the Congress on reforms of the electric power industry, seeking to modernize the nation's transmission system and to introduce competition in the nation's electric power markets. TVA could play a leadership role, for example, opening up its transmission system and allowing its customers to shop for power. (2) TVA needs a debt reduction plan. GAO and some TVA customers have expressed concern that TVA's debt is too large and needs to be reduced. (3) As noted in the next section below, TVA does not have a business plan and a strategic plan, explaining how it will operate in the changing electricity markets of the future.	Links and other evidence related to program design changes TVA needs to consider follow: (1) The *President's National Energy Policy Repor*t is available at the following link: http://www.energy.gov/HQPress/releases01/maypr/energy_policy.htm (2) The following GAO report catalogues concerns about TVA's finances and evidence the agency need to reduce its debt *TVA Debt Reduction Efforts and Potential Stranded Costs* (GAO-01-327, February 2001) (3) TVA itself argued debt reduction was important in the *TVA Ten Year Business Outlook,* which TVA published in July 1997. TVA has since revised its position, saying cost-effective investment in new power plants and environmental mitigation is more important than debt reduction. (4) TVA has hired a corporate strategic planner and is working to develop its strategic plan.	20%	0.0
Total Section Score					**100%**	**60%**

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
Section II: Strategic Planning (Yes,No, N/A)						
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.	TVA is in the process of developing a strategic plan, a business plan and a debt reduction plan. TVA does have six strategic objectives. In 1999, the TVA Board adopted 6 strategic objectives designed to achieve their vision of "Generating Prosperity in the Valley." 3 of those objectives pertain specifically to TVA's power program. This section of the PART assesses TVA's strategic planning effort in terms of TVA's three power-related strategic objectives.	TVA hired a nationally recognized expert on electric industry restructuring and regulation in June 2002 as its Senior Vice President for Strategic Planning and Analysis. She will be working with TVA and TVA stakeholders to develop a strategic plan for TVA. In addition, the following references are relevant for assessing TVA's GPRA-related plans: TVA 2003 GPRA Performance Plan; TVA 2001 Annual Report	11%	0.1
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	Yes.	TVA is in its second full year of a new "Winning Performance" program. It includes a "Balanced Scorecard" which contains specific annual goals and performance targets which are aligned to the long-term strategic objectives. As noted on the PART summary, TVA performance measures are useful in part, but metrics need to be developed further. E.g. the cost of power metric needs to be developed to account for the fact that TVA has access to capital at AAA bond rates.	TVA 2003 GPRA Performance Plan; TVA 2002 Balanced Scorecard	11%	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.	TVA plans to involve its stakeholders in its new strategic planning process.	The process began in June 2002 and stakeholder involvement has not yet begun.	11%	0.0
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	Yes.	TVA has long been an active participant in national and regional electricity reliability councils (NERC), has strong partnerships with 158 public power municipal and cooperative distributors, and good relationships with private power utilities.	NERC committee representation, TVPPA partnership and contracts, TVA's Public Power Institute, power interchange agreements and regional transmission MOU's.	11%	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?*	Yes.	TVA conducts continuous performance reviews on its own, has topical reviews by an Inspector General and GAO, receives annual independent financial audits. There have rarely been full-scope independent evaluations of the entire power program's effectiveness, however.		11%	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?*	No.	TVA has developed a rigorous integrated performance planning and budget process, with a foundation of individual plant and business unit plans that are aligned with corporate goals and objectives . This is to the agency's credit. However TVA began its strategic planning effort in earnest the summer and has yet to establish its power program goals in a way that the effect of policy changes and legislation on performance is apparent. See column to the right for more details.	Examples of TVA successes include the following: Winning Performance Program and Balanced Scorecards; Annual Performance Plans; Monthly Executive reviews of financial and operational performance. Examples where TVA has additional work to do (related to its strategic plan and business plan) include the following: the effect of allowing TVA customers to shop for power; the effect of joining a regional transmission organization; the effect of an environmental surcharge on TVA's debt, interest expense and competitiveness; and the effect of new energy legislation expected this year.	11%	0.0
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	Yes.	As the PART summary notes, in OMB's view TVA does a good job operating its power plants but has not yet squarely addressed the strategic planning task that lies ahead of it. The agency is taking steps to address its deficiencies. See the column to the right.	TVA hired a corporate strategic planner in June 2002 and has given her the task of helping TVA assess its business environment, identify options and assess them, and generally prepare TVA to deal with the changing market conditions the agency will face in the future.	11%	0.1
8 (Cap 1.)	*Are acquisition program plans adjusted in response to performance data and changing conditions?*	Yes.	Capital projects are continually reviewed as part of an intensive Project Justification Process.	Example: A $300 million combined-cycle plant project was cancelled as a result of changing conditions both within TVA's operations and the bulk power market.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
9 (Cap 2.)	*Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals?*	Yes.	This is an ongoing part of TVA's planning, budgeting and performance management process, aided by independent reviews and recommendations by the Inspector General.	Examples: (1) Recent major power supply decisions have resulted in both "build" (BF1) and "buy" (Calpine contract) based on economics. (2) A Nashville office space relocation based on costs, economic benefits to the local region, and IG recommendations.	11%	0.1
Total Section Score					**100%**	**78%**

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.	TVA has an ongoing monthly budget and performance reporting system that includes both TVA organizational and contractor performance information. Budgets are reallocated as necessary to address emerging problems or opportunity . TVA is currently implementing Activity Based Management (ABM) as another tool to manage performance.	Winning Performance Program; Corporate and Business Unit Balanced Scorecards; Monthly Executive Performance Summary report.	9%	0.1
2	*Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results?*	Yes.	The Winning Performance program includes a process of both individual and business unit goal-setting and periodic performance review. A portion of individual compensation is "at risk" based on performance achieved.	Quarterly Business Performance reviews; Quarterly individual performance reviews; Pay for Performance targets and awards; Contract incentives for major plant maintenance partners.	9%	0.1
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	Yes.	TVA's financial reporting system includes detailed reports of actual vs. budget expenditures on a monthly (and for some components weekly) basis.	Monthly and quarterly performance reports; monthly "savings and use" reports (mechanism for reallocating resources when needed).	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.	TVA includes performance requirements in all major procurement and contractor "partner" agreements. Incentives are designed such that the supplier and TVA share in cost savings achieved.	TVA Procurement Group's "Strategic Sourcing" initiative ($100 million reduction in material inventory over 5 years); Fossil Group's maintenance contractor "partner" contracts.	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.	TVA's internal accounting system is an accrual-based, full-cost allocation system, including such indirect costs as employee benefits (pension, medical) and support services (computer support, building facilities).	Monthly financial reports; IBS (automated G/L system); independent financial audit.	9%	0.1
6	*Does the program use strong financial management practices?*	Yes.	TVA has developed over the years strong centralized financial systems through which all transactions are recorded and controlled.	Clean audit reports (PWC). Internal audit reports (IG).	9%	0.1
7	*Has the program taken meaningful steps to address its management deficiencies?*	Yes.	TVA has developed a highly qualified executive management team, all of which have private sector as well as public sector experience. Within the operating groups, functional "peer teams" have been established across all major disciplines. They meet regularly to evaluate all business processes, do extensive benchmarking studies, and implement "best practices" from other units and other companies.	*Winning Performance* Program; *STAR 7* training program; Nuclear's *Pentagen* program; COO peer teams.	9%	0.1
8 (Cap 1.)	*Does the program define the required quality, capability, and performance objectives of deliverables?*	Yes.	These features are built into all major procurement contracts and project proposals.	Fossil "Partner" contracts; Lignite Plant performance contract (TVA compensated by supplier for delays); Project Justification procedure.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
9 (Cap 2.)	*Has the program established appropriate, credible, cost and schedule goals?*	Yes.	TVA develops extensive cost and benefit analysis on all asset acquisitions ranging from computer systems to generating units.	Published procurement RFP's; Project Justification process.	9%	0.1
10 (Cap 3.)	*Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?*	Yes.	TVA conducts hundreds of individual project/acquisition assessments each year. Major projects are reviewed/approved by the Board.	Browns Ferry Unit 1 project analysis included a 6-month "detailed scoping and estimating program" and a Supplemental EIS.	9%	0.1
11 (Cap 4.)	*Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?*	N/A	While there are many examples of specific "risk management" techniques, the risk of the overall power program rests primarily with TVA.		9%	0.0
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)?*	large ext.	As the President's Budget notes, TVA operates its existing assets efficiently and has received industry awards for operating its nuclear and coal-fired power plants cost effectively, a significant improvement from the past when those plants posed major problems. TVA's power program scores less well, however, in terms of strategic planning, competitive bidding and debt reduction.	TVA GPRA Performance Plan; TVA Balanced Scorecard.	17%	

Long-Term Goal I:	Meet customers' needs by providing affordable, reliable electric power.
Target:	Annual reliability targets set (no. of interruptions per customer connection point) based on planned system improvements.
Actual Progress achieved toward goal:	Steady improvement in system reliability achieved in each of past 3 years (see data below).
Long-Term Goal II:	Reduce TVA's delivered cost of power relative to the market.
Target:	Annual cost targets (cents/kWh) set based on forecasted sales and operating budgets.

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Actual Progress achieved toward goal:	Results have been less than planned in some years; short-term results can be influenced by weather and economic conditions. In addition and importantly, this metric should be developed to account for financial advantages the federal government provides TVA (such as access to capital at AAA bond rates and no payment to the federal government in lieu of taxes).				
	Long-Term Goal III:	TVA needs to establish a debt reduction goal with annual targets for meeting these goals.				
	Target:	The goal should be tied to TVA's strategic plan.				
	Actual Progress achieved toward goal:	The strategic plan should open up TVA to competition so TVA's distributors have the right to buy power from non-TVA sources at their discretion.				
2	*Does the program (including program partners) achieve its annual performance goals?*	large ext.	Targets achieved on 2 of 3 goals.	TVA GPRA Performance Plan; TVA Balance Scorecard	17%	
	Key Goal I:	No. of Interruptions per Customer Connection Point				
	Performance Target:	2000 - 1.58 2001 - 1.31 2002 - 1.17				
	Actual Performance:	2000 - 1.40 2001 - 1.17 2002 - 1.12 (est.)				
	Key Goal II:	Delivered Cost of Power (cents/kWh)				
	Performance Target:	2000 - 3.90 2001 - 4.00 2002 - 4.25				
	Actual Performance:	2000 - 4.00 2001 - 4.05 2002 - 4.11				
	Key Goal III:	TVA needs to establish a debt reduction goal with annual targets for meeting these goals.				
	Performance Target:	The goal should be tied to TVA's strategic plan.				
	Actual Performance:	The strategic plan should open up TVA to competition so TVA's distributors have the right to buy power from non-TVA sources at their discretion.				
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	yes	TVA's cost of power is lower than many other producers. However, there are lower cost producers than TVA.	Annual budget documents. Annual reports.	17%	0.2
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	yes	TVA conducts extensive benchmarking studies in all business areas. Ranks in industry top quartile or better in nuclear, fossil, and transmission.	EUCG benchmarking data. Tim Martin (Navigant) staffing studies. TVA Business Unit balanced scorecards.	17%	0.2
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	yes	TVA's nuclear program is reviewed regularly by NRC and INPO and TVA is receiving highest ratings. Regular assessments are conducted by the IG and as requested by Congress, GAO.	GAO Report May 2002 : "TVA - Information on Benchmarking and Electricity Rates." IG Report May 2001 - "Selected Power Rate and Cost Issues."	17%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
6 (Cap 1.)	*Were program goals achieved within budgeted costs and established schedules?*	yes	TVA has consistently operated within its overall operating and capital budgets.	Financial performance is reviewed monthly with the TVA Board and Executive Committee. Broader business unit performance plan reviews are held quarterly. But TVA needs to improve its strategic planning and better prepare for competitive markets	17%	0.2
Total Section Score					**100%**	**67%**

OMB Program Assessment Rating Tool (PART)

Capital Assets & Service Acquisition Programs

Name of Program: TVA Resource Stewardship (Non-Power)

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

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
1	*Is the program purpose clear?*	Yes	TVA's Stewardship Program carries out TVA's statutory responsibilities for managing the Tennessee River system and associated federal lands as identified in the TVA Act and in TVA's strategic goal of supporting a thriving river system.	TVA's purpose was spelled out in the TVA Act of 1933. It includes flood control, navigation improvement, and the promotion of economic development. TVA's non-power program helps provide these services. TVA's Government Performance and Results Act (GPRA) Mission statement and its strategic objectives document this purpose. TVA's Vision and Goals establishes the goal of supporting a thriving river system. The Regional Resource Stewardship Council (RRSC), a Federal Advisory Committee Act (FACA)-chartered advisory group representing major stakeholders throughout TVA's seven-state service region, helps ensure that program beneficiaries have a means to express their views on the services TVA provides its stakeholders, consistent with the purpose spelled out in the TVA Act of 1933.	20%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Does the program address a specific interest, problem or need?*	Yes	TVA was created to manage the Tennessee River system and its associated lands to improve navigation, reduce flood damage, generate power, and improve the standard of living in the TVA region.	The Tennessee River system provides a set of public or semi-public goods and services. These need to be provided by either an interstate regional agency or by the Federal government. They require capital investments such as dams, locks, reservoirs, and public lands which, in turn, need to be operated and maintained to meet the needs of Valley residents and to protect wildlife and natural resources.	20%	0.2
3	*Is the program designed to have a significant impact in addressing the interest, problem or need?*	Yes	TVA's Stewardship Program is designed to maintain and operate the Tennessee River system infrastructure, manage and protect public lands, improve water quality, provide recreational opportunities, and regulate development on TVA-owned and managed shoreline in accordance with reservoir management plans and policies.	TVA's management of the Tennessee River system results in the avoidance of an average of $190 million/year in flood damage along the Tennessee, Ohio, and Mississippi Rivers, reduces transportation costs to shippers by over $400 million/year, improves water quality, and sets aside over 122,000 acres of public land for natural resource protection. TVA's GPRA Performance Plan identifies 10 performance measures that are tracked to verify that TVA's Stewardship Program continues to meet Valley needs for flood control, navigation, water quality, and recreation.	20%	0.2

	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.	TVA makes an important contribution to the well-being of the people it serves. These services are not unique since they could be provided by other federal agencies, state and local governments, or a non-federal, interstate organization. Similar services are in fact provided elsewhere in the country. But the system managed by TVA is doing an effective job delivering these services and little or no purpose would be served by changing the current system.	The TVA Act and the Energy and Water Appropriations Act of 1998 document TVA's responsibility for essential stewardship activities including river and land management. TVA coordinates its stewardship program as appropriate with other agencies including the U.S. Army Corps of Engineers (USACE), the National Park Service (NPS), the National Forest Service (NFS), the US Fish and Wildlife Service, state wildlife and water agencies, and state historical preservation offices.	20%	

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Is the program optimally designed to address the interest, problem or need?*	Yes	There are alternate ways to (a) organize and (b) finance this activity. But it makes sense to stick with the current organizational design and financing arrangements. (a) TVA's integrated river management system is recognized as an efficient and effective way to manage the entire watershed. TVA has managed this program this way since TVA was created 70 years ago. There are no obvious advantages to changing the current program design. (b) The program is financed by TVA's power program. It might be paid for instead through federal appropriations. (The federal government pays for similar programs elsewhere in the country.) But it makes sense to continue the current financing arrangement since the current arrangement is the result of a compromise Congress agreed to in 1998. See column to the right for more details.	(a) The current program design works well. TVA's GPRA performance plan tracks agency performance in support of navigation, flood control, water quality, and land management. (b) With respect to program financing, TVA's non-power program might be paid for by federal government appropriations (as similar programs are elsewhere in the country) rather than by TVA power program revenues. However Congress agreed on the current funding arrangement in 1998. The arrangement was the result of a compromise involving a quid pro quo. TVA's power program would fund TVA's non-power program in the future. In return, Congress appropriated $1.1 billion to pay off a debt TVA owed the U.S. Treasury. The $1.1 billion appropriation, in the view of many, in effect compensated TVA financially for its obligation to fund TVA's non-power program in the future from proceeds of TVA's power program rather than appropriations.	20%	0.2
Total Section Score					**100%**	**80%**
Section II: Strategic Planning (Yes,No, N/A)						
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	TVA's s Stewardship program is designed to achieve TVA's corporate goals of supporting a thriving river system while contributing to a low-cost reliable power supply and supporting sustainable economic development in the Tennessee Valley.	TVA's GPRA Strategic Plan and TVA's Internal performance reports provide relevant evidence and data. Specific performance targets have been established for water quality, dam safety, reservoir land management plans, flood storage, and reservoir system operation.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Does the program have a limited number of annual performance goals that demonstrate progress toward achieving the long-term goals?*	No	TVA has 10 annual performance goals specific to the Stewardship Program that track performance in the areas of navigation, flood control, water quality, land planning, and recreation. One of these, Watershed Water Quality, is an outcome indicator that is incorporated on TVA's corporate Balanced Scorecard. While TVA has done a very good job developing these performance goals, TVA probably should devote additional effort to this important task since some of the goals are ambiguous and in need of refinement.	TVA's GPRA Strategic Plan and TVA "Winning Performance" program provide evidence of a well developed set of performance goals. It would be helpful if TVA would devote more effort to improving the way it measures its contribution in the flood prevention area, for example.	11%	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?*	Yes	While TVA's Stewardship Program involves regional and local stakeholders in annual planning efforts, there are no major grantees or contractors with significant involvement in the program. TVA carries out joint planning efforts with watershed coalitions to identify action plans. Annual reviews of performance against plan are conducted and results are factored into the next year's action planning efforts. TVA meets annually with the chiefs of state water and wildlife agencies to coordinate planning efforts. TVA also coordinates activities related to navigation with the USACE per existing Memoranda of Understanding and with other federal agencies in the areas of land and resource protection and wildlife preservation.	Evidence of TVA's efforts in this area includes documentation of annual reviews with watershed coalitions and state chiefs and planning efforts with the USACE and other agencies.	11%	0.1
4	*Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?*	Yes	TVA coordinates flood control efforts with the USACE. It also collaborates, where appropriate, with the US Fish and Wildlife Service, US Forest Service, US Coast Guard, and state agencies.	GPRA Strategic Plan, TVA/USACE MOU, joint 26a/USACE process, MOU's with state historic preservation offices.	11%	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?*	Yes	TVA's Regional Resource Stewardship Council (RRSC) reviewed TVA's major stewardship programs during FY2001 & 2002 and provided recommendations concerning program direction. TVA's Dam Safety program is reviewed by the Hydro Board of Consultants. Flood risk calculations are being reviewed by the consulting firm of Baker, Inc. Resource Stewardship and Dam Safety performance benchmarking reports by Haddon Jackson Consulting, annual reviews of aquatic weed management plans by stakeholder groups, joint annual planning meetings with the chiefs of state water and wildlife agencies, Environmental auditing according to TVA's Environmental Management System. Activity audits by TVA's Inspector General (IG). Program audits by PricewaterhouseCoopers (PwC).	RRSC Recommendations; Hydro Board of Consultants Reports, Internal Audit Reports, PwC program audit reports, IG audit reports..	11%	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	TVA utilizes an integrated budget and performance planning process where annual and out year performance targets are set based on funding needs and resource availability. TVA is in the process of adopting an activity based management methodology for tracking costs according to processes and related activities.	TVA Performance Plans., performance planning process documentation.	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
7	*Has the program taken meaningful steps to address its strategic planning deficiencies?*	Yes	TVA regularly reviews progress against performance targets and re-evaluates the effectiveness of action plans in achieving program goals. Lessons learned from each year's planning cycle are identified and improvements incorporated into the next planning effort. TVA has completed one revision to its GPRA strategic plan and is preparing to conduct a second revision in FY03. A business environment review process was established using internal scan teams and external subject matter experts addressing major aspects of the business/political/stakeholder/technology situation. A new Senior Vice President for Strategic Planning and Analysis joined TVA in June 2002. Major stewardship policies are reevaluated based on changes in stakeholder needs and modified as needed through public review processes. Recent examples include TVA's Shoreline Management Initiative (SMI) and the current Reservoir Operations Study (ROS).	SMI documentation, Watershed planning process, ROS status documentation. Revised GPRA strategic plan. Business Environment Scan Team report.	11%	0.1
8 (Cap 1.)	*Are acquisition program plans adjusted in response to performance data and changing conditions?*	Yes	TVA conducts monthly, quarterly, and annual reviews of expenditures and achievement of performance targets to identify gaps and develop action plans for reprioritizing resources as needed to close performance gaps. Budgeting and planning assumptions are modified as needed to improve alignment between targeted and achieved performance. TVA reviews its performance measures on an annual basis to ensure they reinforce the desired behaviors and achieve the desired results.	Monthly/quarterly/annual performance reports; savings and use process	11%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
9 (Cap 2.)	*Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals?*	Yes	TVA is presently conducting an in-depth review of its Reservoir Operations policy. This study, initiated following a recommendation by the Regional Resource Stewardship Council, will identify whether alternative reservoir operating strategies could provide greater public benefits from the Tennessee River system. The study is evaluating navigation, flood control, power generation, water quality, recreation, and economic development benefits provided by the current and various alternative operating policies. The previous reservoir operations study was completed in the early 1990's. In 1998, TVA completed the Shoreline Management Initiative (SMI), a major review of its shoreline management policy which involved the creation and evaluation of a number of alternatives that represented varying impacts across multiple resource issues.	ROS scoping document; ROS updates in Quarterly Reports to Congress; Lake Improvement Plan EIS, SMI EIS.	11%	0.1
Total Section Score					**100%**	**89%**

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	TVA has a monthly expense and performance reporting system that includes both employee and contractor information. Major programs and projects are managed and performance tracked against budget and performance milestones. Business units review performance at least monthly, and actions are taken to adjust resources as needed based on budget or performance gaps.	Monthly & quarterly performance reports. Savings and Use process documentation. ROS project management reports.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
2	*Are Federal managers and program partners (grantees, sub grantees, contractors, etc.) held accountable for cost, schedule and performance results?*	Yes	TVA utilizes an annual performance goal setting process for all management/professional employees. Specific performance goals are established and progress is reviewed at least quarterly. Business Units review cost & performance results versus plan on at least a monthly basis and actions are taken as needed to address gaps. Contractors are held accountable to a defined scope of work, budget, and schedule and progress is also reviewed at least monthly. Past performance is a major factor in new contract awards.	Monthly & quarterly performance reports. Employee Performance Review and Development (PR&D) process. Contract scope of work/schedule/budget documentation.	9%	0.1
3	*Are all funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?*	Yes	Program funds are allocated in TVA's annual budget/performance planning process. Monthly expenditure budgets are established, progress against those budgets is monitored, and end-of-year forecasts are made on a monthly and quarterly basis. If under runs are forecast, the Savings and Use process allows funds to be re-allocated as needed to ensure achievement of program goals.	Monthly and quarterly budget/performance reports and forecasts. Savings & Use reports.	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?*	Yes	TVA tracks cycle time and percent cost recovery for permitting, cycle time and commitments met for environmental reviews, and land transfers and acquisitions. TVA identifies opportunities to collaborate with partners and local governments to reduce costs of providing services.	Monthly performance reports. Collaborative agreements for recreation area management.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
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	TVA's budgeting system includes all costs (direct and indirect) associated with operating its Stewardship program. TVA's accounting system captures and allocates all direct and indirect costs of program operation. Performance targets are set based on available resources. These systems allow impacts of changes in program funding to be estimated.	TVA budget/performance plans.	9%	0.1
6	*Does the program use strong financial management practices?*	Yes	TVA has a rigorous financial management system that tracks costs and ensures billings and payments are made when due. TVA's financial controls and reports are certified by PricewaterhouseCoopers.	PwC audit reports. TVA annual reports.	9%	0.1
7	*Has the program taken meaningful steps to address its management deficiencies?*	Yes	TVA conducts reviews of program functions to ensure they continue to meet customer and stakeholder needs and are cost effective. TVA is carrying out a process documentation and improvement process to identify opportunities for improvement. TVA recently redesigned its process for prioritizing watershed improvement efforts to focus TVA activities and investments in hydrological units where the most improvement can be achieved. Shoreline stabilization projects are prioritized based on the severity of erosion, presence of archaeological sites, and vegetative cover.	Process & Methods reports; Watershed and shoreline stabilization prioritization processes, functional review results.	9%	0.1
8 (Cap 1.)	*Does the program define the required quality, capability, and performance objectives of deliverables?*	Yes	TVA's Stewardship Program does little contracting for capital assets. TVA services contracts have defined scopes of work, milestones, and deliverables, and project reviews are held to ensure appropriate progress is being made and that deliverables meet contract specifications.	TVA contract documents.	9%	0.1

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
9 (Cap 2.)	*Has the program established appropriate, credible, cost and schedule goals?*	No	Monthly budgets are developed and progress and expenditures are tracked against this control budget and scheduled milestone completion. Some goals, however, could benefit from more work.	Monthly performance reports. Goals OMB believes need more work include "shipper savings" and "flood storage availability."	9%	0.0
10 (Cap 3.)	*Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?*	Yes	TVA's stewardship program carries out statutory responsibilities for navigation, flood control, power generation, and economic development. Internal analyses have been conducted that show the benefits to TVA's power customers from TVA's management of the Tennessee River System exceed the costs of the Stewardship program. TVA is presently conducting an analysis of its reservoir operations policies to identify costs and benefits of alternative operating strategies.	Internal cost/benefit study; Reservoir Operations Study results.	9%	0.1
11 (Cap 4.)	*Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?*	Yes	TVA's Stewardship Program is largely carried out by employees and costs are under the control of TVA's financial controls system. There is no significant risk due to contracting activities.	TVA budget documents. Internal risk management analyses.	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 goals)?*	Yes	TVA's major Stewardship program goal is to support a thriving Tennessee River system. The primary outcome measure is watershed water quality which continues to show annual improvement.	GPRA Annual Reports. TVA Balanced Scorecard.	17%	0.2

Long-Term Goal I:	Support a thriving river system as measured by watershed water quality
Target:	Annual targets for hydrologic units in good or fair condition. There are 611 watershed units in the Tennessee River System.
Actual Progress achieved toward goal:	FY2001 - 496 HUCs in fair or good condition; FY2002 projection - 506 HUC's in fair or good condition. FY2003 Target 510 HUCs in fair or good condition.

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
	Long-Term Goal II:	Increase shipper savings provided by Tennessee River navigation system				
	Target:	Annual targets based on projected navigation system availability and shipper preference for river shipping				
	Actual Progress achieved toward goal:	FY 2001 - $485 million in shipper savings; FY2001 - $555 million in shipper savings; FY2002 $560 million targeted shipper savings.				
	Long-Term Goal III:	Manage the river system to minimize flood damage				
	Target:	Flood storage availability measures TVA's readiness to control damaging floods. In 1995 a long-term target of 80% was established.				
	Actual Progress achieved toward goal:	Performance has exceeded the 80% target in recent years due to lower than normal rainfall. 80% is still seen as the appropriate target under normal rainfall conditions.				
2	*Does the program (including program partners) achieve its annual performance goals?*	Yes	TVA has met its targets on these measures since reporting under GPRA was initiated. Achievement of targeted performance requires participation of partners including the USACE (shipper savings) and watershed coalitions (watershed water quality)	GPRA Annual Performance Reports.	17%	0.2
	Key Goal I:	Watershed Water Quality				
	Performance Target:	FY00 - 491, FY01 - 492; FY02 506				
	Actual Performance:	FY00 - 491, FY01 - 496; FY02 506 (projected)				
	Key Goal II:	Shipper Savings				
	Performance Target:	FY00 - $480 million; FY01 - $465 million; FY02 - $560 million				
	Actual Performance:	FY00 - $485.5 million; FY01 - $555 million; FY02 - $560 million (projected)				
	Key Goal III:	Flood storage Availability				
	Performance Target:	80% (reflects improvement from 75% baseline in FY95)				
	Actual Performance:	FY00 - 92.6%; FY01 - 88.7%; FY00 - 80% (projected)				
3	*Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year?*	Yes	TVA's Stewardship program continues to meet or exceed performance goals without increasing overall costs. These efficiency improvements come through the use of public/private partnerships and more effective use of internal resources (managed attrition, realignment of functions, etc.)	Annual budget documents, performance results;	17%	0.2
4	*Does the performance of this program compare favorably to other programs with similar purpose and goals?*	Yes	Benchmarking exercises conducted this year with the USACE, BLM, and BPA indicate that TVA's performance and cost to conduct stewardship activities compare favorably with other federal agencies.	Haddon-Jackson benchmark results.	17%	0.2

	Questions	Ans.	Explanation	Evidence/Data	Weighting	Weighted Score
5	*Do independent and quality evaluations of this program indicate that the program is effective and achieving results?*	No	TVA has provided one independent assessment and an assessment from its advisory committee. It would be helpful if TVA sought and presented next year one or two additional independent assessments of its operation of this program.	The Hydro Board of Consultants findings show approval of TVA's dam safety program activities. The Regional Resource Stewardship Council reviewed TVA's Stewardship program and recommended that TVA continue its major programs related to management of the Tennessee River System.	17%	0.0
6 (Cap 1.)	*Were program goals achieved within budgeted costs and established schedules?*	Yes	TVA's Stewardship program meets performance targets within budgeted resources and in accordance with established schedules.	GPRA Performance Reports; TVA monthly performance reports.	17%	0.2
Total Section Score					**100%**	**83%**

PART Performance Measurements

Program: Vehicle Acquisition
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	100%	40%	

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

Explanation: GSA Automotive consolidates Federal vehicle requirements and contracts with a wide selection of vehicle manufacturers to provide Federal agencies with a choice of vehicle models at the best value from convenient delivery locations.

Evidence: 40 U.S.C. 481(a); 31 U.S.C. 1343; Federal Property Management Regulations (41 CFR 101-26.501-1)

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

Explanation: Federal agencies spend a significant amount annually to purchase vehicles (nearly $1.2 billion in FY 03) and GSA Automotive assists agencies in meeting their vehicle procurement needs.

Evidence: Federal Procurement Data System

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: Annually, GSA Automotive purchases over 60,000 vehicles valued at nearly $1.2 billion. GSA Automotive is the mandatory source for providing non-tactical vehicles to federal agencies, and is not redundant or duplicative of any other Federal, state, local or private effort to consolidate the purchase of vehicles for the Federal Government.

Evidence: Supplier Summary Report of Big 3, 40 U.S.C 481(a); 31 U.S.C. 1343; Federal Property Management Regulations (41 CFR 101-26.501-1)

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: GSA Automotive has a unique authority to purchase standard vehicles (e.g. sedans, SUVs, light trucks, etc.) directly from vehicle manufacturers. This allows GSA to avoid state and local taxes as well as customary dealer markups. GSA also procures non-standard, low volume vehicles on behalf of agencies through a competitive process that permits manufacturers as well as dealerships to bid. There are certain classes of vehicles where dealerships may offer lower prices than manufacturers and GSA Automotive is able to take advantage of this for its agency customers. It is rare that agencies are able to obtain lower prices than GSA. GSA sometimes delegates its vehicle procurement authority to agencies with unusual vehicle needs, e.g. to procure vehicles from foreign manufacturers for overseas use.

Evidence: 40 U.S.C. 481(a); 31 U.S.C. 1343; Federal Property Management Regulations (41 CFR 101-26.501-1)

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: GSA Automotive solicits customer agencies' input on their vehicle needs and works with the vehicle manufacturers to obtain vehicles that are responsive to those needs. Since the program responds to agencies' orders for vehicles, it only provides vehicles to intended beneficiaries.

Evidence: Federal Vehicle Standards, Screen capture of MPG summary from AutoChoice, comparison of prices paid by GSA to the "Black Book" dealer prices.

PART Performance Measurements

Program: Vehicle Acquisition
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	100%	40%	

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: GSA Automotive has one longstanding long-term goal to "Provide vehicles at an average discount better than 20%." This goal is consistent with the GSA Strategic Goal of providing best value to the customer.

Evidence: FY 2004 GSA Strategic Plans; FSS Corporate Scorecard published in Guide to the FSS Performance Measurement System

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

Explanation: The FSS Performance Measurement System incorporates ambitious stretch targets for each goal. GSA Automotive's average discount has averaged 26.5% for FY 2002 and FY 2003. Targets are estasblished in out years that focus on continued program improvement, these long-term goals help drive program planning and performance.

Evidence: FY 2004 GSA Strategic Plans; FSS Corporate Scorecard published in Guide to the FSS Performance Measurement System

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: GSA Automotive has annual performance measure goals that demonstrate progress towards achieving GSAs Strategic Goals. The following three annual performance measures focus the program on meeting its long-term goal. 1) Percentage that average GSA vehicle costs to agencies are below manufacturer's invoice price. 2) GSA Automotive external customer satisfaction survey score. 3) Number of vehicles purchased per FTE

Evidence: FY 2004 GSA Strategic Plans; FSS Corporate Scorecard published in Guide to the FSS Performance Measurement System

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

Explanation: The FSS Performance Measurement System assigns ambitious stretch targets to each goal. GSA Automotive's average discount has averaged 26.5% for FY 2002 and FY 2003, tartgets have been established for the out years to focus on increasing this discount over time. GSA Automotive's external customer satisfaction measure has established out year targets for a score of 79 from a baseline score of 75.7 in FY 2003 which would maintain the organization in the 75th percentile of organizations for customer satisfaction. Additionally, GSA Automotive has established targets for improved efficiency based on increasing the number of vehicles purchased per FTE.

Evidence: FY 2004 GSA Strategic Plans; FSS Corporate Scorecard published in Guide to the FSS Performance Measurement System

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: GSA Automotive's programs are not carried out through grantees, sub-grantees, or contractors.

Evidence:

PART Performance Measurements

Program: Vehicle Acquisition
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	100%	40%	

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:13%

Explanation: In FY 2000 and FY 2001 there were Inspector General Audits conducted on the core components of the Automotive program. The FY 2000 Audit covered the use of multiple award (MA) indefinite delivery indefinite quantity (IDIG) contracts by the program and the program processes in place to use this tool. The FY 2001 review addressed the "Percent Savings Compared to Black Book Price" and how this measure is utilized and calculated by the program. The findings and recommendations of these reviews have been incorporated into the program's operations. However, to get a Yes on this question, FSS would have to commit to seeking regular independent reviews that evaluated the effectiveness of this program.

Evidence: FY 2000 GSA Final Report, "Audit of Federal Supply Service's Use of Indefinite Delivery Indefinite Quantity Contracts" and FY 2001 GSA Final Advisory Report on a Limited Audit of the Federal Supply Service's Performance Measure: "Percent Savings Saved Compared to Black Book Price"

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: GSA Automotive implemented the Internet-based vehicle ordering program, AutoChoice, to improve program efficiency while maintaining high customer satisfaction. This investment has achieved its intended result and enabled the organization to reduce its personnel levels through attrition. This reduction in personnel has generated savings in salaries and personnel expenses. GSA Automotive continues to seek opportunities similar to AutoChoice that will generate additional operational efficiencies, while maintaining or improving customer service.

Evidence: GSA Form 685 - Summary Report of Paid Employment

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

Explanation: Following the FY 2004 PART review, GSA Automotive revised its long-term outcome goal and established new annual performance goals and measures which support that revised long-term goal. These new performance measures are tied to GSA's agency-wide strategic goals, and focused on continuously improving program operations to increase program efficiency and continue to meet customer needs.

Evidence: FY 2005 GSA Strategic Plans; FSS Corporate Scorecard published in Guide to the FSS Performance Measurement System

PART Performance Measurements

Program: Vehicle Acquisition
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	100%	40%	

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight:13%

Explanation: Each year as part of its annual planning process, GSA Automotive analyzes customer ordering trends to identify opportunities to save money by working with vehicle manufacturers to incorporate certain widely requested vehicle equipment options as standard equipment. By offering vehicles with standard equipment configurations that meet a higher percentage of agencies' needs, GSA Automotive is able to provide vehicles at lower costs as well as more quickly that when agencies have to order vehicles with more non-standard equipment. GSA Automotive also analyzes vehicle model and optional equipment bid prices compared to the Black Book - Official New Car Invoice Guide publication. This analysis is used to set negotiation objectives and to ensure price reasonableness when reviewing vendor offers.

Evidence: Option analysis report

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:13%

Explanation: GSA Automotive began performing annual customer satisfaction surveys in FY 2002. Based on the first survey results, GSA Automotive established a Customer Care focus group to improve issues related to communication. GSA Automotive also reviews operating cost ratios against targets semi-annually and has initiated several cost reduction efforts as a result of these reviews.

Evidence: Black Book - Official New Car Invoice Guide example, Customer Satisfaction survey

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:13%

Explanation: The performance of GSA Automotive Managers is reviewed annually against program goals and objectives. Managers are responsible to control operating costs and to complete all program initiatives within target dates. Financial incentives are distributed based upon the results of these reveiws.

Evidence: FSS' annual employee review and rating evaluation

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:13%

Explanation: All Program funds are obligated in a timely manner and spent for the intended purpose. It is an inherent part of the GSA accounting system requierments that obligations be established prior to processing payments for goods and services. This ensures that payments correspond to their intended purpose.

Evidence: FY 2005 Congressional Justification; Consolidated Financial Statements

PART Performance Measurements

Program: Vehicle Acquisition
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	100%	40%	

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: 13%

Explanation: Program efficiency is tracked and measured via the following efficiency measure - Number of vehicles purchased per FTE. GSA Automotive strives to meet its customers' needs while improving efficiency by reducing program inputs.

Evidence: FY 2005 Congressional Justification; FY 2006 PART performance and efficiency measures.

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 13%

Explanation: GSA Automotive collaborates and coordinates with GSA Fleet to leverage the Government's buying power. GSA Automotive also coordinates with Federal fleet managers through hosting of the Federal Motor Vehicle Standards Conference and active participation in quarterly meetings of Federal fleet managers (FedFleet meetings). This collaboration results in GSA Automotive setting vehicle standards that incorporate equipment which responds to agencies' needs and allows the government to obtain lower prices from vehicle manufacturers.

Evidence: Federal Motor Vehicle Standards invitation and agenda; FedFleet agenda/program

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 13%

Explanation: GSA has received clean audit opinions for 16 consecutive years. No material internal control weaknesses for several years.

Evidence: GSA FY 2003 Annual Financial Statements Audit Report

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 13%

Explanation: GSA Automotive mangement team meets semi-annually to review ways to improve program processes and performance. For example, during a semi-annual review, the GSA Automotive management team reviewed project management weaknesses and established new procedures to ensure timely processing of speciality vehicle procurements. GSA has also implemented the IG's recommendations for improving the computation of savings and reporting of vehicle purchasing data.

Evidence: GSA Automotive Strategic Plan

PART Performance Measurements

Program: Vehicle Acquisition
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	100%	40%	

3.CA1 **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: YES Question Weight 13%

Explanation: GSA establishes minimum standards or specific specifications for its different vehicle programs and specialized vehicle procurements, which clearly define vehicle performance characteristics and delivery requirements. Vehicles that are delivered thru dealers are inspected by those dealers for compliance with the standards or specifications before they are released to the customers. Customers then inspect and either accept or reject vehicles at the dealerships based on the vehicles meeting the customer's requirements. All other vehicles are inspected by GSA's contract management division personnel and either accepted or rejected. Quality Deficient Reports (QDRs) are generated by customers when deficiencies are identified after delivery; GSA Automotive then follows up on any QDR notices or issues. In addition, contractors are required to provide periodic status reports which GSA uses to seek contract cost reductions for late deliveries.

Evidence: Contract Management Reports (QDRs)

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

Explanation: GSA Automotive has one longstanding long-term goal to "Provide vehicles at an average discount better than 20%." This goal is consistent with the GSA Strategic Goal of providing best value to the customer and FSS has consistently exceeded this goal.

Evidence: Trend analysis of Big 3 Discounts

4.2 **Does the program (including program partners) achieve its annual performance goals?** Answer: SMALL EXTENT Question Weight 20%

Explanation: GSA Automotive has 3 annual performance measures and goals: Percentage that average GSA vehicle costs to agencies are below manufacturer's invoice prices, GSA Automotive external customer satisfaction survey score and Number of vehicles purchased per FTE. In FY 2002 and FY 2003 GSA Automotive exceeded its target for percentage that average GSA vehicle costs are below manufacturer's invoice prices, based on preliminary FY 2004 data it also appears that this goal will again be met. The Customer Satisfaction Survey results for FY 2003 were below the program targets and FY 2004 data is not yet available to determine the current year performance in this area. In FY 2003 the number of vehicles purchased per FTE was slightly below target levels, but based on current employment levels and orders it appears that the FY 2004 target will be met.

Evidence: GSA Automotive Performance Measurement Report Card; FY 2005 Congressional Justification

4.3 **Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?** Answer: SMALL EXTENT Question Weight 20%

Explanation: GSA Automotive developed the AutoChoice program to allow Federal agencies to submit orders electronically. In the 3 years since its introduction, GSA Automotive has gone from having no orders submitted electronically to having 86% of orders submitted electronically. Use of AutoChoice has reduced average order processing time from more than 17 days to 6 days. Although this reduction in manual processes will allow GSA Automotive to reduce its total number of associates through attrition in the coming years, the program did not meet its efficiency target for 2003. Year-to-date customer orders in 2004 have been higher than in prior fiscal years and the program is expected to achieve its efficiency target for this year.

Evidence: Summary Requisition Received report, Perfoemance Measures report

PART Performance Measurements

Program: Vehicle Acquisition
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	100%	40%	

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: Although GSA Automotive is the only mandatory source for the purchase of all new non-tactical vehicles, other government organizations (Federal, state, and local) as well as private sector entities purchase similar vehicles. Since there are no data available to compare these vehicle acquisition programs against one another, however, NA is the most appropriate answer to this question.

Evidence:

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

Answer: NO Question Weight 20%

Explanation: In FY 2000 and FY 2001 there were Inspector General Audits conducted on components of the Automotive program. The FY 2000 Audit covered the use of multiple award (MA) indefinite delivery indefinite quantity (IDIG) contracts by the program and the program processes in place to use this tool. The FY 2001 review addressed the "Percent Savings Compared to Black Book Price" and how this measure is utilized and calculated by the program. Both reviews identified weaknesses in those respective activities, and GSA Automotive has incorporated the recommendations of these reviews into its operations to eliminate those weaknesses.

Evidence: FY 2000 GSA Final Report, "Audit of Federal Supply Service's Use of Indefinite Delivery Indefinite Quantity Contracts" and FY 2001 GSA Final Advisory Report on a Limited Audit of the Federal Supply Service's Performance Measure: "Percent Savings Saved Compared to Black Book Price"

4.CA1 Were program goals achieved within budgeted costs and established schedules?

Answer: SMALL EXTENT Question Weight 20%

Explanation: GSA Automotive achieved one of its three major program goals within planned budget in FY 2003. Preliminary data for FY 2004 indicates that the program will met its targets for average GSA vehicle cost to agencies below manufacturer's invoice price and number of vehicles purchased per FTE. Data on customer satisfaction is not yet available to indicate FY 2004 performance to date.

Evidence: FY 2005 Congressional Justification; FY 2006 PART Performance and Efficiency Measures

PART Performance Measurements

Program: Vehicle Acquisition
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	100%	40%	

Measure: Achieve acquisition cost savings for customer agencies by providing vehicles at 20% or more below manufacturer's invoice price.

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term

Measure: Percentage that average GSA vehicle costs to agencies are below manufacturers' invoice prices.

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2002	= > 20%	27%	
2003	= > 20%	26%	
2004	27%	33%	
2005	27.5%		
2006	28%		

Measure: GSA Automotive external customer satisfaction survey score

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2002	NA	79	
2003	77	76	
2004	78	77	
2005	79		
2006	79		

PART Performance Measurements

Program: Vehicle Acquisition
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Adequate
100%	88%	100%	40%	

Measure: Number of Vehicles Purchased per FTE

Additional Information:

Year	Target	Actual
2002	NA	1,227
2003	1,227	1,191
2004	1,250	1,350
2005	1,275	
2006	1,300	

Measure Term: Annual

PROGRAM ID: 10000246

PART Performance Measurements

Program: Vehicle Leasing
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	89%	100%	67%	

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

Explanation: GSA Fleet leases vehicles and provides related fleet management services (e.g., maintenance and accident management, management reporting, etc.) to Federal agencies. GSA's purpose in providing these services is to be the most cost effective source of services that satisfy agencies' fleet management needs.

Evidence: 40 U.S.C. 472 Sec 2; 40 U.S.C 491 Sec. 211(a); GSA website

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

Explanation: Federal agencies, excluding the Postal Service, operate almost 380,000 non-tactical (i.e., non-military) vehicles worldwide, of which 205,000 are owned and 175,000 are leased. As funding for replacement vehicles has been cut over the past 20 years, agencies, particularly DoD agencies, have increased their reliance on leased vehicles, mostly vehicles leased from GSA.

Evidence: FY00 Federal Motor Vehicle Fleet Report - 602,626 government vehicles, including the Postal Service; 376,877 without the Postal Service.

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: From the narrow perspective of providing motor vehicles, GSA Fleet would appear to duplicate agencies' own vehicle programs as well as commercial vehicle leasing programs. However, GSA Fleet offers leasing rates significantly below commercial leasing companies and supports special needs that are not necessarily desirable to, or offered by, commercial providers (e.g., specialty vehicles, remote locations, customized rate structures). GSA Fleet also offers many agencies a more reliable way to replace and maintain their vehicles than those agencies are able to fund from their own appropriations. Furthermore, GSA supports government-mandated customer missions such as the introduction and operation of alternative fuel vehicles (using a variety of funding methods), and agency fleet operations reporting requirements.

Evidence: COBRA/A76/Cost Comparisons, GSA Fleet Rate Bulletin, commercial leasing rate structure, Alternative Fuel leasing structure

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 GSA Fleet program offers customer agencies a variety of specialized products and services to meet their changing needs. GSA Fleet offers full-service leases that include maintenance and accident management services, fuel, and management reports to agencies that want GSA to satisfy all of their vehicle needs. For agencies that own their vehicles but lack maintenance or accident management programs or management reporting systems, GSA Fleet will provide whichever missing capability that the agency wants. Agencies that have their own maintenance and accident programs, fuel contracts, and information systems may obtain vehicles under a "dry lease" (i.e., only the vehicle with no other services). In other words, GSA Fleet will provide whatever element of a high-quality, full-service vehicle management program that an agency may desire. Additional specialized products and services being offered to Fleet customers are global GPS positioning units, access to the National Law Enforcement Telecommunications System (NLETS), and hands free cell phone options.

Evidence: Automotive Fleet Magazine series, other industry publications, rate comparisons as available.

PART Performance Measurements

Program: Vehicle Leasing
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	89%	100%	67%	

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: GSA Fleet provides a wide variety of vehicles and options in order to match customer agency needs with the appropriate vehicles for their missions. Likewise, it offers a variety of rental rate packages that meet customers' needs (e.g., certain customers want their rates to cover all operating costs while others want to pay for fuel and/or maintenance and repair outside the GSA rate). For mandated customer requirements, such as acquisition of alternative fuel vehicles, GSA Fleet has developed financing methods that match the agency's resource availability. Many GSA Fleet customers need additional vehicles to meet their missions and Fleet prioritizes all requests for additionals and fills them where possible. The first priority for purchasing additional vehicles is reserved for homeland security requests and GSA attempts to fill 100% of those requests each year. The second and third priorities are funded when possible and are organized by the demands of our largest customers and all other requests.

Evidence: FY 2003 Fiscal Year Accomplishments; Fleet Service Representative Program; 751 Schedule

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: GSA Fleet has one longstanding long-term goal to "Achieve leasing rates to customer agencies that are 20% or more below industry rates." This goal is consistent with the GSA Strategic Goal of providing best value to the customer.

Evidence: FY 2004 GSA Strategic Plans; FSS Corporate Scorecard published in Guide to the FSS Performance Measurement System, FY 2005 Congressional Budget Justification

2.2 Does the program have ambitious targets and timeframes for its long-term measures? Answer: YES Question Weight: 11%

Explanation: GSA Fleet has developed annual goals with ambitious targets that support the accomplishment of its long-term outcome goal, as well as ambitious targets for improving its efficiency.

Evidence: FY 2005 Congressional Justification

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: GSA Vehicle Leasing has established the following annual performance measures to show the accomplishment of its long-term goals. 1) GSA Fleet external customer satisfaction survey score 2) Percentage that GSA Fleet leasing rates are below commercial rates on the GSA Vehicle Leasing Schedule 3) Program support and operational expenses per vehicle year of operation 4) Number of vehicles managed per on board staff.

Evidence: FY 2005 Congressional Justification, FY 2004 Business Line Score Card

PART Performance Measurements

Program: Vehicle Leasing
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	89%	100%	67%	

2.4 Does the program have baselines and ambitious targets for its annual measures? Answer: YES Question Weight: 11%

Explanation: Baselines were established for the measures discussed in question 2.3 based on prior year performance. These baseline results are the starting point from which future results are expected to improve upon, as such out year targets are set to improve program results into the future. The objective being to ensure that the program is continuously improving.

Evidence: FY 2005 Congressional Justification, GSA Strategic Plan, 2004 Performance Plan, FSS GPRA Strategic Plan, FSS Corporate Scorecard

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: GSA Fleet's partners include customer agencies, auction houses, automotive manufacturers and maintenance and repair facilities. Fleet customers understand that minimizing unnecessary costs will lower rental rates. Customers are educated on the best locations for purchasing fuel, performing regularly scheduled maintenance, car washes and other vehicle services. Purchases are reviewed through Fleet's electronic database housing all credit card, maintenance and fuel transactions to ensure that customers are adhering to these best practices. Partnerships are also formed with local auction houses in an effort to obtain the highest possible resale value on Fleet vehicles. GSA Fleet's maintenance control center is staffed with certified maintenance technicians that ensure Fleet vehicles receive quality service at the lowest price. Ninety percent of GSA Fleet expenses are incurred through the use of outside vendors. Therefore, it is important that these partnerships are present to help ensure that all stakeholders work toward providing cost effective solutions for the government.

Evidence: GSA Fleet Operating Procedures

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: An independent, two-part, customer satisfaction survey is done on GSA Fleet annually by the Claes Fornell group from the University of Michigan to monitor customer perception. However, this survey does not include all of the elements required to satisfy this requirement, e.g., to evaluate the effectiveness of the program.

Evidence: Claes Fornell International Annual Customer Satisfaction Strudy

PART Performance Measurements

Program: Vehicle Leasing
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	89%	100%	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:11%

Explanation: GSA Fleet utilizes the performance management process (PMP) to tie long-term goals, initiatives and annual performance to the budget for the upcoming year. Through the PMP cycle, budget requests are specifically linked to the accomplishment of long-term and annual goals as well as strategic action plans and initiatives. GSA Fleet is financed by a revolving fund and uses a financial planning model to project its resource requirements by cost category for ten years into the future. The model considers the basics metrics of the program (fleet size, expected growth, miles to be driven, expected inflationary pressures) and then focuses cost and performance targets in specific, strategic areas to align with long-term goals. For example, the model projects how much funding will be needed to annually replace the optimal portion of the fleet to maintain customer satisfaction and lower maintenance cost. The model also identified the 2004 buy-out costs to implement planned staff reductions to achieve efficiency improvements. "What-if" analyses are also run on a regular basis to determine the benefit of trimming costs in certain cost areas.

Evidence: FY 2005 Congressional Justification. Official GSF Financial Plan with Actual Results vs. Plan. Automotive EOY Forecast. Guide to the FSS Performance Measurement System. Guide to GSA Performance Management Process

2.8 **Has the program taken meaningful steps to correct its strategic planning deficiencies?** Answer: YES Question Weight:11%

Explanation: Following the FY 2004 PART review, GSA Fleet revised and established new annual performance goals and measures which support a revised long-term program goal. These new performance measures are tied to GSA's agency wide strategic goals, and are also focused on the program's operations and continuously improving program operations into the future by focusing on program efficiency and meeting customer needs.

Evidence: FY 2005 GSA Strategic Plans; FSS Corporate Scorecard published in Guide to the FSS Performance Measurement System, FY 2005 Congressional Justification

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight:11%

Explanation: GSA Fleet routinely reviews actual versus planned results for a number of performance measures and examines alternative approaches for addressing problems. For example, GSA Fleet recently conducted an analysis that determined the need for implementation of dry rate schedules to meet cost objectives for overseas leasing. GSA Fleet also studied lease vs. buy options to determine optimal cost savings in the vehicle procurement process. In addition, GSA Fleet continues to review its Fleet Management Centers' performance in relation to business indicators.

Evidence: GSA Rate Bulletin, FMS data, Price Waterhouse Coopers Study, GSA Fleet Regional FMC reviews, IG reviews

PART Performance Measurements

Program: Vehicle Leasing
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	89%	100%	67%	

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:13%

Explanation: GSA Fleet monitors its financial results and gathers performance data on a wide variety of measures. GSA Fleet briefs senior management and the regions monthly on program performance. GSA Fleet also holds numerous customer meetings and focus groups during each year throughout the country and uses the feedback from these meetings to improve the quality of fleet service.

Evidence: GSA Fleet Official Financial Statements, Quarterly Management Review (QMR) given to the GSA Chief of Staff, Manheim market reports, and Quality Deficiency Reports, NAFA, Automotive Fleet cost comparisions and analysis, commercial benchmarks.

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:13%

Explanation: GSA Fleet contractors are held accountable for contract results. Contractor performance is reviewed annually prior to renewal of option years on multi-year contracts. Concessions are considered and negotiated when necessary. Federal Managers are held accountable for cost-control initiatives related to their individual program financial performance measures.

Evidence: Annual Contract Reviews, Fleet Management Center Reviews, QMRs and Quality Deficiency Reports.

3.3 **Are funds (Federal and partners') obligated in a timely manner and spent for the intended purpose?** Answer: YES Question Weight:13%

Explanation: All Program funds are obligated in a timely manner and spent for the intended purpose. It is an inherent part of the GSA accounting system requirements that obligations be established prior to processing payments for goods and services. This ensures that payments correspond to their intended purpose.

Evidence: GSA funds' accounting policy/procedures follow established accountability procedures set forth in several internal and external guidance documents, e.g., OMB Circular A11, the Treasury Financial Manual, and various GSA internal policy handbooks. FY2003 Congressional Budget Justification. GSA Fleet 10 Year Plan.

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:13%

Explanation: GSA Fleet first implemented goals and performance measures in 1998. These goals are distributed, discussed and shared at all levels of the GSA Fleet Program. The Regional Fleet Managers and the Director of the GSA Fleet Program meet quarterly to discuss program issues, policies, goals, and the long term vision of the program The performance targets are changed annually to reflect what behavior the program is striving to change, e.g. reduce maintenance/repair costs, reduce overhead costs, or increase the use of electronic processes.

Evidence: GSA Fleet Regional Business Indicators

PART Performance Measurements

Program: Vehicle Leasing
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	89%	100%	67%	

3.5 Does the program collaborate and coordinate effectively with related programs? Answer: YES Question Weight: 13%

Explanation: GSA Fleet collaborates with the Department of Energy on alternative fuel issues and with GSA Automotive on planning alternative fuel vehicle purchases for GSA Fleet. GSA Fleet recently provided the Department of Energy with data for FAST reporting purposes. Additionally, Fleet has entered into an MOU with the Secret Service to give them priority access to vehicles to support special events.

Evidence: MOU with Secret Service, Intra agency collaboration with GSA Vehicle Acquisition

3.6 Does the program use strong financial management practices? Answer: YES Question Weight: 13%

Explanation: GSA has received clean audit opinions for 16 consecutive years. No material internal control weaknesses for several years.

Evidence: GSA's FY2003 Annual Accountability Report

3.7 Has the program taken meaningful steps to address its management deficiencies? Answer: YES Question Weight: 13%

Explanation: GSA Fleet routinely assesses its performance against annual targets for headquarters and regional offices. When performance problems are identified, GSA Fleet initiates corrective actions, including the development of new programs, where necessary.

Evidence: GSA Fleet Business Indicators

3.CA1 Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals? Answer: YES Question Weight: 13%

Explanation: Every aspect of GSA Fleet's operation is monitored by monthly reviews of performance measures. The monthly standards assess Fleet's schedule performance (has the vehicle been ordered on time, been assigned to the customer within an acceptable time period, been maintained at acceptable intervals, and after retirement been sold within an acceptable time period) as well as cost performance (was the vehicle purchased at an acceptable discount from MSRP, were rates raised the minimal extent necessary to meet financiang needs, was the vehicle maintained at an acceptable cost, was the overall cost of operating the vehicle acceptable, were the proceeds from the sale of the vehicle acceptable). "Acceptable" in these cases means these results will result in GSA Fleet achieving its strategic cost and product quality objectives.

Evidence: Federal Vehicle Standards, Fleet Management Review Initiative, AMP, FMS, automotive manufacturer contracts

4.1 Has the program demonstrated adequate progress in achieving its long-term performance goals? Answer: YES Question Weight: 17%

Explanation: GSA Fleet has met or exceeded its established targets for the annual performance measures which support the program's long-term goal. For example in FY 2003, GSA Fleet leasing rates were almost 37% below commercial rates on the GSA Vehicle Leasing Schedule, versus a target of 20% below.

Evidence: Business Line Scorecard, FY 2005 Congressional Justification

PART Performance Measurements

Program: Vehicle Leasing
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	89%	100%	67%	

4.2	**Does the program (including program partners) achieve its annual performance goals?**	Answer: LARGE EXTENT	Question Weight:	17%

Explanation: GSA Fleet has met or exceeded the established targets on three of its four annual performance measures that have been established to support the program's long-term goal. Program results and targets are documented in the measures section.

Evidence: FY 2005 Congressional Justification

4.3	**Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**	Answer: SMALL EXTENT	Question Weight:	17%

Explanation: GSA Fleet has met one of its two efficiency targets.

Evidence: FY 2005 Congressional Justification and Business Line Scorecard

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: Numerous studies have shown that GSA Fleet offers its customers full service vehicle leases significantly below the comparable costs charged by commercial vehicle leasing companies. Agencies proposing to have GSA Fleet take over some of their vehicles perform a cost/benefit study of joining GSA Fleet versus staying independent or using a commercial vendor. GSA Fleet has performed consolidations with over 70 government organizations who felt that GSA Fleet offered them the best value; in many cases, because GSA Fleet could finance timely vehicle replacements whereas their own agencies were unwilling to do so.

Evidence: Navy 751 contract, Consolidations Review, Red Cross, COBRA, NAFA cost comparisons, Automotive Fleet cost comparisons.

4.5	**Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**	Answer: LARGE EXTENT	Question Weight:	17%

Explanation: Fleet's annual customer satisfaction survey is conducted by an independent party and has determined that GSA Fleet has one of the highest scores in the Federal Government. GSA Fleet also compares its leasing prices to those of the private sector contained on Automotive's 751 vehicle leasing schedule and shows significant savings. These are the most important indicators of the program's effectiveness in providing best value to agencies and taxpayers.

Evidence: Customer Survey, Air Force Audit Agency Study, Air Force Europe Study, COBRA pricing results, Customer Memorandums of Understandings

4.CA1	**Were program goals achieved within budgeted costs and established schedules?**	Answer: LARGE EXTENT	Question Weight:	17%

Explanation: In FY03, GSA Fleet met or exceeded three of the program's four annual performance measure targets within the program's budget.

Evidence: FY 2005 Congressional Justification, Business Line Scorecard

PART Performance Measurements

Program: Vehicle Leasing
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	89%	100%	67%	

Measure: Achieve leasing rates to customer agencies that are 20% or more below industry

Additional Information:

Year	Target	Actual	**Measure Term:** Long-term

Measure: GSA Fleet external customer satisfaction survey score

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2002	NA	83	
2003	83	83.7	
2004	84		
2005	84.5		
2006	85		

Measure: Percentage that GSA Fleet leasing rates are below commercial rates on the GSA Vehicle Leasing Schedule.

Additional Information:

Year	Target	Actual	**Measure Term:** Annual
2002	NA	New	
2003	=> 20%	37%	
2004	=> 25%	32%	
2005	=> 27%		
2006	=> 29%		

PART Performance Measurements

Program: Vehicle Leasing
Agency: General Services Administration
Bureau: Federal Supply Service
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Moderately Effective
100%	89%	100%	67%	

Measure: Program support and operational expenses per vehicle year of operation

Additional Information: This measure monitors the overall operating expenses of fleet operations

Year	Target	Actual
2002	$494	$495
2003	$486	$507
2004	$530	$556
2005	$482	
2006	$504	

Measure Term: Annual

Measure: Number of Vehicles Managed Per FTE

Additional Information:

Year	Target	Actual
2002	263	263
2003	271	271
2004	277	275
2005	322	
2006	335	

Measure Term: Annual

PART Performance Measurements

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
80%	102%	86%	89%	

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

Explanation: To establish and construct a national World War II Memorial in Washington, DC: and to solicit donations in furtherance of that purpose.

Evidence: PL 103-32 et. seq.

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

Explanation: In 1993, Congress recognized that there were national memorials to commemorate and address the significance of the Revolutionary War, the Civil War, and the Korean and Vitnam Wars, but nothing to commemorate the greatest conflict in modern human history, World War II.

Evidence: PL 103-32 et. seq.

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: Other national efforts to commemorate the sacrifices of the World War II generation, especially those who served in uniform have been on-going since the end of World War II. Some have national prominence (D-Day Museum, New Orleans, LA; National D-Day Memorial, Bedford, VA) - majority are state, county and municipal initiatives.

Evidence:

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

Explanation: ABMC has a singular mission - the maintenance and care of overseas military cemeteries and memorials, and, the establishment of memorials when directed by Congress. ABMC affected an agreement with the GSA to provide contracting support and overall project management support to leverage its ability to manage and oversee overall project goals, while taking advantage of GSA's best practices in design and construction.

Evidence: ABMC-GSA Memorandum of Agreement.

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: Overall budgets and schedules were set in 1998, and sebsequently adjusted on a semi-annual basis through 2QFY01; prior to contract award, construction budget and schedule were established and have remained unadjusted.

Evidence: Budgets for FY 1999 - 2002. White Paper, October 1998.

PART Performance Measurements

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
80%	102%	86%	89%	

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: Construction budget and schedule, to include contingent liabilities and excusable delays are the primary measures of performance, along with quality of construction (defined as conformance to requirements).

Evidence: Monthly Executive Progress Reports; semi-annual reports to full Commission.

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

Explanation: Cost and schedules were projected immediately after design approval (1Q00), analyzed and established prior to contract award (3Q01).

Evidence: Independent estimates for cost and schedule by CQM and A/E.

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: Since this is a singular project (versus an on-going program), "annual" measures are more appropriately correalated to monthly/quarterly goals.

Evidence: Executive Progress reports reflecting schedule and budget information are published monthly.

2.4 **Does the program have baselines and ambitious targets for its annual measures?** Answer: Question Weight: 0%

Explanation:

Evidence:

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: Subsequent to the enactment of PL 107-11 and award of the construction contract, all partners (ABMC, NPS, GSA, GC, CQM, A/E) agreed to long/short-term goals, and the means and methods to regulary assess both commitment and progress.

Evidence: Stategic Planning Reports, August 2001 to present.

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: This project is subject to GSA's construction excellence program (on-going evaluation and assessment) which is based on peer-review (independent private-sector, best industry practices) and Federal review.

Evidence: GSA Construction Excellence evaluations, 35% and 65% completion .

PART Performance Measurements

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
80%	102%	86%	89%	

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: Internal budgets are categorized by major component, e.g., design, project and construction management, construction, artwork, as well as indirect allocations.

Evidence:

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

Explanation: Strategic planning session and assessment of expectations are conducted quarterly.

Evidence: Startegic Planning Reports, August 2001 to present.

2.CA1 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule, risk, and performance goals and used the results to guide the resulting activity?** Answer: YES Question Weight 12%

Explanation: Because of the overall objective of the establishment of a memorial of national significance on the Mall, on-going value engineering and trade-off analysis was deemed inappropriate.

Evidence: Alternatives were considered early in the design process and these alternatives were not selected.

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:

Evidence: Executive Progress reports reflecting schedule and budget information. Strategic Planning Reports and assessments (quarterly).

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: Lines of authority and responsibility for Federal partner managers are well-defined; construction contract (60% of total controllable funds) is fixed-price with award fee for measurable performance.

Evidence: Award-fee program results and associated assessments; Commission reports, Executive Progress Reports.

PART Performance Measurements

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
80%	102%	86%	89%	

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 obligations comply with FAR requirements. Expenditures are evaluated against budgeted line-item categirues.

Evidence: Executive Progress Reports, Change Estimates/Change Order Logs.

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: Construction budget and schedule, to include contingent liabilities and excusable delays are the primary measures of performance, along with quality of construction (defined as conformance to requirements). The GC's incentive award fee plan is structured to reward the achievement of cost, schedule and quality efficiencies and effectiveness.

Evidence: Award-fee program results and associated assessments, project management system Engineering Logs.

3.5 **Does the program collaborate and coordinate effectively with related programs?** Answer: NA Question Weight: 0%

Explanation:

Evidence:

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

Explanation: In addition to tracking expenditures against established budgets for all program categories, a spending plan for all contractors/partners was established in September 2001. The plan is evaluated and adjusted on a quarterly basis. Planned, actual, and earned value of construction work is tracked on a quarterly basis. All GAO audits have produced unqualified opinions.

Evidence: GAO audit reports; Planned, Actual, and Earned Value performance analysis.

3.7 **Has the program taken meaningful steps to address its management deficiencies?** Answer: NO Question Weight: 14%

Explanation: There are no management deficiencies.

Evidence:

3.CA1 **Is the program managed by maintaining clearly defined deliverables, capability/performance characteristics, and appropriate, credible cost and schedule goals?** Answer: YES Question Weight: 14%

Explanation: In collaboration with the General Services Administration, ABMC directed a fixed-price construction contract with a performance-based award fee (equivalent to 5% of the expected contract price). The award fee tracks quality, schedule and budget goals, and an evaluation and concommitant award is made every four months; the evaluation board is composed of representatives of the major stakeholders, with monitoring information provided by the construction quality manager. To date the GC has achieved 92% of the available fee, and is expected to earn 100% upon completion.

Evidence: Award fee assessment reports and results.

PART Performance Measurements

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
80%	102%	86%	89%	

4.1	**Has the program demonstrated adequate progress in achieving its long-term performance goals?**	Answer: YES	Question Weight 16%

Explanation: The project is on schedule and budget, has a safety record well below the national average

Evidence: Executive Progress Reports, Strategic Planning assessments, Change Estimates/Change Order Logs, CPM updates, Safety Data Management System Report.

4.2	**Does the program (including program partners) achieve its annual performance goals?**	Answer: SMALL EXTENT	Question Weight 16%

Explanation:

Evidence:

4.3	**Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?**	Answer: YES	Question Weight 16%

Explanation: Strategic goal assessments indicate continuous improvement/focus on program goals. Change orders/additional services reflect achievement of cost/schedule objectives.

Evidence: Executive Progress Reports, Strategic Planning assessments, Change Estimates/Change Order Logs.

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 16%

Explanation: Other memorials with national purpose (National D-Day, Women in Military Service, FDR) have experienced significant time-extensions for completion, and/or deficit situations.

Evidence:

4.5	**Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?**	Answer: YES	Question Weight 16%

Explanation: This project is subject to GSA's construction excellence program (on-going evaluation and assessment) which is based on peer-review (independent private-sector, best industry practices) as well as annual GAO audits.

Evidence: GSA Construction Excellence evaluations, 35% and 65% completion .

4.CA1	**Were program goals achieved within budgeted costs and established schedules?**	Answer: YES	Question Weight 16%

Explanation: The project is at approximately 70% completion, and has experienced no significant deviation regarding schedule or planned, actual, or estimated value of work.

Evidence: Executive Progress Reports, Strategic Planning assessments, CPM updates, Change Estimates/Change Order Logs.

PART Performance Measurements

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
80%	102%	86%	89%	

Measure: Construction Schedule:percentage of construction completed on time

Additional Information: Monthly updating of CPM Project Schedule, comparison to baseline, and evaluation of accuracy substantiate that the project is on schedule. Also see Spending Plan below.

Year	Target	Actual
2001	0.03	0.02
2002	0.54	0.541
2003	0.78	0.74
2004	1	

Measure Term: Annual (Efficiency Measure)

Measure: Construction Spending Plan:percentage of construction spending obligated on time

Additional Information: Planned Value (BCWS), Actual Value (ACWP) and Earned Value (BCWP) are evaluated, graphed and reported on a quarterly basis. No significant unexplainable deviations have been encountered.

Year	Target	Actual
2001	0.03	0.02
2002	0.54	0.45
2003	0.78	0.75
2004	1	

Measure Term: Annual (Efficiency Measure)

Measure: Safety Performance

Additional Information: The OSHA Recordable Index national average is 6.8, the project index is well below this at 1.8. The Lost Time Incident Rate national average is 2.5, the project rate is well below this at 0.6.

Year	Target	Actual
2001	2.5 LTIR	0 LTIR
2002	2.5	1.2

Measure Term: (Efficiency Measure)

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
80%	102%	86%	89%	

2003	2.5	0.6
2004	2.5	

Measure: Submittal Review and Approval

Additional Information: The contractual submittal review and approval turnaround time is 14 days. The project average is 12 days.

Year	Target	Actual	**Measure Term:**	(Efficiency Measure)
2001	14 days	9 days		
2002	14	11		
2003	14	13		
2004	14			

Measure: RFI Turnaround Time

Additional Information: The contractual RFI turnaround time is 5 days. The project has averaged 5 days.

Year	Target	Actual	**Measure Term:**	(Efficiency Measure)
2001	5 days	3 days		
2002	5	5		
2003	5	5		
2004	5			

PART Performance Measurements

Program: World War II Memorial
Agency: American Battle Monuments Commission
Bureau:

Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Effective
80%	102%	86%	89%	

Measure: Change Order Best Value

Additional Information: The Government Team works to assure that Change Orders are fair, equitable, economical and add value to the project. Negotiated Change Order values average 80% of the Contractor's proposed value.

Year	Target	Actual	**Measure Term:**	(Efficiency Measure)
2001	90%of prop.	n/a		
2002	0.9	0.9		
2003	0.9	0.8		
2004	0.9			

Measure: Quality Assurance

Additional Information: On the average, there have been less than 10 open non-compliance issues at any one time on the project. Starting when the job was 40% complete, the project has been planning commissioning and completion. Such planning is typically started at 85% completion.

Year	Target	Actual	**Measure Term:**	(Efficiency Measure)
2001	10 open	2 open		
2002	10	5		
2003	10	7		
2004	0			

PART Performance Measurements

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
100%	67%	70%	6%	Demonstrated

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

Explanation: The "Drug Free Media Campaign Act of 1998" directs ONDCP to conduct a national media campaign to reduce and prevent drug abuse among young people in the United States.

Evidence: Authorizing statute "Drug Free Media Campaign Act of 1998." (21 USC 1801 et. seq.)

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

Explanation: Current rate of drug use among youth (12-17) is unacceptably high (11.6%) and has increased since the early 1990s. Stopping drug use before it starts is one of three priorities in the President's National Drug Control Strategy. Research has established the efficacy of using public service announcements (PSAs) in public health campaigns, e.g., smoking cessation and seat belt use.

Evidence: National Household Survey on Drug Use and Health (SAMHSA)

1.3 Is the program designed to have a significant impact in addressing the interest, problem or need? Answer: YES Question Weight20%

Explanation: The National Youth Antidrug Media Campaign (NYADMC) accounts for the majority of current antidrug advertising in the traditional mass media and other less traditional venues. The Campaign's FY 2003 budget includes $121M for purchase of media time and space, and that amount must be matched by the media with contributions of advertising time/space or related in-kind services. Prior to the inception of the Media Campaign in 1998, the value of antidrug (PSAs) funded through private sources had declined from approximately $360M in 1990 and 1996 to approximately $260M.

Evidence: Media Campaign Operating Plan, Partnership for Drug Free America (PDFA)

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: YES Question Weight20%

Explanation: The Media Campaign is the principal source for consistent reinforcing messages across a variety of media and for messages aimed at specific target audiences that may be difficult to persuade with standard messages. In addition, since the Campaign purchases time and space, it is able to place ads in broadcast prime time and in desirable locations. Ads provided by broadcasters and others as public service announcements are often shown during periods when there are few viewers/listeners.

Evidence: See number three.

1.5 Is the program optimally designed to address the interest, problem or need? Answer: YES Question Weight20%

Explanation: The Campaign acquires time/space by contracting with established advertising company. Content of ads is generally provided pro bono through arrangement with not-for-profit organization. ONDCP lacks staff with the specialized skills to perform these tasks.

Evidence: No contrary indications.

PART Performance Measurements

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
100%	67%	70%	6%	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: YES Question Weight 11%

Explanation: In response to the 2002 OMB PART review, ONDCP revised the Campaign's logic model and significantly changed its long-term and annual performance measures. These new measures were included in ONDCP's FY 2004 and FY 2005 GPRA plans.

Evidence: ONDCP Strategic Plan, FY 2004 Performance Plan, Annual Performance Reports (1999-2001), and Campaign Communications Strategy Statement.

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

Explanation: In response to the 2002 OMB PART review, ONDCP revised the Campaign's logic model and significantly changed its long-term and annual performance measures. These new measures were included in ONDCP's FY 2004 and FY 2005 GPRA plans.

Evidence: Annual Performance Plans and Reports

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: NO Question Weight 11%

Explanation: The Media Campaign's two major contracts are "cost plus fixed-fee," rather than performance-based, although the Campaign is currently exploring the possibility of issuing the upcoming re-competition of the non-advertising contract as a performance-based contract. Currently, contractors are held accountable only for meeting process goals and other goals that are not directly related to the outcome measures established by ONDCP.

Evidence: Discussions with ONDCP legal staff.

2.4 **Does the program collaborate and coordinate effectively with related programs that share similar goals and objectives?** Answer: YES Question Weight 11%

Explanation: ONDCP Campaign staff have established working relationships with related programs (e.g., Drug Free Communities, HHS treatment and research programs, and law enforcement).

Evidence: Media Campaign Operating Plan, discussions with staff from other agencies, and review of web sites.

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: YES Question Weight 11%

Explanation: A comprehensive long-term independent evaluation is being conducted under a NIDA contract; reports are issued semiannually. The NIDA contract has expired and discussions are underway about the design of a replacement evaluation.

Evidence: Evaluation of the National Youth Anti-Drug Media Campaign (NIDA).

PART Performance Measurements

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
100%	67%	70%	6%	Demonstrated

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: NO Question Weight 11%

Explanation: ONDCP is working to align its budget with its programs and performance measures.

Evidence: Communications Strategy Statement; ONDCP Strategic Plan and Annual Performance Plans and Reports

2.7 **Has the program taken meaningful steps to address its strategic planning deficiencies?** Answer: YES Question Weight 11%

Explanation: In May 2002, following the receipt of the semi-annual report detailing the disappointing results of the Campaign, ONDCP: increased testing of ads prior to airing them; targeted ads to a different age group; began involving ONDCP staff more directly in the message development process; and directed the Media Campaign staff to report directly to the ONDCP Director. In FY 2003, ONDCP redesigned its long-term and annual performance measures and goals.

Evidence: Revised Media Campaign Operating Plan

2.CAP1 **Are acquisition program plans adjusted in response to performance data and changing conditions?** Answer: YES Question Weight 11%

Explanation: After reviewing the results of the most recent NIDA-managed evaluation, which showed that the Campaign was not yet having the desired effect on youth anti-drug attitudes and behaviors, several changes were made to the Campaign, including shifting the emphasis to a different age group, involving ONDCP staff more directly in the production process, focusing more on marijuana, and developing and airing more ads directed towards youth, rather than parents.

Evidence: Media Campaign documents, ONDCP press release

2.CAP2 **Has the agency/program conducted a recent, meaningful, credible analysis of alternatives that includes trade-offs between cost, schedule and performance goals?** Answer: NO Question Weight 11%

Explanation: No documentation of a comprehensive trade-off analysis is available.

Evidence:

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: ONDCP has used the semi-annual reports from the NIDA contract to begin significant changes to Campaign operations. In addition, contract staff revise ad copy and adjust media buys in response to feedback about the effectiveness of specific ads.

Evidence: Annual Performance Plans and Reports; Media Campaign Operating Plan

PART Performance Measurements

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	67%	70%	6%	

3.2 Are Federal managers and program partners (grantees, subgrantees, contractors, etc.) held accountable for cost, schedule and performance results? Answer: NO Question Weight 10%

Explanation: These is no apparent linkage of program performance to agency managers or to program contractors.

Evidence: Discussions with ONDCP staff.

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

Explanation: Obligations are timely. In 2002, $180M was appropriated and $170M (94%) was obligated within 12 months. In addition, agency reviews led to questioning contractor vouchers for approximately $7.6M. Contractor later settled by reimbursing Government $700,000 and dropping $1.1M in unsubstantiated charges.

Evidence: SF - 132s, SF -133s, Treasury reports. and GAO.

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 10%

Explanation: The Media Campaign utilizes competitive sourcing to select contractors to complete the advertising and non-advertising aspects of the Campaign. Both of the campaign's major contractors were chosen through a full and open contract solicitation process and awarded contracts based on "best value" (a combination of past performance, cost, and strength of proposal).

Evidence: GPRA documents

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: NA Question Weight: 0%

Explanation: Neither the Media Campaign Operating Plan nor ONDCP Budget submissions identify all direct and indirect costs for the program. However, these personnel and overhead costs are so small (approximately $1M) that they have no significant or measurable effect on the overall program budget.

Evidence: FY 2002 Media Campaign Operating Plan and ONDCP budget requests

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

Explanation: Questionable labor cost billings by principal contractor for the Campaign were challenged by the ONDCP contract manager and not approved. Principal problem was due to HHS Program Support Center issuing contract without requiring contractor to have in place adequate accounting system for government contracts.

Evidence: GAO review of Media Campaign contract management; PricewaterhouseCoopers management review of ONDCP.

PART Performance Measurements

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
100%	67%	70%	6%	Demonstrated

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

Explanation: In May 2002, following the receipt of disappointing results in the semi-annual report, ONDCP: increased testing of ads prior to airing them; targeted ads to a different age group; began involving ONDCP staff more directly in the message development process; and directed the Media Campaign staff to report directly to the ONDCP Director.

Evidence: Discussions with Media Campaign staff and others.

3.CAP1 **Does the program define the required quality, capability, and performance objectives of deliverables?** Answer: YES Question Weight 10%

Explanation: Since the spring of 2002, 100 percent of Media Campaign TV ads have been tested prior to airing. Advertising developed under this new standard first aired in October of 2002. ONDCP has worked closely with PDFA and its advertising contractor to develop specific processes for the development and testing of all advertising.

Evidence: Discussions with Media Campaign staff and others.

3.CAP2 **Has the program established appropriate, credible, cost and schedule goals?** Answer: YES Question Weight 10%

Explanation: Cost and schedule estimates for the contract used to purchase the advertising space and time ($121M) are now being reviewed and validated by an independent entity outside the program. A procedure is in place for an outside review of the costs associated with new ad development.

Evidence: Discussions with Media Campaign staff and others.

3.CAP3 **Has the program conducted a recent, credible, cost-benefit analysis that shows a net benefit?** Answer: NO Question Weight 10%

Explanation: No cost benefits analysis has been performed.

Evidence: Discussions with Media Campaign staff and others.

3.CAP4 **Does the program have a comprehensive strategy for risk management that appropriately shares risk between the government and contractor?** Answer: NO Question Weight 10%

Explanation: Campaign contracts: (1) do not have a comprehensive risk management plan that identifies technical, cost, and schedule risks and describes how these risks will be isolated, minimized, monitored, and controlled, and (2) are not selected using contracts and pricing mechanisms that provide appropriate incentives for contractors to meet cost, schedule and performance goals.

Evidence: Discussions with Media Campaign staff and others.

PART Performance Measurements

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not Demonstrated
100%	67%	70%	6%	

4.1 Has the program demonstrated adequate progress in achieving its long-term outcome goal(s)? Answer: NO Question Weight 16%

Explanation: ONDCP has established goals for the Media Campaign. However, progress toward the long-term goal will be reviewed against the final the NIDA-managed evaluation that provides longitudinal data assessing the effect of exposure to the Media Campaign against youth attitudes and behavior. Long term measure established only this year; no long-term progress to demonstrate, only annual.

Evidence: ONDCP Strategic Plan, FY 2004 Performance Plan, Annual Performance Reports (1999-2001), and Campaign Communications Strategy Statement.

4.2 Does the program (including program partners) achieve its annual performance goals? Answer: SMALL EXTENT Question Weight 16%

Explanation: Annual goals have been established but progress towards these measures will not be available until the final NIDA evaluation report is made available. Unless similar questions are asked in any subsequent evaluations, new annual measures will be needed.

Evidence: ONDCP Strategic Plan, FY 2004 Performance Plan, Annual Performance Reports (1999-2001).

4.3 Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year? Answer: NO Question Weight 16%

Explanation: The Media Campaign does not have efficiency measures and targets, such as per unit cost of outputs, timing targets, or other efficiency and productivity indicators.

Evidence: Media Campaign Operating Plan

4.4 Does the performance of this program compare favorably to other programs with similar purpose and goals? Answer: NO Question Weight 16%

Explanation: Although there is no closely comparable Federal program (in terms of target audience, behavior change sought, etc.) there have been a number of other media efforts designed to change the public's behavior in health-related matters. An analysis of 48 other such health behavior-change efforts found an average short-term effect that "roughly translates" into 9% more people performing the desirable behavior after exposure to the media effort than before.

Evidence: "A Meta-analysis of U.S. Health Campaign Effects on Behavior: Emphasize Enforcement, Exposure, and New Information, and Beware the Secular Trend," L.B. Snyder and M.A. Hamilton,

4.5 Do independent and quality evaluations of this program indicate that the program is effective and achieving results? Answer: NO Question Weight 16%

Explanation: Outcome data from the evaluation suggest little or no direct positive effect on youth behavior and attitudes attributable to the Campaign to date. Perhaps some positive effect on parental attitudes/behavior but that has not yet translated into an effect on youth.

Evidence: Evaluation of the National Youth Anti-Drug Media Campaign (NIDA).

PART Performance Measurements

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
100%	67%	70%	6%	Demonstrated

4.CAP1 **Were program goals achieved within budgeted costs and established schedules?** Answer: NO Question Weight 16%

Explanation: See numbers 1 and 2.

Evidence: See numbers 1 and 2.

PART Performance Measurements

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
100%	67%	70%	6%	Demonstrated

Measure: Increase the percentage of youth (12-18) who believe there is great risk of harm from regular marijuana use

Additional Information:

Year	Target	Actual
2003	Establish target	60.5%
2004	62%	
2005	62.9%	
2006	63.8%	
2007	64.8%	

Measure Term: Long-term

Measure: Percentage of parents who report holding strong beliefs that parental monitoring will make it less likely their child will use any drug

Additional Information:

Year	Target	Actual
2003	Establish target	50.4%
2004	47.2%	
2005	47.2%	
2006	47.2%	
2007	47.2%	

Measure Term: Long-term

PART Performance Measurements

Program: Youth Anti-Drug Media Campaign
Agency: Office of National Drug Control Policy
Bureau:
Type(s): Capital Assets and Service Acquisition

Section Scores				Rating
1	2	3	4	Results Not
100%	67%	70%	6%	Demonstrated

Measure: Decrease the percentage of 10th graders who report being current users of marijuana

Additional Information:

Year	Target	Actual
2003	Establish target	Done
2004	18.4%	
2005	18.1%	
2006	17.9%	

Measure Term: Long-term

PROGRAM ID: 10000356