

for their act of positive Americanism. Led by Mayor Mel VanAllen, Clerk Kathleen Svoboda, and my good and longtime friend Jeff Kranig, the village of Justice planned, organized, and presented a magnificent celebration of Americanism dedicated to our men and women fighting terrorism and defending our Nation and people around the world.

This four-day long celebration included athletic events, cultural events, educational events, and culminated in a great parade and awards ceremony for the youth of the community. I was fortunate enough to be selected as parade marshal for this first annual Patriots weekend. I wish to thank the citizens of Justice for this great honor and express my sincere appreciation to them for all their hard work and dedication that brought this patriotic event to fruition. All residents of Justice should be very proud of their contribution to this unique and very special event.

In closing, let me say my Tricorner hat is off and my trusty old colonial musket is raised in salute to the Mayor, the clerk, my old friend Jeff, and the residents of Justice, Illinois.

COMMENDATION AND RECOGNITION FOR MERCATUS CENTER'S REPORT ON THE "TRANSPARENCY OF ANNUAL PERFORMANCE AND ACCOUNTABILITY REPORTS FROM THE 24 FEDERAL CFO ACT AGENCIES"

**HON. TODD RUSSELL PLATTS**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 24, 2003*

Mr. PLATTS. Mr. Speaker, as Members of Congress, we are accountable not only to the constituents who elected us, but to all American taxpayers. We are responsible for making informed decisions, that incorporate a base of knowledge. The Mercatus Center at George Mason University provides a valuable, objective, independent evaluation to Members of Congress and taxpayers, by reviewing the annual performance reports of the 24 CFO Act agencies and ranking them according to three criteria: transparency, public benefit, and forwardlooking leadership. Mercatus evaluates the Annual Performance and Accountability Reports of each of these Agencies to determine how transparently an agency reports its successes and failures, how well an agency documents the tangible public benefits it claims to have produced, and whether an agency demonstrates leadership that uses annual performance information to devise strategies for improvement.

Their analysis and the report I submit to the CONGRESSIONAL RECORD, allows us as Members of Congress to have a common understanding about which agencies report to the public most clearly. Their analysis also allows agencies to learn from their colleagues how best to present useful data about the performance of their organizations. Armed with this report, and upon reviewing performance information provided by agencies, we can and must determine appropriate resource allocations, based not on the amount appropriated and spent last year, but on what benefit was earned from this expenditure. We owe it to the people who pay our salaries, to demonstrate the public benefit created with the money en-

trusted to us. And where the government is a poor steward of funds, we must intervene to improve the Federal Government's role in providing efficient and effective service to the American people.

I commend the Mercatus Center's report to my colleagues.

EXECUTIVE SUMMARY

Public disclosure is the mechanism used to report on performance to those who are entitled to know. In this Scorecard we assess how effective reports of the agencies of the federal government are in disclosing pertinent information to the American people. We review these reports with the mindset of ordinary citizens, who are interested in looking for the benefits that the agencies provide and the effectiveness of the agencies' efforts. Thus, our research efforts emphasize an assessment of an agency's transparency of communications with the general public, identification and assessment of the public benefits it provides, and its leadership vision for the future.

In an era of increased demand for accountability, disclosure and transparency, the government has a responsibility to supply the American people with quality disclosures on the public benefits it provides. Clear, descriptive disclosure of the public benefits provided by governmental agencies allows ordinary citizens to understand the strategic goals and assess the agencies' performance relative to those goals.

Annual performance and accountability reports are one avenue for agencies to communicate with both citizens and policymakers. The purpose of this Scorecard is to encourage improvement in the quality of reporting on results achieved by government agencies. We do this by evaluating and ranking (1) how transparently an agency reports its successes and failures; (2) how well an agency documents the tangible public benefits it claims to have produced; and, (3) whether an agency demonstrates leadership that uses annual performance information to devise strategies for improvement.

Researchers at the Mercatus Center at George Mason University conducted our fourth annual evaluation of the reports produced by the 24 agencies covered under the Chief Financial Officers Act, using similar criteria to evaluate the fiscal year (FY) 2002 performance and accountability reports. By assessing the quality of agencies' reports (but not the quality of the results achieved), we wish to learn which agencies are supplying the information that Congress and the public need to make informed funding and policy decisions. The importance of quality reporting has taken on added significance in light of the President's Management Agenda that highlights the intent to use agency performance information to make budget decisions.

Best Reports: For FY 2002, the Department of Labor (Labor), the Department of Transportation (Transportation), the Small Business Administration (SBA), and the Department of Veterans Affairs (Veterans) produced the highest rated reports. Three of these agencies, Department of Labor, Department of Transportation, and the Department of Veterans Affairs were rated the top three agencies for FY 2001 as well. The SBA joins their ranks this year.

Reports Most In Need Of Improvement: The Department of Defense (Defense), U.S. Agency for International Development (USAID), the Department of Health and Human Services (HHS), and the Department of Energy (Energy) earned the lowest rankings for FY 2002.

Most Improved Reports: Eleven agencies improved their scores from FY 2001 to FY

2002. Of these, the Small Business Administration, the Federal Emergency Management Agency, and the Department of State showed the most improvement in their rankings. The Small Business Administration moved from 16th to 3rd in the rankings, the Federal Emergency Management Agency jumped from 19th to 8th, and the Department of State moved from 20th to 11th.

Most Common Strengths: (1) accessibility of reports, and (2) clarity of reports.

Most Common Weaknesses: (1) weak or missing explanations of failures to achieve strategic goals, and (2) lack of well-articulated descriptions of changes in policies or procedures to address weaknesses or failures.

Mixed results: The average score of the 24 reporting agencies was 30, a 4.1 percent increase for FY 2002 reports compared to FY 2001. The average scores for seven of the twelve criteria improved this year, led by improvements of 26.9 percent for accessibility and 19.7 percent for better explanations of the linkages between the agencies goals and results to their costs. However, on average, agencies did not make progress in several areas, particularly in providing quality trend data (decline of 13.0 percent) and clearly articulating their goals and objectives as outcomes (decline of 9.9 percent).

Scorecard Rankings for FY 2002 (1) Labor; (2) Transportation; (3) SBA, Veterans; (5) Commerce; (6) EPA, Interior; (8) FEMA; (9) NRC, SSA; (11) State; (12) Agriculture, Education, GSA, Justice, NASA, OPM; (18) HUD, NSF, Treasury; (21) Energy, HHS; (23) USAID; and (24) Defense.

INTRODUCTION

Following the passage of the Government Performance and Results Act of 1993 (GPRA), federal agencies developed strategic plans, performance plans, and performance reports to explain what they are trying to accomplish, identify performance measures, and report on their results. A new reporting requirement for FY 2002 requires agencies to prepare and submit a combined performance and accountability report. The combined Performance and Accountability Report includes the strategic plans, performance plans, and performance reports previously included as well as a financial section, which incorporates the audited financial statements and report of the Office of Inspector General (OIG) on serious management challenges.

President Bush's FY 2002 budget proposal called upon the federal government to produce better results for citizens by enhancing accountability for dollars collected and dollars spent. The administration also began using information on agency performance in the FY 2003 budget for a selected set of programs, a practice that has been expanded for the FY 2004 budget. Performance-based budgeting means that money will be allocated not just on the basis of perceived needs and policy priorities, but also according to the federal government's ability to address those needs and priorities effectively. Program proponents will have to demonstrate that the particular programs actually accomplish their stated goals.

For performance-based budgeting to work, performance information has to be transparent, accessible, and reliable. GPRA and its amendments require federal agencies to produce annual performance reports. The purpose of these reports is to give Congress and the American people accurate and timely information that will let them assess the extent to which agencies are producing tangible public benefits. In line with expectations under the legislation, agencies published their first reports (for FY 1999) in spring 2000, the second series in spring 2001 (covering FY 2000), the third series in spring

2002 (covering FY 2001), and the current series in spring 2003 (for FY 2002). Beginning with FY 2002 reports, agencies are required to consolidate their performance reports with financial reporting information in a combined Performance and Accountability report. With society's increased emphasis on accountability, transparency, and disclosure, it is incumbent on the federal government and its agencies to meet the highest standards in their external reporting efforts. Effective accountability in public service requires that agencies present a comprehensive, concise, accurate, and reliable assessment of the benefits created for the public, as well as the costs of producing those benefits. Equipped with such information, the administration and Congress can allocate federal resources in ways that continually advance government's contribution to citizens' quality of life (The Mercatus Center has developed a seven-step process, called "Outcome-Based Scrutiny," that provides a framework for comparing the results and costs of programs with similar objectives and assessing the likely impact of reallocating resources to the most effective programs. For a pilot study applying Outcome-Based Scrutiny to federal vocational training programs, see <http://www.mercatus.org/governmentaccountability>).

To help policymakers assess this year's reports and agencies improve the quality of future reports, a Mercatus Center research team evaluated the reports produced by the 24 agencies covered under the Chief Financial Officers' Act. This marks the fourth year that researchers at the Mercatus Center's Government Accountability Project have evaluated agencies' reports. It is our goal that this annual assessment will not only help to inform decision makers, but that it will also inform the American people more generally. By promoting the American spirit of competition and accountability and applying it to government performance reporting, it is also our hope that agencies can and will improve the quality and cost-effectiveness of the services they deliver.

#### INTERPRETING OUR FINDINGS

It is important to emphasize that our research team evaluated only the quality of reporting, not the quality of results. Therefore, it would be a mistake to conclude that the agencies with the highest-scoring reports necessarily produced the best results for the country. Ideally, an agency's report reflects more about its managers' capabilities than just their ability to write reports. Instead, a high scoring report reflects an agency's ability to translate what it does into understandable and meaningful results that Americans can appreciate.

Similarly, it would also be inappropriate to draw policy conclusions from our analysis. We offer no recommendations on whether the federal government should or should not be engaged in its current menu of activities.

So what do the findings in this study really mean? By assessing the quality of agency reports, we are trying to evaluate the agencies that are supplying the information that Congress and the public need to make informed funding, budgeting, and policy decisions. An additional word on information quality is also in order. Our researchers assessed the quality of each report's disclosure of data verification and validation procedures. In the interest of producing a timely study, we did not, however, verify the performance information cited in each agency's report. Given the importance of accurate data for sensible decisions, we believe that verification and validation should be a high priority for Inspectors General, Congress, the General Accounting Office, and the Office of Management and Budget.

For the complete report, visit the Mercatus Center's Government Accountability Project website at [www.governmentaccountability.org](http://www.governmentaccountability.org).

#### HONORING DONALD SCHNEIDER

#### HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 24, 2003*

Ms. BALDWIN. Mr. Speaker, I rise today to honor Donald Schneider, who served as the Chief Clerk of the Wisconsin State Senate for 26 years.

As the longest-serving Chief Clerk in Wisconsin's history, Don Schneider worked under three Democrat and three Republican majorities. Although it is impossible to quantify his rich legacy, I honor him most for three reasons: his dedication to bring cutting edge technology to the Senate, his expertise in legislative organization, and his non-partisan cooperation in serving the body.

During his tenure, Schneider was instrumental in the modernization and automation of the Senate. The Senate's increased technology allowed for increased efficiency and increased public accessibility. In a world of ever-advancing technology, Schneider's commitment of keeping the Senate technologically current was crucial to the performance of its function.

Secondly, Schneider is recognized both within Wisconsin borders and beyond for his authority in the fields of legislative organization and legislative institution development. This reputation extends nationally and internationally, culminating in his acceptance of the Joseph A. Beek Distinguished Service Award from the American Society of Legislative Clerks and Secretaries in 1998.

Perhaps most importantly, Schneider is honored for his professionalism and nonpartisanship. His collaboration with both sides of the aisle induced the respect that Republicans and Democrats alike feel for him, translating into his lengthy tenure under both majorities. Mr. Schneider's character served to advance and facilitate the legislative function of the Senate both on the floor and behind the scenes.

#### FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2004

SPEECH OF

#### HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 23, 2003*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2800) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2004, and for other purposes.

Mr. KIND. Mr. Chairman, I rise today to thank the Committee for including in the report on the Fiscal Year 2004 Foreign Operations Appropriations bill language reiterating its support for the East Central European Scholar-

ship Program (ECESP). This program has operated successfully for a number of years at the University of Wisconsin-La Crosse and has had positive impacts not only in the various Balkan nations on which it is focused, but also on the La Crosse campus of the University of Wisconsin.

As we look at the situation in Iraq and Afghanistan today, it is clear how critically important it is that we work to ensure that nations taking shape in the aftermath of conflict have the human resources to sustain democratic institutions and free market economies. Over the past 14 years, ECESP has conducted technical training for democratic institution building, health care administration, and financial sector management, among other fields. The program's efforts have resulted in strengthened skills and understanding for over 1200 administrators, managers and government leaders. ECESP alumni include members of national parliaments and the European Council, bank examiners of central banks, hospital administrators as well as administrators of nongovernmental and non-profit organizations.

From 1989 until 1998, ECESP focused its work in the Czech Republic, Hungary, Poland, and Slovakia, assisting in the systemic reforms required for integration into the European community. Since 1998, ECESP has been engaged in similar efforts focusing on Albania, Bulgaria, Macedonia and Romania. I look forward to working with USAID, institutions of higher learning, and my colleagues in Congress to help expand this program model in the former Soviet Republics and Central Asia, as recommended by a recent USAID funded evaluation, and explore similar possibilities in the Middle East.

Over the last decade, the University of Wisconsin-La Crosse, through ECESP, has been able to provide training to some 300 financial managers from all of the participating ECESP countries. That training has provided these managers with expertise in bank risk management, financial management, and supervision of financial institutions, all of which are critically important to stable market economies. At the same time, the program has enabled U.S. students on the UW-La Crosse campus to benefit from interaction with the international students and a greater awareness of international perspectives in these areas.

USAID is currently considering a new multiyear agreement with the Center for Intercultural Education and Development based at Georgetown University, which manages ECESP. As that agreement is finalized, I strongly encourage USAID and the Department of State to maintain the current level of support for this important and successful program. ECESP is an important component in our efforts to stabilize the Balkan region, and it is a commitment that we need to see through.

#### DISPLACED PERSONS FACING SERIOUS OBSTACLES IN RUSSIA

#### HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, July 24, 2003*

Mr. SMITH of New Jersey. Mr. Speaker, today I want to bring to the attention of colleagues two situations concerning internally