USDA

USDA's Results Agenda

Progress Report on the President's Management Initiatives

Contents

INTRODUCTION

USDA and its more than 100,000 employees directly touch the lives of millions of Americans every day. Annually we spend more than $75 billion of the public's money to deliver results for the public through more than 300 programs. Our Department is one of the Federal Government's most diverse and complex agencies, and over its 140-year history, our employees have always been focused on results. Those results have included:

- A safe food supply
- National Forests for all and protection from wildfires
- Food assistance to needy people, and nutrition education for anyone interested in eating for good health
- A reliable food supply and improved financial health for farmers and rural people
- Record high farm exports
- Ever-newer technologies that make American agriculture the most productive in the world while conserving the environment

Because of the importance of our missions, we must continually evaluate our strengths and weaknesses to achieve even better results at an acceptable cost for the American public. The taxpayers expect it, the Congress expects it, and we at USDA expect it of ourselves.

USDA is working to strengthen its focus on results through vigorous execution of the President's Management Agenda (PMA). The agenda focuses on better management that helps employees achieve more efficient program operations, leading to improved customer service and more effective stewardship of taxpayer funds. In the Department's Strategic Plan released in September 2002, USDA announced that it expected to:

- Ensure an efficient, high-performing, diverse, competitively sourced workforce, aligned with mission priorities and working cooperatively with USDA partners and the private sector,

- Enhance internal controls, data integrity, management information, and program and policy improvements as reflected by an unqualified audit opinion and a reduction of erroneous payments by USDA programs,

- Implement business processes and information technology needed to make services available electronically, and

- Link budget decisions and program priorities more closely with program performance, and recognize the full cost of programs.

As USDA employees, we are the agents for carrying out these management initiatives, making our programs real "on the ground"—where customer service is delivered. We have achieved much and there is more to be done.

Under the PMA, the Office of Management and Budget scores departments on each initiative. Green is for success, yellow is for mixed results, and red is for unsatisfactory. There are two scores awarded, one for "status"—whether a department is meeting the standards established for success-and the other for "progress"—whether the department is making adequate progress in meeting established deliverables and timelines. As of July 2004, USDA had earned a "green" progress score for all but one of the initiatives, indicating that PMA implementation is proceeding according to plan.

This report focuses on some of the recent results USDA employees have achieved as the Department implements the President's Management Agenda. It discusses renewed attention to areas of weakness and ways to increase efficiencies. And it introduces our employees to the renaming of the PMA to "USDA's Results Agenda." The USDA Results Agenda will continue the management initiatives of the PMA, but it will tailor these initiatives to meet USDA's unique needs and challenges.

PRESIDENTIAL MANAGEMENT INITIATIVES

Financial Management

Prior to FY 2002, financial data was untimely and unreliable; financial systems were neither integrated nor compliant with all laws and regulations; and there were numerous weaknesses in internal control. USDA had never obtained a clean financial opinion—meaning we could not account for the dollars entrusted to us. As a Department, we took on the difficult challenges confronting our financial management systems and processes. We've made significant changes to provide timely and accurate financial information for sound program management decisions.

Furthermore prior to FY 2002, there was a significant amount of delinquent debt owed to the Federal Government in the programs we administer. We took aggressive steps to collect the debt the government is owed.

Because of our aggressive result-oriented approach, the PMA has scored us "Green" for our progress on financial management. The USDA Results Agenda will focus on addressing remaining weaknesses and ensuring basic financial discipline.
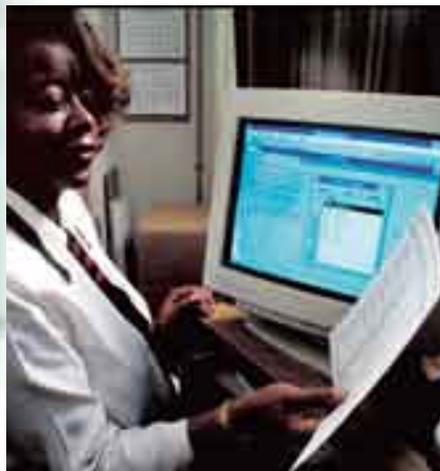
Department Actions

"Clean" Financial Statements

In 2002, USDA—and all of its agencies—achieved an unqualified ("clean") consolidated financial audit opinion for the first time ever in the Department's 140-year history. And the unqualified audit opinion was sustained in FY 2003. A "clean" audit indicates that the information reported in the financial statements is free of significant errors or misstatements—meaning we can account for the dollars entrusted to us.

Actions taken by USDA to achieve this result include:

- Revamping business, financial management, and accounting processes, and completing installation of a standard general ledger accounting system,

- Determining the program cost or present value cash flows of $100 billion in loans,

- Reconciling, in an accurate and timely way, over $100 billion in annual cash receipts and disbursements,

- Correcting deficiencies on $10 billion of real and personal property, and

- Implementing standard internal control policies, processes, and techniques.

Improved Management of Debt and Financial Resources

USDA and its employees have enormous responsibility in managing direct and administrative loans and credit guarantees—which in FY 2003 reached $131 billion. We have taken actions to improve lending processes for farmers, housing, and rural development. We have also improved debt management, which has resulted in more dollars available for USDA programs and reduced costs of those programs—thus benefiting employees as well as customers.

At the end of FY 2002, USDA's problem credit totaled $14.5 billion. Recognizing this problem, USDA took action and collected $1.1 billion of delinquent debt in FY 2003 and $660 million debt during the first half of FY 2004.

Specific Agency Results

Forest Service

In 2002, the Nation was experiencing a horrific fire season. As the fiscal year came to a close, the agency was reporting that it was close to exhausting all available funds. However, because the financial records were so poor, the Forest Service could not determine what funds were available. In fact the agency reported in its financial statement that $1.2 billion was available—only to discover later the real number was $700 million. Not only was the information unavailable at the critical time—and half a billion dollars off—but the systems and processes creating this inaccurate and untimely information were costing $139 million a year.

Today, the Forest Service is taking a bold step to fundamentally change its financial management. Over the next 2 years, the Forest Service will be consolidating its financial management processes. The result will be streamlined, standardized, and centralized processes. This will produce timely and accurate information to the ranger districts and forest supervisors so they can make sound resource decisions. And the new system will cost less money—it is projected to save $38 million annually, which will be directly reallocated to the field offices.

Updating ARS Financial Management Systems

Until this year, Agricultural Research Service (ARS) employees used financial management systems from the mid-1980's. The systems resided on stand-alone personal computer systems, thereby making them inefficient and cumbersome to use. Employees had to back up their information to disks on a daily basis, which took 15 minutes per person, and in order to pass information within the organization it had to be downloaded to disks and mailed. ARS recently migrated these packages to a server-based, Oracle platform, which has resulted in improved efficiency. Training for new employees can now be accomplished through net-conferencing; employees across the Nation can access information from their own desks and update data at their own convenience. It also provides up-to-date financial information and assists managers in decision making.

Record Low Error Rates for Food Stamp Program

Ending the "paper era" for the Food Stamp program, all 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands now use Electronic Benefit

Transfer (EBT) to deliver Food Stamp benefits. The transition to EBT technology has improved administration of the program, saved money, and made it easier for low-income people to purchase nutritious food for their families. In 2003, the combined national error rate of 6.64 percent was the lowest in program history, down from the historic high of 12.4 percent in 1981. Program accuracy has improved 25 percent over the last 3 years, resulting in a decrease in erroneous payments of nearly half a billion dollars and the payment of $173 million to eligible clients who otherwise would not have received those benefits.

FSA Modernization

The Farm Service Agency (FSA) and the Commodity Credit Corporation (CCC) have embarked on an aggressive effort called "FSA Modernization," which will improve financial performance by integrating financial systems and addressing internal control deficiencies. This modernization will help to link FSA/CCC financial management with USDA's enterprise solution for financial management. It will also provide improved financial services, so that employees can better serve all customers. These systems will support accurate recording and reporting of financial transactions. They will also integrate budget, financial, and performance information so managers can make better decisions about their programs. The initiative will improve timeliness of payments, allow better guidance for farmers, and reduce erroneous payments.

Better RD Sales of Foreclosed Properties

One of Rural Development's responsibilities is to dispose of foreclosed properties. In prior years, approximately 48 cents on each dollar was recovered on foreclosed property. To increase the recovery returns, Rural Development implemented an Internet site to allow for online sales. As a result, sales accomplished online have increased the return to 88 cents on the dollar.

Human Capital and Competitive Sourcing

As Department employees, we have always been focused on results. A key to meeting our program goals is a high performing workforce, focused on delivering services to the American people. The future success of the "People's Department" (as Abraham Lincoln referred to USDA) will be determined by how well it goes about meeting its "people needs."

Under the PMA scorecard for the Human Capital initiative, we have earned a score of "Green" for progress.

As we look to the future, we recognize some challenges on the horizon. For instance, a large number of Senior Executives are eligible to retire, and a high rate of attrition is expected in other areas of our workforce. After analyzing current workforce capabilities, the USDA Results Agenda will focus on improved performance management, employee development, and recruitment and retention.

Department Actions

Performance Management

USDA is implementing a new Performance Management System that ties individual performance to USDA's strategic goals and effectively differentiates among performers. New performance standards have been set for the SES and GS-14 and GS-15 managers. New standards will be established for at least 55,000 to 60,000 (about 60%) of all employees by January 2005.

With these new performance standards, individual employees will better understand the important contributions they make to the missions and goals of the Department and their agency. Employees will have more clearly defined expectations and feedback on their performance.

Employee Development

The newly launched AgLearn system provides greater development opportunities for employees, and tools for managers, through an online system that offers access to training and courses 24 hours a day. Managers are able to supervise staff development, offer more courses at a lower cost, and track employees' progress and program costs. While AgLearn is expected to reduce training costs, the biggest result

will be providing more developmental opportunities to our employees, helping to prepare them for future career opportunities. This year AgLearn has been available to 70,000 employees across most agencies. The remaining employees will be provided access to the system by the fall.

While ethics training has been available on-line for a number of years, it will be incorporated into this consolidated tool. In addition to delivering the required ethics training in a convenient format, AgLearn will continue the practice of automatically updating the trainee's personnel/payroll record, creating a paperless file and making recordkeeping easier for employees and managers.

A challenge that will confront the Department in the near future is the large number of USDA Senior Executives eligible to retire. To address this problem, USDA created the Senior Executive Service Candidate Development Program, which includes developmental assignments, formal interagency executive training, leadership forums, and guidance from a current SES mentor. The initial class of 80 candidates, selected through a rigorous merit-based selection process, graduated in July 2004. Four of the candidates have already been selected for SES positions through the merit promotion process.

To improve the skills of USDA staff members who work with several unions and many bargaining units, the Office of Human Resources Management developed a 5-day course that is helping employees understand basic labor-relations functions. As a result, practitioners and managers are able to recognize, prevent, and resolve labor-management disputes and meet their collective bargaining obligations more effectively.

Recruitment and Retention

In order to expedite hiring employees, automated processes are being pilot tested at headquarters and several agencies. This allows for position descriptions and vacancy announcements to be posted in minutes. Interested job seekers can review vacancy announcements 24 hours a day and can answer position-specific questions to create, edit, and submit electronic resumes for specific positions. The system rates and ranks candidates, resulting in quicker identification of the best-qualified candidates and forwarding them to the selecting official.

Also, to meet the hiring needs of the future, USDA has enhanced its internship programs. One is the USDA Career Intern program, initiated in 2002, which provides a 2-year internship for recent college graduates or skilled professionals. The program

includes formal training, structured on-the-job training, rotational assignments, and a mentor. Almost 300 individuals have been appointed from this program, most of whom possess either a Bachelor's or a Master's Degree.

USDA has developed a Work/Life Program web site that emphasizes the work flexibilities and substantial program benefits (transit subsidy, child care tuition assistance, telework, elder care, etc.) that are potentially available to prospective applicants and current employees. This site is available 24 hours a day and represents a significant factor in recruiting and retaining employees. As a result, these programs are rapidly gaining support and participation as agency managers and supervisors realize the substantial benefits to their agencies, their current employees, and their prospective employees.

Specific Agency Results

Performance Management

USDA's largest employer, the Forest Service, has identified a subset of key performance measures to which employees will be held accountable—the Chief's "Top Twenty." This system creates clarity on what is expected for individual employees and accountability—from headquarters to the field—for the work done on the ground to help achieve the goals and objectives of the Department and agency.

Another example of performance management is RD's Rural Utilities Service's Management Plan. This plan centers on four objectives that emphasize communications and outreach among employees, constituents, and partners; maintaining a highly motivated, top quality staff; and promoting efficient and effective program delivery. Only projects that adhere to these objectives are allowed to proceed. The plan assigns and tracks accountability for each project. Progress toward results is quantified by the plan's tracking system and rolled into a summary report by objective that is used by management to monitor activity and make adjustments. An annual "all employee" meeting is held to report results and give recognition to employees. One result is an expedited loan process that makes processing easier for employees and provides faster results for clients. Another result is greater utilization of the "data warehouse" for producing management reports, which makes it easier for employees to create reports and gives management more accurate and timely information.

Employee Development

The Agricultural Marketing Service (AMS) is conducting a leadership development program for 24 GS-13s, customized to their specific professional development needs. It focuses on mentoring, coaching, and developmental assignments specific to their careers. The program will prepare employees for expanded leadership roles. AMS plans to begin an executive development program for employees at the GS-14, GS-15, and Senior Executive levels.

Like many agencies, the Grain Inspection, Packers and Stockyards Administration (GIPSA) uses formal training, cross training, details, and ongoing executive and leadership development training. GIPSA managers participate in "360" Evaluations, meaning that they are evaluated by their supervisors, peers, and employees.

Employees of the Food, Nutrition and Consumer Services (FNCS) have the opportunity to participate in an FNCS-created Leadership Institute, which helps them to gain necessary skills to move into positions of leadership. Nearly 60 employees have completed the 15-month program since its creation in 1999.

At the Agricultural Research Service (ARS), a shortage of Veterinary Medical Officers with a Ph.D. led to a nationwide recruiting effort that yielded few results. In response, ARS created the Veterinary Medical Officer Doctoral Program, under which candidates with a DVM are hired and enrolled in an accredited university to earn their Ph.D. This gives employees an opportunity to advance their education and career opportunities, while providing USDA with more qualified employees.

Recruitment and Retention

The Food Safety and Inspection Service (FSIS) uses an automated staffing system called Food Safety Jobs Online. It is cost-effective and enhances customer service through quicker staffing of critical vacancies. The list of qualified candidates is issued in less then 10 calendar days on average, compared to up to 2 months under the previous method. More applicants see announcements, and the quality of the applicant pool has improved.

FSIS is using many flexible hiring tools to attract and retain qualified employees. These tools include recruitment and relocation bonuses, paid moving expenses, repayment of student loans, special qualifications appointments, retention allowances, and Physicians Comparability Allowance.

USDA has been given direct hire authority for occupations involved in protecting the health and safety of our food supply. This authority may be used to make competitive service career, career-conditional, term, temporary, emergency indefinite, or overseas limited appointments. Since implementation, FSIS has used direct hire authority to hire 42 veterinarians and as a result has seen a decline in locations with shortages.

GIPSA has empowered its Special Emphasis Program Managers to develop and implement a unique recruitment program focusing on a diverse candidate pool. Numerous GIPSA employees have received this recruitment training, and more such training will be provided in 2004 and 2005.

Other Department Actions

Better Managing Civil Rights Claims

We have had challenges processing employee and customer complaints dealing with civil rights in a timely fashion. In fact, in FY 2003, only 1 percent of all employee Reports of Investigations (the results of an investigator's findings) were completed in a timely fashion. In FY 2004, 6 percent have been processed in a timely way, but we need better results. Therefore, the Office of Civil Rights is implementing a tracking system to better manage claims. The system will be available to all USDA employees to facilitate the process of resolving a civil rights complaint. From filing the complaint, to managing the complaint, to communicating with the employee or program participant, this tool will improve the process. In addition, this tool will better enable USDA managers to identify and diagnose patterns—for example if certain programs generate a high level of complaints or if specific claimants raise an unusually high number of complaints.

Human Capital Linked with Competitive Sourcing

Over the past year, USDA restructured its approach to Competitive Sourcing. Despite a government-wide initiative which projects net savings of $1.1 billion over the next 3 to 5 years, our execution of this initiative did not result in cost savings and management efficiencies in FY 2003. We have identified a number of root causes: many of the studies focused on too small an area of work; adequate market research was not conducted; and competitions were not structured in a strategic fashion. For the Competitive Sourcing initiative, we have earned a score of "Yellow" for progress on the management scorecard.

As a part of the USDA Results Agenda, we will be working to use competitive sourcing as an effective tool to improve program results and to help us deliver services more efficiently and effectively. For the Department to be able to use Competitive Sourcing as an effective management tool, we established organizational changes to increase accountability and improve initiative oversight. We are working to ensure that the studies we conduct reflect broader, more strategically grouped and related functions. We also implemented internal guidance to ensure that a feasibility analysis, including cost-benefit analysis, is completed prior to conducting a study.

Studies in the future will also be linked to agency human capital plans.

Specific Agency Results

Forest Service

The Forest Service is studying its Information Technology (IT) program through a centralized approach with strict national oversight. This study, which considers 1,200 positions, involves activities related to the support of the agency's IT infrastructure. While the study is not final, the Forest Service expects significant efficiencies and cost savings in its IT program, irrespective of the source that is selected to perform the services.

Natural Resources Conservation Service (NRCS)

NRCS estimates savings of approximately $9 million over 5 years from implementation of a bid they competitively sourced on the National Cartography and Geospatial Center. This study considered 96 positions. The agency is the winning service provider, with their Most Efficient Organization bid.

Expanding eGovernment

Much has changed in the workplace with IT advances. With this change our eGovernment efforts are focused on using technology to improve service delivery at an acceptable cost. Based on this core principle, representatives from across the Department developed a common eGovernment strategy, which has served as our guide over the past 3 years. The efforts by hundreds of USDA employees—working thousands of hours to implement this strategy and provide services electronically—are producing results.

The Department's new *usda.gov* web site and its Customer Statement page are two examples of this progress. The improved *usda.gov* web site, organized by service rather than by agency, makes it easy for customers to quickly find the information they need. Similarly, the new Customer Statement page offers agricultural producers a consolidated online statement of activity and program benefits.

As a result of our employees' eGovernment efforts, the Department has earned a score of "Green" for progress on the management scorecard. Working together, we have established a culture of collaboration that is empowering customers, business partners, and employees. An example of this is the establishment of the new Technol-

ogy and eGovernment Advisory Council in October 2003. The Advisory Council advises the Department in planning and developing strategies for technology and eGovernment initiatives. The Advisory Council consists of representatives from the broad spectrum of USDA's customer base. This collaborative approach will continue under the USDA Results Agenda.

Department Actions

Meeting Customers' and Employees' Expectations
USDA's eGovernment activities are being guided by continuous feedback from employees and major customer groups. From the strategic planning process to the implementation of specific eGovernment initiatives, the Department is using information from surveys and focus groups to guide decisionmaking. We know customers and employees are demanding high quality electronic services because we asked them. We created a community of interest using customer usability studies and feedback on our web sites and applications. The Economic Research Service, the Risk Management Agency, the Food Safety Inspection Service, and other agencies developed and used this information in designing new web pages and applications. The results of similar collaborative efforts can be seen in the following USDA eGovernment initiatives:

- *New Web Site Simplifies Customers' Access to Information and Services.* In January 2004, USDA launched a newly designed web site that is significantly more usable for customers and employees. While all agencies are planning to migrate to the new design, a few like FSIS and the Office of Communications have already launched new web sites using the new standards and style guides. Also, USDA is planning to launch MyUSDA in August to permit users to customize what information is presented to them when they log on to the web site. Employees and the public will benefit from simplified access to information and services, reducing the amount of time spent finding items of interest across USDA.

- *Customer Statement Provides Customer Access.* In March 2004, we launched the USDA Customer Statement, which brings farmers and ranchers unprecedented online access, 24 hours a day, to their business activities with USDA. The online report presents the customer with a single document that compiles information from several agencies, which until now would have required our customers to visit different agency offices. The statement gives customers summary information on transactions with FSA and NRCS, including farm program payments, farm loan program payments, and conservation programs. This has resulted in better service to our customers. For our employees, phone calls and visits to Service Center offices will be reduced, allowing staff to focus on program delivery.

- *eAuthentication Provides Secure Online Environment for Customers and Employees.* In October 2003, USDA launched a system that allows customers to conduct their private business with the Department in a secure, online environment using a single user-ID and password. Full implementation of this service will mean that customers, partners, and employees will be able to access a variety of systems and services using a single user-ID and password. This improves information security while making it easy for employees to roll out new services.

- *USDA Deploys Grants.gov.* We implemented an electronic tool for grant applications with the Federal Grants.gov web site. This allows grant candidates to submit applications for multiple programs at a single web site and then efficiently routes the submissions to the proper USDA agency. USDA employees benefit from receiving grant applications in electronic form rather than paper, which streamlines the distribution, review, and approval processes.

- *Computer Emergency Notification System (CENS).* CENS is a real-time crisis information system that greatly enhances the safety of personnel and property in the National Capital region. Together with the Department's many physical security enhancements, CENS effectively and efficiently communicates with staff. CENS enables emergency messages to be disseminated in less than 2 minutes to approximately 14,000 USDA personnel in the Washington, DC, metropolitan area.

Leveraging Government-wide Solutions

- *Improving Disaster Management.* USDA has been participating in the *DisasterHelp.gov* portal, which provides citizens and members of the emergency management community with a single portal for sharing information on disaster preparedness, mitigation, response, and recovery information across Federal, State, and local government. As a result, emergency managers can monitor major disasters and national security events; coordinate Federal, State, and private organization responses; and collaborate on damage assessments and summaries.

- *Modernizing Travel Planning.* USDA expects to begin deployment of the Government-wide eTravel system in FY 2005. By the fall of 2004, USDA will make a selection of one of the three eTravel vendors to provide eTravel services to all of USDA. This initiative will replace two previous travel systems and will enable USDA employees to use the web-enabled program to quickly self-serve their travel needs.

- *Consolidating Federal Payroll Systems.* USDA's National Finance Center was selected as one of four Government-wide payroll providers, down from the current 22 Federal payroll systems. The new ePayroll system will simplify and standardize Federal human resources/payroll policies and procedures, enabling better integration of payroll, human resources, and finance functions. Through this effort, employees will receive better services at a lower annual cost.

Strengthening IT Management

- *Securing IT Systems.* In FY 2004, USDA agencies have taken an unprecedented action to secure their IT systems. Teams of employees at every agency are working to certify and accredit all USDA IT systems by September 30, 2004. With support from agency leaders and staff, this focus on IT security is building trust with customers and employees, and has been a significant contribution to USDA's achieving the "Green" result under Expanding eGovernment.

- *Refocusing on IT Investments.* The Department conducted an extensive review of IT investments during the FY 2005 budget process. As a result, the Department reduced the number of IT projects from over 500 to about 350. The consolidation effort focused on reducing duplication within lines of business and consolidating similar investments. This resulted in $167 million of cost savings which agencies could reallocate to other priorities.

- *Enterprise Architecture.* The Department is creating an Enterprise Architecture (EA) to help align technology with program delivery, and ensure that USDA's IT systems efficiently and effectively support employees and customers and produce results. With broad participation from agency employees across the Department, the EA team is building the blueprint for USDA's IT future.

USDA Deploys Broadband Network to Connect Service Centers

USDA recently completed the deployment of a broadband network that increased telecommunications capacity by more than 24 times at over 2,700 Service Centers. This major improvement relieves congestion and provides a sound infrastructure to support the growing number of Web-based applications. Employees in these field offices will benefit from faster response time when using Web applications.

Specific Agency Results

Streamlining Food Procurement for Schools

USDA has developed a new tool for the National School Lunch Program that allows schools to apply online for food. A school identifies a need for food, applies for that commodity online, and then USDA processes the request and responds electronically. This replaces the labor-intensive effort of collecting and managing data on paper documents, reduces errors, and allows employees to focus on other forms of service delivery.

Meet Karen

The Food Safety and Inspection Service (FSIS) redesigned its customer-focused web site to make it easier and faster for users to find information about food safety. The revamped web site provides the

latest information about food safety with an innovative twist. Consumers can speak with "Karen," the FSIS virtual hotline representative. "Karen" can answer questions about safely storing, preparing, and handling meat, poultry, and egg products. "Karen" can instantly respond to questions originating from anywhere in the world.

Online Import Licensing

In 2004, U.S. companies participating in the Foreign Agricultural Service's Dairy and Sugar Import Licensing programs will be able to perform transactions online. Such transactions include applying for import licenses (dairy), checking the status of license and account information, accessing monthly import reports, and keeping informed of program developments online. FAS issues approximately 2,600 licenses for dairy imports annually. Under the new system, participants in the program will be able to submit data electronically and automate the delivery of legally-mandated reports. These improvements result in saving employees time in responding to questions and in reentering data formerly submitted on paper.

Web-based Mapping Application

Every Rural Development (RD) field staff can now easily determine eligible areas for grants and loans using the most current and consistent population information through a new mapping application. RD's business and cooperative programs, in partnership with the Economic Research Service, created a web-based mapping application link to the Bureau of the Census' latest decennial data. It confirms and identifies eligible rural areas for each business and cooperative grant and loan program. Since there are varying definitions of "rural," this web site gives all RD staff and rural residents instant eligibility information, saving time and effort for customers and staff.

Budget and Performance Integration

Our Department is a diverse organization with programs that touch the lives of all Americans every day. Our programs are delivered by over 100,000 USDA employees worldwide through an extensive network of Federal, State, and local cooperators.

Budget and Performance Integration (BPI) challenges agencies to define measurable program results, monitor the progress toward achieving those results, and make management and funding decisions based on those results. We do this through a direct link between the type and quality of programs provided to the public, and the cost of those services to the American taxpayer.

For employees, the BPI initiative has many advantages. BPI streamlines processes and allows for better internal coordination within the Department. This reduces the time and resources individual employees must spend on analysis and data collection. BPI also helps provide a clearer link between dollars spent and outcomes, which improves our budget justifications.

Over the last 2 years, BPI has earned a score of "Green" for progress on the management scorecard.

Department Actions

USDA employees are proud of our work, and we will continue to improve the results from USDA programs in the future. BPI provides a framework for employees to fulfill program missions most effectively, by establishing clear performance targets, tracking progress in achieving stated objectives, and making adjustments to improve results. This process ensures that results are being achieved by employees responsible for carrying out programs on a daily basis and that these results are factored into decisions on the future direction of programs. To achieve this outcome, we are taking steps to do a better job of:

- Clearly identifying goals, objectives, and meaningful measures of progress,

- Quantifying and demonstrating the results of programs,

- Proving that we are using taxpayer dollars efficiently to achieve those results, and

- Making effective use of the expertise of USDA employees and our cooperators.

USDA has made major strides in improving its ability to define the results of its programs, to assure that those programs are being delivered in an efficient manner, and to target employee efforts toward the most crucial program goals. Agency strategic plans have been aligned with the Department's plan, trackable performance measures have been identified, and a process has been established for senior policy officials to regularly monitor progress in achieving results. In addition, the Department is working with agencies to implement efficiency measures, such as common credit efficiency measures, for all programs.

An important instrument being used to achieve results is the program assessment rating tool (PART). During the past 3 years, we have made aggressive use of this tool and have evaluated programs that account for over half of our funding. These PART assessments are designed to identify how well and how efficiently programs are working and to indicate actions which could be taken to improve the effectiveness and efficiency of programs. While the assessments are important, what matters most is what agencies and their employees do to address the program shortcomings and opportunities which are discovered in the PART process.

Actions taken in response to PART reviews have resulted in three major program areas being upgraded from "results not demonstrated" to "adequate" ratings and additional PART assessments are under review for similar upgrading. PART findings have led the Department to more effectively target conservation programs, improve efficiencies in the guaranteed farm loan programs, improve targeting of international food aid programs, reexamine multi-family housing programs to develop better long-term and annual measures, and develop stronger goals and measures for the Federal Crop Insurance Program.

Specific Agency Actions

NRCS Streamlining and Cost-Savings Initiative
In March 2003, the Natural Resources Conservation Service (NRCS) began work on developing a Streamlining and Cost-Savings Initiative (SCSI) to shift valuable employee time and resources to the significantly increased conservation workload of the agency. Initial estimates indicated that through the SCSI more than $200 million could be saved and over 2,000 staff years could be directed to higher priority conservation work.

By mid-June 2003, NRCS had collected almost 1,400 ideas and suggestions from field, area, and State office employees. In analyzing these suggestions for eventual implementation, a data analysis team employed the following five criteria:

- Would it improve NRCS capacity to move toward mission focus?

- How would it affect the field delivery system, personnel, or operations?

- Would the agency have authority to implement it?

- Would it save time or dollars?

- Could the agency implement it with relative ease?

In September 2003, NRCS leadership approved a total of 25 summary recommendations that would improve field office operations, program implementation and administration, accountability, training,and technology. The SCSI was subsequently incorporated into the agency's FY 2004 business and employee performance plans. A monthly progress reporting system has been implemented to track progress and as of May 30, 2004, NRCS had successfully implemented 5 of the 25 recommendations and is well on the way toward implementing most of the remaining items. Successful implementation will allow employees to focus on achieving program results rather than handling administrative functions.

Farm Service Agency Tools for Improved Management

In order to be even more results oriented, the Farm Service Agency (FSA) implemented a Budget and Performance Management System (BPMS). This effort involves a range of activities to ensure that FSA taxpayer dollars are directed to efficient programs that get results. A new strategic plan, use of the PART, and information technology tools are key elements to ensure the success of BPMS and ultimately the success of the Nation's farmers, ranchers, and agricultural partners.

FSA's strategic plan is being revised to create a more effective tool for delivering results to the American public. FSA's strategic goals now crosscut FSA's traditional program lines and focus on societal outcomes. All of the strategic goals are supported by a crosscutting BPMS Management Scorecard with measures grouped under the following major categories: Stakeholder Satisfaction Index, Business Process Effectiveness, Strategic Accountability, Human Capital Management, Civil Rights, and Outreach and Partnerships. With more clearly stated targets linked to strategic goals, employees can better focus efforts to achieve these results.

RESULTS OF OTHER PROGRAM INITIATIVES

Real Property

Over the years, USDA was not able to account for property entrusted to us. Now, for the first time, USDA has the complete information to efficiently manage its real property portfolio. This is an enormous undertaking since USDA owns 22,000 buildings, 192 million acres of land and has 3,600 commercial leases.

The Department implemented the Corporate Property Automated Information System (CPAIS). CPAIS standardizes and automates the information, accounting, and other business processes for the entire real property portfolio of USDA. CPAIS improves analytic capabilities, allowing increased asset utilization, cost management, analysis, and reduction of maintenance expenses. The project went from concept to department-wide implementation in 18 months.

Faith-Based and Community Initiatives

We want to ensure that USDA benefits and services reach all potential beneficiaries. As part of its Faith-Based and Community Initiatives (FBCI), USDA ensures that faith-based and community organizations have equal access to our programs and benefits. The focus is on four key areas: Outreach and technical assistance, equal treatment, data collection, and pilot projects.

By educating and partnering with additional faith-based and community organizations, USDA can, for example, increase the number of men, women, and children receiving meals and commodities through USDA programs and provide needed services in rural communities. The Initiative asks USDA to focus on what organizations can help us accomplish our mission, regardless of religious affiliation or non-affiliation.

In a pilot project, the Commodity Credit Corporation is donating nonfat dry milk to more than 50 nonprofit, faith-based, and community organizations. These organizations distribute the product to hundreds of local organizations in almost every State, which then distribute it to individuals and families in need. Almost 400 million pounds of nonfat dry milk will be delivered under this pilot program.

USDA outreach activities in its Summer Food Service Program are also producing results. For the first time, the AGAPE Outreach program in Marion, Virginia, is receiving Federal funding this summer to provide 3,643 nutritious meals to children who otherwise would not have had access to healthful meals during the summer. AGAPE Outreach will provide meals to children as part of its summer school and recreational program, which complement its other faith-based community activities.

Reform of Foreign Aid Programs and a "Right-Sized" Overseas Presence

Two important program initiatives of the PMA are Reform of Foreign Aid Programs and a "Right-Sized" Overseas Presence.

The United States is the world's most generous country, sharing its agricultural abundance with people in need of food. The U.S. contribution of global food aid during the past 2 years represents about 65 percent of total world food aid. U.S. food aid programs were reviewed in 2001 with the objective of improving reliability, efficiency, and management. As a result, most U.S. food aid donation funding has increased, with priority given to direct feeding programs. This also allows the United States to work better with its partners to deliver food more efficiently and with greater reliability. Actions have been taken as a result of a PART review. FAS has made improvements in its business practices, food aid delivery systems, and performance measures. These performance measures will demonstrate how the program is meeting its goals of contributing to a reduction in the number of the world's hungry people by one-half by 2015, and supporting international economic development and trade capacity.

USDA has an important role overseas. Yet, we believe it is critical to review, from time to time, our presence outside the United States. For example, the Foreign Agricultural Service has emphasized "right-sizing" using specific principles. Here are some ways FAS applies rightsizing philosophy to its resource management decisions:

- *FAS conducts a Global Review of overseas deployment each year.* The FAS overseas presence has remained static over the past decade and as our mission evolves, we reallocate resources from lower-priority posts and move them to high priority posts. FAS has concluded its review for 2004, and, as an example, FAS has decided to consolidate offices in Europe.

- *FAS operates its overseas offices using a hub and spoke model.* A hub office contains an American Foreign Service Officer who is accredited in multiple countries and supervises FAS programs and locally employed staff in those countries. This model allows FAS to represent U.S. agricultural interests in several countries with fewer American staff. Seventy-five percent of all FAS American-staffed offices supervise operations in more than one country.

Better Research and Development Criteria

Spurred on by the Research & Development (R&D) investment criteria component of the President's Management Agenda, the Research, Education and Economics (REE) agencies are all adopting an external program review process framed by the criteria. Further, the research components of Forest Service are also adopting the criteria. The REE agencies have aligned their research portfolios with the USDA Strategic Goals. This year a number of comprehensive portfolio reviews have been or will be completed by Agricultural Research Service and Cooperative State Research Education and Extension Service (CSREES). The agencies are committed to reviewing all portfolios on a 5-year cycle. This process will yield information and recommendations that the mission area and agency leadership will use for program planning, budgeting, management, and measurement of return on R&D investments.

Specific Agency Actions:

Agency annual performance measures are keyed to the results of the portfolio reviews and these measures are included in the Budget and Performance Integration process. For example, the Economic Research Service incorporated R&D investment criteria in recent strategic planning activities to refine the focus and direction of agency activities. Performance data will allow the agency to track its progress.

CSREES initiated a new Portfolio Review Expert Panel (PREP) process to assess, rate, and improve the results of investment portfolios. A portfolio of work is a strategic goal-driven cluster of CSREES research, education, and extension efforts. Review panels consist of subject-matter and evaluation experts who assess the portfolios systematically using the R&D investment criteria. The review examines the relevance and scope of the work and identifies emerging issues relevant to the portfolio. CSREES uses portfolio scores in the BPI and PART processes. The panel also provides comments and recommendations for improving, developing, and enhancing the portfolio. If a reallocation or change in funding level is deemed necessary, the review will reflect this. A reallocation may occur within a portfolio or across portfolios.
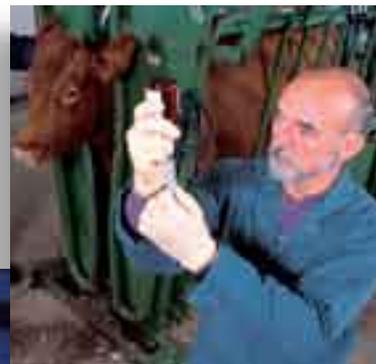
USDA'S RESULTS AGENDA: LOOKING FORWARD

USDA employees have always been focused on results and we have always strived to find new and better ways to serve the American public. We do this because we believe the Department's programs are important to the Nation. The management initiatives laid out in this report aim to give employees the up-do-date tools they need to do their jobs effectively, and to accomplish results in the specific arena where each employee does his or her work every day.

The Department will be transforming the PMA initiatives outlined in this report into the USDA Results Agenda. The USDA Results Agenda will ensure that critical programs are adequately supported and that employee direction, focus, and satisfaction are enhanced in the coming years.

In September 2002, the Department's Strategic Plan established goals for the execution of the PMA. We are reaching those goals and expect that our management scorecard will reflect this by our status scores moving to "Green" next year. The USDA Results Agenda will call on us to continue to focus our efforts on results.

Financial Management

While we have made great strides in financial management, there is more to achieve. For next year (FY 2005), we expect to sustain our unqualified (clean) financial statement audit opinion with decreased preparation and audit time. A clean opinion will provide continued credibility for USDA employees when dealing with external stakeholders. Also, we will increase the number of USDA agencies using all the functions of the new Integrated Acquisition System, which will provide seamless integration from a single source of data entry between procurement and finance.

Human Capital and Competitive Sourcing

We have made great progress, and will continue to do so, in transforming the Human Capital Program from a planning activity into a dynamic business routine with a feedback loop that adjusts to changing workforce needs. From this point forward, the techniques developed during the Human Capital

Planning process will be institutionalized, giving managers the tools they need to stay current with the workforce demands, and giving employees the training and resources needed to have a successful, enjoyable career.

In FY 2005 we will focus on improving performance management techniques. With explicit linkage of employee performance standards with Departmental and agency-level goals and objectives, all employees will be aware of how their work contributes to the larger team and ultimately to accomplishment of the Department's mission. Also, we will be working to link Competitive Sourcing to the Department's Strategic Plan and Human Capital Plan.

Expanding eGovernment

We have begun to build the foundation for the Department's eGovernment transformation. Our cross-agency accomplishments to date are enabling agencies to better integrate their systems and services while reducing costs.

Within the next year, we will build on the culture of collaboration that empowers employees, customers, and business partners. This will be especially important as we offer citizens and employees the ability to create a single, customized point of access to all USDA information and services through *MyUSDA.Gov*.

Budget and Performance Integration

For the BPI initiative, performance and accountability will become even more important. We will measure results on a yearly basis. Also, we will measure key areas on a quarterly basis. Our quarterly performance and financial reporting process will compare actual and planned performance with financial information, allowing for corrective actions to be taken in a timely fashion. Also, we will focus on the development of at least one efficiency measure for each program we deliver.