

EXECUTIVE SUMMARY

The federal government spends 20 percent of what America produces – more than \$2.1 trillion in fiscal 2003. Citizens and their elected representatives deserve to know how effectively government agencies use these vast resources.

During the past decade, both Congress and the executive branch have taken significant steps to improve accountability for these expenditures. The Government Performance and Results Act of 1993 requires agencies to produce strategic plans, annual performance plans, and annual performance reports. The purpose of annual performance reports is to identify how much public benefit federal agencies produce for citizens, and at what cost. The purpose of this Scorecard is to encourage improvement in the quality of these reports.

Researchers at the Mercatus Center at George Mason University conducted our fifth annual evaluation of the performance and accountability reports produced by Cabinet departments and other agencies covered under the Chief Financial Officers Act of 1990. We employed the same criteria used in our four previous Scorecards. Our scoring process evaluates (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.

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 citizens and their elected leaders need to make informed funding and policy decisions.

BEST REPORTS: For fiscal 2003, the Department of Labor, the Department of Transportation, and the Department of Veterans Affairs produced the highest rated reports. These were also the top three reports last year.

REPORTS MOST IN NEED OF IMPROVEMENT: The Department of Health and Human Services, Department of Defense, U. S. Agency for International Development, and National Aeronautics and Space Administration earned the lowest rankings for fiscal 2003. The first three reports were also three of the lowest-ranked reports for fiscal 2002.

MOST IMPROVED REPORTS: Several agencies produced significantly better reports in fiscal 2003 than in fiscal 2002. The Department of State moved from 11th to 4th in the rankings, and the Department of Agriculture moved from 12th to tie with State for 4th. State's move comes on the heels of its jump from 20th place in 2001. The Department of Housing and Urban Development moved up from 18th to 10th, and the Department of Energy moved from 21st to 12th.

BIGGEST DROPS: The Department of Commerce report fell 11 places from fiscal 2002 to fiscal 2003, from 5th to 16th. The National Aeronautics and Space Administration's report fell from 12th place in fiscal 2002 to 20th place in fiscal 2003.

MOST COMMON STRENGTHS: Accessibility of reports was by far the strongest criterion. The four next strongest criteria were (1) clarity, (2) articulation of outcome-oriented goals, (3) explanation of how the agency makes this country a better place to live, and (4) discussion of major management challenges. The average score for each of these four criteria was 3, indicating that the typical report's performance under these criteria was adequate but not exceptional.

MOST COMMON WEAKNESSES: (1) absence of outcome-oriented performance measures that reflect the agency's impact on its goals, (2) failure to link costs with results, and (3) weak or missing explanations of failures to achieve strategic goals.

WIDESPREAD IMPROVEMENT TRENDS: The average score increased from 30 in fiscal 2002 to 34 in fiscal 2003, a 13 percent increase. Sixteen agencies improved their scores from fiscal 2002 to fiscal 2003. Average scores on all but one criterion improved. Especially large improvements occurred in the categories of articulating outcome goals and identifying changes to improve performance in the future – a result which suggests that the benefits of new, improved strategic plans are now showing up in the performance reports.

This Scorecard evaluates only the quality of agency reports, not the quality of the results they produced for the public. Actual agency performance may or may not be correlated with report rankings in this Scorecard.

NAMES AND ABBREVIATIONS USED IN THIS DOCUMENT

AGENCY NAME	SHORT NAME	COMMONLY USED ABBREVIATION
Department of Agriculture	Agriculture	USDA
Department of Commerce	Commerce	DOC
Department of Defense	Defense	DOD
Department of Education	Education	DOEd
Department of Energy	Energy	DOE
Environmental Protection Agency	EPA	EPA
General Services Administration	GSA	GSA
Department of Health & Human Services	Health & Human Services	HHS
Department of Homeland Security	Homeland Security	DHS
Department of Housing & Urban Development	HUD	HUD
Department of the Interior	Interior	DOI
Department of Justice	Justice	DOJ
Department of Labor	Labor	DOL
National Aeronautics & Space Administration	NASA	NASA
National Science Foundation	NSF	NSF
Nuclear Regulatory Commission	NRC	NRC
Office of Personnel Management	OPM	OPM
Small Business Administration	SBA	SBA
Social Security Administration	SSA	SSA
Department of State	State	State
Department of Transportation	Transportation	DOT
Department of the Treasury	Treasury	Treasury
U.S. Agency for International Development	USAID	USAID
Department of Veterans Affairs	Veterans	VA

TABLE 1

SCORECARD SUMMARY & RANKING FOR FISCAL YEAR 2003

Highest Rank = 1; Lowest = 24. Maximum Possible Score = 60; Minimum = 12.

	TRANSPARENCY	PUBLIC BENEFITS	LEADERSHIP	TOTAL	RANK
Labor	18	16	14	48	1
Transportation	16	15	17	48	1
Veterans	17	15	15	47	3
Agriculture	15	13	15	43	4
State	15	14	14	43	4
Interior	13	15	12	40	6
EPA	13	11	12	36	7
NRC	13	13	10	36	7
SBA	10	15	11	36	7
GSA	14	11	10	35	10
HUD	15	9	11	35	10
Education	11	10	11	32	12
Energy	13	9	10	32	12
SSA	13	8	11	32	12
Justice	10	10	11	31	15
Commerce	10	11	9	30	16
NSF	10	9	9	28	17
OPM	9	8	11	28	17
Treasury	10	8	9	27	19
NASA	9	7	9	25	20
USAID	8	9	7	24	21
Defense	11	6	6	23	22
HHS	8	7	8	23	22
DHS*					24
AVERAGE	12.2	10.8	11.0	34.0	
MEDIAN	13.0	10.0	11.0	32.0	

*Report not evaluated because not released as of February 13, 2004.

TABLE 2

FISCAL YEAR 2003 SCORES & RANKINGS COMPARISON TO FISCAL YEAR 2002

Highest Rank = 1; Lowest = 24. Maximum Possible Score = 60; Minimum = 12

	FY 2003		FY 2002		CHANGE IN FY 2002 SCORE	CHANGE IN FY 2002 RANKING
	TOTAL SCORE	RANK	TOTAL SCORE	RANK		
Labor	48	1	40	1	8	0
Transportation	48	1	39	2	9	1
Veterans	47	3	36	3	11	0
Agriculture	43	4	28	12	15	8
State	43	4	29	11	14	7
Interior	40	6	34	6	6	0
EPA	36	7	34	6	2	-1
NRC	36	7	32	9	4	2
SBA	36	7	36	3	0	-4
GSA	35	10	28	12	7	2
HUD	35	10	27	18	8	8
Education	32	12	28	12	4	0
Energy	32	12	25	21	7	9
SSA	32	12	32	9	0	-3
Justice	31	15	28	12	3	-3
Commerce	30	16	35	5	-5	-11
NSF	28	17	27	18	1	1
OPM	28	17	28	12	0	-5
Treasury	27	19	27	18	0	-1
NASA	25	20	28	12	-3	-8
USAID	24	21	23	23	1	2
Defense	23	22	18	24	5	2
HHS	23	22	25	21	-2	-1
DHS*	N/A	24				
AVERAGE	34.00		30.00		4.13	0.22
MEDIAN	32.00		28.00		4.00	0.00

*Report not evaluated because not released as of February 13, 2004.