



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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**AGENCIES MAKING PROGRESS IN IMPLEMENTING PRESIDENT'S
MANAGEMENT AGENDA; FY 2006 BUDGET PROPOSALS TO BUILD ON
IMPROVED FEDERAL MANAGEMENT**

Updated Scorecard Shows Energy, Labor, State, and SSA most successful; two new performance commissions to be proposed.

Washington, D.C.—Information on federal management practices and an updated agency scorecard demonstrate that the habits and disciplines the President's Management Agenda (PMA) is instilling in federal agencies improves the way government works and generates real results for taxpayers. The Administration will build on these results with new proposals in the FY 2006 budget.

"Implementing better management practices requires commitment and hard work, but the outcome will be a federal government that continually produces greater results for our investment," said OMB Deputy Director for Management Clay Johnson. "We're already beginning to see significant results from improvements so far."

Four agencies – DOE, DOL, DOS and SSA – have demonstrated outstanding improvement over last year and now lead the government in their management practices, boasting four "green" status scores and no "reds." Green status signifies that the agency established desired management practices. Five other agencies have four "green" status scores. Seven agencies have no "red" status scores.

Some agency status scores deteriorated; one was downgraded because it did not announce competitive sourcing competitions as planned; two because of computer security problems; and one because its auditor found a new material weakness.

"This Administration is serious about holding agencies accountable," said Johnson. "It's notable that each of these departments has a detailed plan to get itself back on course."

The Executive Branch Management Scorecard now shows that the average agency holds "yellow" status. Of the 180 possible status scores, 39 are green, 51 are yellow, and 40 are red. Three years ago the average agency was bright red, with 110 of 130 scores red.

The President's FY 2006 Budget will also include proposed management improvement initiatives such as working to expand personnel reforms provided by Congress to the Departments of Homeland Security and Defense to other federal agencies. The proposals to improve program performance include:

Sunset Commission – would consider and revise Administration proposals to retain, restructure, or terminate programs. A commission would review the performance of programs, which would automatically terminate according to a schedule adopted by Congress unless Congress took some action to reauthorize them.

Results Commissions – would improve program performance and increase efficiency by reviewing Administration proposals to consolidate or streamline programs that cross departmental or congressional committee jurisdictional lines. Experts that serve on the Commission will review proposals before the President submits them to Congress for expedited consideration. The Administration will also be working with the Congress to remove obstacles to the full implementation of the PMA, such as

restrictions on competitive sourcing and E-Government, so that taxpayers will receive the full benefit of these initiatives.

In each area of the PMA, the Federal government continues to produce tangible results:

- Agencies are regularly examining commercial activities performed by the government to determine whether they can be most efficiently obtained through Federal employees or from the private sector. Public-private competitions conducted in 2003 and 2004 will save agencies more than \$2.35 billion over the next five years.
- Agencies are accurately accounting for the taxpayers' money and giving managers timely and accurate financial information to inform management decisions and to control costs. Last November, a record 22 Federal agencies prepared their Performance and Accountability reports within 45 days of the end of the fiscal year and 18 of 24 major agencies received clean audit opinions.
- Agencies are ensuring they have high performing employees with the right skills at right time. Thirty-four percent of agencies have reduced or eliminated competency gaps for their mission critical occupations
- Agencies are ensuring that investments in information technology significantly improve the government's ability to serve citizens, and that IT systems are secure and delivered on time and on budget. Currently, 83 percent of IT systems have been certified as secure, compared to only 26 percent three years ago.
- Agencies are ensuring that programs achieve expected results and work toward continual improvement. More than 600 Federal programs have been assessed; seventy-one percent of these have defined and are tracking clear outcome goals to measure their results and 50 percent have efficiency measures in place.
- Agencies are implementing remediation plans to reduce improper payments. Agencies expect the 2004 improper payment total of \$45.1 billion to decrease by approximately \$5.1 billion in 2005, \$8.3 billion in 2006, and \$12.8 billion in 2007.

For additional information, please contact OMB Communications at 202-395-7254.

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