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**PROGRESS ON PRESIDENT'S MANAGEMENT AGENDA ACCELERATES;
DOE AND OPM MOST IMPROVERD**

Fifty Percent of Scores at Yellow and Six New Green Scores

Washington, D.C. –The most recent scorecard used to assess implementation of the President's Management Agenda (PMA) shows that agencies have made real progress towards becoming results-oriented organizations.

- Agencies have significantly improved their performance in about half of the 130 management areas that are the focus of the PMA, up from just 15 percent two years ago. (Twenty-six agencies are given quarterly scores of red, yellow, or green in each of five government areas in need of management improvement, for a total of 130 scores.)
- Agencies improved in just 14 areas in 2002, but improved in 28 areas in 2003. Agencies achieved six additional green scores in 2003, up from just two in 2002.

“Agencies are taking ownership of the President's Management Agenda to make lasting management improvements,” said Clay Johnson, OMB's Deputy Director for Management. “They are beginning to more responsibly account for the people's money and maximize the value of their human resources. They're using competitive sourcing to perform commercial activities at the best value to the taxpayer and are bringing service delivery and IT management to new levels. Perhaps most importantly, they're making significant budget and management decisions based on meaningful information about how programs are performing, and if programs aren't performing as intended, they're figuring out what to do about it.”

The Department of Energy (DOE) and the Office of Personnel Management (OPM) have made the most progress since the launch of the President's Management Agenda in August 2001.

“These agencies are leading the pack with regard to management improvement and are furthest along to becoming the well managed, results-oriented organizations we want the whole government to become,” said Johnson.

DOE has improved its performance in all areas that are the focus of the PMA. For instance:

- The Department knows what skills it needs to accomplish its mission and is working to reduce gaps in those skills. DOE is training employees in needed project management skills and rewarding individuals who achieve certification in the area and then prove they can manage projects successfully.
- DOE is establishing competitive sourcing as a sound management practice. For example, DOE competed the work done by its financial services workers with the private sector. DOE determined that it was more cost-effective to consolidate and restructure the organization and keep its financial services in-house. As a result of this process, the Department will eliminate 63 financial services positions and restructure its operations at projected savings of \$31 million over five years.

- The Department is more responsibly accounting for the people's money by, for instance, issuing audited financial statements in an accelerated timeframe and providing assurance that the Department's financial management meets high standards of integrity. To sustain its progress, DOE will have to demonstrate how it uses financial and performance information to make day-to-day decisions about program management.
- DOE is integrating its multiple management systems into one, called I-MANAGE, that promises to provide managers with accurate and timely information they can use to manage programs better.
- DOE addresses deficiencies in program performance and sets good measures to assess performance in the future. DOE, for instance, now has a better idea of how well it is both improving existing sources of energy and developing new sources by having concrete goals for reducing the cost of producing energy from wind, solar and hydrogen sources.

OPM has addressed deficiencies in three main areas, and is a government leader in the area of E-Gov and information technology management.

- In addition to leading the government's strategic management of human capital, OPM is, itself, greatly improving its own personnel management. For instance, individual employees are judged by the extent to which their work contributes to the achievement of agency goals and objectives.
- OPM is using competitive sourcing to ensure its commercial activities are performed at the best value to the taxpayer. The Agency subjected its testing service to competition and determined that its own employees could do the job more effectively and efficiently than the private sector, saving the taxpayer \$9 million over five years.
- OPM is more responsibly accounting for the people's money by issuing audited financial statements in an accelerated timeframe and providing assurance that its financial management meets high standards of integrity. In fact, despite making \$88 billion in Federal employee and retirement payments annually, the Office has a very low erroneous payment rate.
- OPM is a leader of the Administration's E-Government initiatives, expecting savings of well over \$1 billion from the six initiatives it manages. Among the initiatives, E-Payroll is consolidating the government's twenty-two federal payroll providers into two; GoLearn.gov provides one-stop access to high quality training products and services; and E-Clearance streamlines the investigation process for an employee's security clearance.
- OPM is using program performance assessments as one of several key measures to improve management of two of its major programs and is integrating the assessments into its Congressional budget requests. To sustain its progress integrating performance information into its operations, OPM will have to continue to examine the impact its benefit programs have on the recruitment and retention of government employees.

Because creating results-oriented organizations requires sustained effort, the President's Management Agenda tracks agencies' status against established Standards for Success as well as their progress toward meeting the standards. Status and progress are rated using the familiar symbols of red, yellow, and green. Grades are reported on the Executive Branch Scorecard, which follows.

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