



U.S. DEPARTMENT OF THE INTERIOR OFFICE OF INSPECTOR GENERAL

PROGRAM ASSESSMENT RATING TOOL PROGRESS EVALUATION

U.S. FISH AND WILDLIFE SERVICE ENDANGERED SPECIES PROGRAM



Y-RR-FWS-0007-2007

June 2008

This report contains information that has been redacted pursuant to 5 U.S.C. § 552 (b)(5) of the Freedom of Information Act (FOIA).



United States Department of the Interior

Office of Inspector General

Office of Inspections and Evaluations
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June 3, 2008

Memorandum

To: H. Dale Hall
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From: Christina M. Bruner *Christina M. Bruner*
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Subject: Program Assessment Rating Tool (PART) — Progress Evaluation of the
Fish and Wildlife Service (FWS) Endangered Species Program
(Report No. Y-RR-FWS-0007-2007)

As you may know, the Office of Inspector General recently had the opportunity to complete an independent assessment of FWS's Endangered Species Program. We spent time with FWS employees in Washington, DC, and visited several field sites to learn about Program operations. We thank your staff for their valuable input.

Our team evaluated the progress that your staff has made to date in addressing recommendations from the Office of Management and Budget (OMB). We provide our observations in the attached report. The Program is addressing many challenges, and we offer 15 suggestions that we believe will help you prepare for OMB's next review. We encourage you to discuss these suggestions with your Assistant Director—Endangered Species and to implement those that you agree will improve FWS performance and the Program's chances of a successful PART review in the future.

If you have any comments or questions regarding this report, please call me at 703-487-8011.

**PART PROGRESS EVALUATION: U.S. FISH AND WILDLIFE SERVICE
ENDANGERED SPECIES PROGRAM**

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ON THE COVER: *The Endangered Karner Blue Butterfly. Source: FWS*

ACRONYMS AND TERMS OF REFERENCE USED

ARD	Assistant Regional Director
CEQ	Council on Environmental Quality
CFR	Code of Federal Regulations
CNO	California and Nevada Operations Office
Corps	Army Corps of Engineers
DOI	Department of the Interior
EPA	Environmental Protection Agency
EPP	Employee Performance Plan
ESA	Endangered Species Act
[FOIA]	[Freedom of Information Act]
FWS	Fish and Wildlife Service
FY	Fiscal Year
GIS	Geographic Information System
GPRA	Government Performance and Results Act
MMS	Minerals Management Service
MOBIS	Mission Oriented Business Integrated Services
MOU	Memorandum of Understanding
NCCDPHP	National Center for Chronic Disease Prevention and Health Promotion
NGO	Non-Governmental Organization
NOAA	National Oceanic and Atmospheric Administration
NWRS	National Wildlife Refuge System
OIG	Office of Inspector General
OMB	Office of Management and Budget
PART	Program Assessment Rating Tool
RCD	Resource Conservation District
SAR	Species-at-Risk
SHA	Safe Harbor Agreement
TBD	To Be Determined
WAG	Work Activity Guidance
WSFR	Wildlife Sport Fish Restoration

INTRODUCTION

WHY WE DID THIS REVIEW

The Deputy Secretary of the Department of the Interior (DOI) asked the Office of Inspector General (OIG) to review the progress made in programs designated **Results Not Demonstrated** by the Office of Management and Budget (OMB). OMB uses the Program Assessment Rating Tool (PART) to make these designations. More detailed information on the PART process can be found in Appendix A. We selected for review the U.S. Fish and Wildlife Service (FWS) Endangered Species Program (referred to as the Program), which is administered by the Assistant Director for Endangered Species. OMB reviewed the Program in 2005.

OBJECTIVES AND METHODOLOGY

Based on its review, OMB made recommendations that relate to 1) the Program's performance measures and incorporating the measures into employee performance plans and partner agreements, 2) independent program evaluation, and 3) regulations and policies. The objectives of our review were to determine what progress FWS and the Program have made toward implementing the OMB recommendations and to provide observations and suggestions that DOI and Program managers can use in preparing for upcoming PART reviews.

To meet the objectives, we interviewed FWS officials; reviewed and analyzed Program documentation; and completed a limited review of related endangered species literature. We also visited or contacted a number of regional and field offices as noted in Appendix B. We conducted our review in accordance with the "Quality Standards for Inspections" established by the President's Council on Integrity and Efficiency. We based our suggestions on OMB 2007 PART guidance.

HOW WE STRUCTURED THIS REPORT

Following a brief Program overview, we make a number of suggestions related to 1) planning; 2) independent evaluation; 3) regulations and policies; and 4) duplication of effort. Appendix C shows how these topics and suggestions relate to the OMB PART recommendations.

WHAT IS THE PART?

Federal agencies use the Program Assessment Rating Tool (PART), a standard questionnaire, to submit information on Federal programs to the Office of Management and Budget (OMB). OMB examiners assess programs based on responses to YES/NO questions in the areas of program purpose and design, strategic planning, program management, and – most importantly – program results.

OMB uses the information to determine program effectiveness, to recommend improvements for rated programs, and to follow up on those improvements.

The ExpectMore.gov Web site publishes PART results.

See Appendix A for more information on the history and use of the PART.

FWS ENDANGERED SPECIES PROGRAM OVERVIEW

The Endangered Species Act (ESA) requires all federal agencies to conserve endangered and threatened species. It assigns responsibility for implementing the Act to the Secretary of the Interior for terrestrial and freshwater species and to the Secretary of Commerce for marine species. FWS bears primary responsibility within DOI; the National Oceanic and Atmospheric Administration (NOAA) bears the responsibility within the Department of Commerce. In implementing the ESA, the agencies place species in danger of extinction or likely to become in danger of extinction on endangered and threatened lists, respectively. Species classified as either endangered or threatened are referred to collectively as “listed” species. FWS and NOAA share management responsibilities for the approximately 10 listed species (eight species, two of which have two distinct populations) that inhabit both land and sea. FWS’s eight regions and its Washington Office oversee approximately 1,300 listed species throughout the United States. FWS fulfills its ESA responsibilities through listing species and fostering and performing activities to protect and recover species.

The purposes of this Act are to provide a means whereby the ecosystems upon which endangered species and threatened species depend may be conserved, to provide a program for the conservation of such endangered species and threatened species, and... It is further declared to be the policy of Congress that all Federal departments and agencies shall seek to conserve endangered species and threatened species and shall utilize their authorities in furtherance of the purposes of the Act.

— *The Endangered Species Act of 1973*

There are two ways to list, delist, or reclassify (from endangered to threatened or threatened to endangered) a species: by a petition process from the public (anyone outside of FWS) and by FWS. In a petition process, FWS has 90 days to find either that the information presented is not sufficient to propose listing the species or that it warrants further consideration for listing. For species found warranting further consideration, FWS has nine months to produce a final finding. FWS must publish all findings in the Federal Register. The process for delisting a species is the same as for listing. In addition, FWS maintains a list of candidate species for which there is sufficient information to propose listing but for which formal listing is precluded due to action on higher priority proposals.

Listed species may benefit from several types of protection, described below.

- The ESA requires that critical habitat be designated no later than one year after a species has been listed. Critical habitat is a geographic area determined to be essential to the species’ conservation. Federal agencies may not take or provide funding for any actions that would cause adverse modification of designated critical habitat.
- The ESA also protects endangered and threatened species by rendering it illegal to “take” them without a permit, which may be issued only for certain conservation and scientific purposes. Take includes activities such as harassing, harming, capturing, and killing listed animals as well as significantly modifying or degrading their habitats.

- As all federal agencies are responsible for conserving endangered and threatened species, they must consult with FWS to ensure that they do not authorize, fund, or carry out any activities that would jeopardize the survival of listed species.
- The ESA requires FWS to develop and implement plans, referred to as “recovery plans,” to identify the steps needed to restore a species, with priority given to the species that are most likely to benefit from them. FWS involves the public, interested stakeholders, and public and private agencies and institutions in developing and implementing recovery plans. Of the over 1,300 species for which FWS is responsible, approximately 86 percent have recovery plans, and more are under development or scheduled for development.

FWS implements the provisions of the ESA for terrestrial and freshwater species through its Endangered Species Program. However, actions affecting the survival of listed and at-risk species extend beyond FWS to other federal, state, tribal, and private entities over which FWS does not maintain direct authority. The Program is further complicated because funding for species conservation is spread across many federal and state agencies, as well as tribes and non-governmental organizations (NGOs).



The Endangered Short-Tailed Albatross
Source: FWS

More specifically, the Program involves numerous organizational entities within FWS and elsewhere in DOI, the Department of Agriculture, the Department of Defense, the Environmental Protection Agency (EPA), and other federal entities; the fifty states, encompassing an assortment of fish, game, wildlife, recreation, conservation, transportation, and other state agencies; Native American tribes; local governments; non-

governmental organizations (NGOs), such as The Nature Conservancy, the Center for Plant Conservation, the Whooping Crane Eastern Partnership, and the Audubon Society; numerous universities; and tens of thousands of private landowners and businesses.

The Program uses a number of tools to encourage private landowners to manage their lands in a way that will benefit listed and at-risk species. These tools include, among others, Safe Harbor Agreements (SHAs), Candidate Conservation Agreements, Habitat Conservation Plans, Conservation Banks, and Private Stewardship Grants. The Program also works with state agencies through cooperative agreements to assist them in implementing approved state wildlife action plans and provides grants to state agencies for conservation and recovery projects for listed species.

As described in Table 1 below, in addition to the FWS Program funding, several bureaus receive funding specifically for endangered species based on their land management responsibilities and natural resource protection goals. For each bureau, the funds we identify here do not include funding that may be integrated with other budget activities. For example, for the Bureau of Reclamation, we include only the bureau’s FY2009 budget justification of \$21.9 million for the

bureau-wide Endangered Species Recovery Program. We did not include an additional estimated \$8.9 million for the bureau in project-specific funding related to endangered species.

Table 1. Threatened and Endangered Species Funding for Selected DOI Bureaus/Programs (\$ in thousands)				
Bureau / Program	FY2006	FY2007	FY2008	FY2009 Request
Fish and Wildlife Service Endangered Species	148,398	144,979	150,508	146,841
Bureau of Land Management Threatened and Endangered Species	21,254	21,407	22,302	20,582
Bureau of Reclamation Endangered Species Recovery Program	9,315	11,299	16,348	21,939
Bureau of Indian Affairs Endangered Species	1,192	219	1,228	250
National Park Service Threatened and Endangered Species	87,834	91,342	93,986	102,466
Total:	267,993	269,246	284,372	292,078

Source: budget justifications for each bureau

In addition to the bureaus listed in Table 1, several other DOI bureaus and programs conduct endangered species work; however, they do not allocate funds specifically for endangered species. Further, according to the latest (FY2004) figures available from FWS, federal agencies other than DOI reported spending about \$813 million annually complying with ESA requirements or otherwise supporting conservation of threatened and endangered species. In addition, state governments collectively spent a quarter of this amount (\$205 million). These investments, together with an indeterminable amount from nonprofit organizations and private landowners, are vital to the protection of species facing decline and possible extinction.

At times, efforts to protect and recover listed species are controversial; declining species often function like the proverbial canary in the coal mine, by flagging larger issues of resource scarcity and altered ecosystems.

— The Endangered Species Act (ESA) in the 110th Congress: Conflicting Values and Difficult Choices (Congressional Research Service)

ANALYSIS AND SUGGESTIONS

Based on its 2005 PART assessment, OMB made a number of recommendations to improve Program operations. The OMB report called on FWS to:

- Improve **Planning** by developing performance measures for long-term outcomes, annual outputs, and efficiency and stepping down those measures into employee performance plans and partner agreements;
- Develop programs for monitoring partner agreements;
- Develop a schedule and process for independent program **Evaluation**; and
- Ensure **Regulations and Policies** help improve the Program's effectiveness by revising the definition of adverse modification and issuing critical habitat guidance.

We reviewed the Program in 2007 and observed progress toward implementing each of these recommendations. We summarize below key actions taken to date and discuss suggestions to further strengthen Program management and improve the Program's next PART assessment. See Appendix D for a complete list of our suggestions.

PLANNING

In this section we discuss 1) the strategic plan; 2) employee performance plans; and 3) partner agreements and provide suggestions to improve strategic planning. By acting on our suggestions, Program officials will be able to establish a clearer and more comprehensive approach to strategic planning.

The Strategic Plan

OMB Recommendation: Develop long-term outcome and annual output performance measures.

OMB Recommendation: Develop and use efficiency measures for key aspects of the program.

For PART purposes, Program performance measures should address:

- **outcomes** — the external results and public benefits intended when carrying out program activities,
- **outputs** — the products and services delivered by the program, and
- **efficiency** — the economical management of resources to produce outputs and achieve outcomes.

In its 2005 PART review of the Endangered Species Program, OMB described the strategic plan (Plan), which is the Program's first, as being "in its infancy." [Exemption 5]

[Exemption 5] According to the Assistant Director for Endangered Species, FWS officials are pilot-testing the draft Plan in FY2008 and will revise it based on their experience throughout the year. The public will have an opportunity to comment on the Plan before it is submitted to the FWS Director for approval at the end of FY2008. [Exemption 5]

[Exemption 5] [Table 2 has been redacted under Exemption 5 of the FOIA.]

[Exemption 5] In the past, the focus had been on species that were close to recovery and on species that were close to extinction. According to the Assistant Director, species in the middle tiers, currently about 850, have lacked attention. [Exemption 5]

[Exemption 5]

- [Exemption 5]
- [Exemption 5]

[Table 3 has been redacted under Exemption 5 of the FOIA.]

[Exemption 5]

Once the specific baselines and targets have been calculated, the Program will have implemented OMB's recommendations for developing long-term and annual outcome and output measures. With baseline and target numbers set for the efficiency measures, the Program will have the basic tools in place for measuring program performance under PART. [Exemption 5] Although Departmental and FWS officials prefer to keep the number of PART measures to a minimum, Program officials should also be prepared to discuss with the OMB examiner which *output* and *efficiency* measure(s) best demonstrate Program results.



The Threatened Polar Bear
Source: FWS

SUGGESTION 1

Designate an annual efficiency measure and a minimum of one annual output measure for each outcome.

PART QUESTION 4.1
Has the program demonstrated adequate progress in achieving its long-term performance goals?

[Exemption 5] FWS does not have sole responsibility for meeting the mandates of the ESA [Exemption 5]. The cross-cutting nature of implementing the ESA means the ESA is not only about biological science, but also about organizational and political relationships. Effective and fair performance measures should therefore not hold FWS

alone accountable for recovery, or focus only on biological measures, but should be developed with consideration of the complex organizational and political context of ESA implementation.

The purpose of the ESA is to provide a means and a program for conservation of endangered and threatened species and their ecosystems. The implied overarching goal is to recover species to a point at which they are no longer at risk of extinction. It does not task DOI (delegated to FWS) with the entire responsibility for recovery, but rather for working with other agencies and organizations to protect terrestrial and freshwater species. The National Wildlife Refuge System, the Bureau of Land Management, and the Forest Service have land on which endangered and threatened species reside, as well as funding to do recovery work on that land; they can influence species recovery and conservation to a high degree. Also, according to Program officials, seventy

Recovery depends on many local, small-scale, private, and public decisions. It is these decisions that are the appropriate focus for improving recovery efforts.

— from The Endangered Species Act at Thirty, vol.1

to eighty percent of endangered species spend at least a portion of their lives on private lands, and while FWS has expanded partnerships with private landowners in the past ten years, it has relatively little authority to force private landowners to take or not take actions.

Accordingly, the function of the FWS Endangered Species Program is to foster the relationships among other organizations and FWS that can, in the long term, result in

recovery. Consequently, we believe it is reasonable to assess the Program's effectiveness based on this process work. One official told us that FWS's OMB examiner said the bureau needs to delist more species to both improve their level of success and free up resources to use elsewhere. FWS does have direct responsibility for delisting species. However, there is a difference between delisting a species – taking specific actions through the regulatory process – and doing the recovery work that improves a species' status to the point that it is ready to be delisted. The Program is responsible for the delisting process, but cannot reasonably be held solely responsible for doing all of the recovery work needed by approximately 1,300 freshwater and terrestrial endangered and threatened species.

[Exemption 5]

[Exemption 5] The states, tribes, NGOs, landowners, businesses, universities, and the public all have essential roles in recovering and conserving species. Yet these partners have their own agendas, assumptions, methodologies, and circumstances over which the federal government has limited influence. Only program grantees and contractors (those who receive federal funds) and federal agencies can be held accountable for meeting Program goals.

In 1998 the Audubon Society named [John and Frank Craighead] among the top 100 figures in conservation of the 20th century. And this year's delisting from the federal Endangered Species Act of grizzly bears in and around Yellowstone is a direct ripple effect of their legacy...

— from The Washington Post Magazine, November 11, 2007

[Exemption 5]

[Exemption 5] Generally, a logic model identifies who contributes what – the inputs; who does what with those inputs – the activities; what those activities produce – the outputs; the expected



The Threatened Fassett's Locoweed
Source: FWS

benefits or changes that result from those contributions – the outcomes; and the interrelationships among the contributors. For example, one might determine each organization's and individual's resource investments, roles, and responsibilities when implementing the ESA (inputs to the total recovery effort). They could then determine how their activities produced (outputs) fit together to meet the ESA's conservation goals (outcomes). Clearly defining inputs, such as resources invested, will help specify meaningfully targets because the inputs to a well-designed program should produce outputs, the sum of which should result in the program's intended outcomes. [Exemption 5]

The logic model template below, used by The United Way, breaks down outcomes into various stages, in a manner similar to the annual and long-term measures required by OMB. See <http://national.unitedway.org/outcomes/>.

Inputs → Activities → Outputs → Initial Outcomes → Intermediate Outcomes → Longer-Term Outcomes

An overall logic model might start with the ESA's purpose and show the FWS Endangered Species Program as one input, or perhaps show different elements of the Program as separate inputs.

SUGGESTION 2

Convene a working group, including an individual or individuals with logic modeling expertise, to develop a high-level logic model for the ESA and a detailed one for the Endangered Species Program within FWS. The working group for developing, not just reviewing, these models should also include a representative group of partners—federal, state, tribal, NGO, and landowner. This would help improve partners' understanding of their impacts (both positive and negative) on the Program and the ESA's intended outcomes, as well as serve to improve cooperation with and among partners in support of the Program's mission. Additionally, the logic model could help demonstrate the Program's complexity and nuances to OMB, as well as the need for its many partners' efforts that support, rather than duplicate, common outcome goals. (See the section on Duplication of Effort on page 23.)

[Exemption 5]

SUGGESTION 3

Develop a guide that clearly describes how the regions and field offices need to modify their operations to implement the Plan. This task force should include field office and regional office personnel as well as Washington Office personnel.

The public's ability to sue under the ESA and partners' use of that authority significantly affects other Program activities. Several managers mentioned the effects litigation has on the Program's work. [Exemption 5] According to several officials, court orders drive their priorities, forcing them to take certain actions while neglecting others they would like to take. Litigation also forces FWS to move some lower-priority species ahead of higher-priority ones when considering listing, and missing others entirely. Managers in the regions stated that new court mandates to complete 5-year reviews have created extra work for the field with no additional money or staff. As a result, staff have less time to work with partners on recovery efforts. Officials in the Washington Office told us that the Program now has people dedicated to handling litigation, which should free their biologists from doing legal reviews. Officials in one regional office told us that they are streamlining how they handle litigation and are working, at the field and regional level, to develop critical habitats that are as "litigation-proof" as possible. [Exemption 5]

[Exemption 5]

Employee Performance Plans

OMB Recommendation: Revise individual employee performance plans to include specific, measurable annual and long-term goals.

In response to this recommendation, the FWS Washington Office directed the regional and field offices to rewrite their employee performance plans (EPPs) with measurable objectives that link to the Program's new annual and long-term goals. OMB stated in the 2005 PART review that the FY2006 EPPs for some regions included specific measurable annual and long-term goals that were stepped down from the DOI Strategic Plan. To gauge progress on this recommendation, we reviewed two samples of EPPs.

The Washington Office asked managers in each of FWS's eight regions to select EPPs for our review. They provided 32 EPPs representing a variety of positions at various pay grades, including SES positions. All EPPs



The Endangered Green Pitcher Plant
Source: Pete Pattavina/FWS

were for employees specifically assigned to the Endangered Species Program, either in a field or regional office. We gathered a second sample of 25 EPPs during our four field and regional office site visits. This second sample also included various pay grades and positions, but the highest-level position reviewed was regional office manager.

As shown in Table 4 below, all EPPs sampled contained at least one goal that supported Program or DOI strategic plan goals. For example, one EPP stated, “Work toward a goal of managing species at self-sustaining levels, in cooperation with affected States and others as defined in approved management documents.” This employee goal contributes to the DOI goal of resource protection. These EPPs indicate that the Program is progressing well on linking employee performance to Program and DOI goals.

With respect to measurability, only 19 (59 percent) of the first sample and five (20 percent) of the second sample demonstrated measurability either directly within the strategic plan-related critical element or in the performance standards for that element. For example, “The employee

Table 4. Analysis of Employee Performance Plans						
EPPs Obtained Via	Region	Number of EPPs				
		Total	Linked to Strategic Plan	Measurability of Critical Elements or Performance Standards	For Managers	With Full Accountability Addressed
HQ	Region 1	3	3	3	2	2
	Region 2	2	2	2	0	0
	Region 3	6	6	0	5	1
	Region 4	9	9	8	6	5
	Region 5	4	4	2	3	3
	Region 6	3	3	3	1	1
	Region 7	2	2	0	1	1
	CNO (Region 8)	3	3	1	3	2
Subtotal		32	32	19	21	15
Site Visits	New England FO	3	3	3	0	0
	Sacramento FO	7	7	0	3	3
	CNO (Region 8)	9	9	0	2	2
	Virginia FO	6	6	2	2	2
Subtotal		25	25	5	7	7
Total		57	57	24	28	22

exceeds two or more of the specific conservation targets that are identified in the annual Work Activity Guidance (WAG)... is clearly measurable.” However, many of the sample EPPs did not have objectively measurable strategic plan-related critical elements or standards. “Employee

routinely demonstrates sustained performance that is of such high quality...” is a valuable performance goal, but one which cannot be discretely quantified.

PART Question 3.2 stresses the importance of holding managers accountable for cost, schedule, and performance results. Twenty-one of the 32 EPPs received from the Washington Office were for managers and of those, 15 held the managers accountable for cost, schedule, and performance results. Three of the 21 EPPs addressed only schedule and performance results, one addressed only performance, and the remaining two did not hold the manager accountable for any such results. Seven of the 25 EPPs collected during site visits were for managers, and all of those held the manager accountable for cost, schedule, and performance results.

PART QUESTION 3.2
Are Federal managers and program partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) held accountable for cost, schedule and performance results?

Two field offices – New England and Virginia – did create measurable EPP goals by incorporating their WAG requirements into the EPPs. Each region develops its own WAG, which identifies minimum accomplishments on certain activities for the region to contribute to the achievement of GPRA goals. Each field office then develops its own WAG based on the regional WAG. The New England Field Office EPPs include performance measures for requiring employees to meet a certain number of WAG conservation targets per year. Our review indicated that the Virginia Field Office included WAG-related measures also, but not in all EPPs.

Although all of the EPPs reviewed contained goals that linked to either Program or DOI goals, and two field offices created measureable goals, we found little consistency across regions and field offices in how they were constructed. We also could not discern how they would aggregate to support Program goals. The officials we interviewed expressed frustration because the Washington Office did not provide guidance on, nor was there discussion or agreement among the regions about, how to step down strategic performance measures to individual performance measures. The Chief of the Endangered Species Office of Program Support in Washington told us that the FWS Human Resources Office would issue guidance on stepping down organizational performance measures to EPPs for FY2008; however, it will not be Endangered Species Program-specific guidance. We also note that the Evidence section for Question 3.2 in the FY2005 PART cites the DOI *Handbook on Cascading GPRA Goals*. Although the examples provided in the Handbook are not Endangered Species-specific, one is from the DOI Resource Protection mission area, under which the Program falls. The Handbook therefore provides at least some guidance in stepping down the strategic goals to the EPPs.

SUGGESTION 5

Convene an EPP task force once the FWS FY2008 Human Resource Office guidance on stepping down organizational performance measures to EPPs has been issued. This task force should include representatives from the field offices that incorporated their work activity guidance into the EPPs. The function of the task force would be to:

- Develop a guide for stepping down performance measures from the Strategic Plan to EPPs. The guide should also include examples of

performance measures for holding managers accountable for cost, schedule, and performance results.

- Develop hands-on training for regional and field offices on stepping down performance measures to EPPs at their respective levels.
- Institute a means of assuring that individual performance measures are consistent within job classifications throughout the Program, allowing for regional variations in Program priorities and complexity.

Program officials understand OMB's recommendation to link EPPs to Program or agency goals with measurable performance goals as applying to all employees. However, several regional and field level personnel we spoke with believed that OMB wanted the employee performance plans to be linked to outcome measures, so individual employees would be held responsible for Program outcomes. This expectation raised significant concern given the long-term nature of species recovery, the outside factors that can influence recovery, potential difficulties with calculating outcomes from shared responsibilities, and the potential to unintentionally encourage staff to work on species that are quicker and easier to recover rather than those that require a long-term effort.

The notion that OMB expects EPPs to include outcome goals is in error, however. The 2007 PART Guidance on outcomes and outputs refers to program performance measures, not employee performance measures. The annual EPP goals and measures should specify the individual's activities that contribute to annual Program outputs. Regional managers we spoke with suggested that their employees' EPPs should not hold them accountable for outcomes, but for outputs that could influence outcomes in ways that helped meet Program goals. We agree with the managers and believe OMB's expectations are similar.

We believe that this confusion about the levels and types of activities for which employees should be held accountable stems from 1) the lack of clarity in the Plan concerning the results for which the FWS Endangered Species Program is being held accountable, and 2) the lack of guidance on stepping down performance measures from the Plan to EPPs.

SUGGESTION 6

Update EPPs to reflect the Program's strategic goals, once they have been finalized, using the guide developed by the EPP task force.

Partner Agreements

OMB Recommendation: Revising Partner Agreements to Contain Measurable Annual and/or Long-term Goals (When Program Partners Contribute to Achievement of Program Goals).

OMB Recommendation: Develop monitoring programs to measure effectiveness of program partner agreements (both funded and voluntary agreements). This includes agreements under Habitat Conservation Plans, Candidate Conservation Agreements, and others.

Program officials told us that more than half of all species currently listed as endangered or threatened spend at least part of their life cycle on lands privately owned or owned by federal agencies outside of FWS/DOI. FWS fosters voluntary stewardship of these lands by entering into both formal and informal agreements. Formal agreements are written agreements that legally obligate the partner to carry out the agreed-upon work (for example, Candidate Conservation Agreements with Assurances, grants, and SHAs). They are used to provide partners with funding or other resources, such as an incidental “take” permit¹, for species conservation projects. Informal agreements may be either verbal or written, such as a Memorandum of Understanding (MOU), and provide the opportunity for a landowner to perform species conservation work without making a legal commitment.

All agreements, formal and informal, written and verbal, should contain measurable project goals that advance the Program’s goals to some degree. This is most important where the partner is receiving funding or other resources from FWS. Further, projects should be regularly monitored to hold partners accountable for sound fiscal management and making sufficient progress toward accomplishing project goals. Measurable project goals must be in place for adequate and consistent monitoring to occur.



During our visits to field offices, Program officials provided four examples of written partnership agreements. Two of the agreements identified species that would benefit from implementation of the agreement. A third agreement included a clear deadline and specified habitat restoration activities to be performed. There was no mention of species that would benefit from the restoration activities, however. All of the agreements held the partner accountable for cost, schedule, and performance results via a clause that allows FWS to seek reimbursement or to revoke a take permit if the partner did not complete the work specified in the agreement.

Informal agreements can also be effective conservation tools. They make it possible for partners who are unable or prefer not to enter into a binding agreement with the government to work with

¹ A take permit is a permit issued by the FWS that authorizes the incidental or unavoidable taking of a listed species.

the Program. For example, the California Farm Bureau, rice growers, and cattle growers collaborated to develop an MOU with FWS that benefited the tri-colored blackbird and other migratory birds. Their efforts, in part, resulted in the tri-colored blackbird not needing to be listed. A written agreement such as an MOU, even though not legally binding, can identify intended accomplishments and facilitate effective monitoring. Monitoring verbal agreements, however, poses other unique challenges. Partners may not articulate planned accomplishments clearly, making it difficult to identify what to monitor.

The Program should, therefore, attempt to obtain agreements in writing whenever possible. While most of the sample agreements provided to us during site visits articulated goals and reasons for the goals, we did not find them to be consistently clear. Agreements should contain clear statements that connect the planned tasks to specific annual or long-term measures that support the Program's goals. Including the individual project tasks' goals will facilitate monitoring and assessment of task completion and results achieved.

Some written agreements have already incorporated annual or long-term measures that support the draft Strategic Plan. Once the Plan is finalized, annual and long-term measures can be incorporated into all partner agreements.

SUGGESTION 7

Incorporate into every written partnership agreement language stating the project's annual or long-term goals and the Program goals the agreement supports.

Resources specifically for monitoring could help to facilitate the regular performance of this function by FWS. Currently, funds designated as monitoring funds are not always available for FWS priorities. For example, officials in Region 8 stated that funds for monitoring are included in recovery money. However, these funds usually are consumed by 5-year reviews and other lower priority activities, which are required as a result of litigation. (As noted on page [9], actions mandated by the courts affect the ability to achieve Program priorities and divert already



The Threatened Canada Lynx
Source: FWS

limited monetary and staff resources.) Consequently, monitoring in Region 8 occurs on an ad hoc basis. Biologists may visit a site while work is being conducted or after it has been completed. Private landowners often call the Endangered Species field office with which they are affiliated to report on activities that worked well or did not work.

Some formal agreements, such as Section 6 state cooperative agreements awarded by Region 8 require the recipient to submit performance and fiscal information for annual reports. A potentially effective monitoring tool, such reporting requirements could

keep all parties up-to-date on progress made on long-term projects if they are consistently reviewed and used as a basis for follow-up when necessary. A 2006 report, the *Review of Administrative Management of Endangered Species Nontraditional Grant Programs*, was

prepared for the Program by an independent accounting firm. In the report, the review team stated that they “generally found no evidence in either the ES [Endangered Species] coordinators files or FA [Financial Assistance] files that any report evaluations had taken place” outside of Region 1, which now receives performance reports for all of its Section 6 grants and is the only region with a full-time coordinator.

While additional funding for this function may not be available, officials could review the uses of current funding to determine whether they can re-prioritize activities. They may also be able to determine whether staff time could be re-allocated to allow sufficient time for monitoring partners’ activities.

SUGGESTION 8

Work with DOI officials to develop ways to ensure sufficient resources are available to monitor partnership agreements on a regular basis.

One field official indicated that the Washington Office had not provided any written guidance pertaining to partnership programs. Guidance on structure, content, performance measures and financial accountability provisions, and monitoring protocols for each type of written partner agreement into which the Program may enter could help standardize the partnership agreement process and assist field officials in developing agreements.

SUGGESTION 9

Develop a manual for partnership programs, providing guidelines for the field offices on how to develop partner agreements.

INDEPENDENT EVALUATION

OMB Recommendation: Develop a process and timetable for regularly scheduled, non-biased, independent evaluations of the program or key components of the program that, collectively, cover the entire program.

In response to OMB’s recommendation, Program officials scheduled a 5-year series of component evaluations: grants, which was completed in FY2006; agreements, which was to be completed in FY2007; recovery and consultation, both of which are planned for FY2008; listing and candidate assessment, which is planned for FY2009; and critical habitat in FY2010. To ensure independence, Program officials planned to contract with independent consultants to complete the evaluations.

We believe the above schedule meets OMB’s requirement, and evaluation funding was set aside for FY2007 and for FY2008. However, contracting documents had not been completed by the end of FY2007, and no evaluation was conducted. The next step is therefore to move forward with conducting the evaluations as scheduled.

Additionally, in planning and conducting evaluations to meet OMB's requirements and garner YES answers to PART Questions 2.6 and 4.5, the Program not only needs to have a schedule but also to meet three other criteria. They must: 1) be of high quality, 2) be of sufficient scope and 3) be conducted by independent, unbiased parties. The Program's plan to contract with independent consultants to conduct the evaluations fulfills the independence criterion. Whether the evaluations have been and will be of sufficient scope and quality may be at issue.

The overall objective of program evaluation within this context is to determine the Program's effectiveness in a more rigorous and comprehensive manner than the PART alone can do. With a program as complex as FWS's Endangered Species Program, it is appropriate to conduct a set of evaluations that together fulfill the scope criterion, rather than to conduct one large evaluation.

The planned evaluations appear to cover most of the Program's key components, but there may be additional areas warranting evaluation, such as the Program's outreach efforts and the impact of litigation on other Program components. A well-developed logic model, as described on pages 10 and 11 of this report, could serve as the basis for a comprehensive evaluation strategy, particularly given the Program's complexity. The money that has been set aside for evaluation in FY2008 could potentially be used for that purpose.

SUGGESTION 10

Use the logic model, which would be developed to implement Suggestion 2, as the basis for planning and conducting a comprehensive and discrete set of Program component evaluations.

An accounting and management consulting firm conducted the first Program component evaluation in FY2006. Although the firm lists "Program Audits and Evaluations" among the consulting services it is qualified to perform under GSA's MOBIS (Mission Oriented Business Integrated Services) schedule, program evaluation is not listed as a service provided or as a competency elsewhere on its Web site. The evaluation this firm conducted was actually an assessment of grants management procedures and financial controls, which is an approach that is consistent with the firm's auditing qualifications. The report does provide a number of useful suggestions for improving the grant program's administrative processes. The assessment did not, however, ask the fundamental program evaluation questions. Was the program effective? Did it accomplish its objectives? Why or why not? These are questions that should always be asked in a program evaluation, and the instructions for answering Question 2.6 in OMB's 2008 PART guidance (www.omb.gov/part) specify that a quality evaluation should have sufficient rigor to determine the effectiveness or impact of the program. Specifically, OMB's guidance states, ". . . evaluations should be of sufficient scope to improve planning with respect to the effectiveness of the program . . . The most significant aspect of program effectiveness is *impact* – the outcome of the program, which otherwise would not have occurred without the program intervention." If

PART QUESTION 2.6

Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?

PART QUESTION 4.5

Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?

Numbers are not the sole metric by which to evaluate the Endangered Species Act. Recovery of at-risk species is a complex process that seeks to reverse decades or centuries of decline. How well does the act (*sic*) work in the variety of habitats that characterize modern America? How well does it facilitate the interaction of the various potential actors – federal, state, and local government agencies, tribes, private landowners, and nongovernmental organizations?

– from The Endangered Species Act at Thirty, vol.1

future program component evaluations were to follow a similar approach to the 2006 report, FWS would fall short of these OMB expectations.

To meet OMB’s quality criterion, the Program needs to define requirements for future program component evaluations more clearly, including how the evaluations will be designed and conducted; how evaluation questions will be developed; how data will be collected and analyzed to answer the questions; how the evaluation results will be used to improve the Program. While OMB suggests that an experimental approach using randomized controlled trials is the methodology of choice, they recognize that that

approach is not feasible for every program. The guidance suggests that agencies consult evaluation experts when choosing methodologies. Appendix B of the guidance provides links to a number of evaluation information resources that would help Program managers to define quality standards for their evaluations and select consultants with the knowledge and skill to meet those standards. Subject matter knowledge is important, but program evaluation expertise and experience is paramount in selecting consultants to conduct the evaluations.

SUGGESTION 11

Clearly define requirements when hiring an independent consultant. The requirements should include program evaluation expertise.

OMB did not provide a recommendation pertaining to PART Question 4.4, to which it gave the Program a NO answer.

The only program with similar purpose and goals and which covers the full spectrum of activities covered by the FWS Program is NOAA’s endangered species program. No evaluation comparing the two has been conducted. The rationale given under the answer to Question 4.4 in the 2005 PART stated, “...with NOAA managing 61 listed species and DOI managing over 1,200 species such a comparison would be challenging.” Aspects of the FWS Program could be compared to other agencies’ programs or state programs; however, there is no other program that is as comprehensive as FWS’s. Other federal agencies with endangered species responsibilities support the FWS Program. The states’ endangered species programs also support the FWS Program to some extent. The only program that is comparable and does not support FWS's Program (other than the 10 jointly managed species populations) is NOAA's, and a fair comparison would be difficult to make given the size differential.

PART QUESTION 4.4
Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?

In the 2005 PART of the FWS Wildlife and Sport Fish Restoration Program (WSFR), OMB deemed Question 4.4 to be “Not Applicable.” The explanation stated that although other programs addressed components of the WSFR program, no one program is comparable in size

and scope. The PART states, “Accordingly, comparisons with other grant programs are not appropriate and would not be adequate. If a comparison were to be made, a conglomeration of many individual programs would have to be constructed (i.e., multiple NGOs) to have a reasonable comparison. An effort of this magnitude and complexity would be inherently too costly and difficult to perform.”

Question 4.4 was also deemed “Not Applicable” for another program that pulls together the efforts of many government and private entities to meet its goals, the Department of Health and Human Services’ Chronic Disease Prevention Program under the National Center for Chronic Disease Prevention and Health Promotion (NCCDPHP) in its 2006 PART. The explanation stated “There are no other programs at the Federal, state and local levels that cover the breadth of chronic disease prevention, in addition to health promotion.”

We believe the FWS Endangered Species Program is unique. Question 4.4 should be deemed “Not Applicable,” like the WSFR and NCCDPHP.

SUGGESTION 12

Make the case with OMB to deem Question 4.4 “Not Applicable” in the next PART.

REGULATIONS AND POLICIES

OMB Recommendation: Ensure regulations and policies help improve the program's effectiveness (revising definition of adverse modification and issuing critical habitat guidance).

OMB Recommendation: Explicitly characterize the benefits of exclusion and inclusion of particular areas in critical habitat designations to improve the transparency of the net benefit calculation.

OMB Recommendation: Develop a plan for submitting significant critical habitat designations (including all supporting analyses) for review under [Executive Order] 12866. Such a plan may include establishing internal deadlines for field offices and beginning to designate critical habitat consistent with statutory deadlines.

The Secretary of the Interior may exclude an area from designation as critical habitat if an economic analysis determines that the benefits of exclusion outweigh the benefits of inclusion, unless failure to designate the area as critical habitat could lead to the species’ extinction. Critical habitat guidance that describes the different types of exclusions, reasons for exclusion, and how to exclude land from critical habitat was first submitted to FWS upper management for approval on December 19, 2006 but was not approved. New draft guidance was approved by the Director and submitted to the Office of the Solicitor in October 2007. It has since been returned to FWS and is being updated. The regional offices and the Director will discuss the guidance once it is updated. Officials in the Washington Office noted that the guidance needs to be reviewed

carefully because of the amount of litigation surrounding critical habitat. They did not provide a target date for finalizing the guidance.

Since 1973, the role of states has expanded continuously but still falls short of state roles under similar cooperative federalism provisions in the Clean Water Act. To date, however, the states have been reticent to establish regulatory programs that are as protective as the ESA, a basic requirement of cooperative federalism.

— from The Endangered Species Act at Thirty, vol. 1

A comprehensive rewrite of the Endangered Species Program regulations was completed in the summer of 2007. The rewrite was drafted by a group of regional and Washington Office personnel that reviewed all of the regulations, reconciling them with each section of the ESA. This draft included 1) new regulations for recovery, as none had previously existed; 2) regulations necessary to fulfill the requirements of Executive Order 12866; and 3) a revised definition of adverse modification (which, generally, is action by a federal agency that could negatively affect designated critical habitat;). After many rewrites, the draft was

sent out for comment to DOI (including the Office of the Solicitor), the bureaus, NOAA, and other affected federal agencies. After considering the comments, the resulting draft was sent to the Office of the Secretary and the White House Council on Environmental Quality (CEQ), where it remains under consideration.

In drafting a comprehensive regulation rewrite, the Program has made significant progress toward meeting OMB's recommendation to ensure regulations help improve the program's effectiveness. A complete rewrite of the regulations to improve not only their effectiveness, but also consistency with the ESA is a significant undertaking for which the Program deserves much credit. However, as evidenced by the continued delay at CEQ, this "all-at-once" strategy may not be effective. The previous regulatory definition of adverse modification was found to be contrary to law. Several courts have instructed FWS to rewrite the definition. The delay at CEQ is preventing FWS from complying with the courts' instructions. According to a Program official in the Washington Office, DOI has informally initiated work with FWS on a separate regulation change for adverse modification only.

SUGGESTION 13

Develop a rulemaking strategy regarding what can and should be accomplished through internal guidance, what must be accomplished through regulation, and whether to pursue a comprehensive rewrite or a series of more focused regulation revisions. This strategy development would require the active involvement of FWS upper management, representatives from DOI, and perhaps from OMB.

Endangered Species Program policies are developed at the national, regional, and field levels. In addition to disseminating policies, each regional office interprets and steps down national policies for its field offices and reviews policies that may be developed by its field offices. The Assistant Regional Directors (ARDs) under which the Program falls, share policies, best practices, and lessons learned at quarterly teleconferences for which official notes are kept as well as on an ad hoc basis, by e-mail.

Policies developed at the regional level are occasionally adopted at the national level. For example, Region 8 developed a policy to allow the refuges to prepare their own biological opinions, since they are part of FWS and have qualified staff. This policy now saves the Program money and staff time, nationwide.

Like the ARDs, regional coordinators of each endangered species program area share best practices and guidance through regular teleconferences. Unlike the ARDs, they do not keep official records of the meetings. Shortly after each teleconference, the coordinators follow up with each other on information discussed and documents exchanged, but this is done informally. A formal record of the regional coordinator teleconferences and the policies and guidance shared would help the Program demonstrate to OMB how it works to improve its effectiveness through ongoing policy and guidance revisions. Further, all policies and guidance, regardless of where or how they originate, should be documented in a central location such as a shared drive or database that all regional and field offices can easily access and draw from. Each item should include a description of how it improves the Program's effectiveness.

SUGGESTION 14

Keep official meeting notes for the monthly regional program coordinator teleconferences. Enter guidance shared at those meetings into a central repository that contains all existing, new, and updated Program policies and guidance.

DUPLICATION OF EFFORT

In the 2005 PART review, OMB stated in Question 1.3 that some program elements are redundant with other federal programs such as wetlands protection undertaken by the EPA and the Army Corps of Engineers (Corps). Though some endangered species may benefit from wetlands protection, EPA and the Corps are not charged with protecting wetlands specifically for endangered species conservation. Neither are they responsible for listing species which may be threatened or endangered because of the absence of wetlands conservation. Instead, their endangered species responsibilities stem from the potential impact on threatened and endangered species of carrying out their agencies' missions. The Program does not protect wetlands, but rather species, and although conservation efforts may overlap, this does not signify redundancy.

PART QUESTION 1.3
Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

OMB also stated that NOAA addresses the same problem and performs the same activities as the FWS's Program. While that is true on the surface, because the ESA gives both FWS and NOAA the responsibility for endangered species conservation, NOAA, in keeping with its mission of protecting marine ecosystems, is charged with implementing provisions to safeguard marine species. FWS, in keeping with its mission of protecting terrestrial and freshwater ecosystems, has oversight for fresh water and terrestrial species. Therefore, we believe that the responsibilities are correctly placed within both bureaus. The two agencies jointly manage some species that occur in both of the bureaus' habitats (fresh water and marine habitats or terrestrial and marine habitats), such as Atlantic sturgeon and sea turtles. The 10 species populations for which they

share oversight amounts to less than one percent of the total number of listed species. FWS and NOAA are responsible for such species only when they are present in the habitats each agency



The Threatened Loggerhead Sea Turtle – Managed Jointly by NOAA and FWS
Source: FWS

manages (e.g., sea turtles are managed by FWS while they are on land and by NOAA while they are in the ocean). In this way, each agency complements the other and benefits the species throughout its lifecycle.

In addition to the FWS Endangered Species Program, other FWS programs also implement endangered species work, such as NWRS. The Endangered Species Program and NWRS

work together when an endangered species is present on a refuge because NWRS, with staff on site, can more effectively implement recovery actions. Several other federal agencies, such as the Department of Agriculture's Forest Service and the Department of the Army, are also involved in aspects of endangered species work because their efforts in carrying out their missions may affect endangered species. The Forest Service and military both have extensive acreages that provide habitat for endangered species. Unlike FWS and NOAA, the other agencies are not involved in listing species. Instead, they must affirm that their actions do not negatively affect listed species by depleting habitat or extirpating a species.

Each state also manages an endangered species program that helps to implement, support, and extend the FWS Program. States promulgate laws that complement the ESA. Each of the 50 states also has the required laws and cooperative agreements that permit them to receive federal grants under Section 6. This relationship links the states and state responsibility to the federal recovery activities and ensures state involvement. However, species covered at a state level are not necessarily the same as those covered at the federal level. States lists species that are declining within their respective boundaries, while the federal government considers a species' total population within the U.S. States may also have more stringent criteria for listing than those provided by the ESA. Therefore, it is possible for a species to be on a state list and not the federal list, or vice versa. While the ESA directs FWS to work cooperatively with the states, it also requires that state efforts to protect a species be taken into account when making a listing determination.

The Program also works with various partners at all levels of state and local government and the private sector to conduct more effective recovery efforts. Regional and local organizations and norms influence the work each FWS office performs in conjunction with partners. For example, the Sacramento Field Office works with Resource Conservation Districts (RCDs), which operate

...encouraging the States and other interested parties, through Federal financial assistance and a system of incentives, to develop and maintain conservation programs which meet national and international standards is a key to ... better safeguarding, for the benefit of all citizens, the Nation's heritage in fish, wildlife, and plants.

— *The Endangered Species Act of 1973*

at the county and local level in California. The RCDs provide assistance by referring to the field offices landowners who are likely candidates for entering into an SHA. In the New England Field Office, where SHAs are rare, the field office works with state and federal agencies, while NGOs do a great deal of work with private landowners. In both circumstances, the non-federal entities are either aiding or complementing the work done by the Program. FWS has expanded partnerships with private landowners in the past 10 years. It often relies on the ability of NGOs to reach out to and engage private landowners who might view an initial contact by the federal government as a move toward infringing on their property rights.

According to officials in one field office, some NGOs purchase outright, and monitor, habitats that would be difficult for FWS to monitor due to their geographic distribution. However, such work is specific to the NGO's mission and priorities, which may only partially overlap with the Program's. The Program, on the other hand, oversees all terrestrial and freshwater imperiled species throughout the Nation.

It is also worth pointing out that the structure of the Program is similar to the Department of Health and Human Services' Chronic Disease Prevention Program under the NCCDPHP, mentioned above. This program was rated Moderately Effective in its 2006 PART review and received a YES for Question 1.3. The purpose of this program, as stated in the Assessment Summary, is to "...prevent death and disability due to chronic diseases and promote healthy behaviors across the entire life span. The program accomplishes these goals in partnership with health and education agencies, major voluntary associations, the private sector, and other federal agencies." There is a parallel here with the Endangered Species Program, wherein preventing death and disability can be likened to recovering threatened and endangered species, and promoting healthy behaviors is similar to conserving species before they become threatened or endangered.

The explanation section under Question 1.3 of NCCDPHP's PART notes that the program "addresses the nation's public health infrastructure, which goes beyond the healthcare providers and includes public health professionals, educators, policy makers, healthcare professionals, etc. NCCDPHP partners with both public and private sector organizations that address these issues, but each organization has a focus that is more specific than the integrated structure." In a similar manner, the Endangered Species Program serves as a focal point, partnering with many public and private organizations, without which it could not effectively conserve imperiled species. The NCCDPHP works with partners that focus on specific diseases, such as the American Heart Association, and those that focus on broader health issues, such as the American School Health Association. Likewise, the Endangered Species Program partners with organizations that focus

on narrower concerns, such as the Audubon Society (which focuses on birds) and those that focus on broader conservation issues, such as The Nature Conservancy. Rather than duplicating the endeavors of others, both the NCCDPHP and the Endangered Species Program provide unifying structures to the more narrowly-focused efforts of NGOs, states, local governments, and others that support the larger goals of chronic disease prevention and species conservation, respectively, throughout the nation.

An even more pertinent example of a program that serves as a unifying structure for addressing an issue is the FWS WSFR program, also mentioned above. In its 2005 PART review, OMB stated, “The [WSFR] program has been the cornerstone of fish and wildlife conservation in the U.S. for well over 50 years. The program legislation directs the Secretary of the Interior to cooperate with State fish and wildlife agencies with primary authority for fish and wildlife



The Threatened Ozark Cavefish
Source: FWS

resources...” Similarly, the ESA is the cornerstone for endangered species conservation in the U.S. Sections 6 and 7 of the ESA authorizes the Secretary of Interior to work with state and federal agencies for species conservation. NGOs create another opportunity for FWS to work with private landowners. The PART review of WSFR notes, “Other entities and programs have similar complementary goals.” FWS also relies on the complementary goals of other entities and programs to accomplish its objectives.

Private sector cooperation and leadership will determine the fate of many endangered species.

— *The Endangered Species Act at Thirty, vol. 1*

As a result of our discussions with Program officials and our review of Program documents and outside literature, we view endangered species conservation as a massive and perpetually underfunded task, requiring cooperation among

many different groups. Species conservation requires countless organizations and individuals to work in a coordinated manner.

[Exemption 5]

SUGGESTION 15

Institute a formal process to ensure that Program activities are coordinated with those of other organizations that are working on the same species or in the same geographical area. Use the discussion and information presented here when responding to Question 1.3 in the next PART review.

APPENDIX A

History and Use of the PART

- Planning and performance monitoring are required by law** In 1993, the Congress found federal managers to be “disadvantaged in their efforts to improve program efficiency and effectiveness, because of insufficient articulation of program goals and inadequate information on program performance.” The Government Performance and Results Act (Public Law 103-62), or GPRA, was passed to promote a focus on results by requiring federal agencies to engage in strategic planning and performance reporting.
- Objectives and results of federal programs are assessed during budget formulation** The “President’s Management Agenda,” which includes a U.S. Government-wide initiative to improve budget and performance integration, was published in 2001. The Agenda calls for agencies to monitor program performance and to incorporate performance review into budgetary decision-making.
- To support this initiative, the Office of Management and Budget (OMB) instituted a new activity within the context of budget formulation. OMB uses a standard questionnaire called the Program Assessment Rating Tool (PART) to engage federal programs in a review of program design, strategic planning, program management, and the achievement of results that demonstrate value for the taxpayer. Through the PART process, OMB rates programs as **Effective**, **Moderately Effective**, **Adequate**, or **Ineffective**. Alternatively, OMB deems programs that are unable to provide reliable performance information (thus precluding assignment of a program rating) **Results Not Demonstrated** and recommends establishment or improvement of mechanisms for performance measurement.
- OMB has found that many DOI programs lack performance information** Of the 72 DOI programs assessed between 2002 and 2007, OMB rated only eight programs (11 percent) **Effective** and placed 16 programs (22 percent) in the category **Results Not Demonstrated**. DOI programs assessed through the PART process reflect over \$9 billion dollars in annual budget authority. Approximately one quarter of this spending is associated with programs that lack reliable performance information.

PART Ratings for DOI Programs, 2002-2007	Number of Programs	Percent of Programs
Effective	8	11
Moderately Effective	23	33
Adequate	25	34
Ineffective	0	0
Results Not Demonstrated	16	22
TOTAL	72	100

PART findings can be used to 1) justify termination or substantial curtailment of federal programs, 2) support legislative or fiscal enhancements, or 3) promote management improvements. OMB publishes PART results on its ExpectMore.gov Web site, together with recommended improvement actions for every program it has assessed. Agency officials and program managers are expected to follow up on these recommendations and to keep OMB, and ultimately the public, apprised of progress through updates of the information posted to ExpectMore.gov and through internal communications. OMB then reassesses programs on schedules developed in consultation with responsible agencies.

APPENDIX B
Sites Visited or Contacted

Region 5 - Northeast
New England Field Office Concord, NH
Virginia Field Office Gloucester, VA
Region 8 - California and Nevada (Formerly CNO)
Region 8 Office Sacramento, CA
Sacramento Field Office Sacramento, CA
Washington Office
Washington Office Arlington, VA



*View from the New England Field Office
OIG Staff Photo*

APPENDIX C
Index of OMB Improvement Plan Actions by Report Section

OMB Recommendation	Section(s) in this Report
OMB Recommendation #1: Develop long-term outcome and annual output performance measures.	Strategic Plan
OMB Recommendation #2: Ensure regulations and policies help improve the program’s effectiveness.	Regulations and Policies
OMB Recommendation #3: Explicitly characterize the benefits of exclusion and inclusion of particular areas in critical habitat designations to improve the transparency of the net benefit calculation.	Regulations and Policies
OMB Recommendation #4: Develop a process and timetable for regularly scheduled, non-biased, independent evaluations of the program or key components of the program that, collectively, cover the entire program.	Evaluation
OMB Recommendation #5: Revise individual employee performance plans to include specific, measurable annual and long-term goals.	Employee Performance Plans
OMB Recommendation #6: Revise partner agreements to include specific, measurable annual and long-term goals (when program partners contribute to achievement of program goals).	Partner Agreements Employee Performance Plans
OMB Recommendation #7: Develop a plan for submitting significant critical habitat designations (including all supporting analyses) for review under EO12866. Such a plan may include establishing internal deadlines for field offices and beginning to designate critical habitat consistent with statutory deadlines.	Regulations and Policies
OMB Recommendation #8: Develop and use efficiency measures for key aspects of the program.	Strategic Plan
OMB Recommendation #9: Develop monitoring programs to measure effectiveness of program partner agreements (both funded and voluntary agreements). This includes agreements under Habitat Conservation Plans.	Partner Agreements Evaluation

APPENDIX D
Table of Suggestions

<i>Number</i>	<i>Suggestion</i>	<i>Page</i>
Strategic Plan		
1	Designate an annual efficiency measure and a minimum of one annual output measure for each outcome.	[6]
2	Convene a working group, including an individual or individuals with logic modeling expertise, to develop a high-level logic model for the ESA and a detailed one for the Endangered Species Program within FWS.	[8]
3	Develop a guide that clearly describes how the regions and field offices need to modify their operations to implement the Plan.	[9]
4	[Exemption 5]	[9]
Employee Performance Plans		
5	Convene an EPP task force once the FWS FY2008 Human Resource Office guidance on stepping down organizational performance measures to EPPs has been issued.	[11]
6	Update EPPs to reflect the Program's strategic goals, once they have been finalized, using the guide developed by the EPP task force.	[12]
Partner Agreements		
7	Incorporate into every written partnership agreement, language stating the project's annual or long-term goals and the Program goals the agreement supports.	[14]
8	Work with DOI officials to develop ways to ensure sufficient resources are available to monitor partnership agreements on a regular basis.	[15]
9	Develop a manual for partnership programs, providing guidelines for the field offices on how to develop partner agreements.	[15]

Evaluation		
10	Use the logic model, which would be developed to implement Suggestion 2, as the basis for planning and conducting a comprehensive and discrete set of Program component evaluations.	[16]
11	Clearly define requirements when hiring an independent consultant. The requirements should include program evaluation expertise.	[17]
12	Make the case with OMB to deem Question 4.4 “Not Applicable” in the next PART	[18]
Regulations and Polices		
13	Develop a rulemaking strategy regarding what can and should be accomplished through internal guidance, what must be accomplished through regulation, and whether to pursue a comprehensive rewrite or a series of more focused regulation revisions. This strategy development would require the active involvement of FWS upper management, representatives from DOI, and perhaps from OMB.	[19]
14	Keep official meeting notes for the monthly regional program coordinator teleconferences. Enter guidance shared at those meetings into a central repository that contains all existing, new, and updated Program policies and guidance.	[20]
Duplication of Effort		
15	Institute a formal process to ensure that Program activities are coordinated with those of other organizations that are working on the same species or in the same geographical area. Use the discussion and information presented here when responding to Question 1.3 in the next PART review.	[23]

APPENDIX E

PART Questions that Elicited a NO Answer

Strategic Planning

PART Question 2.1. Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?

PART Question 2.2. Does the program have ambitious targets and timeframes for its long-term measures?

PART Question 2.3. Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?

PART Question 2.4. Does the program have baselines and ambitious targets for its annual measures?

PART Question 2.7. Are budget requests explicitly tied to accomplishment of the annual and long-term performance goals, and are the resource needs presented in a complete and transparent manner in the program's budget?

PART Question 2.8. Has the program taken meaningful steps to correct its strategic planning deficiencies?

PART Question 3.4. Does the program have procedures (e.g., competitive sourcing/cost comparisons, IT improvements, appropriate incentives) to measure and achieve efficiencies and cost effectiveness in program execution?

PART Question 4.1. Has the program demonstrated adequate progress in achieving its long-term performance goals?

PART Question 4.2. Does the program (including program partners) achieve its annual performance goals?

PART Question 4.3. Does the program demonstrate improved efficiencies or cost effectiveness in achieving program goals each year?

Employee Performance Plans

PART Question 2.1. Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?

PART Question 2.2. Does the program have ambitious targets and time frames for its long-term measures?

PART Question 2.3. Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?

PART Question 2.4. Does the program have baselines and ambitious targets for its annual measures?

PART Question 2.5. Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?

PART Question 3.2. Are federal managers and program partners ... held accountable for cost, schedule and performance results?

Partner Agreements

PART Question 2.1. Does the program have a limited number of specific long-term performance measures that focus on outcomes and meaningfully reflect the purpose of the program?

PART Question 2.2. Does the program have ambitious targets and timeframes for its long-term measures?

PART Question 2.3. Does the program have a limited number of specific annual performance measures that can demonstrate progress toward achieving the program's long-term goals?

PART Question 2.4. Does the program have baselines and ambitious targets for its annual measures?

PART Question 2.5. Do all partners (including grantees, sub-grantees, contractors, cost-sharing partners, and other government partners) commit to and work toward the annual and/or long-term goals of the program?

PART Question 3.2. Are federal managers and program partners ... held accountable for cost, schedule and performance results?

Evaluation

PART Question 2.6. Are independent evaluations of sufficient scope and quality conducted on a regular basis or as needed to support program improvements and evaluate effectiveness and relevance to the problem, interest, or need?

PART Question 4.4. Does the performance of this program compare favorably to other programs, including government, private, etc., with similar purpose and goals?

PART Question 4.5. Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results? (This question received a “Small Extent” rating.)

Regulations and Policies

PART Question 1.4. Is the program design free of major flaws that would limit the program’s effectiveness or efficiency?

PART Question 1.5. Is the program design effectively targeted so that resources will address the program’s purpose directly and will reach intended beneficiaries?

PART Question 2.RG1. Are all regulations issued by the program/agency necessary to meet the stated goals of the program, and do all regulations clearly indicate how the rules contribute to achievement of the goals?

PART Question 3.RG2. Did the program prepare adequate regulatory impact analyses if required by Executive Order 12866, regulatory flexibility analyses if required by the Regulatory Flexibility Act and SBREFA, and cost-benefit analyses if required under the Unfunded Mandates Reform Act; and did those analyses comply with OMB guidelines?

PART Question 3.RG3. Does the program systematically review its current regulations to ensure consistency among all regulations in accomplishing program goals?

PART Question 3.RG4. Are the regulations designed to achieve program goals, to the extent practicable, by maximizing the net benefits of its regulatory activity?

PART Question 4.RG1. Were programmatic goals (and benefits) achieved at the least incremental societal cost and did the program maximize net benefits?

Duplication of Effort

PART Question 1.3. Is the program designed so that it is not redundant or duplicative of any other Federal, state, local or private effort?

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