



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
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MEMORANDUM FOR DISTRIBUTION

Subj: PROGRAM PERFORMANCE ASSESSMENTS FOR THE FY 2004 BUDGET

Ref: (a) ASN (FM&C) Memo of 22 May 02 (NOTAL)

As discussed in reference (a), the President's Management Agenda for budget and performance integration requires the use of performance metrics in managing and justifying program resources. Improving programs by focusing on results is an integral component of this initiative. The Department of Defense (DoD) is working with the Office of Management and Budget (OMB) to incorporate performance metrics into the FY 2004 budget process. As part of this government-wide initiative, OMB has instituted Program Performance Assessments for the budget process that identify programs that will be measured. A critical goal for the FY 2004 Budget is to improve the program rating process by making ratings more consistent, objective, credible, and transparent. The report developed for use in the rating of programs is called the Program Assessment Rating Tool (PART).

The PART is a series of questions designed to provide a consistent approach to rating programs across the Federal government. The PART is a diagnostic tool that relies on objective data to inform evidence-based judgments to assess and evaluate programs across a wide range of issues related to performance. The initial programs being reviewed in this budget cycle that pertain to Department of the Navy (DoN) resources are Air Combat Capability, Shipbuilding, Basic Research, Family Housing and Basic Allowance for Housing, Communications Infrastructure, and Facility Sustainment, Restoration, Modernization and Demolition. The initial draft PART report for each of these programs can be viewed from the following FMB website: http://navweb.secnav.navy.mil/pubbud/gpra/gpra_p_u.html

The scores and comments reflect the judgment of individual OMB analysts. Significant issues regarding approach and content have been raised by OSD with OMB. It is not yet clear when or how DoN input will be solicited, but it is essential that you be aware of these reports and be prepared to address content regarding our portions of the program areas. To the extent that information regarding program performance is incorrect or misrepresented, addressees may wish to recommend changes in the assessment. FMB POC is Ms. Frankie Moran, FMB3B1, (703) 695-1012.

ROBERT L. PANEK
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