



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

PROGRAM ASSESSMENT RATING TOOL

REVIEW OF BUREAU OF INDIAN AFFAIRS ROAD MAINTENANCE PROGRAM



Photo Courtesy of BIA Division of Transportation.



United States Department of the Interior

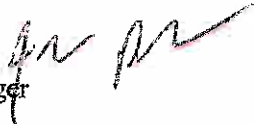
Office of Inspector General

Central Region Audits
134 Union Boulevard, Suite 510
Lakewood, Colorado 80228

March 19, 2007

Memorandum

To: Director, Bureau of Indian Affairs

From: Jack Rouch
Regional Audit Manager 

Subject: Program Assessment Rating Tool (PART) - Review of Bureau of Indian Affairs,
Road Maintenance Program (Report No. C-RR-BIA-0010-2006)

This final report presents the results of our review of the Bureau of Indian Affairs, Road Maintenance Program. It includes five suggestions for improving the Program prior to the next scheduled Office of Management and Budget PART review.

The legislation, as amended, creating the Office of Inspector General requires that we report to the Congress semiannually on all reports issued. Accordingly, we will include information from this report in our next semiannual report.

We want to thank you and your staff for your valuable input during our review. Although a response to this report is not required, we would appreciate your informing us of any progress you make prior to the PART reassessment.

If you have any comments or questions regarding this report, please call me at (303) 236-9243.

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

PART results are published on the ExpectMore.gov Web site.

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

WHY WE DID THIS REVIEW

The Deputy Secretary asked the OIG to review the programs assessed using the Office of Management and Budget (OMB) Program Assessment Rating Tool (PART) and suggest improvements for programs that could not demonstrate effective results.

As of 2006, OMB has assessed 73 DOI programs, representing over \$9 billion in annual budget authority, using the PART. OMB was unable to determine whether 22 of these programs, reflecting half of the assessed spending, were performing satisfactorily due to the lack of reliable performance information. We evaluated the Bureau of Indian Affairs' (BIA) Road Maintenance program, which previously failed to demonstrate results and is expected to be reassessed by OMB in 2007.

OBJECTIVE

Our review objectives were twofold. We sought to review BIA progress in responding to OMB FY2004 PART recommendations as well as provide suggestions that BIA can use to prepare for its upcoming PART review.

SUMMARY

Overall, BIA has made progress in addressing the three OMB recommendations related to the Road Maintenance program. Specifically, BIA has developed a performance measure, issued regulations encouraging state and local governments to maintain their roads through Indian reservations, and arranged for the Federal Highway Administration (FHWA) to conduct an independent evaluation of the program. However, we have identified areas still in need of improvement.

Thus, this report provides suggestions for improvement and is structured to correspond to key recommendations from OMB's 2004 program assessment.

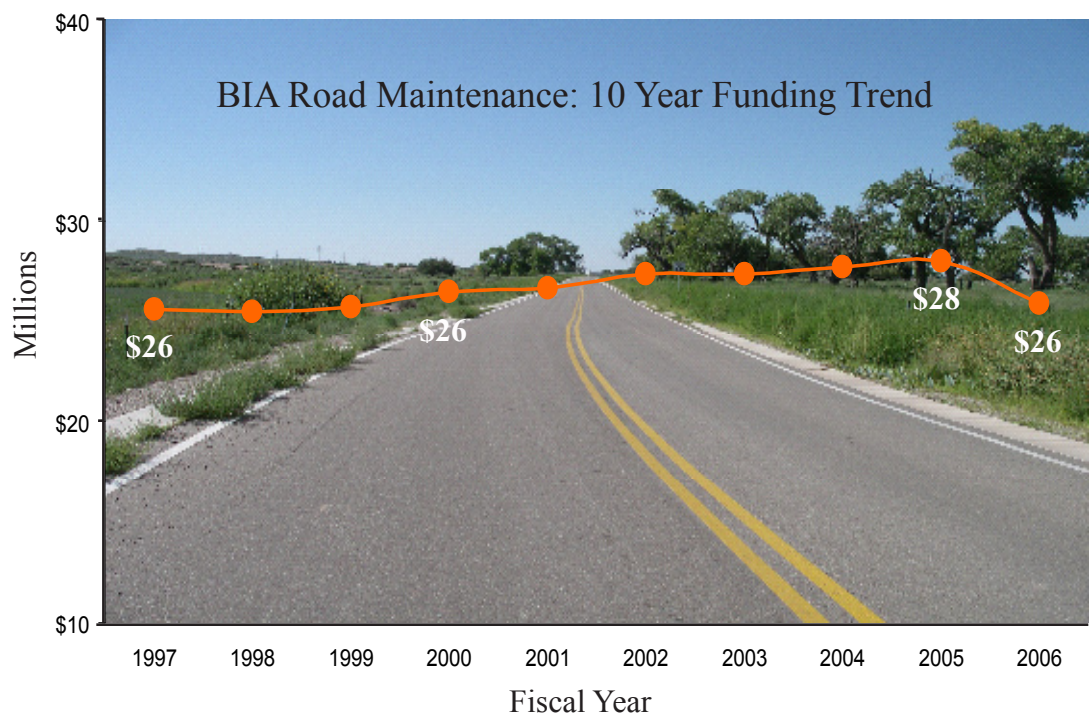
If BIA satisfactorily addresses the areas of improvement we have identified, we believe the Road Maintenance program will be better positioned to achieve a positive rating in its upcoming PART reassessment.

BACKGROUND

There are approximately 63,000 miles of public roads on federally recognized Indian reservations. The Indian Reservation Road (IRR) system provides transportation and public access to, within, and through Indian reservations for Native Americans, visitors, recreational users, resources users, and others. The IRR system is funded by the Federal Highway Trust Fund (HTF) and administered jointly by BIA and FHWA. Through the BIA Road Construction program, HTF funds are statutorily allocated to tribes for the construction, reconstruction, rehabilitation, and replacement of roads and bridges.

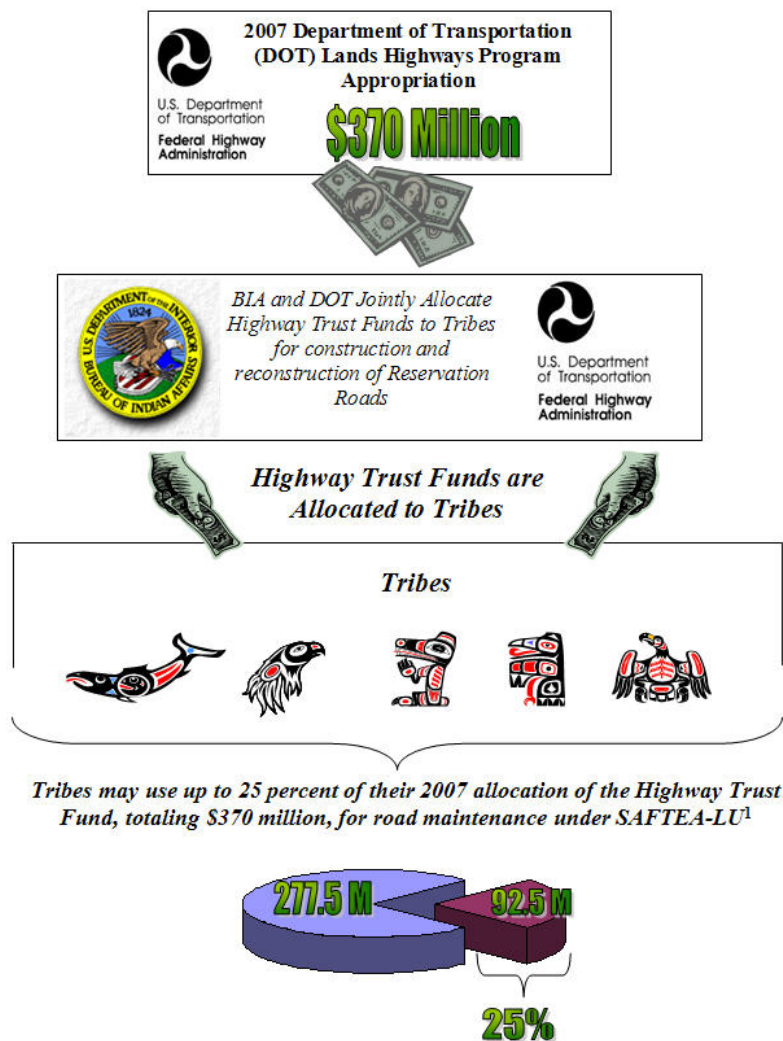
The goal of BIA's Road Maintenance program is to ensure the maintenance of the approximately 25,000 miles of BIA-owned roads. The program funds the maintenance necessary to ensure that roads meet their design life, and provides other services such as snow removal, striping, and ditch cleaning. However, for the past 10 years, the program has been chronically under-funded, preventing BIA from satisfactorily meeting its maintenance program objectives.

In 2006, funding for the Road Maintenance program totaled approximately \$26 million. In 2003, BIA estimated that funding of \$120 million was needed annually to adequately maintain the 25,000 miles of BIA-owned roads. A lack of funding has contributed to an estimated \$243 million reported deferred maintenance backlog. BIA Road Maintenance officials stated that current funding is generally only sufficient to perform emergency and other high priority road maintenance activities. At the current funding level, they expect the deferred maintenance backlog to continue to increase.



Tribes, state and local governments own approximately 38,000 miles of IRR system roads and are responsible, by law, for the maintenance of these roads. Under the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), up to 25 percent of a tribe's annual trust fund allocation can be used, at the tribe's discretion, for maintenance of the IRR system. In FY2007, SAFETEA-LU allocated \$370 million for road construction on Indian reservations. Thus, funding of \$92.5 million was potentially available for maintenance of IRR roads. While this funding could improve overall maintenance of the IRR system, BIA does not have the authority to direct these funds toward maintenance of BIA roads and, therefore, it is not yet clear what benefit may accrue to the BIA system.

INDIAN RESERVATION ROADS FUNDING PROCESS



¹*Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFTEA-LU)*
Under SAFTEA-LU, up to 25 percent of the amount of Highway Trust Fund funds allocated to tribes for reservation roads may be expended for road maintenance. BIA still has primary responsibility, including funding request responsibility, for road maintenance programs on Indian reservations. The Interior Secretary must ensure that any funding made available under SAFTEA-LU is supplementary to BIA funding and is not in lieu of funds obligated by BIA for road maintenance programs on Indian reservations. If tribes used all of these available funds to maintain BIA roads, this would supplement BIA Maintenance funds by \$92.5 million. However, BIA cannot influence how tribes use their funding allocation and tribes can use their allocation for construction and reconstruction of reservation roads or for maintenance of state and county roads.

SCOPE AND METHODOLOGY

We conducted this review of BIA's Road Maintenance program in accordance with the "Quality Standards for Inspections" issued by the President's Council on Integrity and Efficiency.

We limited our review to BIA's progress in implementing the recommendations from OMB's 2004 review of the Roads Maintenance program. To ascertain BIA's progress, we interviewed program officials, reviewed and analyzed supporting documents, and conducted site visits to BIA's Southwest Region, Southern Pueblos Agency, and the Central Office of BIA's Division of Transportation.

RESULTS OF REVIEW

We reviewed the Road Maintenance program and found that BIA has made progress in implementing the three OMB recommendations. We address each recommendation below and provide suggestions that BIA might take to improve its PART rating.

OMB RECOMMENDATION 1: DEVELOP PERFORMANCE GOALS AND MEASURES, BASELINE INFORMATION AND TARGETS.

PERFORMANCE GOALS set a target level to measure performance over time.

PERFORMANCE MEASURES are indicators, statistics or metrics used to gauge program performance.

BASELINES are starting points from which improved performance measures and targets are set.

TARGETS refer to improved levels of performance needed to achieve the stated goals.

Performance goals, measures, baselines and targets are tools needed to evaluate and improve a program's long term effectiveness. In 2004, OMB found that the BIA Road Maintenance program had inadequate performance measures and lacked sufficient information on the condition of reservation roads. Specifically, the BIA Road Maintenance program was unable to satisfactorily address the following PART questions related to reservation road conditions:

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

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

Question 3.1 Does the agency regularly collect timely and credible performance information, including information from key program partners, and use it to manage the program and improve performance?

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

Road Maintenance personnel use the BIA guidebook to visually assess road conditions.



AN EXAMPLE OF A
PAVED ROAD ASSESSED
TO BE IN POOR
CONDITION.



AN EXAMPLE OF AN
UNIMPROVED ROAD
ASSESSED TO BE IN
VERY POOR CONDITION.

*-OIG Photos of BIA Roads on
Indian Reservations in New Mexico*

ROAD MAINTENANCE
PROGRAM CONDITION
ASSESSMENTS ARE
UNRELIABLE

As a result of the PART review, OMB recommended that the program develop performance goals and measures, baseline information, and targets. Since the 2004 PART assessment, BIA has taken steps to collect baseline information on the condition of its roads and has developed a new performance measure to assess the condition of the roads.

To assess road conditions, BIA developed the Service Level Index (SLI) as a performance measure. The SLI is calculated as the percentage of total roads in good or better condition. BIA's FY2005 goal for the SLI was 15 percent.

To determine the SLI, BIA developed a Surface Condition Rating Guide for field staff to evaluate road conditions. The guide provides brief descriptions of the five levels of service that reflect the general condition of paved and unpaved roads. Specific criteria for rating paved roads (number of potholes, unsealed cracks, and presence of invasive vegetation) as well as physical and visual criteria (appearance and operability of the road and deficiencies related to road safety) are included in this guide. Ratings range from "1" indicating excellent condition to "5" indicating very poor or failing condition.

The guidebook provides general parameters that allow BIA officials to rate roads visually, without having a great deal of specialized knowledge. However, based on our review of the guidebook, we concluded it would be very difficult to ensure reliable and consistent ratings because the rating system is highly subjective.

We found that Road Maintenance program condition assessments are not only unreliable, but also required the inefficient use of resources because similar and more reliable condition assessments are conducted by the Road Construction program. The Road Construction program utilizes independent contractors who use more detailed procedures for testing and rating road surfaces, beds, and drainages to conduct condition assessments.

We performed a limited review of the Road Construction program assessments and found that they generally include information that is more reliable than assessments performed by Road Maintenance program personnel.

We concluded that the SLI is a useful indicator of the effectiveness of the Road Maintenance program. However, we identified two concerns regarding BIA's use of this measure. Specifically:

BIA NEEDS ADDITIONAL
PERFORMANCE MEASURES
TO DEMONSTRATE
PROGRAM EFFECTIVENESS

- Condition assessments used to calculate the measure are unreliable.
- Regardless of the fact that the poor condition of BIA roads is mostly attributable to lack of funding, OMB may consider the program ineffective because so few roads are in good or better condition. The SLI does not demonstrate how well the program uses the limited funds that it receives.

We suggest that the BIA director instruct the Transportation Division chief to:

- Discontinue the practice of using Road Maintenance staff to perform road condition assessments.
- Use the SLI measure to highlight the need for additional funding. In preparing future budget justifications, BIA could present the different SLI targets that could be met at different funding levels.
- In the absence of additional funds, develop additional performance measures that reflect how effectively the program uses its limited funding.

OMB RECOMMENDATION 2: DEVELOP A PROCESS TO ENCOURAGE STATES AND LOCAL GOVERNMENTS TO MEET THEIR RESPONSIBILITIES ON RECONSTRUCTION OF THEIR ROADS CROSSING RESERVATIONS ON A TIMELY BASIS.

ROAD PROJECT APPROVAL
CAN BE WITHHELD IF
STATES AND LOCAL
GOVERNMENTS DO NOT
MEET THEIR MAINTENANCE
RESPONSIBILITIES

BIA, state and local governments each have responsibilities for roads on Indian reservations. BIA seeks cooperation and coordination to ensure that all reservation roads are effectively maintained.

Tribes, state and local governments own approximately 38,000 miles of IRR system roads and are responsible, by law, for the maintenance of these roads. The BIA Road Construction program is supposed to coordinate with the BIA Road Maintenance program to achieve the design life of the IRR system. However, local entities do not adequately maintain their roads and BIA has no direct control over county and state federal-aid programs.

DESIGN LIFE is
the number of years a
structure is expected to
last.

In 2004, OMB found that when state and local governments do not adequately maintain their roads, they deteriorate more quickly and do not meet their design lives. As a result, tribes must redirect Federal Highway Trust Funds to reconstruct these roads instead of reconstructing BIA-owned roads. This defers reconstruction of BIA roads and increases annual BIA maintenance costs. Specifically, the BIA Road Maintenance program was unable to satisfactorily address the following PART questions related to this condition:

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

Question 1.5 Is the program effectively targeted, so that resources will reach intended beneficiaries and/or otherwise address the program's purpose directly?

Question 3.5 Does the program collaborate and coordinate effectively with related programs?

As a result of the PART review, OMB recommended that the program develop a process to encourage states and local governments to meet their responsibilities for reconstruction of their roads crossing reservations on a timely basis.

In response to this recommendation, BIA developed a process that links U.S. Department of Transportation (DOT) approval for new state and local road projects to adequate maintenance of reservation roads. Regulations implementing this process (25 CFR 170.811) were developed and distributed to local entities. Under these regulations, if BIA determines that a state or local government road crossing an Indian reservation is not being maintained, BIA informs the Secretary of the Interior who then notifies the road owner and the U.S. Secretary of Transportation. The U.S. Secretary of Transportation can then withhold approval of other road projects to ensure maintenance is performed.

While these regulations do not specifically address reconstruction, we believe they satisfy the intent of this recommendation because adequate ongoing maintenance will generally defer the need for reconstruction and reduce total lifecycle costs. DOI has no authority to compel local governments to take action, but referring deficiencies to the DOT may prompt remedial action because DOT can withhold approval of projects.

We suggest that the BIA director:

- Work with OMB to confirm that the intent of this recommendation has been satisfied, and close the follow-up action.

OMB RECOMMENDATION 3: DEVELOP A PROCESS FOR AND SCHEDULE OF INDEPENDENT PROGRAM EVALUATIONS.

PROCESS FOR INDEPENDENT PROGRAM EVALUATIONS IMPLEMENTED

Independent program evaluations must be conducted periodically to ensure that programs are effectively managed. In 2004, OMB found that the BIA Road Maintenance program had not conducted Independent Program Evaluations. Specifically, the BIA Road Maintenance program was unable to satisfactorily address the following PART questions related to this condition:

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?

Question 4.5 Do independent evaluations of sufficient scope and quality indicate that the program is effective and achieving results?

As a result of the PART review, OMB recommended that the program develop a process for and schedule of independent program evaluations.

In response to this recommendation, BIA negotiated a contract with FHWA to conduct an independent program evaluation of the Road Maintenance program. FHWA hired a contractor who is currently collecting background information on BIA's Road Maintenance program. The contractor is scheduled to complete the evaluation effort by spring 2007. The specific tasks initially assigned to the contractor were:

- A. Research and document all previously prepared documentation or review publications of the BIA maintenance program, including those materials prepared by OMB as well as others, and provide hard and/or electronic copies of such information.
- B. Research and document the nature and extent of all BIA maintenance program activities and engineering practices, and describe them in tabular format where applicable.
- C. Research and document all BIA Road Maintenance program management processes, including annual appropriation and funding amounts, uses, and final status and describe the processes in tabular and/or flow-chart format when applicable.
- D. Research and document all laws, regulations, policy documents, and codes applicable to the BIA program, and provide hard and/or electronic copies of such information.

Once these tasks are completed, BIA officials stated that tasks to evaluate program effectiveness will be developed and assigned to the contractor to complete the program evaluation. However, BIA has not arranged for additional evaluations to be completed as suggested by PART question 2.6.

We suggest that the BIA director instruct the Transportation Division chief to:

- Develop and implement a schedule for additional independent program evaluations.

CONCLUSION

Implementing the suggestions identified in this report should better position BIA to achieve a positive rating in its PART reassessment.

APPENDIX A: HISTORY AND USE OF THE PART

PLANNING AND PERFORMANCE MONITOR- ING 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.

EXECUTIVE AGENCIES FOCUSED ON IMPROVING PERFORMANCE

The President’s Management Agenda, which includes a 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.

OBJECTIVES AND RESULTS OF FEDERAL PROGRAMS ARE ASSESSED DURING BUDGET FORMULATION

To support this initiative, 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, programs that are unable to provide reliable performance information (thus precluding assignment of a program rating) are deemed Results Not Demonstrated and are instructed to establish or improve mechanisms for performance measurement.

OMB HAS FOUND THAT MANY DOI PROGRAMS LACK PERFORMANCE INFORMATION

As of 2006, of the federal programs assessed, only 17 percent have been rated Effective, while 21 percent were placed in the category Results Not Demonstrated. Within the DOI, OMB assessed 73 programs, reflecting over \$9 billion dollars in annual budget authority. Of these, only eight were rated Effective and OMB examiners were unable to determine whether 22 of these programs, reflecting nearly half of the assessed spending, were performing satisfactorily due to the lack of reliable performance information.

SUMMARY OF PART RATING RESULTS

PART Ratings	Federal Programs	DOI Programs
<i>Effective</i>	166 (17%)	8 (11%)
<i>Moderately Effective</i>	299 (31%)	21 (29%)
<i>Adequate</i>	276 (28%)	22 (30%)
<i>Ineffective</i>	27 (3%)	0 (0%)
<i>Results Not Demonstrated</i>	209 (21%)	22 (30%)
Total Number of Programs Rated	977	73

PART findings can be used to justify termination or substantial curtailment of federal programs, to support legislative or fiscal enhancements, or to promote management improvements. OMB publishes PART results on its ExpectMore.gov Web site, together with recommended improvement actions for every program that has been 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 other internal communications. OMB then reassesses programs on schedules developed in consultation with responsible agencies.

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Office of Inspector General
Mail Stop 5341 MIB
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Washington, D.C. 20240

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