

**ORDER**

U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION

2500.47A

04/05/91

SUBJ: EVALUATION OF BUDGET PROGRAMS AND ACTIVITIES

1. PURPOSE. This order prescribes policies and standards governing the evaluation of budget programs and activities. The order also delegates responsibilities, describes goals and objectives for conducting and monitoring such evaluations, outlines data collection and reporting, details tracking the implementation of adopted recommendations, and delineates the analysis of collected data for any discernible trends.
2. DISTRIBUTION. This order is to be distributed to the director and division level in Washington, regions, and centers; to all regional budget officers and resource management directors; and, to the division and branch level within the Office of Budget.
3. CANCELLATION. The publication of this order cancels Order 2500.47, Budget Evaluation Program, dated March 25, 1975.
4. BACKGROUND. This order is based upon FAA Order 1800.2E, Evaluation and Appraisal of Agency Programs dated 2/1/89, which establishes agency policy regarding the evaluation of FAA programs and activities and states explicitly the inherent responsibilities of managers for conducting periodic evaluations of the programs and activities under their direction.
5. EXPLANATION OF CHANGES. This revision:
  - a. Defines the responsibilities of the Director of Budget; the Manager, Policy and Evaluation Staff; and the Office of Budget (ABU) Evaluation Officer for evaluating the effectiveness and consistency of budget programs and activities nationwide.
  - b. Defines the terms "activity," and "program."
  - c. Describes the purpose and scope of on-site evaluations.
  - d. Establishes the requirement for initial management and exit conferences.
  - e. Establishes the requirement for follow-up reviews and evaluations.
6. DEFINITIONS.
  - a. Activity. Any project, task, or process required to carry out a program. A combination of several activities may be elements in a particular program. Activities constituting a program vary with the nature and purpose of the program.

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b. Program. Generally defined as an organized set of activities directed toward a common purpose, objective, or goal undertaken or proposed by an agency in order to carry out responsibilities assigned to it. In practice, however, the term "program" has many usages and thus does not have a well-defined standardized meaning in the legislative process. "Program" has been used as a description for agency missions, activities, services, projects, and processes.

## 7. POLICIES.

a. The Director of Budget subscribes to the management concept that evaluation is an integral part of a manager's responsibility to be knowledgeable about the programs and activities for which he or she is accountable. Therefore, periodic evaluations of budget programs and activities are to be conducted to ensure the effectiveness and efficiency of such programs and activities. Budget programs and activities within regions, centers, and Washington program offices will be evaluated on a reoccurring and variable basis.

b. The ABU evaluation effort will review and verify internal compliance with applicable policies, procedures, and practices with special emphasis on the quality of services and output provided by ABU and other budget organizations, the adequacy of existing policies and procedures, and whether or not the development of new policies or procedures would ensure the achievement of Total Quality Management goals and objectives.

c. The results of an evaluation shall be reported as soon as possible to managers directly affected by its findings and recommendations. Normally, draft evaluation reports, including any findings and recommendations, will be submitted for management comment before distribution and publication.

d. The evaluation program will be conducted in such a manner as to ensure its objectivity, accuracy, thoroughness, and timely presentation of findings and recommendations to appropriate management officials.

## 8. RESPONSIBILITIES.

a. The Director of Budget (ABU-1) is responsible for:

(1) ensuring the evaluation program established by this order complies with the policies and standards contained in FAA Order 1800.2E;

(2) determining the scope, frequency, and appropriateness of evaluations of budget programs and activities;

(3) directing evaluations of all ABU programs and activities at least once every 3 years;

(4) providing copies of completed evaluation reports to the Deputy Associate Administrator for Appraisal (AAD-2) for the identification of systemic issues and/or problems and to the cognizant regional administrator, center director, or associate administrator;

(5) directing development of the ABU annual evaluation plan; and,

(6) designating the ABU Evaluation Officer.

b. The Manager, Policy and Evaluation Staff (ABU-30), is responsible for:

(1) the implementation and execution of evaluation activities within ABU;

(2) directing and managing the overall on-site evaluation activities of ABU evaluation teams;

(3) evaluation policy development, planning, and assessment; and,

(4) directing the establishment of a system to track and monitor evaluation activity as well as the status of remedial actions.

c. The ABU Evaluation Officer is responsible for:

(1) nominating and recommending evaluation ad-hoc team members;

(2) developing evaluation criteria and performance requirements;

(3) developing an annual evaluation plan to be submitted by September 1 of each calendar year to AAD-2, which will contain a schedule of organizations, programs, and activities selected for evaluation or follow-up action, including the identification of the scope, committed resources, estimated completion dates, and evaluation goals and objectives;

(4) ensuring that evaluation activities are carried out in a manner that is consistent with this order and FAA Order 1800.2E;

(5) supervising on-site evaluation activities, making team assignments, providing technical assistance as required, and reviewing completed work products;

(6) conducting close-out reviews with managers of evaluated activities;

(7) developing and issuing final evaluation reports of reviewed activities, complete with recommendations for improvements in work processes, customer relations, procedures, accountability, etc.; and,

(8) developing and preparing an annual report on evaluation accomplishments, which is submitted under signature of ABU-1 to AAD-2 by November 1 of each calendar year.

d. Regional, center, and program office budget officers are responsible for:

(1) providing ad-hoc program evaluation team members at the request of the Director of Budget; Manager, Policy and Evaluation Staff; or the ABU Evaluation Officer;

(2) recommending offices, regions, programs, processes, and activities that should be subject to evaluation;

(3) ensuring that recommendations for improvement in procedures, processes, and work performance are implemented in the program areas for which they are responsible; and,

(4) providing expert authoritative advice to regional management officials concerning the correction of weaknesses and implementation of recommended remedial actions resulting from program evaluations of regional budget activities.

9. EVALUATION PROGRAM OBJECTIVES. The objective of the ABU budget evaluation program is to ascertain the effectiveness of budget orders, procedures, policies, activities, customer services, advice, and recommendations; improve headquarters/field communication and information exchange; support departmental and agency policy drivers; improve organizational efficiency and effectiveness; identify budget activities that could be enhanced by developing new procedures, policies and/or orders; and, establish new and/or better relationships with program managers.

#### 10. ON-SITE EVALUATIONS.

a. On-site visits are the preferred technique for data gathering and analysis.

b. Generally, evaluation teams will consist of the ABU Evaluation Officer and at least two other individuals selected from either ABU, Washington program offices, regions, or centers. However, there may be situations where one analyst's review of a specific issue is considered adequate for evaluation purposes.

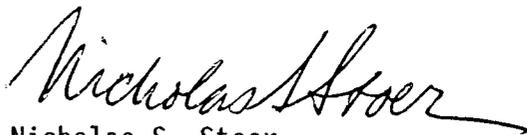
c. Each evaluation team member will receive assignments from the ABU Evaluation Officer both prior to and during the on-site evaluation and will be fully responsible for completing all assigned tasks in a timely manner.

d. The ABU Evaluation Officer is responsible for notifying each "team member" of their selection at least 60 days prior to the start of the on-site evaluation. Team members will be responsible for making their own travel arrangements and ensuring their arrival at the selected evaluation site at the prescribed time.

11. INITIAL MANAGEMENT CONFERENCE. Prior to the start of each on-site program evaluation, an initial management conference will be held with the appropriate on-site management officials. The purpose of this conference is to outline the evaluation team's area[s] of concentration, evaluation philosophy, goals and objectives, and to elicit management's support and cooperation.

12. EXIT MANAGEMENT CONFERENCE. At the conclusion of the on-site evaluation, an exit conference will normally be convened between the evaluation team and the managers and supervisors of the evaluated activity to discuss findings, observations, and recommendations for remedial actions. (It is also recognized that there may be situations where, due to the number of offices being visited, exit conferences and draft reports are not appropriate or are more appropriate after all data have been collected.) In addition to discussing the evaluation team's findings, management will be given a copy of the initial draft evaluation report. This report will be prepared on-site prior to the exit conference and shall present an overview of the findings and observations. Management will be encouraged to respond to the draft evaluation report in writing. The final evaluation report will incorporate management's input as well as on-site findings and will represent a synthesis of these two viewpoints.

13. FOLLOW-UP REVIEWS AND EVALUATIONS. Depending upon the number and nature of the remedial actions required, follow-up evaluations will be conducted via either the on-site process or through a self-evaluation process performed by the subject organization. If the on-site process is selected, a review team will revisit the subject organization and confirm through a factfinding process that remedial actions have been effected. If the self-evaluation process is chosen, the subject organization will be required to conduct an internal review and provide a report to the Director of Budget which describes the status of remedial actions.



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