U.S. Small Business Administration

Office of Inspector General

Inspection and Evaluation

SBA's Federal and State Technology Partnership (FAST) Program

December 30, 2003

4-05

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, DC 20416

OFFICE OF
INSPECTOR GENERAL

December 30, 2003

TO: Michael L. Barrera
Acting Associate Deputy Administrator
for Government Contracting & Business Development

FROM: Emilie M. Baebel /s/ original signed
Assistant Inspector General
for Inspection and Evaluation

SUBJECT: Final Inspection Report and Follow-up on SBA's Federal and State Technology Partnership (FAST) program.

We are pleased to submit our report on **SBA's *Federal and State Technology Partnership (FAST)*** program. The Consolidated Appropriations Act of 2001 requires the Inspector General of the SBA to submit to Congress during the first quarter of fiscal year 2004 a report based on a review of the extent to which FAST recipients are measuring the performance of their activities and the overall management and effectiveness of the FAST program.

We appreciate the excellent cooperation we received from the staff in the Office of Technology in preparation of this inspection report.

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EXECUTIVE SUMMARY

PURPOSE AND BACKGROUND

This inspection assesses the extent to which recipients under the FAST program have developed and are utilizing effective performance indicators by which to measure the results of their program activities. Observations are also made regarding the overall management and effectiveness of the FAST program.

The Consolidated Appropriations Act of 2001 requires the Inspector General to conduct a review of the extent to which recipients under the FAST program are measuring the performance of their activities and the overall management and effectiveness of the FAST program. In addition, the law requires the Inspector General to submit to Congress a report based on this review during the first quarter of fiscal year 2004. On January 6, 2003, the Office of Inspector General issued an inspection report on the FAST program's first year (FY 2001)[1] in which we made several findings and recommendations. The intention of the preliminary report was to provide information that SBA and state FAST program mangers could use in their work during the early implementation stages of the program as well as baseline information for the subsequent report to Congress. In addition to presenting observations regarding the overall management and effectiveness of the FAST program, this inspection updates and follows-up on the findings and recommendations of the preliminary report.

The Consolidated Appropriations Act of 2001, which incorporates the provisions of several bills, including the Small Business Reauthorization, established the FAST program. The purpose of FAST is to strengthen the technological competitiveness of small business concerns in the states by ensuring their participation in federal research and development. The program originated in recognition that programs to foster economic development among small high-technology firms vary widely among states and that a need exists to provide support to these businesses in the states receiving relatively few Small Business Innovation Research (SBIR) grants. SBIR is a program that protects hi-tech small businesses and enables them to compete on the same level as larger businesses by reserving a specific percentage of federal R&D funds for them.

In FY2001, the first year that FAST grants were made, the program was funded at $3 million and 30 state organizations participated in the program. In FY 2002, the program was funded at $2.7 million and 27 state organizations participated. In FY 2003, the FAST program was cut in the omnibus conference report and although SBA was given authority to fund the program, the agency chose not to. Under the FY 2004 Consolidated Appropriations Bill, the FAST program is funded at $2 million.

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[1] Small Business Administration (SBA), Office of Inspector General, Inspection and Evaluation, SBA's Federal and State Technology Partnership (FAST) Program. Report No. 3-02. January 6, 2003.

RECOMMENDATIONS

Improve Guidance

We recommend that SBA refine its guidance regarding developing performance indicators and take the lead role in the effort to establish a core set of indicators by which program participants can measure the results of their activities.

Withhold Funding from Non-reporting Program Participants

We recommend that SBA implement the enforcement provisions under its authority as prescribed in OMB Circular A-110 and terminate the FY 2001 FAST award of the recipient that has not been in contact with SBA since receiving its notice of award.

We recommend that SBA vigorously enforce its reporting requirements by suspending the FY 2001 awards of all program participants who are non-compliant with their semi-annual and final report submissions.

We recommend that the program office contact each FY 2002 FAST recipient not submitting their required mid-year report informing them of their non-compliant status and request that they prepare and submit a report.

AGENCY RESPONSE

In its response to our draft report, the Agency concurred with our recommendations.

PURPOSE

This inspection assesses the extent to which recipients under the FAST program have developed and are utilizing effective performance indicators by which to measure the results of their program activities. Observations are also made regarding the overall management and effectiveness of the FAST program.

ISSUES TO BE ADDRESSED

Specific issues addressed in this inspection include: 1) the adequacy of guidance issued by SBA to FAST program participants on the use and reporting of performance indicators; 2) the extent to which FAST participants adhered to the technical proposal requirements to include a detailed description of how they plan to measure the results of the activities conducted under the program; 3) whether the characteristics of the performance indicators provided in the participants' technical proposals are sufficient to measure performance, including whether the indicators include baseline data and targets; and 4) the extent to which the SBA has effectively monitored the participants' program activities and performance reporting.

BACKGROUND

The Consolidated Appropriations Act of 2001 requires the Inspector General to conduct a review of the extent to which recipients under the FAST program are measuring the performance of their activities and the overall management and effectiveness of the FAST program. In addition, the law requires the Inspector General to submit to Congress a report based on this review during the first quarter of fiscal year 2004. On January 6, 2003, the Office of Inspector General issued an inspection report on the FAST program's first year (FY 2001)[2] in which we made several findings and recommendations. The intention of the preliminary report was to provide information that SBA and state FAST program mangers could use in their work during the early implementation stages of the program as well as baseline information for the subsequent report to Congress. In addition to presenting observations regarding the overall management and effectiveness of the FAST program, this inspection updates and follows-up on the findings and recommendations of the preliminary report.

The Consolidated Appropriations Act of 2001, which incorporates the provisions of several bills, including the Small Business Reauthorization, established the FAST program. The purpose of FAST is to strengthen the technological competitiveness of small business concerns in the states by ensuring their participation in federal research and development. The program originated in recognition that programs to foster economic development among small high-technology firms vary widely among states and that a need exists to provide support to these businesses in the states receiving relatively few Small Business Innovation Research (SBIR) grants. SBIR is a program that protects

[2] Small Business Administration (SBA), Office of Inspector General, Inspection and Evaluation, SBA's Federal and State Technology Partnership (FAST) Program. Report No. 3-02. January 6, 2003.

hi-tech small businesses and enables them to compete on the same level as larger businesses by reserving a specific percentage of federal R&D funds for them.

In FY2001, the first year that FAST grants were made, the program was funded at $3 million and 30 state organizations participated in the program. In FY 2002, the program was funded at $2.7 million and 27 state organizations participated. In FY 2003, the FAST program was cut in the omnibus conference report and although SBA was given authority to fund the program, the agency chose not to. Under the FY 2004 Consolidated Appropriations Bill, the FAST program is funded at $2 million.

METHODOLOGY

The technical proposal and performance reports submitted by the 30 participants in the FAST program in FY 2001 and 27 participants in FY 2002 were the primary sources of information for this inspection. The FAST program announcement for FYs 2001 and 2002 required a detailed description from each applicant of the manner in which each would measure the results of their proposed program activities. Particular attention is paid to this section of each technical proposal. Quarterly, mid-year and final reports were also reviewed to assess the extent to which stated performance indicators are reported on.

Our inspection also reviewed actions taken by the program office to monitor and refine grantee reporting of results and analysis of those results by SBA. Within SBA we interviewed FAST program officials and attended two "State/Federal Partnership Workshops" during the National SBIR Conferences in Washington, DC and Cleveland, Ohio in FY 2002 and 2003, respectively, to observe the work being done to refine SBA guidance on developing and establishing grantees' performance indicators.

FINDINGS

Program Announcement

Finding 1: The FAST program announcement could provide better guidance on developing performance indicators and better explain how these will be monitored and assessed by the program office post-award to evaluate program participants' activities.

In our initial inspection report in which we assessed the first year of the FAST program, we closely reviewed the program announcement as it laid the groundwork and provided the guidance by which applicants developed their plans to report to report to SBA on the performance of their programs. While the announcement adequately communicated to prospective applicants the legislative intent and long-term goals of the program, we found that it contained limited guidance for program applicants regarding the development and use of performance indicators.

SBA concurred with our findings and recommendation to make certain refinements to its guidance on developing performance indicators in future FAST program announcements.

Because the FY 2002 program announcement had already been released when we issued our inspection report, the FY 2002 announcement was largely unchanged from that issued for the program in FY 2001 and did not reflect the implementation of our recommendations. Moreover, because the FAST program was not funded in FY 2003, SBA has not yet had the opportunity to make refinements to its guidance on performance indicators. Program officials stated in their response to our initial inspection report, however, that they are incorporating better guidance on the performance indicator process in the next release of the program announcement.[3]

The FY 2001 and FY 2002 FAST program announcements required applicants to incorporate performance indicators into their proposals and explained that proposal submissions would partly be evaluated based on the quality of indicators chosen. The proposal preparation guidelines also instructed applicants to describe in detail how they planned to measure the results of their program activities and explained that data from their chosen indicators would be used for reporting throughout the funding period. Additionally, the guidelines communicated to applicants that their indicators and results would become important outcome data in the evaluation of future FAST proposals as well as contributions for SBIR program assessments. In the FY 2002 announcement incumbent applicants were instructed to chart what they measured in their FY 2001 award, what they would measure as FY 2002 awardees and what they would change. Incumbent applicants were also asked to describe the beneficiaries of the services they provided under their FY 2001 FAST award and how these beneficiaries were helped.

We concluded in our initial inspection that SBA could have provided better guidance to program participants regarding the development and selection of performance indicators. We also concluded that SBA could have better explained how participants' indicators would be monitored and assessed by SBA. We pointed out that while the FY 2001 program announcement states that proposed indicators will be used to evaluate future FAST proposals and contributions for SBIR program assessments, thus emphasizing their importance and potential future rewards for selecting quality indicators, SBA does not offer guidance, explain or provide the criteria by which it assesses the quality of such indicators. Our comments were based on the examples that appeared in the FY 2001 announcement of the types of activities SBA suggested that FAST applicants consider when reporting results of the activities.

[3] Small Business Administration (SBA), Office of Inspector General, Inspection and Evaluation, SBA's Federal and State Technology Partnership (FAST) Program. Report No. 3-02. Appendix, pg. i. January 6, 2003.

FAST Program Announcement Reporting Requirements:
Examples of efforts that might be reported in mid-year performance reports

(a) Training activities (conferences, courses, seminars)
- Title of activity, date, location, duration, number of participants
- A paragraph describing the objectives of the training and evaluating its effectiveness in meeting these objectives

(b) Counseling/Technical Assistance Activities
- Business/firm name, client, address, email address, phone number; dates of assistance
- A paragraph describing the type of assistance provided

(c) Other activities, including significant accomplishments (outreach, support, mentoring, presentations, program development, etc.)
- Activity, purpose, date, location
- A paragraph describing the objectives of the activity and evaluating its effectiveness in meeting these objectives

We stated in our initial inspection that if FAST applicants followed SBA's suggestions and reported only these types of activities, participants' performance reports would provide little more than a summary of program activities and make it difficult for program officials to distinguish desired outcomes and results.

Program officials responded to our findings with the explanation that

> "Because this was the first year of the program every effort was taken to give the states as well as the SBA an opportunity to assess the wide variety of projects and performance indicators so that we could strategize and identify which 3-5 indicators would appropriately fit the gambit of FAST projects. Subsequently, we have provided better guidance on this process to the FAST applicants in the subsequent release of the FAST program announcement. In an effort to make award recipients more accountable for accomplishing activities and outcomes, we have been working with the states to establish baseline reporting elements and outcome metrics. This is being done through tri-annual meetings with the FAST award recipients at the National SBIR Conferences."[4]

We attended two of these meetings/workshops to observe the work being done to establish baseline reporting elements and outcome metrics. Program officials told us that several FAST participants received assignments as part of a team effort to devise the outcome metrics and reporting elements that could be discussed and voted on by all participants. FAST recipients organized themselves into committees whose purpose was

[4] Small Business Administration (SBA), Office of Inspector General, Inspection and Evaluation, SBA's Federal and State Technology Partnership (FAST) Program. Report No. 3-02. Appendix, pg. 3. January 6, 2003.

to share and exchange ideas and best practices among all FAST award recipients, but program officials told us that little came of this effort. SBA program officials themselves played a limited role in the work and organization of these committees. FAST participants explained at one workshop that many were reluctant to share best practices due to the competitive nature of the FAST grant program and for fear that they would give away proprietary business plans and strategies to existing and future FAST grant applicants. As a result, the effort to establish baseline reporting elements and outcome metrics produced no substantive results.

Recommendation 1: We recommend that SBA refine its guidance regarding developing performance indicators and take the lead role in the effort to establish a core set of indicators by which program participants can measure the results of their activities.

Notice of Award

Finding 2: The FAST Notice of Award adds to the activity related information participants are to present in their semi-annual performance reports, but does not provide guidance to assist participants in identifying desired outcomes and results.

The program's Notice of Award document sent out to FAST awardees repeats the performance reporting requirements outlined in the program announcement while adding to the activity related information SBA asks FAST participants to provide in their performance reports. The Notice of Award provides no additional guidance on developing and establishing performance indicators. Like the examples provided in the program announcement of activity related information, the additional information requested in the Notice of Award will do little but provide a summary of participants' activities without distinguishing desired outcomes and results.

Sampling of additional activity related information to report from Notice of Award[5]:

- News clippings, brochures, etc:
- Names of staff and positions;
- Number of loans, grants, including Phase 0 awards;
- Training activities: date, location, duration, number of participants, etc.;
- Counseling: name of business/client, email address, mailing address, etc.;
- Outreach activities: participant list, date(s) location(s), summary of activity and overall impact/effectiveness.

Because technical proposals have been submitted and evaluated by the time the Notice of Award is issued and indicators have been developed and established by FAST applicants in their proposals, the Notice document is not the appropriate document through which

[5] See FAST FY 2001 and FY 2002 Notice of Award for complete outline of additional reporting requirements.

SBA should provide its primary guidance on performance indicators. The primary document that SBA should use is the program announcement, before applicants have developed and presented their indicators. We included the Notice document in our review because of its utility to serve as an effective tool to reinforce reporting requirements and provide any additional guidance SBA program officials feel need to be disseminated to FAST awardees. The program announcement, therefore, is the document where detailed and concrete guidance on developing performance indicators ought to be outlined and disseminated.

Although no additional guidance regarding developing performance indicators is offered in the Notice, it does identify information that should be included in the reports. The reports should consist of a presentation of the activities performed and thoroughly outline project accomplishments, problems encountered, steps for correcting problems, a comparison of actual accomplishments to the estimated milestones, and where milestones are not met, reasons for slippage, a plan to overcome them and other significant information.

Because of the limited guidance provided by SBA regarding what to report in performance reports and SBA's desire to not prescribe to recipients specific performance indicators on which to report, performance reports vary widely in organization, length and information provided. Consequently, many reports are difficult to follow. With limited resources available to the program office, it is difficult for officials to adequately assess the quality and effectiveness of the program activities being conducted.

Recipients' Use of Performance Indicators

Finding 3: SBA's focus on outputs in its guidance on performance indicators and reporting requirements in the Program Announcements and Notices of Award contributed to an almost exclusive selection of output indicators by FAST recipients to measure performance.

The performance measurement process should consist of three stages: 1) identifying goals, including specifying long-term and annual goals that include outcomes of program activities; 2) developing performance indicators by selecting measures that assess progress of program activities in achieving goals or intended outcomes; and 3) reporting data and analyzing results.

Our assessment of the FY 2001 and FY 2002 award recipients' technical proposals shows that recipients demonstrate understanding of the legislative intent and long-term goal of the FAST program, which is to strengthen the technological competitiveness of small high-technology firms in the states. We observed, however, that while recipients may understand the long-term goal of increasing SBIR awards in their states, most appear to have difficulty formulating performance goals that are achievable on an annual basis. While long-term goals are fairly well identified by both SBA and FAST recipients, annual expectations appear to be much less certain.

The concept of "outcome" appears difficult for all FAST recipients to incorporate in their proposals. Outcome indicators constitute a critical component in the ability to measure program performance as they signal changes in certain conditions or results of program activities. Appropriately developed and selected, outcome indicators provide evidence of progress that program activities have toward the attainment of program goals. Our review of the indicators provided by FY 2001 and FY 2002 FAST recipients revealed that in nearly all cases the indicators measured program outputs. Although outputs measure the amount or frequency of a product or service, they do not guarantee that the product or service has its intended result. Relying on output indicators alone presents an impossible challenge for FAST program officials to assess performance and distinguish results of the program.

The commonalities observed among the indicators program recipients provided in their proposals are likely a direct result of the guidance received by SBA and contained in the program announcement. A list of the indicators most commonly provided by recipients is found in Table 1.

TABLE 1: SAMPLE OF MOST COMMONLY PROVIDED INDICATORS

Outputs

- Number of clients counseled
- Number of outreach events
- Number of training and educational programs/workshops
- Number served with proposal writing assistance
- Number of mentors and companies recruited to participate in the mentoring program
- Commercialization assistance and plans developed
- Number of information pieces mailed
- Develop, populate and maintain a database of companies identified as having potential to participate in federal SBIR/STTR programs and/or to identify and track the progress of innovative technology projects
- Recruit and hire FAST staff
- Number of SBIR/STTR proposals reviewed
- Number of website hits
- Number of counseling hours spent with clients

Intermediate Outcomes

- Total number of SBIR/STTR Phase I proposals submitted
- Total number of SBIR/STTR Phase II proposals submitted
- Number of Phase 0 grants awarded

Direct Outcomes

- Number of clients that received SBIR/STTR awards
- Number of SBIR/STTR proposals submitted and resulting Awards
- Rank in the number of SBIR awards (Phase I and II)

Indirect Outcomes

- Amount of additional add-on non SBIR R&D funding generated
- Ratio of employment in the 9 key industry clusters to total employment
- Ability of each company to attract public or private investment as measured by signed commitments or equivalent
- Strive of a 5% per year increase in the SBIR/STTR award success rate for Oklahoma SBIR companies, tracked using the SBA's Tech-Net Database
- Jobs created (2)
- Increase high-tech company creation
- State per capita income

Source: FAST participants' FY 2001 and FY 2002 technical proposals

The table shows that the majority of FAST recipients are attempting to measure the results of their activities with output indicators. While not a list of all the indicators provided by recipients, Table 1 provides a representation of the types of indicators developed by the program's participants. A majority of the remaining indictors provided by recipients, but not listed in Table 1, can likewise be classified as output indicators.

The first group of indicators in Table 1 under the heading "Outputs" are the output indicators most frequently provided by recipients in their proposals, some of which are directly provided as examples by SBA of the types of information to report. While

outputs are usually the most easily available measures, FAST participants ought to be required to provide data on outcomes.

The next group of commonly provided indicators shown in Table 1 is labeled "Intermediate Outcomes." These are indicators FAST participants can realistically affect with their outputs and which contribute to the achievement of higher-level outcomes and the goals of the program. The longer term and aggregate effect of outputs are measured by intermediate outcomes. Program participants can more effectively tell their story of progress with outcome (as opposed to output) measures. However, outcome data are more difficult to generate than output data, particularly when periods of performance are short as with the FAST program.

The next group of indicators in Table 1 is titled "Long-term Outcomes." Long-term outcomes are those that are directly pertinent to the program's mission and goals and which FAST participants are striving toward. FAST participants produce outputs in order to achieve intermediate outcomes so that these ultimately achieve the program's mission and goals. While our review found just a small number of FAST participants with long-term outcomes as part of their performance measurement plans, we caution them and the program office to ensure that the reported results against these indicators apply directly to participants' program activities and represent the achievements of their clients only. For example, if a long-term outcome is the number of SBIR/STTR proposals submitted and resulting in awards, FAST participants should report only the number of proposal submissions that are directly attributable to its program activities, as opposed to proposals that would have been submitted in their state regardless of their FAST grant.

The last group of indicators we titled "Indirect Outcomes." This group is a sampling of indicators provided by FAST participants that in our view is beyond the manageable interest of program participants. Though we do not believe a FAST participant would hold itself accountable to an increase in its state per capita income (see Table 1), this group of indicators should signal to the FAST program office the degree to which it will need to provide assistance to future FAST participants in the formulation and selection of appropriate indicators that will be useful in managing the program.

FY 2001 Participants' Record of Performance Reporting

FAST program grantees are subject to the requirements of OMB Circular A-110 in addition to the requirements outlined by SBA in the program announcement. Both the FY 2001 and FY 2002 FAST program announcements and notices of award clearly explain the program's reporting requirements. Participants are required to submit semi-annual reports no later than thirty days after the completion of the six months from the date of award. FY 2001 awards were dated October 1, 2001 and FY 2002 awards were dated October 1, 2002. Second (and final) reports are due no later than thirty days after the completion date of the agreement. Applicants are then told that "SBA will withhold payments if reports are not received timely or are deemed inadequate".

To encourage compliance with reporting requirements program officials told us that they do not approve for reimbursement any program activity costs if the participant is not current in its performance report submissions. We noted in our FY 2001 report that five of the thirty awardees had not submitted their mid-year reports. We recommended that the program office contact each FAST recipient that did not submit its mid-year report to encourage them to prepare and submit a report. We also recommended that the program office take the appropriate steps to withhold funding should reports not be forthcoming in the following (FY 2002) award cycle.

The SBA concurred with our FY 2001 report recommendation that program officials should contact each FAST recipient that did not submit a semi-annual report to encourage them to prepare and submit a report. We also recommended, and SBA concurred, that if reports are not forthcoming during the second cycle, appropriate steps should be taken to withhold funding. Although not documented in the program files, program officials told us that the five award recipients were contacted via email or telephone informing them of their noncompliance. To date, only one has since submitted its report after being contacted by the SBA.

Of the four remaining participants not submitting its FY 2001 mid-year performance report, one has not been in contact with SBA throughout the entire performance period of the program (October 1, 2001-September 29, 2002). Program officials told us that the participant has not responded to emails from the program office, telephone calls or written correspondence. SBA's program office has not received invoices for payment from this participant and program officials are not aware of any delivery of services or activities performed in connection with the participant's FAST grant.

Recommendation 2: We recommend that SBA implement the enforcement provisions under its authority as prescribed in OMB Circular A-110 and terminate this particular FY 2001 award.

Finding 4: Too many FY 2001 FAST participants did not abide by SBA requirements to submit final performance reports.

When we reviewed program files for final report submissions, we found that FY 2001 program participants demonstrated a significantly lower record of compliance than they did in submitting their mid-year performance reports. Of the 30 participants, only 13 submitted final reports, one of whom submitted a plethora of information and data so extensive that we could not determine definitively what data the participant was reporting for its performance indicators. The other seventeen program participants did not comply with the program requirements to submit its final report within the required 30 days of completion of the date of the agreement (October 29, 2002). Again, it is not documented that any of these FY 2001 participants were contacted by SBA's program officials informing them of their noncompliance with the requirement that they submit final reports.

Recommendation 3: We recommend that SBA vigorously enforce its reporting requirements by suspending the FY 2001 awards of program participants who are non-compliant with their semi-annual and final report submissions.

FY 2002 Participants' Record of Performance Reporting

Finding 5: Too many FY 2002 FAST participants did not abide by SBA requirements to submit semi-annual performance reports.

FY 2002 FAST award recipients have a worse record than FY 2001 recipients of complying with program reporting requirements. Twenty-seven FAST grants were awarded in FY 2002. Of the twenty-seven, twelve did not submit the required mid-year performance report. Program files contain no documentation that these award recipients were contacted informing them of their non-compliant status.

Of the twenty-seven FY 2002 FAST award recipients, nineteen received FAST grants in FY 2001. Such a record demonstrates that that in addition to submitting favorable technical proposals for the FY 2002 program cycle, SBA was satisfied with the performance of these nineteen participants during the FY 2001 award cycle. However, upon review of the program files, we found that eleven of the nineteen FY 2002 award recipients were not compliant with their FY 2001 grant agreement regarding performance reporting. These eleven FY 2002 recipients either did not submit their FY 2001 mid-year performance report or their final performance reports, or both, as required (See Table 2). Program officials were not able to explain how these nineteen FY 2001 award recipients were awarded FY 2002 FAST awards when they were clearly not in compliance with their FY 2001 grant agreements.

Recommendation 4: We recommend that the program office contact each FY 2002 FAST recipient not submitting their required mid-year report informing them of their non-compliant status and request that they prepare and submit a report.

Table 2: Record of Performance Reporting by FY 2001 and FY 2002 FAST Award Recipients

	2001			2002	
STATE	Technical Proposal	Mid-Year Report	Final Report	Technical Proposal	Mid-Year Report
ALABAMA	✓	✓	✓		
ALASKA	✓	✓	*		
ARIZONA				✓	*
ARKANSAS				✓	✓
CALIFORNIA				✓	*
COLORADO	✓	✓	✓		
DELAWARE	✓	✓	✓	✓	✓
GEORGIA	✓	✓	✓	✓	✓
HAWAII	✓	✓	*	✓	*
IOWA	✓	✓	✓	✓	✓
LOUISIANA	✓	✓	✓	✓	✓
MAINE	✓	✓	*	✓	*
MARYLAND	✓	✓	*	✓	✓
MASSACHUSETTS	✓	*	*		
MICHIGAN	✓	✓	*		
MINNESOTA	✓	✓	✓	✓	✓
MISSISSIPPI	✓	✓	*	✓	*
MISSOURI	✓	✓	*	✓	✓
MONTANA	✓	✓	✓		
NEVADA	✓	*	*		
NEW HAMPSHIRE	✓	✓	✓	✓	*
NEW JERSEY	✓	✓	✓		
NEW MEXICO				✓	✓
NEW YORK	✓	*	*	✓	*
NORTH CAROLINA	✓	✓	*	✓	✓
NORTH DAKOTA				✓	✓
OHIO	✓	✓	✓	✓	*
OKLAHOMA	✓	✓	*	✓	✓
PENNSYLVANIA				✓	*
PUERTO RICO				✓	*
SOUTH CAROLINA	✓	✓	*		
TEXAS	✓	✓	*	✓	*
VERMONT	✓	*	*	✓	✓
VIRGINIA	✓	✓	✓	✓	*
WASHINGTON	✓	✓	*		
WEST VIRGINIA				✓	✓
WISCONSIN	✓	✓	*	✓	✓
WYOMING	✓	✓	*		

Source: FAST Program Files * = report not submitted

APPENDIX

U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

Date: DEC 23 2003

To: Emilie M. Baebel
Assistant Inspector General
for Inspection and Evaluation

From: Michael L. Barrera [FOIA EX. 6]
Acting Associate Deputy Administrator
for Government Contracting and
Business Development

Subject: Response to Recommendations Outlined in the Final Draft Inspection Report on the Federal and State Technology Partnership Program (FAST)

We are pleased to provide a response to the Final Draft Inspection Report on SBA's Federal and State and Technology Partnership Program. Attached is our response to Recommendations 1-4.

Thank you for your support throughout this process. Please address any questions you have concerning this matter to Cherina Hughes at (202) 205-7344 or Maurice Swinton at (202) 401-6365.

Attachment

cc: Linda G. Williams, AA/Government Contracting
Maurice Swinton AA/Technology
Cherina Hughes, Program Analyst/Technology

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Response to IG Recommendations

SBA Program: Federal and State Technology Partnership Program (FAST)
Report Title, Number: Final Draft Inspection Report on SBA's Federal and State Technology Partnership (FAST) program

Report Issue Date: December 10, 2003

Recommendation 1
Improve Guidance – "We recommend that SBA refine its guidance regarding developing performance indicators and take the lead role in the effort to establish a core set of indicators by which program participants can measure the results of their activities."

SBA Response: In an effort to create more streamlined reporting, the current performance indicators will be reevaluated to better assist the program participants to measure the results of their activities. An emphasis will be placed on the participants' outputs and outcomes from their program activities. These changes will be reflected in the FY 2004 Program Announcement and the Notice of Award to each program participant.

Target for Final Action: Estimated February 1, 2004

Recommendation 2:
"We recommend that SBA implement the enforcement provisions under its authority as prescribed in OMB Circular A-110 and terminate the FY 2001 FAST award of the recipient that has not been in contact with SBA since receiving its notice of award."

SBA Response: SBA concurs with this recommendation and has already taken the steps necessary to proceed with the termination process.

Target for Final Action: January 15, 2004

Recommendation 3: "We recommend that SBA vigorously enforce its reporting by suspending the FY 2001 awards of all program participants who are non-compliant with their semi-annual and final report submissions."

SBA Response: SBA concurs with this recommendation and has initiate corrective action for each of the FY 2001 award recipients who are non-compliant with the semi-annual and final report requirement.

Target Date for Final Action: January 31, 2004

Recommendation 4: "We recommend that the program office contact each FY 2002 FAST recipient not submitting their required mid-year report informing them of their non-compliant status and request that they prepare and submit a report."

SBA Response: SBA concurs with this recommendation and has contacted each of the FY 2002 FAST grant recipients and requested that each submit the delinquent report immediately or risk suspension.

Target Date for Final Action: January 31, 2004