

## **R&D PERFORMANCE CRITERIA**

The President's 2003 Budget requests the highest level of funding for R&D in history. But the focus should not be on how much we are spending, but rather on what we are getting for our investment. Our current priorities call for redoubling our efforts to meet the President's charge that we improve the management, performance, and results of the federal government. A dedicated effort to improve the overall quality of the total investment in R&D by strengthening effective programs and fixing lower performers through reforms or reallocations will increase the productivity of the federal R&D portfolio and transcend the all-too-common attention given to year-to-year marginal increases or decreases.

Based on lessons learned from a pilot project at the Department of Energy, as well as other inputs from experts and stakeholders, the Administration will develop R&D investment criteria to assist with budget allocation decisions at major R&D agencies starting in the 2004 budget process. Several fundamental principles motivate and will guide them, including:

- Federal R&D priorities should be consistent with priorities identified by the President.
- Federal R&D programs should focus on activities that require a federal presence to attain national goals. To avoid public funds displacing private investment, federal R&D should focus primarily on areas where the private sector cannot capture the benefits of the R&D.
- Programs and proposals should have thorough plans for the research, with clear goals and planned end points or off-ramps, when appropriate.
- To maximize the quality of the research process and the efficiency of the public investment, research programs should use a competitive, merit-based process where appropriate. Exceptions must be well justified.
- Agencies and programs judged to be outstanding in conducting, awarding, and managing R&D should be identified and supported.
- Less successful programs should follow successful models to achieve improvements, or they should be reduced or moved to agencies where they can be managed more effectively.
- Resources for new R&D priorities will be increased by reducing or eliminating the funding for programs that have completed their mission or that are redundant or obsolete.

The Administration recognizes that researcher time is best spent on research and that excessive administrative burden for researchers is counterproductive. During the development and implementation of the investment criteria, the Administration will take the necessary steps to minimize their administrative burden and maximize their utility.

Due to the distinct goals and methods of basic research versus applied research and development, the Administration recognizes the need for separate criteria for basic research. The Office of Science and Technology Policy, the Office of Management and Budget, and the federal agencies will work with the science and technology community to define helpful criteria for basic research and implement them effectively in preparation of the 2004 budget.