Below is the latest PMA newsletter. This month we saw the latest quarterly release of the PMA Scorecard, which showed good progress in all five areas of the management agenda. More and more agencies are improving their management and thus getting the results they need to get to green. In particular, I'd like to congratulate Energy, HHS, and OPM for netting greens in competitive sourcing. These positive scores are a testament to their hard work at improving the way our government performs.

-Carl DeMaio



May 2004

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If you find this newsletter useful and informative, please forward it to your friends and colleagues!

Featuring Three Tracks:
- Human Capital Planning and Recruitment
- Managing a Performance-Based Workforce
- Improving the Management of Government HR Business Processes

The federal government has a human capital crisis on its hands, and it's not merely an issue of recruitment or retention. It's a crisis of getting the right people, with the right skills, in the right position, at the right time, to perform the right function, with the right compensation and to be reviewed by the right employee performance evaluation.

That's a LOT of rights to get right.

No matter how it's spun, the reality is that over the next five years more than half of all federal employees will be eligible to retire. It's even worse in the Senior Executive Service - 70% of the SES is now or will soon be eligible to retire. With a poor economy giving the federal government a temporary reprieve, agencies must sharpen their human capital tools NOW to get ready for the anticipated exodus of talent -and battle for talent- when the economy fully recovers.

To help your agency align human capital strategies with mission and goals and prepare for the looming federal human capital crisis - the Performance Institute and a coalition of good-government groups has assembled HR Innovations 2004 - the most comprehensive human capital management event being offered to government managers this year. We hope you'll join us in Washington, DC from June 28-30, 2004 at Gallaudet University for this one-of-a-kind summit.

Emphasize Performance, Not Across-the-Board Pay Increases

The federal government has a big problem when employees talk about "THE" pay increase rather than "MY" pay increase. By relying too much on GS pay scales rather than setting pay on individual levels based on performance, there is little opportunity to place a value on individual contribution to agency success. By developing a mature pay system and emphasizing employee performance, both of which will be covered at HR Innovations 2004, government agencies are more able to compete for talent and improve mission-aligned results.

Stay Ahead of New HR Flexibilities: Pay-for-Performance

For years, government managers have taken flack for poor leadership and people skills. But now, with laws granting broad new powers to managers at the Department of Homeland Security and the Department of Defense, managers are gaining real control. At the core of the changes is pay-for-performance. HR Innovations 2004 will provide you and your agency the opportunity to hear from the Department of Homeland Security and the US Postal Service, two organizations who are leading the pay-for-performance debate in Congress and the federal government.

HR Innovations 2004 offers you and your team the opportunity to master new approaches to federal, state and local human resources management and to deliver improved and tangible results. For more information go to: http://www.performanceweb.org/hri04/hri_04_brochure.pdf

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Government-wide News

Agencies Must Focus on Results

The latest update to a scorecard measuring agency progress on the President's Management Agenda showed modest improvement over the previous quarter. At a recent conference, Deputy Director of OMB Clay Johnson said the administration's focus on improving performance is slowly bringing results. However, he acknowledged that the government needs more resources in some areas and greater efficiency in others, along with objective performance measures to make better decisions. To view this article go to:
http://gcn.com/vol1_no1/daily-updates/25974-1.html

OMB Boasts Progress in Eliminating Government Waste

The Office of Management and Budget has recently reported that federal agencies are making strides in managing costs and eliminating waste, fraud and abuse. Agencies are gathering more timely and accurate financial data, bolstering performance, cracking down on erroneous payments and improving efficiency through competitive sourcing. The report updates Congress on what the government is doing to responsibly manage costs. It shows that departments and agencies are reviewing themselves to see if they're accomplishing the desired result at an acceptable cost. To view this article go to:
http://www.govexec.com/dailyfed/0504/050404a1.htm

Largest Agencies Rate Poorly on Performance Reports

Annual rankings of 24 major agencies on how well they communicated their missions to the public and policy-makers in fiscal 2003 performance reports show that the Defense and Homeland Security departments, two of the largest federal agencies, did a relatively poor job of relaying clear, comprehensive and meaningful information in their annual performance reports last year. Defense, along with the Health and Human Services Department, received the second-lowest scores. Homeland Security fared worst, but the department had not completed its report at the time rankings were compiled. Meanwhile, the Agriculture and State departments moved up several places, and Transportation joined Labor at the top, with the Veterans Affairs Department right behind. To view this article go to:
http://www.govexec.com/dailyfed/0404/041404a1.htm

Strategic Planning and Organizational Alignment in Government - Part of the Government Performance Management Certification Program (July 8-9, Arlington, VA)

Develop a strategic plan linking performance to results. Create clearly defined end outcomes and develop strategies to meet your agency's GPRA goals. Define strategies and intermediate outcomes using a Strategic Issue Landscape Assessment to determine what steps must be taken in order to implement your strategic plans and fulfill your agency's mission. Build stakeholder support and obtain the input of internal and external stakeholders to ensure your plans are fully integrated with your agency's mission. Align organizational activities and outputs. Develop an effective tier organizational workload to establish end and intermediate outcomes to ensure that strategic objectives communicate organizational commitment. For more information go to:
http://www.performanceweb.org/performancemanagement/p219/p219.htm

For information on the Certification Program go to:
http://www.performanceweb.org/pi/training/perfmgmt_index.htm

Budget and Performance Integration

Congressional Oversight Could Yield Budgetary Savings

A recent GAO report highlights opportunities for legislative and administrative change that might yield budgetary savings for the government. These budget options are based on previous GAO research that shows the budgetary implications of selected program reforms. The report provides specific examples that demonstrate the programmatic and fiscal oversight needed to reassessed program objectives, beneficiaries, and improve efficiency in light of current challenges facing the government. To view this report go to:
http://www.gao.gov/new.items/d04649.pdf

OMB Seeks Partnership With Congress to Review Program Performance

The Office of Management and Budget (OMB) has been seeking help from Congress to monitor and improve the performance of federal programs. The administration is open to establishing a "formal partnership" with lawmakers interested in evaluating and streamlining programs. A proposed legislation sets up a 12-member program review commission appointed by the president to perform this task. The commission would rate discretionary spending programs at civilian agencies and recommend eliminating those deemed wasteful or duplicative. If established, the commission could base its recommendations for eliminating wasteful programs on PART evaluations completed by OMB each year. TO view this article go to:
http://www.govexec.com/dailyfed/0504/050704a1.htm

Improved Financial Management

Latest Scorecard Shows No Progress in Financial Management

Agencies have been slow to implement the financial management initiative of the PMA. This is partly because some are in the midst of technology upgrades that may take years to complete. The latest scorecard, representing the second quarter of FY04, shows no improvements in financial management. Of the 26 agencies graded, 18 received a red in financial management, four earned a yellow, and only four merited a green light. To view this article go to:
http://www.govexec.com/dailyfed/0504/052404a1.htm

Agencies Report Limited Information on Improper Payments

The FY2003 Performance and Accountability Reports (PAR) contained limited amounts of improper payment information, even for the 46 programs cited in Circular A-11 for which a reporting requirement has existed for at least three years. There were only improper payment estimates for 31 programs. They contained information on agency initiatives to prevent or reduce improper payments for 22 programs and on impediments to improper payment prevention or reduction for 11 programs. Seven of 15 agencies reported on all three categories of information requested (improper payment amounts, initiatives taken to reduce or prevent improper payments, and impediments to improper payment prevention or reduction) for 9 of the 46 programs. For 11 of the 46 programs, the four agencies did not report on any of the three elements. To view this report go to:
http://www.gao.gov/highlights/d04631thigh.pdf

OMB Helps Agencies Prepare Improper Payments Reports

The Office of Management and Budget is helping major agencies prepare estimates of erroneous payments and plans for reducing the mistakes in time to include the information in this year's annual performance reports. OMB has been holding meetings to discuss agencies' strategies for reducing improper payments to program beneficiaries. By next month, most agencies will have submitted lists of programs vulnerable to payment errors. By the end of June agencies will have completed statistical estimates of improper payments, and by September, most large agencies will have set targets for improvements. To view this article go to:
http://www.govexec.com/dailyfed/0404/041604a1.htm

Strategic Management of Human Capital

DOL Gets to Green in Latest Scorecard

The Department of Labor (DOL) has achieved the highest rating for the Strategic Management of Human Capital. DOL is only the second agency of 26 federal agencies rated on the OMB scorecard to receive a "green" status rating for this initiative. The department has been recognized as a leader in the implementation of the PMA by planning strategically for the agency's future workforce. In addition, the agency is also "green" on all the other PMA components. To view this article go to:
http://releases.usnewswire.com/GetRelease.asp?id=163-05192004

GAO Provides Federal Continuity Planning Guidance

According to recognized experts, continuity efforts associated with agency’s employees who would be needed to resume all operations have not been well developed by many federal agencies. Continuity efforts relate to securing the safety of all employees and addressing the needs of employees who perform essential operations. To more fully address human capital considerations, experts identified two human capital principles that should guide all continuity efforts, and six key organizational actions designed to enhance continuity efforts. To view this report go to:
http://www.gao.gov/new.items/d04384.pdf

The Job Satisfaction Gap in Government

According a new study on female employees, white employees and younger employees rate their job satisfaction higher than their older, male or minority colleagues. These significant differences between demographic groups can keep agencies from accomplishing their mission. There is a strong correlation between employee satisfaction and organizational performance. To view this article go to:
http://federaltimes.com/index.php?S=2830468

USDA Launches Online Training Program

The Agriculture Department has launched the Agriculture Learning (AgLearn) system to provide one-stop learning services available to about 7,000 USDA employees. They can search for and sign up for classroom or online training and maintain training records through AgLearn. Ultimately, the program will provide automated employee request, approval and payment for courses. To view this article go to:

http://www.gcn.com/23_7/workforce/25476-1.html

House Government Reform Committee Seeks Clarity to Curb Diploma Mill Abuses

The House Government Reform Committee asked OPM to focus on how to define legitimate educational achievement as the government seeks to curb diploma mill abuses. The committee wants the government to truly get a handle on this problem by having a framework for distinguishing legitimate schools from illegitimate ones, a plan for tracking legitimacy over time and a way to get this information to all federal employees. Institutions' accreditation status can change over time. Also, there are many schools that lack accreditation but do provide legitimate educational programs. In other cases, some programs within a school can lose accreditation while others retain it. To view this article go to:
http://www.gcn.com/vol1_no1/workforce/25819-1.html

Justice to Offer Early Retirement

The Office of Personnel Management has approved a Justice Department plan to offer early retirements and buyouts to 600 employees. The plan is designed to reshape and modernize the agency's workforce to better support anti-terrorist operations. The agency also is trying to replace clerical workers whose tasks are largely handled by computer-savvy attorneys. The early-out option will be available to Justice employees in fiscal 2004. To view this article go to:
http://www.govexec.com/dailyfed/0404/041504d1.htm

The Performance Institute Unveils a Human Capital Management Certification Program

Government agencies at all levels are increasingly under pressure to link their human capital strategies to agency mission and goals and report the results to policymakers and the general public. To help government agencies align human capital strategies with mission, goals and organizational objectives to improve performance and citizen satisfaction, the Performance Institute provides comprehensive education programs through its "Human Capital Management Certification Program." By attending one or more of the courses offered in this program, you will hone your skills in recruiting, retaining and evaluating your federal workforce. You will also learn to assess workforce needs based on your agency's strategic plan and project future workforce gaps. All courses in this nationally-recognized program are specifically designed to ensure full compliance and successful implementation of ALL human resources management reforms in government. In addition to the training received during the courses, participants in the certification program are asked to select a "demonstration project" within their agency to apply the concepts learned during the program. For more information go to:
http://www.performanceweb.org/pi/training/humancapital_index.htm

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Competitive Sourcing

Scorecard Shows First Green Lights for Competitive Sourcing Initiative

For the first time since the PMA came out, three agencies earned a green light - the highest rating - in competitive sourcing: the Office of Personnel Management, the Department of Energy, and Health and Human Services Department. This means that these agencies have successfully placed federal jobs up for competition with the private sector. To view this article go to:

http://www.govexec.com/dailyfed/0504/051704a1.htm

OMB Releases Status Report on Competitive Sourcing

The Office of Management and Budget has released its long-awaited status report on the competitive sourcing initiative and it provides evidence that competition works. The projected savings over then next three to five years is expected to be $1.1billion across government - and this is only the beginning of savings that can be generated. To view this release go to:
http://www.performanceweb.org/contracting/pdf/omb_report.pdf
To view OMB's report go to:
http://www.whitehouse.gov/omb/pubpress/fy2004/cs_omb_647_report.pdf

Confirmation of Administrator for Office of Federal Procurement Policy Vital for Government Efficiency and Accountability

The responsibility of leading the federal government's efforts to ensure that taxpayers are getting the most for their money through efficient procurement and acquisition requires strong leadership at the Office of Management and Budget and a strong commitment from Congress. As such, the Performance Institute urges the Senate to confirm the nomination of David Safavian to the position of director of the Office of Federal Procurement Policy at the Office of Management and Budget. The procurement and acquisition reform agenda facing the government is extensive and requires strong leadership. Safarin's experience on the Hill and at GSA make him an ideal candidate to lead the OFPP. If confirmed, Safavian will lead the Executive Branch's implementation of the recently passed Services Acquisition Reform Act (SARA), which mandates critical and sweeping improvements to federal prourement to keep up with a rapidly changing economy. To view this release go to:
http://performanceweb.org/media/04-0429_safavian_release.htm

OPM Workers Win Competitions

Employees at the Office of Personnel Management succeeded in defending 45 more full-time jobs against contractors. Civil servants won three separate public-private competitions conducted using streamlined procedures. The competitions involved 13 mailroom workers, 21 computer network specialists and 11 employee benefits administrators. The mail clerks demonstrated that over five years, they would cost OPM $769,500 less than contractors offering comparable services. OPM's network management employees showed they could outperform the private sector by $3.3 million in the same time span, and the benefits specialists posted savings of $8.3 million. To view this article go to:
http://www.govexec.com/dailyfed/0404/041404a2.htm

New Legislation Complements SARA

Tom Davis, chairman of the Government Reform Committee, recently introduced legislation- the Acquisition System Improvement Act (ASIA) – that incorporates elements of the Services Acquisition Reform Act (SARA) of 2003 that didn't pass last year. ASIA would create an exchange program so that acquisition professionals in companies and agencies could temporarily trade places. It would encourage share-in-savings contracting through new initiatives and require agencies to design redundant telecommunications systems to improve security. To view this article go to:
http://www.fcw.com/fcw/articles/2004/0503/news-asia-05-03-04.asp

Proposed Bill Would Give Federal Workers A-76 Protest Rights

Susan Collins, Chairwoman of the Senate Governmental Affairs Committee wants to give federal employees the right to protest OMB Circular A-76 decisions. A recent ruling by the General Accounting Office not to grant protest rights to a team of workers from the Agriculture Department that lost a competitive bid to a vendor spurred the action to introduce the bill. There is widespread agreement that federal employees should have the same right to protest A-76 awards as the private sector currently enjoys. To view this article go to:
http://www.gcn.com/23_10/outsourcing/25792-1.html

Competitive Sourcing Report Soon to be Released

The Bush administration's first report on competitive sourcing information is due to Congress later this month as part of the effort to have more informed discussions about this initiative to base progress and discussions on facts. The report will include the number of competitive sourcing competitions completed, the activities the competitions cover, the competitions' cost and estimated savings from completed competitions. To view this article go to:
http://www.fcw.com/fcw/articles/2004/0503/web-clay-05-04-04.asp

Performance-Based Contracting - Hands On Application and Simulation of the Seven Step Process for Performance-Based Contracting (July 14-15, Arlington, VA)

This event will cover the latest requirements and legislation for developing and implementing performance-based contracts (PBC) and examine innovative best practices. Participants will review performance measures used by various agencies in their performance work statements (PWS) and statements of objectives (SOO). Also, participants will simulate the Seven-Step Process for PBC and execute the logic model methodology for developing performance measures. For more information go to:
http://www.performanceweb.org/contracting/c139/c139.htm

Expanded E-Government

Little Progress on E-Gov Initiative According to Latest Scorecard

The latest OMB scorecard indicates that agencies are still having difficulty in meeting the administration’s goals for e-government. Only two agencies, the State Department and the U.S. Agency for International Development, improved their scores since the last ratings in December. The other 24 agency scores remained the same—two greens, 11 yellows and 11 reds. To view this article go to:
http://gcn.com/vol1_no1/daily-updates/25953-1.html

OMB Releases Enterprise Architecture Assessment Tool

The Office of Management and Budget’s Federal Enterprise Architecture Program Management Office released an assessment tool for agencies to evaluate their enterprise architectures, set baselines and address any developmental or application problems. The EA Assessment Framework Version 1.0 will let agencies rate the capability of their modernization blueprints. This model complements the General Accounting Office’s EA Management Maturity Framework, which assesses EA capacity. To view this article go to:

http://www.gcn.com/vol1_no1/tech-infrastructure/25763-1.html

OMB Seeks New E-Government Ideas

Bush administration officials say that the government is looking for innovative thoughts from vendors. They want vendors to present their best solutions to improve efficiency and business performance in three common lines of business: financial management, grants management and human relations. The administration is leaving details of the solutions up to the vendors. Officials are looking for a broad solution, which could be a complete set of systems, rather than single systems for each business area. Vendors are expected to come up with a target architecture, identifying systems, best practices and migration strategies. TO view this article go to:
http://www.fcw.com/fcw/articles/2004/0426/pol-omb-04-26-04.asp

President Sets Goals for e-Health Initiatives

President Bush has instructed the Health and Human Services Department to develop a program that will ensure the use of electronic health records for most Americans within 10 years and electronic prescriptions within five years. Under the president's Health IT Plan, agencies have 90 days to review their programs and propose modifications to incorporate electronic health initiatives into their medical support systems. IT is expected that by implementing widespread use of such systems at agencies such as HHS, Defense and Veterans Affairs will drive health care providers to use them as well. Broader use of IT for health care services will improve the quality of care, and reduce mistakes and medical costs. To view this article go to:
http://www.gcn.com/23_10/e_gov/25801-1.html

CIO Council Looks to the Future

At the moment, the CIO Council is concentrating on implementing the 25 Quicksilver initiatives. The government is making great progress on these initiatives. The goal is to get as much Quicksilver implementation done as quickly as possible. Enterprise architecture is currently an issue that the CIO Council is working on. All of the agencies have now done their blueprints and turned them in to OMB, and there are some constructs that can be leveraged across federal agencies. To view this article go to:
http://www.gcn.com/23_7/tech-infrastructure/25437-1.html

Government Needs to Market E-Gov Services

A recent report on global e-government found that one of the newer challenges that government agencies face is getting the word out about new electronic services. The number one reason that people were not using e-government more is because they are not aware that the sites exist. Therefore, governments must do more than set up useful Web sites for their constituents. They must also market these sites to the public. Marketing may involve advertising campaigns and other promotional gimmicks to spread the word on new products. Marketing also involves using polls and survey groups to determine what new products the public would find valuable. To view this article go to:
http://www.gcn.com/vol1_no1/daily-updates/25841-1.html

Business Process Modeling Making a Come Back

Business process modeling is making a come back in government since the concept came out in the early 1990s. Now this tool is being driven by the Bush administration's enterprise architecture mandate. Agencies are using

various approaches and support tools to get the architectural job done. Integrated Computer-aided Manufacturing Definition (IDEF) was the approach of choice in the 1990s and remains the only one compliant with Federal Information Processing Standards (FIPS). Newer techniques include Unified Modeling Language (UML) and Business Process Modeling Notation (BPMN). UML comes from the object-oriented software design world. BPMN is an emerging approach that promises to integrate systems development from the business process model to actual code generation. To view this article go to:
http://www.fcw.com/fcw/articles/2004/0419/feat-bizmodel-04-19-04.asp

2004 National E-Gov Usability Summit - Enhancing Accessibility and Citizen Interface through Design and Outreach (July 12-14, Washington, DC)

The President's Management Agenda (PMA) emphasizes creating an effective and efficient citizen-centered e-Government. Essential to this initiative is the development and deployment of usable and accessible e-Gov. Strategic planning of web-based services and design must be performance measured and results-based. Agencies are expected to dramatically increase IT results, yet will only have a 1% IT budget increase this fiscal year. This timely event promises to improve your agency's IT infrastructure by detailing best practices for focusing and targeting offered services and by ensuring enterprise-wide collaboration and consistency. Enhancing e-Gov usability will overwhelmingly improve your score and ensure end-user satisfaction with your agency's services and the information it provides. Also, develop concrete plans to get a broad population of citizens involved with your agency's services and programs. For more information go to:
http://www.performanceweb.org/technology/t164/index.html

Agency Spotlight: Department of Commerce

At the Department of Commerce, Departmental Management (DM) exercises oversight for department-wide policies and procedures, and works with the bureaus to implement government-wide and DM reforms. These reforms, intended to achieve President Bush's vision of a citizen-centered, results-oriented, and market-based government, include the five PMA initiatives.

Budget and Performance Integration

Program results will offer the taxpayers a transparent view of how their tax dollars are being spent at the federal level. Challenges in assessing program performance in relation to budget resources include improving the way that the Department's programs are assessed, the integration of financial and budget information, and determining how the Department can best report program performance. The Department is ensuring accountability at the highest levels of the organization, including bureau heads, and is integrating analysis, presentation, and execution of budget and performance efforts throughout the Department.

Improved Financial Management

Accurate and timely financial information is integral to optimum performance and accountability. The Department continues to work toward producing clean audits to support effective management. The Department is using technology to continue to add new bureaus to the Commerce Administration Management System to improve its overall financial performance. This system, when used by all bureaus, will provide accurate and timely information that supports the Department's performance and is inherent in providing accountability to the American people. The

Department will continue to reduce the number of deficiencies that could affect the Department's ability to reliably record, process, or report financial data.

Strategic Management of Human Capital

Workforce projections show that more than half of the federal workforce will be eligible for retirement within the next five years. To respond to this extraordinary surge in prospective retirements, the Department is taking steps to ensure that it retains vital knowledge, skills, and management capabilities through workforce analyses, recruitment and retention plans, and a Senior Executive Service candidate program. The Department strives to create an environment in which all employees are valued for the diverse mix of talents, skills, and experiences they bring to the workplace; receive the training opportunities needed to effectively carry out ever-evolving program responsibilities; and are able to effectively balance professional responsibilities with family commitments.

Competitive Sourcing

The competitive sourcing initiative offers opportunities for the federal government to improve program efficiency and realize significant cost savings through increased competition. Historical data suggest that cost savings in the range of 20 percent to 50 percent can be achieved when federal and private sector service providers compete. The Department is opening competition for performing activities that can be carried out by private firms, such as administrative support and payroll services. New opportunities for competition continually arise as a result of gradual changes in program responsibilities and private sector capabilities. Using the tools provided by the Federal Activities Inventory Reform Act, the Department is conducting competitions and converting positions. In so doing, we are assessing the appropriateness and cost effectiveness of using the private sector to perform operations currently performed by the federal government.

Expanded E-Government

Expanded electronic government is key to fostering citizen-centered government with a greater volume of service at lower cost. The Department spends almost $1 billion on IT each year. We will ensure that this investment is wisely used to: Safeguard the security and integrity of the Department's IT systems. Implement applications to address common requirements such as e-grants, e-regulation, and e-signatures. Provide citizen-centered service by creating easy-to-find single points of access to the Department's programs, including a government-wide e-procurement portal. Increase the ease of electronic access for persons with disabilities.

For more information go to:
http://www.osec.doc.gov/bmi/budget/04strplan/Entire.pdf

President: Carl DeMaio
Newsletter Editor: Sergio Bonadona

The Implementation Update on the PMA is provided as an informational newsletter to all federal employees about the latest news from the federal government and independent news media about the President's Management Agenda–the Administration's plan to improve performance of government.

The Performance Institute is a private think tank that serves as the nation's leading authority and repository on performance-based management practices for government organizations. Its mission is to identify, study and disseminate the leading management

innovations pioneered by “best-in-class” government programs at federal, state and local levels. Through its national conferences on pressing issues, interactive executive training programs, and best practice research projects, the Institute provides cutting-edge expertise in the design, implementation and evaluation of strategies to solve operational challenges and enhance government performance.

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