

GAO

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Federal Management and Workforce Issue Area Plan

Fiscal Years 1999-2000



Foreword

As the investigative arm of Congress and the nation's auditor, the General Accounting Office (GAO) is charged with following the federal dollar wherever it goes. Reflecting stringent standards of objectivity and independence, GAO's audits, evaluations, and investigations promote a more efficient and cost-effective government; expose waste, fraud, abuse, and mismanagement in federal programs; help Congress target budget reductions; assess financial information management; and alert Congress to developing trends that may have significant fiscal or budgetary consequences. In fulfilling its responsibilities, GAO performs original research and uses hundreds of databases or creates its own when information is unavailable elsewhere.

To ensure that GAO's resources are directed toward the most important issues facing Congress, each of GAO's issue areas develops a strategic plan that describes the significance of the issues it addresses, its objectives, and the focus of its work. Each issue area relies heavily on input from congressional committees, agency officials, and subject-matter experts in developing its strategic plan.

The Federal Management and Workforce issue area (FMWI) focuses on the analysis and evaluation of a broad range of crosscutting management, workforce, and statistical issues. These issues include the Government Performance and Results Act, regulatory reform, downsizing and privatization, oversight of the civil service, management effectiveness at specific agencies as well as the quality, dissemination, and use of national social and economic statistics.

The issue area specifically covers the Executive Office of the President, the Office of Management and Budget, Department of Commerce, Federal Trade Commission, Office of Personnel Management, Merit Systems Protection Board, Office of Special Counsel, Federal Labor Relations Authority, Office of Government Ethics, Federal Sector Programs at the Equal Employment Opportunity Commission, Government Printing Office, Bureau of Labor Statistics, the Library of Congress, and the National Archives. However, managerial, personnel, and statistical/information issues bridge into virtually all other agencies as well.

Through consultation with key congressional committees, agency officials, and subject-matter experts, FMWI has developed this strategic plan to ensure that its resources are directed toward the most important management, workforce, and statistical issues facing Congress.

On the pages that follow, we outline FMWI's most significant planned work on these issues:

- central management in a decentralized government,
- managing for results and accountability,
- improving employee compensation and benefit programs,
- collecting and disseminating information,
- improving federal regulatory management, and
- managing the Department of Commerce.

Because events may significantly affect even the most foresighted of plans and because periodic measurement of performance against any plan is essential, our planning process allows for updating the plan and responding quickly to emerging issues. If you have any questions or suggestions about this plan, please call me at (202) 512-8676.



Nye Stevens
Director
Federal Management and Workforce Issues

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Table I: Key Issues

Issue	Significance
Central management in a decentralized government: What determines an appropriate balance between agency flexibility and central direction and oversight?	The model of a centralized, unified structure for managing the federal government has been steadily eroded in recent years. The National Performance Review pursued a "bottom-up" approach to management improvement, encouraging agencies to seek waivers from central requirements. The Office of Management and Budget has dismantled its separate management unit, choosing instead to create interagency councils to explore common administrative challenges from diverse perspectives. Both OPM and the General Services Administration have adopted a "customer" orientation. Nearly half of all federal employees are already exempt from title 5 of the U.S. Code (Government Organization and Employees); and an additional agency, the Department of Defense, is investigating exemptions from "standard" federal personnel practices. Downsizing and congressional pressures are causing agencies to do more of their work through contractors and other third-party service deliverers. As decentralization and devolution proceed, issues confronting policymakers will include capturing and replicating lessons learned, sorting out the roles and expectations of central management agencies, and re-examining the concepts of inherently governmental functions, the Senior Executive Service, organization theory, and congressional oversight in a decentralized environment.
Managing for results and accountability How can agencies and their employees better focus on achieving results and ensuring accountability?	In crafting the Government Performance and Results Act, which is also known as "GPRA" or "the Results Act," congressional intent was to shift the focus of federal management, accountability, and oversight from agencies' activities and products to the results they planned to achieve. The President also recently reorganized the National Performance Review (NPR) to emphasize partnerships that are to reinvent the government so that it works better, costs less, and gets results. However, shifting the federal government's focus to results will require sustained attention and pressure from both Congress and the administration if the Results Act is to succeed where other performance-based management initiatives failed.

Table I: Key Issues

Objectives	Focus of work
<p>(1) Assess the strengths and weaknesses of proposals to use alternative tools of governance to achieve program goals as the federal government moves toward a more performance-based approach to management and accountability.</p> <p>(2) Determine what innovative approaches developed by agencies or other governments bear replication governmentwide.</p> <p>(3) Assess the role of central management agencies in a decentralized system.</p> <p>(4) Identify common administrative problems among agencies that require governmentwide solutions.</p>	<ul style="list-style-type: none"> — Assess the strengths and weaknesses of alternative tools of governance and identify lessons learned for future application. — Assess agencies' use of personnel flexibilities. — Determine what changes resulted from the National Performance Review. — Review OPM's oversight role. — Assess the role and performance of administrative redress agencies (e.g., EEOC). — Assess agencies' efforts to obtain employees with necessary skill levels.
<p>(1) Assess the role of statistical agencies in producing the data needed under the Results Act to evaluate the outcomes of federal programs.</p> <p>(2) Assess the implementation of the Results Act, including whether agencies are developing procedures and processes for effective strategic planning, performance planning and measurement, and management of crosscutting programs.</p> <p>(3) Assess whether strategic and annual performance plans and annual performance reports developed under the Results Act are useful documents to Congress in making policy, allocating resources, and conducting oversight and for agencies in managing programs and operations.</p>	<ul style="list-style-type: none"> — Identify the key increased agency demands for performance information on outcomes and assess the role and capability of statistical agencies to meet this need. — Monitor agencies' implementation of the Results Act and identify "best practices" that can be used to build organizational cultures that foster and maintain a focus on results at all levels. — Identify opportunities to better coordinate crosscutting programs using the goal setting and performance measurement procedures in the Results Act. — Assess the quality of documents submitted under GPRA and suggest ways to improve the usefulness of those documents for congressional and executive decisionmaking.

Table I: Key Issues

Issue	Significance
Improving employee compensation and benefit programs: What should be done to improve the design and administration of employee compensation and benefit programs?	In fiscal year 1999, the executive branch (excluding the Postal Service) expects to spend nearly \$200 billion to pay its employees and provide health, retirement, and other employment-related benefits. To maintain a quality workforce, compete for talent with nonfederal employers, and keep pay and benefit costs under control, the civil service needs to continually examine and improve the oversight, management, and design of its compensation programs. Effective management and oversight are essential to ensure that the programs operate fairly, efficiently, and effectively and that opportunities for fraud and abuse are reduced. Careful consideration to program design helps to ensure that the government's compensation programs will meet its future needs. These challenges are especially compelling now as the workforce is expected to improve government operations with fewer resources and more flexibility. An increasing number of agencies are being exempted from central hiring, pay, and classification requirements; and the workforce is in transition from a dominant retirement program that rewarded career service to one where retirement benefits are more portable.
Collecting and disseminating information: How can accurate statistical data be gathered and disseminated cost-effectively?	Decisionmakers in the public and private sectors rely on federal statistics to understand current economic and social conditions, estimate the likely effects of their decisions, and forecast future trends. Inaccurate or incomplete data limit the ability of decisionmakers to plan, evaluate, and improve programs. The implementation of GPRA will increase the demand for statistical agencies to produce the data needed to assess the outcomes of federal programs. However, the government's organization for and ability to produce needed information in a cost-effective manner is increasingly at question. We have designated the 2000 census as being at high risk for high cost and unsatisfactory results. Furthermore, emerging electronic technologies have generated debate over the cost-effectiveness of traditional methods for disseminating and archiving government information of all types.

Table I: Key Issues

Objectives	Focus of work
(1) Analyze alternative approaches to improve the processes for setting and adjusting federal pay and other compensation.	— Federal Employees' Pay Comparability Act (FEPCA) locality pay setting methodology.
(2) Identify ways to improve the integrity and efficiency of federal benefits programs.	— OPM's efforts to redesign compensation programs.
(3) Identify reforms to ensure federal retirement programs remain appropriate for a 21st century workforce.	— Administration and costs of the Federal Employees Health Benefits Program (FEHBP).
	— Benchmark OPM and federal agency processes for retirement program recordkeeping, benefit claims processing, payments, and employee services.
	— Identify policy changes in the design and operations of retirement programs that would continue to provide competitive benefits while generating budgetary savings.
(1) Assist Congress in determining how the structure of the U.S. statistical system can best serve the nation's domestic and international need for relevant, accurate, and timely statistical data in the most cost-effective manner.	— Identify oversight issues based on retirement program costs and cost trends.
(2) Identify measures Congress and the Bureau of the Census can take to improve the accuracy and reduce the cost of, and effectively implement, the 2000 census.	— Work with government, business, academia, and other countries to identify improvements that can be made to the current fragmented system and opportunities and alternatives for privatizing appropriate parts of the U.S. statistical system.
(3) Improve the quality of economic, sociodemographic, and lobbying registration statistics used to formulate and assess public policy implementation and effectiveness.	— Advise Congress on the status of plans for the 2000 Census, suggest ways to improve accuracy and reduce costs of the census, and monitor implementation.
(4) Assist Congress and the executive branch in developing a framework for publishing, archiving, and disseminating government information.	— Assess the quality of federal statistics and the processes used to make improvements once problems are identified.
	— Suggest ways the government can publish, archive, and disseminate information more effectively and economically.

Table I: Key Issues

Issue	Significance
Improving federal regulatory management: What improvements are possible in federal regulatory management?	Regulation, along with taxing and spending, is a principal tool used by the federal government to achieve federal goals. Both Congress and the executive branch have expressed renewed interest in regulatory management issues to better ensure that (1) the federal government only promulgates regulations for which a clear need exists and that do not go beyond congressional intent in the underlying statute; (2) once a decision is made to regulate, the regulation minimizes the cost and other burdens in relation to the anticipated benefits; and (3) all reasonable alternatives to the regulatory action have been considered. Prominent regulatory management initiatives under consideration or in implementation include mandatory cost/benefit analyses and risk assessments, reduction of paperwork burden, enhancements to regulatory flexibility, and regulations that are focused on desired outcomes as opposed to mandated processes or actions. Also, Congress now receives a copy of each final regulation and may formally disapprove those it believes are inappropriate. As part of this process, GAO provides Congress with information on each new major rule's compliance with regulatory procedural requirements.
Managing the Department of Commerce: How can Commerce apply results-based management to its diverse missions and key mission-support activities?	The Department of Commerce's missions are among the most diverse of the cabinet departments. They include statistical information collection and dissemination, management and stewardship of natural resources, advancement of trade, economic development, and scientific research and technology. Commerce shares responsibilities for these functions with a number of other federal departments and agencies. However, Commerce does not have exclusive or even lead responsibility for any of these activities. With the increased focus on results and accountability accompanying GPRA, Commerce has come to symbolize dispersed responsibility for government programs. Congress has shown increased interest in the Department as evidenced by Senate hearings in 1997 on management inefficiencies, House requests concerning Commerce's top management problems and implementation of the Results Act, and proposed legislation to dismantle the Department. The Federal Trade Commission also has a role in commercial regulation.

Table I: Key Issues

Objectives	Focus of work
(1) Assist Congress in overseeing agencies' rulemaking actions. (2) Examine the sources of regulatory burden and how they can be reduced. (3) Analyze the need for reforms to the federal rulemaking process. (4) Examine alternatives to traditional regulatory approaches (e.g., procedural compliance and command/control regulations).	<ul style="list-style-type: none"> — Examine how agencies are implementing recent regulatory reform initiatives and the effectiveness of those initiatives. — Evaluate how cost-benefit information is developed and used in regulatory decisionmaking. — Examine efforts to increase regulatory agencies' focus on outcomes. — Determine what tools and techniques could be used to reduce regulatory burden. — Assess how public understanding of and involvement in the rulemaking process can be improved.
(1) Ensure that GAO's work on the Department of Commerce and the Federal Trade Commission is comprehensive, well coordinated, and in line with congressional priorities. (2) Assist congressional committees in monitoring and overseeing the Department's high-risk programs; major management problems; known management inefficiencies; and implementation of the Chief Financial Officers Act of 1990, the Government Management Reform Act of 1994, and the Clinger-Cohen Act of 1996. (3) Advise Congress on the Department's implementation of the Results Act. (4) Evaluate the nature, extent, and implications of mission fragmentation and program overlap between Commerce and other government entities and among Commerce bureaus.	<ul style="list-style-type: none"> — Work with other GAO issue areas and the Commerce Office of Inspector General to monitor the Department's (1) high-risk programs and major management challenges, (2) ongoing information technology modernization projects, and (3) efforts to improve accounting/financial management systems, obtain unqualified audit opinions on its consolidated financial statements, address the Year 2000 computer problem, improve information security, and implement the Clinger-Cohen Act. — Explore opportunities for increased management efficiencies through organizational realignment, business process reengineering, privatization and outsourcing, and improved departmental management practices. — Advise Congress on the completeness, quality, and usefulness of the Department's 5-year strategic plan and annual performance plans and reports required by the Results Act. — Identify and assess the crosscutting functions and activities that Commerce bureaus share with each other and with other federal, state, and local government entities.

Table II: Planned Major Work

Issue	Planned major job starts
Central management in a decentralized government	<ul style="list-style-type: none"> — Review the results of selected agencies' use of performance-based contracting methods. — Assess how agencies make the distinction between commercial and inherently governmental functions. — Assess whether restructuring initiatives have achieved anticipated service improvements and cost savings. — Evaluate the methodologies used to calculate NPR cost savings claims. — Review the impacts of federal downsizing on agencies' ability to oversee contracts. — Reexamine the concept of the Senior Executive Service. — Assess agencies' efforts to identify, attract, and retain federal employees with necessary skill levels. — Examine the extent of and reasons for reversals of EEOC Administrative Judge decisions. — Examine selected state, local, and/or foreign governments for alternative human resource management models.
Managing for results and accountability	<ul style="list-style-type: none"> — Assess the feasibility of aligning performance management systems with agency missions. — Update congressional guidance on agencies' strategic and performance plans. — Assess the quality of agencies' fiscal year 2000 performance plans (capping report). — Assess the quality of agencies' fiscal year 1999 performance reports. — Assess the strengths and weaknesses of different approaches to coordinate crosscutting issues (e.g., working group, interagency council, lead agency) and identify lessons learned that would have future application. — Assess statistical agencies' capacity to provide meaningful performance information in a form useful to decisionmakers and the public.
Improving employee compensation and benefit programs	<ul style="list-style-type: none"> — Review OPM's handling of disputed FEHBP claims. — Evaluate FEPICA's success in meeting legislative objectives. — Review nonfederal retirement program administration practices and compare with federal practices. — Analyze impact of various benefit provisions on aggregate retirement cost trends.

Table II: Planned Major Work

Issue	Planned major job starts
Collecting and disseminating information	<ul style="list-style-type: none">— Monitor progress toward reducing the risk of a failed 2000 Census.— Assess lessons learned from the 1998 dress rehearsal.— Evaluate staffing plans for the 2000 Census.— Analyze the government's process for archiving information.— Review the National Archives and Records Administration's policies and procedures for preserving electronic records.— Assess use of Internet for disseminating government information.— Monitor executive branch agencies' policies and procedures for monitoring employees' use of the Internet.— Monitor the Government Printing Office's implementation of recommendations in May 1998 management audit report.
Improving federal regulatory management	<ul style="list-style-type: none">— Identify agency efforts to use information technology to reduce regulatory burden and inform the public of rulemaking actions.— Determine whether agencies' rules, analyses, and dockets use a consistent and understandable structure to provide information to the public.— Identify regulatory reform "best practices" in other political jurisdictions (i.e., states or foreign governments) and their applicability to the federal government.— Examine agencies' use of "nontraditional" regulations (e.g., notices and guidance) and whether they differ from traditional regulations.— Assess implementation of recommendations in January 1999 management review of the Federal Election Commission.
Managing the Department of Commerce	<ul style="list-style-type: none">— Survey the Department's organizational structure, functions and activities, reinvention efforts, shared mission responsibilities, and spending by budget function and subfunction.— Identify and explore opportunities to privatize, outsource, or transfer Commerce programs and activities.— Examine the Department's procurement and facilities management policies, practices and controls.— Monitor and assess the Department's efforts under the Results Act to improve its strategic and performance plans, measure performance, and develop its first annual performance report for fiscal year 1999, which is due March 31, 2000.

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