



BLUEPRINT FOR MANAGEMENT EXCELLENCE

October 30, 2001

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The Call for Excellence

The most important asset of a government agency is the public's respect and confidence.

Rod Paige
U.S. Secretary of Education

Upon taking office in January 2001, Secretary of Education Rod Paige decided that the Department of Education needed to strengthen its management in order to fulfill President Bush's goals for America's schools and students. He demanded a solid foundation of excellent management to enable the Department to perform its mission more effectively. In April 2001, Secretary Paige took quick and decisive action to address longstanding management problems. He tasked a "SWAT" team of senior career managers—called the Management Improvement Team (MIT)—to develop a blueprint for management excellence at the Department. This *Blueprint for Management Excellence* (the *Blueprint*) is the product of the team's work over six months. The *Blueprint's* purpose is:

- to briefly highlight persistent management challenges within the Department;
- to summarize the actions taken under Secretary Paige's leadership to address longstanding management problems;
- to communicate Secretary Paige's vision of accountable, performance-based management to his new management team and all Department employees; and
- to establish a roadmap for management improvements and mechanisms related to accountability and performance that will make the Department an example of management excellence for other government organizations.

The *Blueprint* embraces key features of government-wide initiatives set forth in the *President's Management Agenda for FY 2002* (the *Agenda*) released in August 2001. This is a bold strategy for improving management within the federal government through performance-based approaches and strong accountability for results. The *Blueprint* specifically addresses the one program initiative from the *Agenda* that applies to the Department: Eliminate Fraud and Error in Student Aid Programs and Deficiencies in Financial Management. The *Blueprint* establishes the solid management foundation absolutely essential to achieving the president's education goals.

The Challenge

When Secretary Paige arrived at the Department, he found financial and management problems that over the course of several years had damaged the Department's credibility on Capitol Hill and with the American public. Auditors had been unable to issue a clean opinion on the Department's financial statements for each of the prior three fiscal years; the student financial assistance programs remained a fixture on the General Accounting Office's (GAO's) High-Risk List; and information technology security and management needed improvement.

GAO and the Department's Office of Inspector General (OIG) had repeatedly documented problems with respect to Department management. Auditors also had identified several areas within the Department susceptible to fraud and abuse. These areas included payments to grant recipients, as well as the use of third-party drafts and travel and purchase (credit) cards by Department employees. In addition to these problem areas, an isolated, but well-publicized case of serious employee and contractor misconduct had occurred at the Department.

Secretary Paige then directed the MIT to formulate a strategy to:

- make accountability for results the primary operating principle for all Department managers, grantees and contractors;
- obtain a clean audit opinion from the Department's auditors within 18 months;
- remove the Student Financial Assistance (SFA) programs from GAO's High-Risk List;
- put in place effective systems of internal controls to protect the Department's assets from waste, fraud and abuse;
- further modernize student aid delivery and management, to continue reducing student loan default costs and use Internal Revenue Service data for income verification; and
- measure progress toward solving these problems.

Progress

There is an understandable temptation to ignore management reforms in favor of new policies and programs. However, what matters most is performance and results.

President George W. Bush

Responding to Secretary Paige's call for management reforms, the MIT first established a process to identify, catalog and track actions to correct management weaknesses identified by April 1, 2001. The MIT then identified 661¹ management improvement recommendations. Since that time, the MIT has taken action on 582 of those items, 383 recommendations have been implemented, and 199 corrective action plans (CAPS) have been initiated. The sources of these recommendations included the Department's financial statement audits, the GAO, the OIG, other internal reviewers and the Student Financial Assistance (SFA) Performance Plan. The MIT prioritized all the recommendations, established an interim tracking mechanism for them, worked with the principal offices to facilitate actions, and monitored their completion. The MIT determined the steps necessary to satisfy auditor concerns and built them into CAPS. Finally, the MIT took steps to ensure the process would continue after completing its initial work.

Number and Status of Management Improvement Recommendations, by Priority

Priority	Status			
	Open 4/1/01	Closed During Period	Corrective Action Plans Developed	Open, Without Action Plans
High	242	139	103	0
Medium	328	201	63	64
Low	91	43	33	15
Total	661	383	199	79

The chart above includes items related to the information technology, financial management and program administration issues identified by GAO, OIG and the Department's financial statement auditors.

To be effective, management reforms also require the support of Department employees and the public, including that of their elected representatives in Congress. The MIT worked with the Department's financial statement auditors and the OIG to determine specific action steps and structure for addressing issues raised in previous financial statement audits. The Department's senior leadership worked closely with Congress, GAO and the Office of Management and Budget (OMB) to update them on the Department's actions and to obtain their guidance concerning future activities. Senior leadership also implemented an awareness campaign to inform Department of Education employees and the public of management improvements.

¹ The MIT identified and tracked 39 additional recommendations received after April 1, 2001.

To further engage GAO in the Department's management reforms, Secretary Paige and Deputy Secretary Bill Hansen initiated a meeting with the U.S. Comptroller General in July 2001. The discussion centered on the high-risk status of the student financial assistance programs and related management issues.

GAO High-Risk Guidance

- Strengthen Financial Management and Internal Controls
- Implement Integrated Information Systems
- Minimize Noncompliance and Default Rates while Promoting the Programs

August 1, 2001, letter from GAO to the Department

GAO wrote to Deputy Secretary Hansen on August 1 offering its guidance for managing student aid risk and for removing the programs from the high-risk list. The *Blueprint* Action Plan includes items that address GAO's requirements.

Vision for the Future

The first step to achieving management excellence is to clarify the Department's appropriate role in education. Through its long-range strategic planning process, the secretary and his management team are communicating what it means to craft a different, better federal role in education. This *Blueprint* is a next step in this communication process.

Our work of building a culture of excellence and accountability among all employees is underway. Secretary Paige, his senior leadership, the MIT, staff and managers throughout the Department are committed to transforming the Department into a high-performing organization. The commitment is to encourage greater individual responsibility and accountability. To accomplish our shared goal we will need to shift our focus as an agency toward achieving results and maintaining excellence, while supporting and rewarding employee contributions for accomplishing the Department's strategic performance goals and objectives.

The *Blueprint* action items plus the interrelated goals and objectives in the Department's Government Performance and Results Act (GPRA) strategic and annual performance plans will be tracked in one management system. The secretary will use the action items to hold political and career leaders accountable for results in all areas of the Department's responsibilities. The Executive Management Team, discussed below, will oversee implementation progress and ensure timely responses with the MIT's support.

Management excellence means that the Department will be a well-run, well-respected agency. It means that the Department maintains and documents its commitment to accountability. A structure for measuring progress in identifying and solving problems, oversight of the management process, and steps to prevent future management problems are all essential to achieving this vision. **Having a solid foundation of excellent management will enable the Department to perform its mission more effectively.**

Our mission is to ensure equal access to education and promote educational excellence throughout the nation.

Blueprint for Transformation

The *Blueprint* describes the Department's commitment to management improvement in five distinct areas:

- Developing and Maintaining Financial Integrity and Management and Internal Controls
- Modernizing the Student Financial Assistance Programs and Reducing Their High-Risk Status
- Expanding Strategies for Using Human Capital
- Managing Information Technology Systems to Improve Business and Communications Processes
- Achieving an “Accountability for Results” Culture

The *Blueprint* is a living plan, consisting of a series of actions, that will change as circumstances change and as the Department performs benchmarking with high-performing agencies and businesses. The Department must implement these actions to accomplish its programmatic goals and create a culture of accountability. The MIT worked with the Department's auditors, the Council for Excellence in Government, OMB, GAO and Department managers and employees to establish this action plan. These actions are described in this report's appendix. The following pages highlight key actions and expected results. They also outline the relationship between the *Blueprint* and the *President's Management Agenda*. The individual action owners have now, or will develop shortly, individual project plans that support the actions.

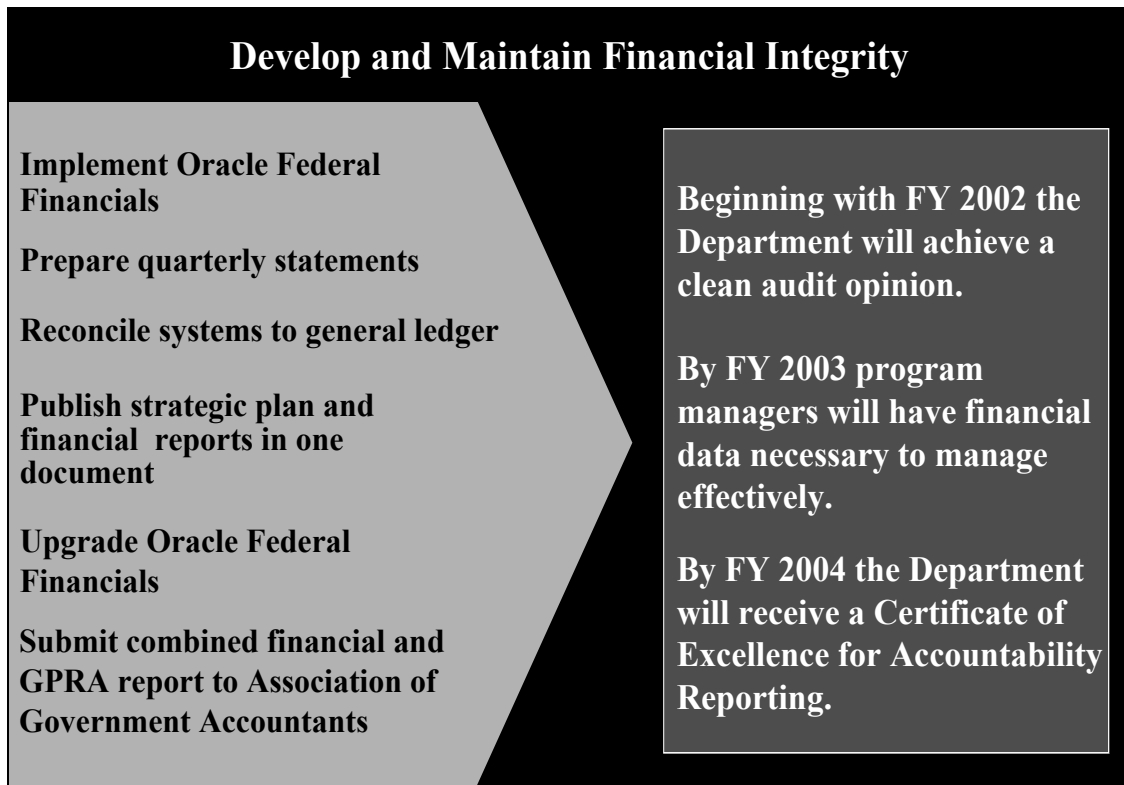
Develop and Maintain Financial Integrity and Management and Internal Controls.

Financial integrity means the Department will be assured of accurate and relevant financial reporting systems and processes to provide managers and stakeholders with timely and accurate financial information and reports. It means revenues and expenditures are properly accounted for and reported on.

It means that the reports and data produced by these systems and processes will aid managers and stakeholders when making program and asset-related decisions. Financial integrity will result in the Department auditors concluding that the Department's financial reporting systems produce accurate and reliable data. The sought-after clean audit opinions from the auditors will affirm that systems and processes are reliable and produce accurate and reliable data that will be useful in education program decision-making.

A clean financial audit is a basic prescription for any well-managed organization. Without accurate and timely financial information, it is not possible to accomplish the president's agenda to secure the best performance and highest measure of accountability for the American people.

President's Management Agenda for FY 2002



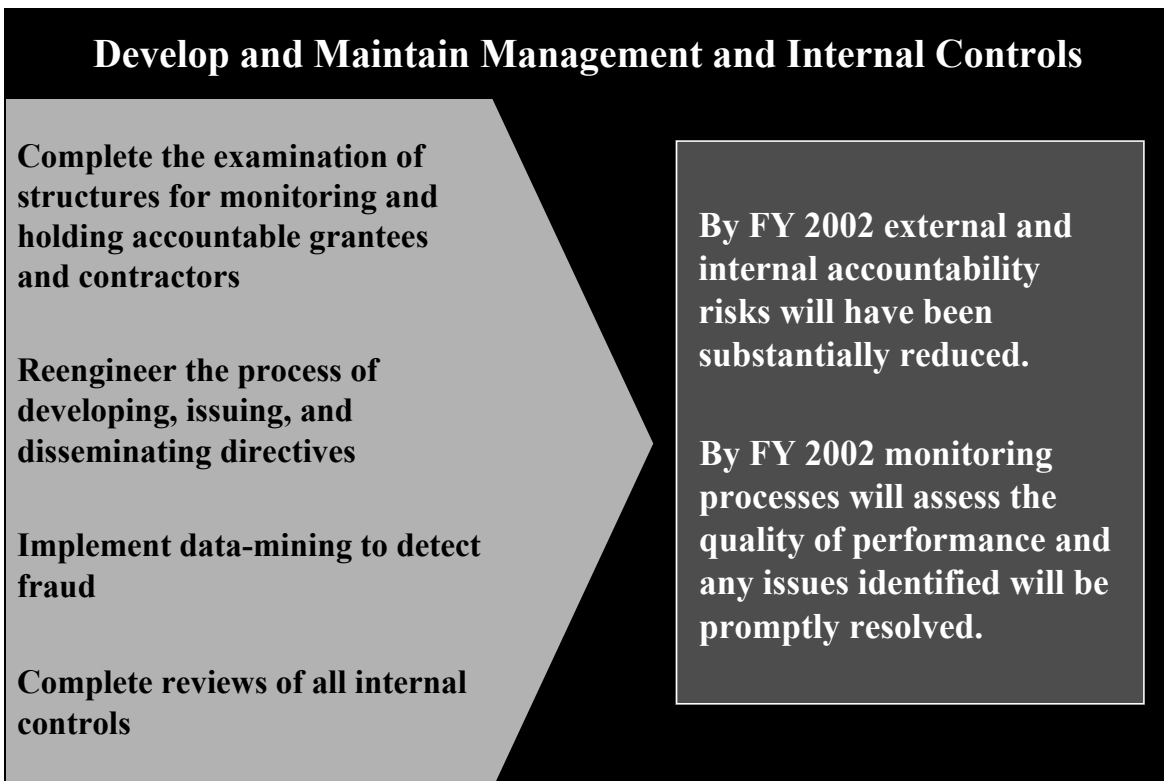
Management and internal controls will be adopted and enhanced to reduce the risk of errors and permit effective monitoring of programs and processes. Management controls will ensure that the Department's organization structure, policies and procedures support its programs so that they achieve their intended results. They will ensure that resources are used in a manner consistent with the Department's mission; that programs and resources are protected from waste, fraud and mismanagement; that laws and regulations are followed; and that reliable and timely information is obtained, reported and used for decision-making. Internal controls, an integral component of the Department's management, will provide reasonable assurance that the Department's operations will be effective and efficient, and that financial reporting will be reliable.

Without accountability, how can we expect results?

George W. Bush

...Better control over resources used and accountability for results by program managers.

President's Management Agenda for FY 2002



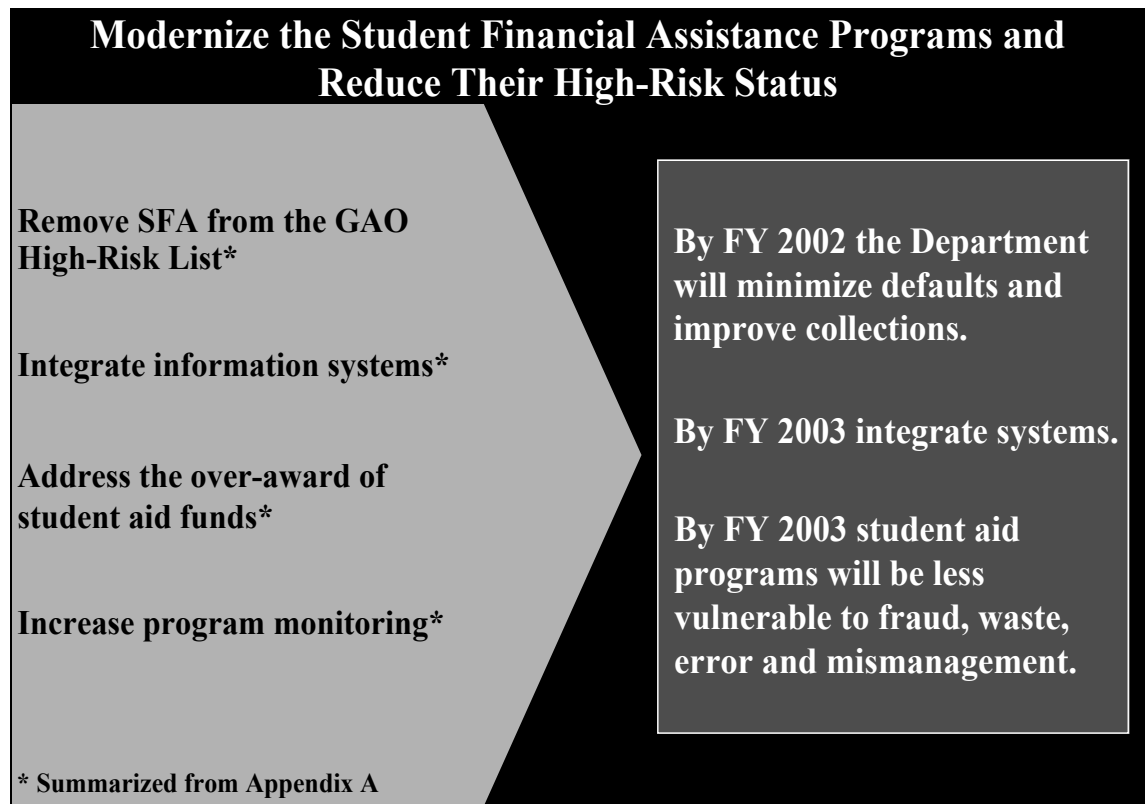
Modernize the Student Financial Assistance Programs and Reduce Their High-Risk Status.

The Department will improve its financial and management information to manage the student aid programs effectively. It will follow the specific criteria provided by GAO in their August 1, 2001, letter for reducing student aid risk and removing the programs from the high-risk list. It will strengthen financial management and internal controls so that relevant, timely information is available to

Erroneous payments to students will be reduced, ensuring that aid is targeted to the neediest students and increasing public confidence in the programs' integrity.

President's Management Agenda for FY 2002

manage day-to-day operations and provide accountability. It will integrate information systems by refocusing the plans in the SFA's *Modernization Blueprint*. These plans reflect strategies for improving service, cutting costs and integrating and improving systems. It will also minimize noncompliance and default rates while promoting widespread program use.



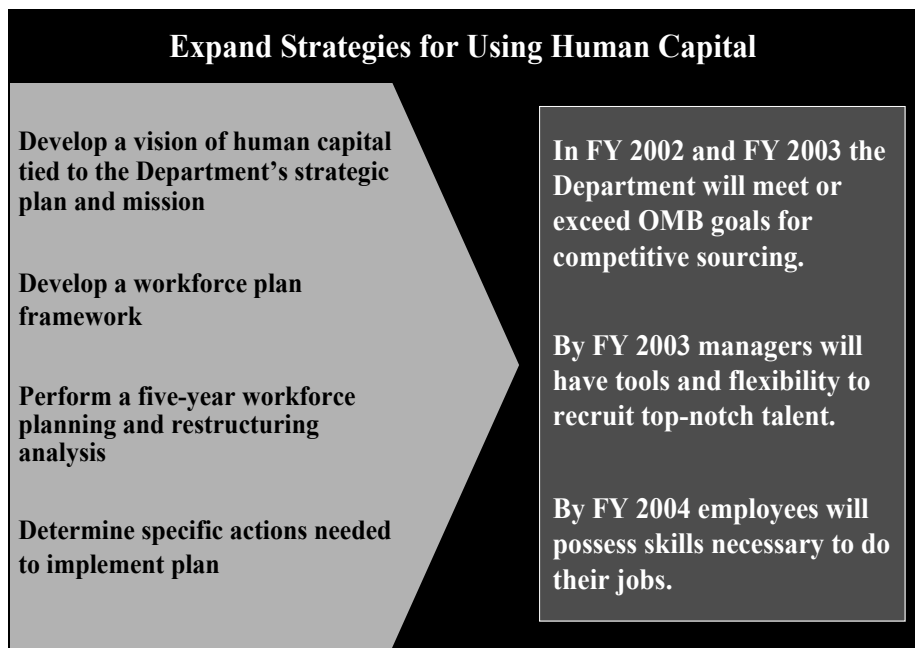
Expand Strategies for Using Human Capital. The Department will align its functions and organization structure with its primary mission, its long-range strategic plan, and the *Blueprint* to support its culture of accountability. It will streamline operations and bring work closer to its customers—taxpayers, states, school districts and schools. Just as American businesses had to radically reform their structures and operations in the 1980s, so too does the Department. At the center of this reform is the strategic use of human capital.

The Department’s human capital strategy will transform the agency by reducing the number of managers, delayering management

levels, increasing competitive sourcing, and improving decision-making. Through strategic retention and innovative recruitment, the Department will transform the problem of retirements over the next five years into an opportunity to improve the overall workforce quality. (The *Blueprint* includes action items to guard against the loss of institutional knowledge). The transformed workforce will understand the Department’s mission and will have the tools needed to perform that mission. To recruit top-notch talent, the Department will make full use of all existing authorities, such as repayment of student loans and expedited hiring practices. It will also seek new and innovative human resources authorities to achieve personnel goals. It will implement the administration’s Managerial Flexibility Act. Expanding human capital strategies will result in a high-performing organization that accomplishes its mission effectively and efficiently.

Human capital strategies will be linked to organizational mission, vision, core values, goals, and objectives. Agencies will use strategic workforce planning and flexible tools to recruit, retrain, and reward employees and develop a high-performing workforce. Agencies will determine their “core competencies” and decide whether to build internal capacity or contract for services from the private sector. This will maximize agencies’ flexibility in getting the job done effectively and efficiently.

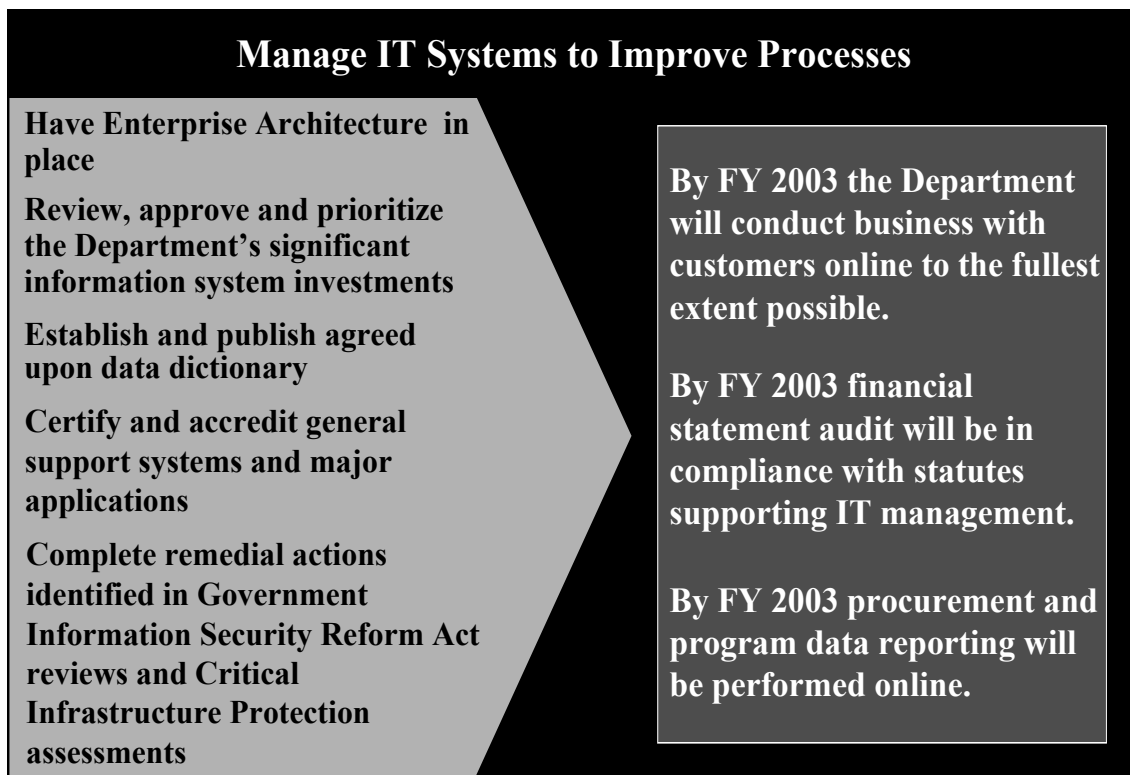
President’s Management Agenda for FY 2002



Manage Information Technology Systems to Improve Business and Communications Processes. To accomplish the expanded electronic government initiative in the *President's Management Agenda* and meet the business needs of its customers, the Department will effectively manage information technology (IT). The Department will also provide principal offices, schools and students with information and services that respond to their business needs and accomplish *Blueprint* and long-range strategic plan goals. The Department will also manage its IT investments, protect the integrity and confidentiality of data, improve its data management and increase the use of technology in serving customers. Finally, the Department will maintain integrated, secure and reliable systems in a changing data-sharing environment and safeguard its assets, including information.

In short, by improving information technology management, simplifying business processes, and unifying information flows across lines of business, agencies will provide high quality customer service regardless of whether the citizen contacts the agency by phone, in person, or on the Web.

President's Management Agenda for FY 2002



Achieve an “Accountability for Results” Culture.

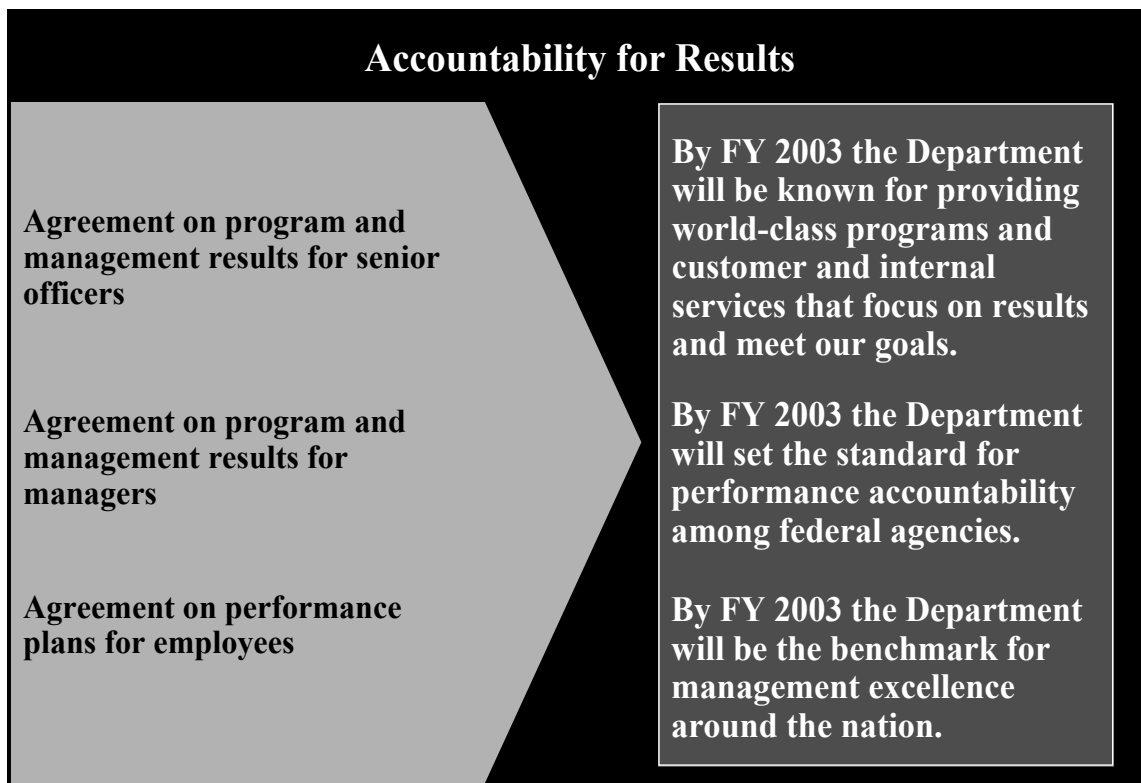
The Department will measure progress and monitor results as it performs its mission. Through the *Blueprint* the recipients of Department funds, Department employees and Department contractors will be held responsible for their performance in relation to the goals and objectives. They will all understand what is expected of them. The Department will work with grantees and contractors to develop performance standards that will yield the results called for in the long-range strategic plan. Managers will evaluate their performance, and will reward or participate in corrective actions as necessary based on that performance. All parties will take personal responsibility for achieving their program and administrative goals.

High performance will become a way of life that defines the culture of federal service.

President’s Management Agenda for FY 2002

“Accountability” from the employee perspective means that all employees:

- realize how their work contributes to satisfying principal office and agency-wide strategic plans, and positively affects students, educators and citizens;
- will have zero tolerance for fraud or other forms of intentional abuse of public funds, as will contractors, external partners and customers;
- understand agency values, expectations and its code of conduct; and
- assume responsibility for identifying and addressing issues, thus allowing the Department to rely less on external auditors to provide this important service.



Managing for Success

Deputy Secretary Hansen will lead an Executive Management Team (EMT) responsible for realizing the *Blueprint* goals. The chief financial officer, the assistant secretary for management, the general counsel, the chief information officer, the director of the budget service and the chief operating officer of SFA will serve as permanent team members. Other assistant secretaries will serve on the EMT as appropriate, and the inspector general will serve in an advisory capacity. The EMT's purpose will be threefold: to align ongoing management improvement efforts with the Department's long-range strategic plan; to maintain the Department's focus on management excellence and accountability for results; and to measure progress in implementing the *Blueprint*.

The deputy secretary will also establish a permanent Management Improvement Team (MIT), composed of senior career staff representing key principal offices who will work as EMT staff. The permanent MIT will prepare the EMT for decisions and actions needed to address issues that arise from the performance tracking system. The MIT will update the *Blueprint* as necessary. The MIT will track progress in meeting the secretary's program and management improvement goals. It will monitor adherence to project plans for the *Blueprint* actions.

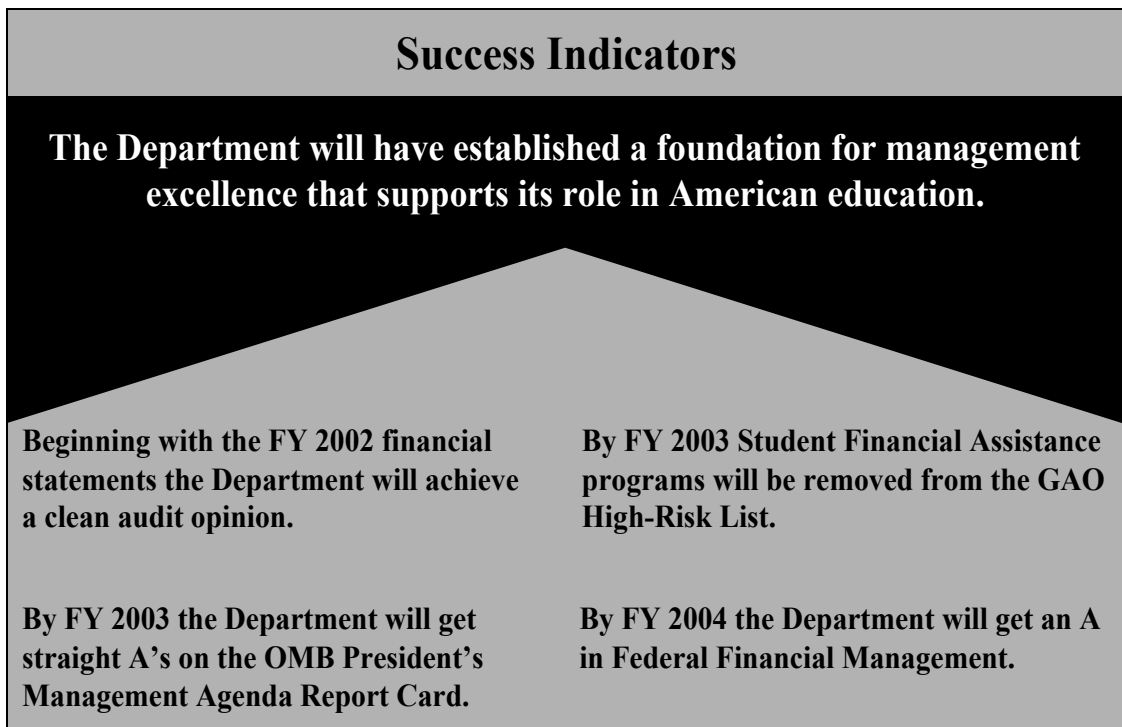
The deputy secretary and the EMT will also establish MIT-like teams for each long-range strategic plan and *Blueprint* goal. The MIT will work with these teams and meet regularly with the deputy secretary, senior leadership and the EMT to report on accomplishments and problems requiring high-level attention.

Success Indicators

Transforming the Department of Education into a high-performance organization and restoring the public trust will require continuous improvement over an extended time period. By following this *Blueprint* and the detailed *Action Plan* (Appendix A), the Department will achieve the results envisioned by Secretary Paige and identified in the *President's Management Agenda*. Accomplishing the following strategic milestones will be the culmination of these efforts and serve as the Department's key success indicators in achieving management excellence:

- Better performance, based on an assessment of the expected outcomes relative to what is actually being achieved ...
- Better control over resources used and accountability for results by program managers ...
- Better service as a result of more competition based on full costing of resources used by working capital funds and other support service providers, and a simpler competitive process ...

President's Management Agenda for FY 2002



BLUEPRINT FOR MANAGEMENT EXCELLENCE ACTION PLAN

Financial Integrity

Actions	Action Owners	Scheduled Dates
1. Implement Oracle Federal Financials, a software package that meets federal accounting standards.²	OCFO/SFA	January 31, 2002
2. Prepare quarterly financial statements with analysis and make accounting adjustments as necessary within 60 days.	OCFO	May 31, 2002
3. Perform feeder systems reconciliations to the general ledger within 45 days of the end of each calendar month, improving their timeliness and effectiveness.	OCFO/SFA	June 30, 2002
4. Develop a project plan to upgrade Oracle Federal Financials to version 11i in FY 2003 to keep the accounting systems current.	OCFO/SFA	June 30, 2002
5. Publish in one integrated document Government Performance and Results Act (GPRA) Strategic Plan results and financial reports to demonstrate to the public the relationship of financial and programmatic management.	Deputy Secretary	March 31, 2003
6. Submit the Department's combined financial and GPRA report to the Association of Government Accountants for consideration for a Certificate of Excellence in Accountability Reporting.	Deputy Secretary	March 31, 2003

² **Bold** actions are in date order and are highlighted as key actions in the body of the *Blueprint for Management Excellence*. The other actions are also in date order within each section.

Financial Integrity

Actions	Action Owners	Scheduled Dates
<p>7. Through a Department of Education/OMB Student Loan Credit Modeling Working Group, the Department will clarify the underlying assumptions used to generate baseline and policy estimates and summarize the key issues regarding the subsidy calculation methodology that requires an OMB policy decision for formulating the FY 2003 budget. Use these assumptions and decisions to define requirements for a mutually supported auditable model that will allow all parties in OMB and the Department to replicate and test all estimates used for policy and management decisions, as well as financial management reporting.</p>	OCFO/SFA/Budget Service	November 15, 2001
<p>8. Submit the audited FY 2001 financial statements for the Department to OMB.</p>	OCFO	February 27, 2002
<p>9. Develop a project plan and commission a task force to gather Department-wide requirements for an Executive Information System capable of integrating program, financial, contracts and administrative data. Provide stakeholders with accurate and timely Financial Management Information using Oracle Financials and electronic dissemination techniques.</p>	OCFO/OCIO	May 31, 2002
<p>10. Implement a plan to assure that discretionary and formula grant programs operate with the highest level of efficiency, effectiveness, and integrity.</p>	OCFO/Senior Officers	May 31, 2002
<p>11. Award 60 percent of new grants by May 31 each year.</p>	OCFO/ Senior Officers	May 31, 2002

Financial Integrity

Actions	Action Owners	Scheduled Dates
12. Complete the concept of operations for implementing Oracle <i>multi-org</i> capability. Complete a project plan to implement it for fiscal years 03 and 04 if the proof-of-concept initiative indicates multi-org should be implemented.	OCFO and SFA	June 30 and August 30, 2002, respectively
13. Prepare action plans within 60 days of OIG issuance of final reports. Implement 95 percent of accepted OIG and GAO recommendations using action plans within the committed timeframes.	OCFO/Senior Officers	September 30, 2002
14. Put a Financial Management Infrastructure in place that is optimal for the Department's needs and requirements.	OCFO/OCIO/SFA/OM	September 30, 2002
15. Increase the number of performance-based contract actions to equal 20 percent of actions and 48 percent of all dollars awarded.	OCFO	September 30, 2002
16. Work with the community and Department offices to implement the capability to receive all grant applications electronically.	OCFO/OCIO/Senior Officers	October 31, 2002
17. Complete postproduction validation of the Financial Management System.	OCFO/SFA	October 31, 2002
18. Submit the Department's audited FY 2002 financial statements to OMB.	OCFO	February 01, 2003
19. Get an A in federal financial management by getting a clean audit opinion, having no material weaknesses, and being in compliance with all laws and regulations, in particular the Federal Financial Management Improvement Act of 1996.	OCFO/SFA	March 21, 2003

Management and Internal Controls

Actions	Action Owners	Scheduled Dates
20. Reengineer the official process of developing directives, securing program feedback and issuing and disseminating administrative directives. Prepare a project plan for implementation.	OM and MIT	December 31, 2001
21. Complete the examination of structures for effectively monitoring and holding accountable grantees, other intermediaries and contractors.	Deputy Secretary/ Senior Officers	March 31, 2002
22. Complete the first of regular reviews of all internal controls that support the Department's primary activities. Implement recommendations and ensure that controls are understood and applied in Department operations. Provide reports to management on review findings and recommendations.	OCFO with the support of the Senior Officers	March 31, 2002
23. Initiate a project to implement data-mining ("The nontrivial process of identifying valid, novel, potentially useful, and ultimately understandable patterns in data.")³ to detect possible fraud or abuse, set up a remedial program and increase efficiencies. Suspected fraud or abuse cases will be referred to the OIG.	Senior Leadership with OIG support	September 30, 2002
24. Annually review internal controls consistent with the Federal Managers Financial Integrity Act (FMFIA) process.	OCFO	October 31, 2001
25. Contract for and support an independent assessment of all physical, safety and security threats and vulnerabilities that may affect Department staff and facilities.	OM	November 30, 2001

³ Fayyad, U., Piatetsky-Shapiro, G., Smyth, P. and Uthurusamy, R., editors. *Advances in Knowledge Discovery and Data Mining*, MIT Press, Cambridge, Mass., 1996.

Management and Internal Controls

Actions	Action Owners	Scheduled Dates
26. For the period October 1, 2000-September 30, 2001 conduct testing using a representative sampling to ensure that all IT procurements are included in the inventory methodology.	OM/OCFO/OCIO and Program Offices	December 15, 2001
27. Reconcile the inventory database to determine with reasonable assurance that identified IT purchases have been inventoried according to Department policy.	OM/OCFO/OCIO and Program Offices	December 15, 2001
28. Prepare strategic plans that, in accordance with the Strategic Plan Framework, emphasize results and performance.	Senior Officers	December 31, 2001
29. Present to the EMT an analysis of the pros and cons of establishing a high-level security office with the responsibility for coordinating all Department security programs and activities.	OM/OCIO/OIG	December 31, 2001
30. Assist PO staff in developing and implementing corrective action plans to address internal control weaknesses identified by the Department's auditors.	OCFO	March 31, 2002 ongoing
31. Based on an independent security assessment, prepare a comprehensive physical security plan for the Department.	OM	March 31, 2002

Modernize the Student Financial Assistance Programs and Reduce Their Risk

Actions	Action Owners	Scheduled Dates
32. Meet regularly with GAO on status of and improvements to the student financial assistance programs' high-risk status.	SFA	Quarterly Meetings Additional as Needed
33. Work with OMB, Treasury, and OGC and OPE, to address the over-award of SFA funds to students.	Deputy Secretary	<i>November 15, 2001</i>
34. Identify areas for improving compliance effectiveness and take the appropriate steps toward improvement.	SFA	September 30, 2002
35. Provide continued support to channels for design and development of modernization projects by achieving 90 percent of the annual major modernization milestones that have been approved by the Information Technology Investment Review Board.	SFA	September 30, 2002
36. Update the SFA High-Risk Action Plan for FY 2002.	SFA/OPE	October 31, 2001
37. Review baseline budget data and develop a framework for budget requirements using the single appropriation that has been agreed to by the Department and OMB.	OCFO/SFA/Budget Service	November 15, 2001
38. Develop FY2002 plan to strengthen SFA internal controls and financial integrity.	SFA	November 30, 2001
39. Continue the NSLDS data quality efforts and continue to demonstrate data quality improvement to support the FFEL program financial reporting.	SFA	Benchmark Reports Monthly
40. Use student demographic information to identify institutions that may be abusing the SFA programs. Refer suspected cases of fraud or abuse to the OIG.	SFA/OIG	December 31, 2001
41. Implement improved Direct Loan (DL) servicing infrastructure to better support DL financial management reporting (FARS retirement).	SFA	February 28, 2002

Modernize the Student Financial Assistance Programs and Reduce Their Risk

Actions	Action Owners	Scheduled Dates
42. Ensure a Departmental team is established as a forum for working with external parties (including GAO, CBO, OMB, Congress and the education community) and for working through outstanding issues surrounding risk in student aid.	Deputy Secretary EMT/MIT	March 31, 2002
43. Implement a common business process and system for aid origination and disbursement of Pell Grants and Direct Loans to provide the infrastructure to improve school reporting, cash management and internal control processes.	SFA	March 31, 2002
44. Improve reliability of lender billing data through a redesigned lender payment process.	SFA	May 1, 2002
45. Implement Phase II of the Financial Partners Data Mart. This phase will provide self-monitoring and oversight tools and focus on the data load, and link with the new FMS to provide a continuous stream of financial data and selected NSLDS elements necessary to augment data comparisons and lender risk management assessment.	SFA	June 1, 2002
46. Ensure SFA systems are reconciled to the Department's general ledger within 45 days of the end of each calendar month, improving timeliness in support of the financial statement audit process.	SFA	June 30, 2002
47. Complete items in the SFA Action Plan on time 95 percent of the time in FY 2002 and continuing in FY 2003.	SFA	September 30, 2002
48. Develop and Implement Phase IV of the Financial Management System, providing a reliable tool to improve the internal controls and financial management of the programs.	SFA	September 30, 2002
49. Electronically integrate drawdown information with disbursement reporting data to track cash balances at schools.	SFA	September 30, 2002

Modernize the Student Financial Assistance Programs and Reduce Their Risk

Actions	Action Owners	Scheduled Dates
50. Institute eligibility check for valid ISIR on file for all Direct Loan recipients (except PLUS).	SFA	September 30, 2002
51. Improve the mechanism to age cash received by schools and systematically monitor progress towards 30-day reporting requirements.	SFA	September 30, 2002
52. Identify areas for regulatory and legislative changes in the Title IV programs (including improvements to strengthen program integrity).	SFA/OPE/OGC Others	September 30, 2002
53. Demonstrate pursuit of improved default management and prevention strategies.	SFA	September 30, 2002
54. Expand the use of the National Directory of New Hires database matching program to recover \$200 million in defaulted student loans.	SFA	September 30, 2002
55. Identify trends in risk areas and provide targeted technical assistance to schools.	SFA	September 30, 2002
56. Ensure the Department has strong documentation to demonstrate that it has addressed high-risk issues.	SFA	September 30, 2002
57. Prepare action plans within 60 days of OIG issuance of final reports. Implement 95 percent of accepted OIG and GAO recommendations using action plans within the committed timeframes.	SFA	September 30, 2002
58. Strengthen SFA's Internal Controls and Financial Integrity.	SFA	September 30, 2002
59. Consistent with the Department's strategic plan, utilize established trade association work groups to emphasize data integrity through consistent standards, and develop improved data reporting to SFA systems.	SFA	September 30, 2002

Modernize the Student Financial Assistance Programs and Reduce Their Risk

Actions	Action Owners	Scheduled Dates
60. Develop a design for providing consistent data across SFA from modernized systems to deliver consistent answers to customers and provide consistent information to employees for program oversight.	SFA	September 30, 2002
61. Expand the SFA enterprise-wide solution for electronic signatures (PIN, Digital Signature, Smart Cards, etc.) to several other business applications.	SFA	September 30, 2002
62. Implement Phase III of the Financial Partners Data Mart. This phase will provide augmented monitoring tools and oversight ability. The release will focus on the data load and links from Financial Management System, Postsecondary Education Participant System, National Student Loan Data System, and an evaluation of any newly implemented processes or systems that may replace existing legacy links.	SFA	December 31, 2002

Strategies for Using Human Capital

Actions	Action Owners	Scheduled Dates
63. Develop an overarching vision of human capital that ties to the strategic plan and the Department's mission.	EMT	November 30, 2001
64. Develop a workforce plan framework as a first step in completing the long-term workforce plan.	EMT/OM/ Budget Service	November 15, 2001
65. Perform a five-year workforce planning and restructuring analysis and include it as part of the FY 2003 Budget submission and annual performance plan. The EMT will identify the specific organizational changes proposed. The allocation of resources and the organization structure must support the strategic plan.	EMT/OM/POs Budget Service	December 31, 2001
66. Determine the specific actions needed to implement the workforce and restructuring plan, including a timetable for each action.	OM/POs	January 31, 2002
67. Publicize and expand the use of strategically targeted recruitment and retention bonuses.	OM	October 31, 2001
68. Provide information to OMB indicating how the Department will meet the 5 percent (FY 2002) and 10 percent (FY 2003) competition goals required by the President's Management Agenda.	EMT	November 15, 2001
69. Complete the development of "EDHires," an automated recruitment system.	OM	November 30, 2001
70. Detail estimated costs and/or savings from the first through fifth year of implementing the changes in the above human capital actions.	OM/Budget Service	December 31, 2001
71. Estimate the impact of the workforce analysis on the Department's plan for measuring progress.	<i>PES</i>	December 31, 2001
72. Determine employee skills needed by each PO's management to most effectively perform program functions, with consideration given to attrition and retirement over the next five years.	OM/POs	December 31, 2001

Strategies for Using Human Capital

Actions	Action Owners	Scheduled Dates
73. Encourage employees to use tuition reimbursement to pursue work-related off-site college courses.	OM/Senior Officers	December 31, 2001
74. Encourage and more effectively publicize the leadership coaching and mentoring programs.	OM	December 31, 2001
75. Develop a plan for ensuring that contracting officials, contracting officer representatives (CORs) and others responsible for monitoring contracts receive proper training and certification.	OCFO/CORs	December 31, 2001
76. Develop training curricula and a program to train executives on their IT investment management responsibilities. New leadership will receive IT investment management training within two months of arrival.	OCIO/OM	December 31, 2001
77. Department IT staff and managers will complete specialized IT security training curricula.	OCIO/OM	December 31, 2001 through December 31, 2002
78. Develop and employ recruitment materials focusing on the benefits of working for the Department of Education.	OM	January 31, 2002
79. Initiate competitive sourcing of appropriate tasks performed by employees, consistent with the FAIR Act.	EMT/OM/OCFO	March 31, 2002
80. Seek authority to provide managers with expanded personnel flexibilities.	OM	March 31, 2002
81. Develop and administer internal control training initiatives for presentation at all levels within the Department.	OCFO and OM	March 31, 2002
82. Create a national recruitment network with key university programs, especially graduate programs in public affairs, public administration, financial management and information technology.	OM/Senior Officers	April 30, 2002
83. Initiate revised ethics training for non-managers, incorporating financial management issues, and being consistent with ethics assessment results.	OGC and OM	April 30, 2002
84. Expand innovative strategies to recruit mid-level employees, including notification in trade publications and state agencies.	OM/Senior Officers	April 30, 2002

Strategies for Using Human Capital

Actions	Action Owners	Scheduled Dates
85. Develop information technology systems to capture employee knowledge and skills.	OM/OCIO/POs	June 30, 2002
86. Implement a development program for senior managers.	OM	July 30, 2002
87. Increase the number of on-site college courses and certificate programs, especially for information technology, project management and financial management.	OM/Senior Officers	July 31, 2002
88. Initiate values-based ethics training for non-managers.	OGC and OM	January 1, 2003
89. Implement the administration's Managerial Flexibility Act, which provides permanent buyout authority, early retirements for workforce restructuring, and increased benefits for SES employees.	EMT	Two months after passage

**Manage Information Technology Systems to Improve Business
and Communications Processes
IT Management**

Actions	Action Owners	Scheduled Dates
90. The Department will have a robust Enterprise Architecture in place along with a well-defined Capital Planning and Investment Control program and an agency-wide performance measurement process.	OCIO	<i>September 30, 2002</i>
91. After close consultation with state and local education agencies, the Department will establish and publish agreed-upon data dictionary elements for recommended use by federal, state and local education agencies.	Under Secretary/ OCIO	September 30, 2002
92. The Investment Review Board (IRB) will review, approve and prioritize 100 percent of the Department's enterprise-wide significant information system investments.	OCIO/IRB	September 30, 2002
93. 100 percent of general support systems and major applications will be certified and accredited or receive interim approval to operate, and the Department will develop and test disaster recovery plans that are updated annually.	OCIO/SFA/ other relevant POs	December 31, 2002
94. Complete remedial actions on all problems identified in the recently completed security reviews of all Department IT systems under the Government Information Security Reform Act reviews and Critical Infrastructure Protection assessments.	OCIO/POs	December 1, 2001 through December 31, 2003
95. Identify technology infrastructure and adopt technology standards necessary to support the Department's Government Paperwork Elimination Act (GPEA)-identified electronic transactions.	OCIO/SFA	September 30, 2002

**Manage Information Technology Systems to Improve Business
and Communications Processes
IT Management**

Actions	Action Owners	Scheduled Dates
96. Certify at least 50 percent of major agency and program databases for data quality.	Under Secretary/ OCIO	September 30, 2002
97. Produce standards and guidelines for agreed-upon national education data requirements.	Under Secretary/ OCIO	September 30, 2002
98. Install an electronic management and data retrieval system to support both paper and electronic record-keeping activities after evaluating the SFA pilot.	OCIO/SFA	September 30, 2003
99. Draft and submit to OMB a comprehensive IT Security Corrective Action Plan reflecting all relevant OIG audit findings, GAO reviews, A-130 security reviews, Critical Infrastructure Protection vulnerability assessments, and Government Information Security Reform Act (GISRA) reviews.	OCIO/POs	October 31, 2001
100. Complete the Department's Critical Infrastructure Protection Plan, Phase 2, Vulnerability and Threat Assessment; and begin Phase 3, Remedial Actions, which are expected to be completed by spring 2002.	OCIO and POs	November 30, 2001
101. Conduct a Department-wide IT security awareness campaign, including mandatory completion by all employees of a new computer-based security awareness training program, and a Computer Security Day in November 2001.	OCIO	February 28, 2002
102. Make known the approximate amount of funding available for significant IT initiatives at the beginning of the IT investment management process.	OCIO/SFA/Budget Service	March 31, 2002

**Manage Information Technology Systems to Improve Business
and Communications Processes
IT Management**

Actions	Action Owners	Scheduled Dates
103. The contracting officer, project sponsor, and project manager will approve the business cases for significant IT initiatives before consideration by the IRB.	OCIO/OCFO/SFA	June 30, 2002
104. Contracting Officers will ensure 100 percent of significant IT procurements, (e.g., hardware, software, and services) are tied to an approved business case before processing.	OCIO/OCFO/SFA	June 30, 2002
105. Appropriate integration of the IT investment management process with the acquisition process.	OCIO/SFA/OCFO	September 30, 2002
106. Existing and new IT initiatives will have reasonable and reliable cost, schedule, and performance data in their business cases.	OCIO/POs	September 30, 2002
107. Appropriately integrate IT investment management process with the budget process by the time the FY 2004 budget is submitted to OMB.	OCIO/SFA/Budget Service	September 30, 2002
108. Fully integrate the IRB process with the budget and procurement processes.	OCFO/Budget Service	September 30, 2002
109. Track significant IT systems against cost, schedule, and performance goals with the target that variances will be below 10 percent.	OCIO/ Appropriate POs	December 31, 2002
110. Establish a core of project management professionals with the necessary training and skills to manage the Department's IT initiatives.	OCIO/POs/OM	December 31, 2002
111. Ensure that 100 percent of significant IT projects are consistent with the target architecture and its implementation plan.	OCIO	September 30, 2003
112. The Department will provide customers the option of electronic data provision and data exchange—pursuant to GPEA.	OCIO/POs	September 30, 2003

Achieve an “Accountability for Results” Culture

Actions	Action Owners	Scheduled Dates
<p>113. Every senior officer will reach agreement with the secretary on the program and management results they are responsible for in FY 2002 and the following two years. These agreements will link to the strategic plan, be updated annually, and be used to determine bonuses and other awards in the Principal Offices (PO). Senior leadership will begin to use the agreements in FY 2002 and will use them increasingly as the Department develops practical measures that link individual and organizational performance to the achievement of results.</p>	<p>PES/ODS Senior Officers</p>	<p>December 31, 2001</p>
<p>114. Each senior officer will have performance agreements with the managers reporting to them that are consistent with the Department’s strategic plan. These agreements will link to the strategic plan, be updated annually, and be used to determine bonuses and other awards.</p>	<p>Senior Officers</p>	<p>March 31, 2002</p>
<p>115. The Department’s employee performance agreements, and bonuses and other awards will link to the Department’s strategic plan, customer service and accountability.</p>	<p>OM/POs</p>	<p>March 31, 2002</p>
<p>116. Establish a mandatory process for managers to consult with OM on disciplinary issues to ensure consistent and appropriate discipline.</p>	<p>OM/OGC</p>	<p>November 30, 2001</p>
<p>117. Publish new 5-year Department of Education Strategic Plan (FY 02-07).</p>	<p>PES/ODS</p>	<p>December 31, 2001</p>
<p>118. Make it clear that managers are responsible for performance and conduct in their work units, including modeling a proper work ethic and appropriately addressing employee performance and conduct problems.</p>	<p>OM and Senior Officers</p>	<p>December 31, 2001</p>

Achieve an “Accountability for Results” Culture

Actions	Action Owners	Scheduled Dates
119. Finalize SES model performance agreements approved by OPM with results and accountability focus for use by the assistant secretaries and other senior managers.	PES/ODS/OM	December 31, 2001
120. Finalize new model General Performance Appraisal System (GPAS) standards with focus on accountability and achievement of results.	OM	December 31, 2001
121. Develop and disseminate a Department-wide core values statement.	EMT/MIT	January 31, 2002
122. Implement a “dashboard”-like monthly reporting system that the secretary and the deputy secretary can use to track progress on each major Departmental performance goal.	EMT/OCIO	March 31, 2002
123. Training will be provided for managers on their responsibilities as managers, including values-based ethics training that addresses the specific ethics obligations of managers. All managers will receive this training.	OM/OGC	June 15, 2002 through December 31, 2002.
124. Develop new ways of rewarding employee achievements in improving Department performance and accountability.	OM/Senior Officers	September 30, 2002
125. Improve the evaluation process to provide more meaningful appraisals and feedback to employees.	EMT/MIT/OM	September 30, 2002
126. Revise and publicize new “disciplinary standards” to help ensure that discipline is applied consistently.	OM	September 30, 2002

Structure For Progress

Actions	Action Owners	Scheduled Dates
127. Establish the Executive Management Team (EMT).	Deputy Secretary	October 31, 2001
128. Continue the Management Improvement Team (MIT), composed of senior career staff representing key principal offices that will work as staff to the EMT. The MIT will prepare the EMT for decisions and actions needed to address issues that arise out of the performance tracking system for the strategic plan. The MIT will implement and update the Blueprint, as necessary. The MIT will track progress in meeting the secretary's management improvement goals. It will monitor adherence to project plans for the Blueprint actions.	Deputy Secretary	<i>October 31, 2001</i>
129. Establish MIT-like teams for each Blueprint goal facilitated by an MIT member who meets regularly with the deputy secretary, senior officers and steering committee to report on accomplishments and problems requiring high-level attention.	Deputy Secretary EMT/MIT	October 31, 2001
130. Prepare the strategic monitoring plans, annual monitoring plans and reports currently required for discretionary grant programs, if not already prepared.	POs	October 31, 2001
131. Establish an OCFO/SFA CFO issues team of senior managers to meet weekly to address issues, discuss joint activities, and ensure that OCFO, OM and OCIO get the information they need from SFA to fulfill their responsibilities, and that SFA gets needed information from OCFO.	EMT/MIT	October 31, 2001
132. Assign Council for Excellence in Government fellows to MIT initiatives.	POs/MIT	October 31, 2001
133. Modify the current “dashboard” report to track progress implementing the Blueprint.	MIT/OCIO/POs	December 31, 2001

Structure For Progress

Actions	Action Owners	Scheduled Dates
134. Begin meeting with senior officers to encourage the development of PO-level management improvement teams and other new information sharing mechanisms.	MIT Senior Officers	December 31, 2001
135. Review the existing SFA/ED MOUs to determine what is and is not working as intended. Execute responsibilities as outlined in the MOUs, or change the agreements.	EMT/MIT	January 31, 2002
136. Review SFA's current strategy for monitoring schools, lenders, guaranty agencies and third-party servicers; identify the various levels and types of monitoring, including where performed and by whom. Determine which kinds of monitoring are linked to the basic administration of the student financial aid programs.	SFA/MIT/EMT	February 28, 2002
137. Identify and evaluate the advantages and disadvantages of centralizing the program monitoring function.	<i>Deputy Secretary</i>	February 28, 2002
138. Review and analyze administrative services provided by the Department to ensure responsiveness to customer needs, innovative approaches to problem solving, and best use of scarce resources.	EMT/MIT	March 31, 2002
139. After consultation with the community and members of Congress, resolve relationship issues between SFA and other Department offices.	Deputy Secretary	<i>March 31, 2002</i>
140. Implement a modified and improved system for monitoring and reporting corrective actions.	OCFO/OCIO	June 30, 2002

Acronyms

Acronym	Office / Term
COR	Contracting Officer's Representatives
EMT	Executive Management Team
IRB	Investment Review Board
MIT	Management Improvement Team
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
ODS	Office of the Deputy Secretary
OGC	Office of General Counsel
OIG	Office of the Inspector General
OM	Office of Management
OPE	Office of Postsecondary Education
OUS	Office of the Under Secretary
PES	Planning and Evaluation Service
PO	Principal Office
SFA	Student Financial Assistance

Listing of Senior Officer Positions

- ❖ Secretary
- ❖ Deputy Secretary
- ❖ Under Secretary
- ❖ General Counsel
- ❖ Assistant Secretary for Management
- ❖ Assistant Secretary, OLCA
- ❖ Assistant Secretary, OVAE
- ❖ Assistant Secretary, OESE
- ❖ Assistant Secretary, OSERS
- ❖ Assistant Secretary, OIIA
- ❖ Assistant Secretary, OERI
- ❖ Chief Financial Officer
- ❖ Chief Information Officer
- ❖ Assistant Secretary, OCR
- ❖ Assistant Secretary, OPE
- ❖ Inspector General
- ❖ Director of Management
- ❖ Chief Operating Officer, SFA
- ❖ Director of OBEMLA