

Archived Information

Goal 4. Make the Education Department a high-performance organization.

The Department's management goals are critical to all goals and objectives described in ED's Strategic Plan. Goal 4 is organized around six key objectives: providing excellent customer service, developing a knowledge base, using technology effectively, training and developing the work force, managing our finances, and continuing to emphasize performance measurement. Each of these goals, particularly providing excellent customer service, is a prerequisite for successful performance in any area in which the Education Department operates and for the achievement of all of our strategic goals and objectives.

In the last decade, Congress has established a new framework for Federal management. Significant legislation has resulted in fundamental changes in the way the Education Department operates as shown in the table below.

Exhibit 4

Federal Management Legislation

- Chief Financial Officers Act of 1990 (required 24 agencies [that account for most Federal spending] to reorganize financial management and establish CFOs)
- Credit Reform Act of 1990 (required agencies to accurately measure the costs of Federal credit [loan] programs)
- Government Performance and Results Act of 1993 (required agencies to focus on outcomes and to hold agencies accountable for achieving program results)
- Government Management Reform Act of 1994 (built on CFO Act requiring 24 agencies to produce annually audited financial statements)
- Paperwork Reduction Act of 1995 (required agencies to reduce paperwork burden upon the public)
- Clinger-Cohen Act of 1996 (required agencies to use investment and capital planning processes to manage technology portfolios and establish CIOs)
- Debt Collection Improvement Act of 1996 (put debt collection on business-like footing and set government wide requirements for debt collection)
- Information Technology Management Reform Act of 1996 (required agencies to establish performance standards to gauge how IT supports the agency program goals)
- Federal Financial Management Improvement Act of 1996 (required agency Inspector Generals to annually report on whether their agencies' financial systems comply with federal requirements and federal accounting standards)
- Paperwork Elimination Act of 1998 (requires agencies to generally provide for the optional use and acceptance of electronic documents and signatures, and electronic record keeping where practicable, by October 2003.)

The Department of Education is committed to implementing these laws and achieving the benefits in terms of improved management, greater fiscal control and accountability, and efficiency and cost-effectiveness.

To help achieve our goals to make the Education Department a high performance organization (as defined by the following goals), we need to continue to make progress in key areas, ensuring that the following six objectives are met:

Objective 4A: Education Department customers receive fast, seamless service and dissemination of high-quality information and products.

Objective 4B: The Education Department will develop, maintain, and disseminate an up-to-date knowledge base to support education reform and equitable education opportunities.

Objective 4C: The Education Department will make information resource investments to improve mission effectiveness, efficiency, and information security.

Objective 4D: The Education Department will recruit and retain a workforce that is skilled, diverse, and committed to excellence.

Objective 4E: The Education Department will manage our programs and services to ensure financial integrity.

Objective 4F: The Education Department will be a performance-driven agency.

Objective 4A: The Education Department customers receive fast, seamless service and dissemination of high-quality information and products.

The Department's many customers look to our agency to provide services (including technical assistance), information, and products that support their education efforts. Whether they are state education agencies, administrators, teachers, parents, institutions of higher education, or others whom the Department serves directly or indirectly, our customers expect access to high-quality services, information, and products. We are committed to an active feedback process, which will enable us to have an ongoing dialogue with the American public and to respond to their needs. In response to Presidential Executive Order 12862: Setting Customer Service Standards, the Department adopted standards focused on responsiveness to requests, dissemination of timely and accurate information, and providing information in alternative formats.

Performance Indicators and Targets

1. *The Department will increase access to services, information, and products.*
2. *The Department will increase customer satisfaction with the quality of its services and products.*
3. *The Department will increase customer satisfaction with its delivery of services, information and products.*
4. *Customers will increasingly report that they have greater flexibility and better understanding of the rules and requirements of education programs.*

Our Role

Although the Department continues to serve the majority of our customers through state and local intermediaries, technology has allowed the Department to engage in more direct contact. Through the Internet, our front-line call centers, and direct mail, the Department is able to reach and serve more customers than ever before. The Department's role as a direct provider of services and products has increased and will continue to increase as we strive to identify and serve the needs of our customers.

Core Strategies

- **Equip employees with the resources they need to serve customers.**
 - Continue development of the Department's Front Line Forum.
 - Continue to develop information tools and technology that will help employees better serve customers.
- **Equip managers with the tools they need to align resources, systems, and technology around customer needs.**
 - Develop materials and training to help managers lead customer-focused improvement efforts.
 - Include a measure of progress on customer satisfaction in all senior officer performance agreements.
 - Analyze "customer orientation" results in the Education Department's 1999 Employee Survey and share with managers to improve customer-focused management.

- Benchmark leading public - and private-sector organizations with systems for using customer feedback for improving services and products.
- **Develop systems for identifying customer requirements, meeting their needs, and using feedback to improve services and products.**
 - Customer requirements will be identified for each major Education Department customer group using modern customer identification and information techniques.
 - Services and products will be assessed against customer requirements.
 - Customer-focused improvement plans will be developed to strengthen services and products based on measures and analysis of improvement opportunities.
 - Implementation of improvements will be monitored by incorporating customer-satisfaction measures into key policy and organizational activities and preparing an annual report on customer satisfaction of key customer groups (e.g., teachers, grantees).
- **Ensure that customers with special needs (e.g. alternate format or alternate language) have access to services, information, and products in the ways that they need them.**
 - Continue to produce products in Braille and large print at the Alternate Format Center upon customer request.
 - Complete the rollout of NexTalk, a computer-based networked TTY system, to provide direct TTY access to all Department employees.
 - Continue to maintain and upgrade NexTalk for the major call centers for student loans, Education Department information, civil rights enforcement, and rehabilitation services, as well as on internal customer service staff lines such as the computer help desk and budget services.
 - Continue to provide Spanish-speaking parents with access to targeted, effective, and useful Department services, information, and products such as bilingual staff and Spanish-language menu prompts at major call centers.
 - Continue to increase awareness among Spanish-speaking parents about Department resources through conferences of National Latino Organizations and partnerships with Spanish-language media.
- **Continuously improve the quality of the Department’s products and services.**
 - Apply rigorous, scientific methodology in developing sound research-based products.
 - Continue to develop and produce high-quality, useful publications in Spanish for Spanish-speaking parents.
 - Continue to apply program quality criteria in reviewing grant applications, cooperative agreements, and contract proposals.
 - Continue to evaluate technical assistance projects for quality, impact, and usefulness.
- **Continuously improve delivery systems that customers use to access services, information, and products.**
 - Improve ease of access to the nationally recognized Education Department PUBS one-stop shop for free Department publications.
 - Improve ease of access to reliable, high-quality information on Education’s award-winning Web home page.
 - Continue to improve coordination of information, services, and products to support identified program and national priorities.
 - Support FREE, a single entry point for computerized Federal government information on education, in which the Education Department plays a leadership role in coordinating the activities of more than 30 Federal agencies.

Objective 4B: The Education Department will develop, maintain, and disseminate an up-to-date knowledge base to support education reform and equitable education opportunities.

It is critical that the Nation possess a healthy knowledge base to support systemic education reform and equity. Nearly all states and districts have drawn on research findings to help frame their school improvement efforts. As the Nation's student population grows more diverse, parents and the public are expecting schools to help all students reach high standards. Consequently, high-quality research is needed to meet the demand for specific, evidence-based guidance and effective strategies to help improve student achievement and close the achievement gap. Adequate capacity, a relevant research agenda, high-quality research, and useful findings and products are necessary for a sustained knowledge base.

Performance Indicators and Targets

1. *Education Department-supported research and products are useful and relevant for education policymakers and practitioners.*
2. *Education Department-supported research is high quality and statistically sound.*

Our Role

The U.S. Department of Education, under the leadership of the Office of Educational Research and Improvement (OERI) and in collaboration with the Department's principal operating components including the Office of Special Education and Rehabilitation (OSERS), the Office of Elementary and Secondary Education (OESE), the Office of Vocational and Adult Education (OVAE), and the Office of Bilingual Education and Minority Affairs (OBEMLA), provides national leadership in the cultivation and expansion of fundamental knowledge and understanding of education. The Education Department aggressively promotes the use and application of such knowledge to improve practice in the classroom. OERI conducts basic and applied research on the teaching and learning process; the economic, social, and policy contexts of education; and other defined areas of high priority. It collects and analyzes statistical data on the present condition of education, projects educational trends, and demonstrates, disseminates, and adapts new knowledge and practices to various educational settings.

Core Strategies

Efforts to achieve this objective and ensure technical merit and usefulness of our funded research and statistical activities can be subsumed under four major strategies: building a substantive knowledge base of effective educational practices; developing a focused research agenda; enhancing research quality by setting standards and strengthening peer review; and ensuring the availability of high quality information on the condition of education in the United States and providing comparative international statistics.

- **Build a substantive knowledge base of effective education practices.**

 - The Education Department, the National Science Foundation, and the National Institute of Child Health and Human Development have held their second competition for the Interagency Education Research Initiative (IERI) to foster innovation research, including large-scale intervention studies, on basic learning, teaching and organization mechanisms. The initiative continues to support an evolving, cumulative, and integrated portfolio of research projects. When taken together, these initiatives will provide a substantive corpus of effective instructional practices that informs how research-based interventions can be implemented in real, complex, and varied educational environments and lead to enhanced student learning.
 - The Education Department and the National Institute of Child Health and Human Development have developed a five-year research initiative (Development of English Literacy in Spanish-Speaking Children), to support research efforts that will enhance understanding of the critical factors that influence the development of English-language literacy competencies among children whose first language is Spanish.
 - The Comprehensive School Reform Demonstration (CSRSD) Program has expanded through OERI-funded activities, with a rich combination of demonstration projects, research and evaluation efforts, and dissemination. All of this work is intended to translate what we know about the efficacy of these reform strategies into usable knowledge that will improve educational practice.

- **Develop a focused research agenda.**

 - OERI has launched pilot study panels in the areas of reading and mathematics, composed of the nation’s research leaders in these fields. The panels are charged with identifying critical gaps in our current knowledge base in these two core fields and to develop recommendations to OERI for strategic programmatic research efforts that would guide OERI’s future research investments.
 - OERI continues to support new work based on the research planning framework and recommendations found in the National Research Council (NRC) report, *Improving Student Learning: A Strategic Plan for Education Research and Its Utilization*. OERI has made additional resources available to the NRC to develop a set of workable specifications for a research program based on this study’s framework and recommendations.

- **Enhance research quality and relevance by setting standards, strengthening peer review, and assessing customer satisfaction.**

 - The Education Department will measure more systematically the extent to which the research supported by OERI meets high standards of technical merit, the agency will annually appoint a blue-ribbon review panel of nationally recognized researchers with expertise in education and related fields. This panel will evaluate the scientific and technical quality of a representative sample of the research products for a given year. Their evaluations will serve as a benchmark for subsequent product reviews in future years. In addition, a selected number of leading research journals that employ rigorous peer review processes will be sampled to assess the degree to which OERI-supported research is represented in these publications. This approach will ensure that the emphasis of the reviews will be placed on evaluating the quality of the work rather than the sheer quantity of products.
 - The Education Department will measure the extent to which the research supported by OERI yields products that are useful and relevant for educators. The agency will annually appoint a blue-ribbon review panel of nationally recognized education policy-makers and practitioners to evaluate the usefulness and relevance of products based on a representative sample of the research funded for a given year. Their evaluations will serve as a benchmark for subsequent product reviews in future years.

- The National Center for Education Statistics will conduct customer satisfaction surveys to determine the extent to which it is meeting customer needs for timely, accurate, relevant, and comprehensive data and reports. NCES continues to make improvements in all areas of its performance data, and the overall NCES customer satisfaction rating is 90 percent. NCES also continues to look for new ways to improve its overall quality, timeliness, and distribution of information and services to its customers. It has added the simultaneous release of Web-based data files with National Assessment of Educational Progress reports, and it is exploring new ways to use the Web to better serve clients.

■ **Ensure the availability of high quality information on the condition of education in the United State and providing comparative international statistics.**

- The Education Department will continue to support and improve its statistical data collections, including its institutional data collections, which provide information about elementary, secondary, and postsecondary education and libraries in the United States, and its longitudinal data collections, which are designed to collect in-depth information on the same students as they progress over time.
- The Education Department will continue to support and improve its international studies program, including U.S. participation in the *Programme for International Student Assessment* (PISA), an international survey of students' skills and knowledge as they approach the end of compulsory education; analysis and reporting of a replication of the *Third International Mathematics and Science Study* (TIMSS); and continued work on the International Lifeskills Study (an extension of the International Adult Literacy Study); and production of indicator and special study reports.
- The Education Department will continue its commitment to ensuring that National Assessment of Educational Progress (NAEP) findings are of high quality and are released to the public in a timely manner.

Objective 4C: The Education Department will make information resource investments to improve mission effectiveness, efficiency and information security.

Information technology provides opportunities to reduce Federal education programs' reporting burden on states and other grantees, to improve the quality of information available about education, and to make that information more accessible to the public, educators, researchers, policy-makers, and Department of Education managers. The Department is committed to fulfilling the Information Technology Management Reform Act of 1996 (also known as the Clinger-Cohen Act). The Clinger-Cohen Act requires the Department to significantly improve the acquisition and management of information technology in order to advance mission performance and service delivery. The Department is committed to building an enterprise architecture that provides the blueprint for improving our information technology (IT) infrastructure, IT asset management, and information management (IM), and for taking the steps necessary in business process reengineering, information resources management processes, and investment commitment to implement the blueprint. This is in accordance with Department priorities; Presidential direction for IT security; continuity of operations; the Paperwork Reduction and the Paperwork Elimination Act; and December 1999 Presidential Executive Directives, such as those on Federal electronic government, electronic commerce, electronic working group, and electronic grants.

Performance Indicators and Targets

1. *By 2005 the major Department of Education information system investments will be mission-driven, cost-effective, consistent with our information technology enterprise architecture, and supportive of performance-based management systems.*
2. *ED will fully implement the Clinger-Cohen Act so that 80 percent of our major IT projects annually will be within a 10 percent variance of their cost, schedule, and performance goals.*
3. *On the Department of Education internal surveys employees will assess productivity as "significantly improved" as a result of available assistive technology, improved technology offerings, and professional IT learning strategies.*
4. *ED will offer electronic transactions via implementation of the Government Paperwork Elimination Act Plan.*
5. *The data-reporting burden on the public will continue to be reduced annually.*
6. *The major Department of Education information systems will be safe and secure with tested contingency back-up plans.*

Our Role

The Department is implementing the Clinger-Cohen Act; the Paperwork Reduction Act (PRA); the Paperwork Elimination Act; and Presidential Executive Directives about such topics as Federal electronic government, electronic commerce, and electronic-working groups. We are committed to working with states and localities to enhance our IT infrastructure and information systems in order to increase the use of current high-quality data for local decision making.

Core Strategies

The following four information technology strategies will be used by the Chief Information Officer to increase the efficiency and effectiveness of ED's operations both internally and with our strategic partners:

- **Implement cost-effective services that deliver for the Department of Education and its customers.**
 - Implement the agency capital planning and investment control process including the select, control and evaluation phases, and use of government standard I-TIPS management information system.
 - Train, develop, and equip an expert information management team to serve as liaison to the program offices. These expert OCIO consultants will help program offices develop specific information technology and information management plans consistent with the enterprise architecture and consult on Department-wide information management issues and paperwork reduction strategies.

- **Build and implement an information resources enterprise architecture.**
 - Implement an agency blueprint that includes an information resources enterprise architecture, a technical reference model, and a standards profile. The agency blueprint will include an architecture framework capturing architecture principles, and an explicit description and documentation of the current architecture and our target architecture, including standards, rules, and systems life cycle information. The agency blueprint will provide a strategy for maintaining our current information environment while we manage our investments and resource allocations in accordance with the blueprint's strategy for transitioning to the target environment. Transition processes include the capital planning and investment control processes, our enterprise architecture governance and management practices, and application of our systems life cycle methodologies.
 - Report on the performance of key system components against specified standards of progress identified in the enterprise architecture and the control phase of the capital planning and investment management process, such as common data identifiers, conformity with data standards, and achievement of milestone targets for cost, schedule, and performance goals.
 - Infuse the use of the Internet as a service delivery medium for the Department
 - Dictate increased attention to security and apply the lessons learned from the Y2K conversion and contingency planning to the continuity of operations/disaster recovery planning and to IT asset management procedures.
 - Advance the Department's leadership in assistive technology.

- **Expand our Internet and Intranet presence and usefulness in reforming and improving business processes.**
 - Expand the Department's role as portal to education information and services through access to the hundreds of Web sites at Department-funded contractors and grantees, other Federal agencies, state agencies, and other partners.
 - Redesign the Department's Intranet, ConnectED, to improve its usability and functionality, including making it easier for content owners to share information and accomplish work.

- **Data collection and information management.**
 - Provide support, coordination, and direction to data improvement efforts to promote agency-wide standards-based information management. Convert to data collections allowing electronic

responses; consolidate our data collections; improve the timeliness of our information dissemination; and assist in collaboration with our state and local education partners in the definition and implementation of data and information sharing.

- Initiate an agency-wide data quality effort to measure the quality of data, identify data cleanup opportunities, and help prioritize additional data quality initiatives. Audit existing legacy databases for completeness and validity, structural integrity, and data conformance to business rules, which has never been done heretofore.

■ **Continue to pursue opportunities for benchmarking with exemplary service providers.**

- To improve our services, we will learn from private sector companies, including Baldrige winners.
- We will benchmark against other Federal agencies and service providers, including President's Quality and Hammer Award winners.
- We will actively participate in CIO Council organizations and activities.

■ **Dictate increased attention and resources to Infrastructure Protection and Information Assurance activities.**

- Establish a thorough IT assets database along with policies and procedures for maintaining Department-wide asset management integrity.
- Establish sound continuity of operations/disaster recovery plans and procedures for all mission critical systems.
- Ensure that Department mission critical systems have up-to-date security plans and reviews.
- Require that Department employees take the Computer Security Awareness course, and ensure that employees complete role-specific IT security training.
- Revise and implement the Department's Critical Infrastructure Protection Plan (CIPP).
- Complete vulnerability assessments of the Department's mission essential infrastructure assets.
- Based on risk assessments, vulnerability assessments and security reviews, implement additional security measures as needed to ensure the confidentiality, integrity, and availability of the Department's IT and other infrastructure assets.

Objective 4D: The Education Department will recruit and retain a workforce that is skilled, diverse, and committed to excellence.

The Department of Education is committed to ensuring that its employees are highly skilled and performing at high levels of competence. A component of high organizational performance is hiring and retaining qualified individuals and ensuring that those people have the training and tools they need to perform well. High-performing organizations create a positive work climate built on the strengths of a work force that is diverse in skills and personal experiences.

We are taking steps to ensure that the Education Department employees have the capacity to carry out the work of the Department; that support services allow employees to perform at their fullest capacity in an environment free from workplace hazards and distractions; and that employees have the assistance they need to resolve disputes, balance work and life responsibilities, and address organizational and employee performance problems.

Performance Indicators and Targets

1. *Managers and employees have the knowledge and skills to carry out the Department's mission.*
2. *Most employees will indicate satisfaction with their work environment (e.g., physical surroundings, noise level, and air quality), security, and accessibility.*
3. *Most employees and managers will express high satisfaction with assistance on resolving disputes, balancing work and life responsibilities, and addressing organizational and employee problems.*
4. *Managers effectively use the Education Department's performance appraisal programs for both SES and GPAS employees to appraise, develop good performance, and to help improve poor performance, as measured by a survey of managers.*
5. *The Education Department will recruit a highly skilled and diverse workforce.*
6. *The Education Department will hire qualified staff in a timely and efficient manner.*

Our Role

The Department remains committed to ensuring that its employees are highly skilled and performing at high levels of competence. We are taking steps to ensure that our people and our organizations have the capacity to carry out the work of the Department; that support services allow employees to perform at their fullest capacity in an environment free from workplace hazards and distractions; and that employees have the assistance they need to resolve disputes, balance work and life responsibilities, and address organizational and employee performance problems.

Core Strategies

- **Promote high staff and organizational performance.**
 - Continue to support continuing professional development of its management leaders (executives, managers, and supervisors) requiring at least 40 hours of training to each supervisor each year.

- The Department will establish a system for providing that all employees have the opportunity to have an individual development plan effectively implemented.
 - Continue to expand the use and effectiveness of the Department’s extensive and high quality electronic training programs.
 - Give priority for training in areas that support the strategic plan or incorporate strategic plan items into ongoing training.
 - Conduct work force organizational planning analyses to identify skill gaps and potential staffing shortages.
 - Fully implement programs and policies to promote diversity in the workplace, for example, by recruiting minorities, women, and people with disabilities and providing diversity training.
 - Initiate recruiting programs at colleges and universities to recruit top college graduates including qualified minority candidates.
 - Continue to support the development of all employees by encouraging employees to participate in 40 hours of professional development each year.
- **Ensure a healthy, safe, secure, and accessible workplace for all employees.**
 - Improve the Education Department facilities to maximize employee productivity and quality of work environment consistent with the best practices on building and office design in the public and private sectors.
 - Ensure effective implementation of Section 504 reasonable accommodation program for all employees and customers with disabilities.
 - Improve building security and awareness programs to ensure a safe and secure workplace for all employees.
 - Ensure a high quality of work/life programs and services to attract and retain high performing employees.
- **Promotes a fair, responsive, and productive environment for all employees.**
 - Promote the prompt, satisfactory resolution of employee disputes.
 - Continue to implement work/life programs that reflect employees survey-based needs.
 - Continue to maintain and monitor the effectiveness of the employee dispute resolution center.
 - Continue the dialogue on race relations and publicize effective actions.

Objective 4E: The Education Department will manage our programs and services to ensure financial integrity.

The Nation needs accurate and timely financial information to make informed decisions on how education dollars are spent. It is also necessary for the taxpayer to have confidence that entrusted education funds are effectively and efficiently applied to achieve the results that Congress intended. The Department of Education is committed to sound financial management and maintaining financial systems that fulfill these needs.

Performance Indicators and Targets

1. **Financial Integrity.** *The Education Department will improve and ensure financial integrity as confirmed by the following indicators:*
 - a) *Auditors will issue an unqualified (clean) opinion on the Department-wide annual financial statements every year.*
 - b) *Internal Controls will be improved and material weaknesses and system nonconformances will be reduced as described in the Education Department's annual Federal Managers' Financial Integrity Act Report.*
 - c) *Open audit recommendations related to internal financial management will be addressed and closed.*
 - d) *The General Accounting Office and the Inspector General will agree that financial areas and systems identified as high risk are being adequately addressed.*
 - e) *The Department of Education's student financial aid programs will be removed from GAO's list of "High Risk" Programs. (See SFA financial management and modernization initiatives outlined in Objective 3C)*
 - f) *The Education Department's financial systems will be in substantial compliance with Federal Financial Management Improvement Act, which requires that our financial management systems provide reliable, useful, and timely information.*
 - g) *Recurring findings in statewide single audits and program review reports will decrease as the number of Cooperative Audit Resolution and Oversight Initiative (CAROI) projects increase with the Education Department's state partners.*
 - h) *Debt Management for the Office of Student Financial Aid will continue to improve: student loan defaults will decrease, and recovery of defaulted student loans will increase. (See Objective 3C, reducing unit cost)*
 - i) *The Education Department will generate useful and timely information for program managers and Congress to determine the effectiveness of education programs.*
2. **Acquisition System.** *The Education Department's Acquisition system will show better contract performance through improvements in quality of service, cost control, timeliness of award, delivery of service, and payment.*
3. **Grant Administration and Partnership.**
 - a) *The Education department will award 60 percent of new grants by May 31 of each year, so grantees will have time to plan for successful implementation of their programs.*
 - b) *By FY 2003, the Education Department will have the capability to receive all grant applications electronically. This will benefit the Education Department, applicants, and grantees with reduced processing time, and increased efficiency of grant administration.*

Our Role

Ensuring financial integrity of the Education Department's programs and services is achieved through compliance with numerous financial laws and regulations while focusing on results, service quality, and customer satisfaction. To achieve this objective, the Department's Office of the Chief Financial Officer (OCFO) is implementing the following systems and policies: a new general ledger software system; financial policies and procedures designed to enhance internal controls, and reconciliation and reporting processes. OCFO is also improving the agency's acquisition system to support mission-critical departmental and program office objectives, as well as the administration of grants. These improvements will better serve our internal and external customers and provide better decision-making information for Congress and our program offices.

Core Strategies

To assist in meeting our national education needs, the Education Department will deliver high-quality financial management data vital to effective program management; ensure financial integrity and accountability of public entrusted funds; process and award grants in a timely manner allowing grantees time for program planning; and obtain best-value procurements of goods and services through performance-based contracting.

■ Improving Financial Integrity

Getting a Clean Audit Opinion

- **Financial Statements:** Produce timely and accurate financial statements that will result in the auditors expressing an unqualified (clean) opinion.
- **Weaknesses:** Eliminate material weaknesses and reportable conditions by correcting systemic problems and implementing policies and procedures.
- **Internal Controls and Laws and Regulations:** The Education Department's financial management will provide reasonable assurance of compliance with laws and regulations, that financial reporting is reliable, that adequate internal controls are in place and operating effectively, and that operations are effective and efficient. Improvements will be achieved through adequate training, management focus, employee core-competencies, system upgrades, monitoring, risk-assessment, standardized operating procedures, and compliance with Federal accounting standards.

Improving the Financial Management System

- **New General Ledger Software:** Complete phased implementation of a new Joint Financial Management Improvement Program (JFMIP) certified general ledger (GL) software system. The new system will improve data integrity and facilitate production of required Federal reporting and financial statements.
- **System Controls:** Enhance and maintain controls surrounding financial information systems including security plan, passwords, information technology architecture, policy, procedures, and physical security measures.
- **Assessment:** Continuously assess the design and operation of Education's financial management systems, including computer security controls to ensure reliable reporting on the results of operations.

Improving Reporting and Reconciliation

- **Reporting and Reconciliation Tools:** Develop and implement new reporting and reconciliation tools to enhance and automate the preparation of quarterly financial statements and monthly reconciliation.
- **Monthly Reconciliation:** Provide timely and reliable financial information for program and support offices to use in managing their responsibilities. The Office of the Chief Financial Officer (OCFO) will reconcile its fund balance with the Treasury Department on a monthly basis. In addition, financial information within the various components that compose the Department of Education’s Central Automated Processing System (EDCAPS) will be reconciled on a daily basis.
- **Recipient Accounts:** Reconcile all recipient accounts in the Department of Education’s Central Automated Processing System (EDCAPS) and provide recipients with accurate data.

Improving Education Programs through Better Use of Audits, Monitoring, and Technical Assistance

- The Education Department’s Cooperative Audit Resolution and Oversight Initiative (CAROI) will improve education program effectiveness while increasing accountability of Federal funds. This is achieved through four major strategies: Creating and maintaining dialogue with states; working with states to resolve open audits or audits under appeal; improving the single audit process; and coordinating audits, monitoring, and technical assistance.

Generating High-Quality Financial Data

- Coordinate development of better financial information for GPRA, budgeting, and program analysis.
- Student Financial Aid (SFA) will develop and implement an activity-based costing system to reveal full cost of processes, reveal opportunities for improvement, and compare results against customer needs. (See Objective 3C– Financial Management System)

■ Improving the Acquisition System

- **Control costs** by implementing performance-based contracting and by evaluating whether certain functions are more cost effective when performed by contractors or Federal employees. Use competitive procedures to obtain best value of goods and services and promote fairness.
- **Performance Objectives:** Increase the number and quality of performance-based awards. Evaluate the performance measures of each award to determine effectiveness and value returned. Use this information to improve successful performance and effectiveness of goods and services purchased by the Department.
- **Alignment with Strategic Plan:** Link contract language to the goals and objectives of the Department’s Strategic Plan to align and support the Department’s education mission and goals.
- **Training:** Continue to provide training to all the Education Department procurement and technical personnel in their capability to manage productively the performance of contractors. All principal offices will perform acquisition planning.
- **Electronic Transactions:** Fully implement electronic end-to-end business transactions between the Education Department and industry.
- **Increase Controls** to eliminate improper payments; ensure on-time delivery of goods and services; significantly reduce or eliminate interest penalty payments.

■ Improving Grant Administration and Partnership

- The Department will proceed with developing an electronic grant process and continue our project of developing new grant training for the Education Department program staff and grantees to improve grant administration and increase accountability.

Objective 4F: The Education Department will be a performance-driven agency.

In concert with the Government Performance and Results Act, the Education Department has a strategic planning system for the agency, begun to integrate employee performance rating and reward systems with the accomplishment of strategic goals, and is improving the quality and availability of data used for its performance indicators. These activities are priorities for FY 2001-FY2005.

Performance Indicators and Targets

- 1. External customers such as Congress, OMB, or national associations will annually rate the Department's Strategic and Annual Plans highly on quality and usefulness.*
- 2. The Education Department will rank among the top agencies in which employees recognize the Strategic Plan as meaningful and understand how their work supports achieving the plan's goals and objectives.*
- 3. All the Education Department program managers will confirm that the data used for their program's performance measurement are reliable, valid, and timely, or will have plans for improvement.*
- 4. Beginning with FY2001, all Senior Officer performance agreements and increasing proportions of senior manager performance agreements incorporate Strategic Plan and annual plan priorities; ratings and awards will reflect actual accomplishments within priority areas.*
- 5. Education Department evaluations will meet high standards of evaluation quality, as independently assessed against externally developed evaluation standards.*

Our Role

A government agency must be accountable to the public it serves. We must have rigorous performance information and evaluation systems that allow us to assess how well our programs are administered and the degree to which the programs achieve the goals of the authorizing legislation. The Education Department's strategic planning and information systems increase accountability within the Education Department and to outside audiences for our results and our stewardship of Federal funds.

Core Strategies

The Education Department has implemented an integrated strategic planning process to guide our operations and enhance our performance. The success of the Education Department's strategic planning and strategic management process is dependent upon strategies driving resources and decision making. We have, therefore, committed to making an explicit linkage between our broad goals and objectives in our Strategic Plan and the annual performance goals in our annual performance plan. The Education Department's efforts to help all levels of the agency become fully performance-driven fall into three categories:

- **Manage by performance.**
 - Align performance agreements and awards for assistant secretaries, senior managers, and employees under both SES and GPAS appraisal systems with Strategic Plan objectives.
 - Deputy Secretary identifies specific priorities within objective areas that warrant particular Department-wide attention and are to be addressed in senior officer performance agreements.

- Increasingly align grantee performance reports with Education Department performance indicators to ensure a unified and strategic focus in our activities throughout the delivery system.
 - Prepare a biennial evaluation report that provides an in-depth assessment of program results on performance indicators and quality of program implementation on strategies in annual program plans.
- **Coordinate development and implementation of the Strategic Plan.**
- Ensure staff members are trained in developing goals, indicators, and strategies, and implementing strategic planning concepts.
 - Program offices and their programs will have primary responsibilities to develop and implement plans to improve data quality and to report on and ensure data quality for performance indicators.
 - Increase regular communications through a planning newsletter identifying and explaining exemplary practices, and a strategic planning Internet site.
 - Work with states and other grantees to inform them of Strategic Plan strategies and indicators and of their role in working toward national goals.
- **Manage and budget for planning and performance measurement.**
- Link performance reporting with budget goals and strategic objectives.
 - Provide effective financial resources for evaluations, performance measurement, and statistics and assessments by aligning resource allocations with agency priorities and performance.
 - Implement performance measurement and align training resources to support development of skills needed by Department employees for implementation of performance measurement by conducting an assessment of training needs.
- **Ensure the quality of performance measurement and evaluation systems.**
- Launch state evaluation partnerships to conduct joint state-Federal evaluations to provide rigorous state-level information to support the strategic plan.
 - Provide guidance and training for the Education Department managers on developing and monitoring quality data systems and the use of data to manage program performance.
 - Implement a new Integrated Performance and Benchmarking System (IPBS) to apply modern data harvesting techniques to performance indicator reporting.
 - Integrate evaluation studies to support the Strategic Plan through impact studies of performance, validation studies of data quality and improvement analyses to identify effective strategies.

Goal 4. External Factors and Management Challenges

Management Challenge: IT Policies and Processes

Response: The Department has few integrated approaches for the management, collection, processing, storage, or distribution of data. Objectives 4A, 4C and 4D address these problems. The Department plans to develop an agency-wide data dictionary with agreed-upon protocols for data management. Considerable effort is required to reconcile and standardize data given the hundreds of separately legislated programs; regulatory interpretations; and the wide range of capabilities to provide data electronically among our business partners, the state, and local education agencies. The Department will be implementing the Clinger-Cohen Act, electronic FOIA, improving our security systems, and increasing the skills of our technical and management staff. Similar to other Federal agencies, the Department awaits a final policy on electronic records management from the National Archives and Records Administration. The policy may affect resources devoted to expanding Internet service offerings.

Management Challenge: Long-standing problems with financial management

Response: The FY 1998 and 1999 Financial Statement Audit disclosed significant problems. In particular, the general ledger software system in use could not automatically produce financial statements. The Department selected Oracle Financials to replace the existing accounting system. Many of the problems facing the Department will be mitigated when the new system is implemented in October 2001. In addition, reconciliation automation software is being implemented to speed and improve the reconciliation process.

Untimely fund balance with Treasury reconciliation has hindered the Department's ability to validate its numbers in past audits. The Department is currently performing monthly reconciliations using reconciliation software that auto-matches 94 percent of the transactions recorded in the two systems. Moreover, the Department's accounting staff has attended intensive reconciliation training programs conducted by the U.S. Treasury Department.

Management Challenge: The Department must address shortcomings in its implementation of GPRA in order to become a high-performance organization.

Response: Objective 4F addresses the significant challenges in obtaining quality data in order to measure the performance of the Department's programs and to meet the reporting requirements of the Government Performance and Results Act. Performance reporting under the GPRA will require management attention. The Department now needs to take additional steps (addressed in objective 4F), including finalizing and implementing a process for the accurate and timely reporting of performance indicators, in order to comply with the law.

In responding to this challenge, the Department must recognize that it faces two major hurdles in successfully becoming a performance-driven organization. It is difficult to change an organization's culture to become more focused on performance measures and to increase accountability for results. To achieve these changes will require continuous reinforcement throughout the organization.

In addition, the environment in which the Department operates provides a set of constraints that provide management challenges. Much of the work the Department undertakes is in concert with our partners. We work with states, schools, institutions of higher education, and many other partners. Until we are able to fully coordinate with our partners—with a high degree of alignment of our goals and performance

measures with their goals and performance measures—we cannot be as fully performance-driven as we hope to become. Working with our partners on developing integrated performance systems and strategic goals is quite challenging. Our successes will allow us, with our partners, to become increasingly effective in achieving our mission to ensure equal access to education and to promote educational excellence throughout the Nation.

External Factor: The Department will need to produce documents in dual formats during this time of transition from print to Internet-based products.

Response: Customer preference for printed products still remains high, particularly among individuals and families who lack access to the Internet. However, on the other hand, Internet-based products are becoming more popular because of their greater flexibility (e.g., inserted links, search capabilities within a document). Because the Department recognizes the potential in Internet-based products, we are continuing to make all publications and products totally available, easily accessible, and printable off the Internet.

Rapid increases in the introduction of new technology make it easier to provide better services to a greater number of customers. Electronic distribution of publications and response to FOIA requests will enable the Department to provide a greater quantity of products than was possible with print distribution.

External Factor: The Department's work and work force are changing in ways that create challenges for the leadership and stress the need for internal training requirements.

Response: In recent years, the introduction of new programs combined with the limited authority to hire new personnel has forced the Department to be more creative in the way it manages its human resources. A challenge facing employees has been the need to develop increased proficiency with technology. Employees must strive to keep current in their knowledge of and adeptness with new kinds of software that can expedite analysis and improve customer service. The Department has identified basic computer competencies for all employees and has expanded its training program in this area.

Highly trained technical and information technology management professionals command higher salaries in the private sector than the Federal government can offer; thus, they are difficult to recruit. The Chief Information Officers (CIO) Council is weighing a separate pay scale for government information technology (IT) employees.

Management Challenge: Balancing Compliance Monitoring and Technical Assistance

Response: The Education Department continues to be challenged in balancing oversight of programs and program flexibility. As a result, the Department does not have enough information on program effectiveness to meet the information needs of the Congress and other decision-makers. The Department reports meeting, exceeding, or making progress in meeting its targets for the indicators it established under its objective that provides that partners will have the support and flexibility without diminishing accountability for results. Education's increasing focus on GPRA and performance management has made defining and providing evidence of program effectiveness a key priority of Department managers

Goal 4. Strengthening Coordination

To achieve our goals and objectives, the Department of Education works with a variety of agencies to coordinate services, to increase staff skills, and to expand outreach and dissemination activities. As much of the work the Education Department undertakes is in concert with our partners, it is appropriate for us to seek opportunities to improve our service delivery by building partnerships and strategic alliances with other agencies to achieve our mission. Our successes will allow us, with our partners, to become increasingly effective in achieving our mission to ensure equal access to education and to promote educational excellence throughout the Nation. We coordinate with other agencies in the following major areas:

- **Interagency Education Research Initiative:** OERI is partnering with both the National Science Foundation (NSF) and the National Institute of Child Health and Human Development (NICHD) in supporting the Interagency Education Research Initiative. Similarly, OERI and NICHD are jointly sponsoring the Development of English Literacy in Spanish-Speaking Children (DELSS) initiative.
- **Federal CIO Council:** The CIO is a member of the Federal CIO Council. Clinger-Cohen implementation is reviewed and monitored by OMB and GAO. Members of the OCIO and program offices also participate in electronic government initiatives. The CIO also serves on the Federal CIO Council, the principal interagency forum that leads and directs the strategic management of Federal IT resources and that serves as the focal point for coordination challenges that cross agency boundaries.
- **Government-wide acquisition system:** The Education Department will continue to maximize the use of government-wide acquisition system resources and work with the Office of Federal Procurement Policy, the Small Business Administration, and other agencies that can assist with applying best practices and lessons learned for similar requirements. For example, the Education Department has been able to use the efficiencies of government-wide contract vehicles, but also build performance-based requirements into individual orders. We also worked with the Office of Federal Procurement Policy on ways to improve earlier efforts in performance-based contracts as well as being able to assist other agencies as they develop performance-based requirements in financial management, research and analysis, and information dissemination.
- **Strategic planning and data quality issues:** The Education Department staff is actively involved with other agencies in the exchange of Strategic Planning and Data Quality issues. Education Department staff has conducted presentations at the Office of Personnel Management and the Departments of Agriculture and Treasury. The Office of Management and Budget and the General Accounting Office have also provided the Education Department with advice.
- **Leadership development:** The Office of Personnel Management (OPM) provides programs and resources affecting the entire Federal workforce. For example, OPM has developed core competencies for the entire Senior Executive Service, and the premier training program for Federal executives is run by OPM's Federal Executive Institute.

- **Staff development:** In addition to working with OPM, staff members participate in a range of interagency activities to explore cutting-edge management practices and to address common challenges that affect the performance of the work force. The Education Department actively participates in two forums sponsored by the National Academy of Public Administration. One forum, the Human Resources Consortium, provides a venue for Federal agencies to explore best practices on issues such as work force planning and managing human capital. The other forum, the Performance Consortium, brings representatives together from Federal agencies to explore the use and development of strategic plans and performance measures to help government programs and agencies attain high performance.
- **Federal Resources for Educational Excellence:** The Education Department plays a leadership role in Federal Resources for Educational Excellence (FREE) in coordinating the activities of more than 30 Federal agencies. FREE was created in response to the Presidential Directive for a single entry point for computerized Federal government information.
- **Dissemination of publications:** To keep our information and publications available to all customers, the Education Department continues to work with the Government Printing Office (GPO) Depository Library System to ensure that all Education Department documents printed by GPO are deposited in the public domain for use by all taxpayers and citizens. We are currently looking, with GPO, at how non-print documents will be captured for public distribution and access through the Depository Library System and are considering replacing microform versions of documents with electronic versions for better access by depository libraries and their customers.