



U.S. Department of Education

Human Capital Management Plan September 2004

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Message from the Secretary

The Department of Education is a leader in improving the quality of education and raising expectations of what students can accomplish. We have promised to leave no child behind in order to ensure that all Americans can use their knowledge and skills to lead productive lives, enhance communities, and participate fully in our economy.

To achieve these goals, we seek to ensure that leadership roles and responsibilities are clearly defined and consistently communicated; that future leaders are prepared to lead and manage our workforce; that we can recruit, develop, retain and assign our employees to achieve our most critical priorities; and that we continue to strengthen our results-oriented culture of accountability.

Our human capital plan focuses on taking action – enterprise-wide. It creates a roadmap that focuses on human capital challenges, responsibilities, improvements and actions. Much of our success depends upon our employees and how they are held accountable and rewarded for the results they produce.

Together there is not a doubt we will continue to be successful.

Rod Paige



Mission

The Department of Education's mission is to ensure equal access to education and to promote educational excellence throughout the nation. We promote educational excellence for all students by providing financial support to states and local agencies in areas of national priority, improving student achievement, ensuring schools are safe and our nation's youth are good citizens, encouraging educational practices based upon research, enhancing the quality of and access to postsecondary and adult education, and creating an education culture focused on achievement and accountability for results.

We achieve our mission by addressing critical education issues, distributing grants to educational agencies and institutions, making student loans and grants, and conducting research that improves educational quality. The Department administers programs, grants, and loans that touch nearly every American at one point in their lives. Our efforts touch approximately 14,000 public school districts, nearly 54 million students attending 93,000 elementary and secondary schools, and almost 22 million postsecondary students.

Mission Challenges

Managing a \$63 billion enterprise certainly presents many challenges. From a financial management perspective, the Department of Education (Department) is unique among Federal government agencies. The Department has a high number of appropriations, over 200, for which it must manage, consolidate and account. Yet it maintains the smallest number of employees while managing the third largest discretionary budget of cabinet-level agencies. Management challenges are continually identified through the review of financial systems and accountability, business process improvement, and program performance information from our customers, Inspector General (IG), the Government Accountability Office (GAO) and Office of Management and Budget (OMB) program performance evaluations.

In 2001, GAO identified challenges with student financial aid programs, financial management and other areas facing Education. GAO also called for improvements in information technology security and management.

The Department has significantly improved its financial management accountability, evidenced by receiving "clean opinions" on the audits of its fiscal year 2002 and 2003 financial statements. The Department has also realized considerable progress in administering federal student aid programs evidenced by creating \$1 billion of potential savings over the next ten years by combining the functions of five separate systems into a single system, reducing Pell Grant overpayments, reducing the student loan default rate, and reducing the federal costs related to loan consolidation. We have also made improvements in managing our information technology resources.

To achieve its mission, the Department's leadership team identified six strategic goals which are outlined in our *Strategic Plan*. These include:

- ❑ **Create a Culture of Achievement.** Create a culture of achievement throughout the nation's education system by effectively implementing the President's plan, No Child Left Behind, and by basing all federal education programs on its principles: accountability, flexibility, expanded parental options and doing what works.
- ❑ **Improve Student Achievement.** Improve achievement for all groups of students by putting reading first, expanding high quality mathematics and science teaching, reforming high schools, and boosting teacher and principal quality, thereby closing the achievement gap.
- ❑ **Develop Safe Schools and Strong Character.** Establish safe, disciplined, and drug-free educational environments that foster the development of good character and citizenship.
- ❑ **Transform Education into an Evidence-Based Field.** Strengthen the quality of educational research.



- ❑ **Enhance the Quality of and Access to Postsecondary and Adult Education.** Increase opportunities for students and the effectiveness of institutions.
- ❑ **Establish Management Excellence.** Create a culture of accountability throughout the Department of Education.

Secretary Paige has undertaken a number of measures to improve the operational and strategic management of the Department of Education. In addition to the Strategic Plan, he has used a series of tools – *the President’s Management Agenda (PMA)*, *the Blueprint for Management Excellence*, and *One-ED*, among others – to offer accountability, transparency, and excellent management to Congress and taxpayers.

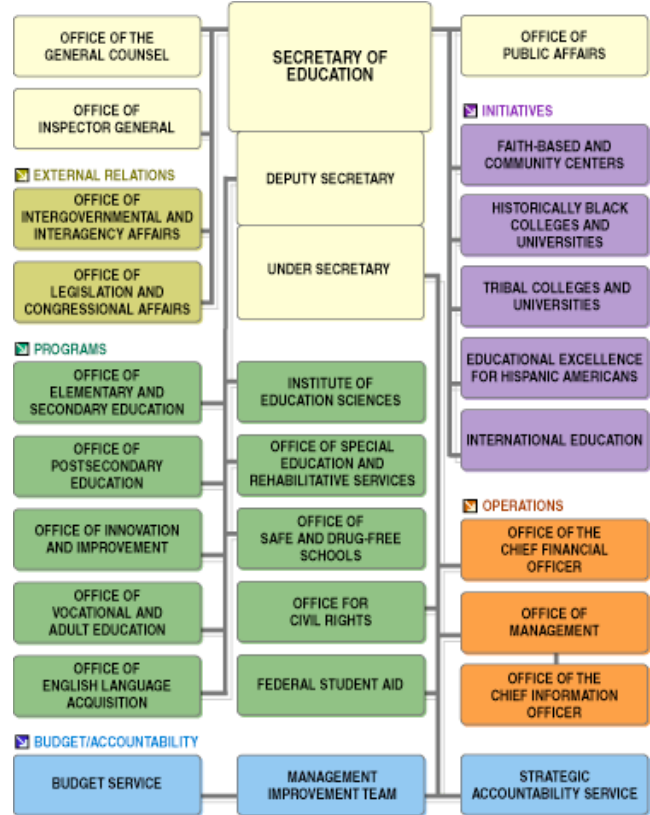
The Department has realized valuable progress towards achieving its strategic objectives. For example, the Department’s financial house is in order, every state in the union has an approved accountability plan, and the national dialogue on education has dramatically advanced.



The Department of Education Workforce

To carry out its responsibilities, the Department has a total workforce of approximately 4,600 employees, which is augmented by approximately 6,900 contract staff working in 20 Principal Offices (POs) nation-wide. The Department has identified the following occupations as **critical** to the accomplishment of our mission:

- ❑ Education Program Specialist and Education Research Analyst (1720/1730)
- ❑ Loan Analyst, Institutional Review Specialist, Case Management Specialist (1101)
- ❑ Vocational Rehabilitation Specialist (0101)
- ❑ Equal Opportunity Specialist (0360)
- ❑ Management and Program Analyst (0343)
- ❑ Financial Management Specialist, Audit Resolution Specialist, Accountant, Auditor (0501, 0510, 0511)
- ❑ Criminal Investigator (1811)
- ❑ Information Technology Specialist (2210)
- ❑ Attorney (0905)



The majority of employees and managers, 67 percent, are in the mission critical occupations listed above.

The majority of the Department's workforce, 71 percent, is located in headquarters and the remaining 29 percent of staff is distributed in 10 regional offices.

The American Federation of Government Employees (AFGE) union represents approximately 57 percent of Department of Education employees. Under the Federal Service Labor-Management Relations Statute, the Department must bargain with AFGE on changes to conditions of employment affecting bargaining unit employees.

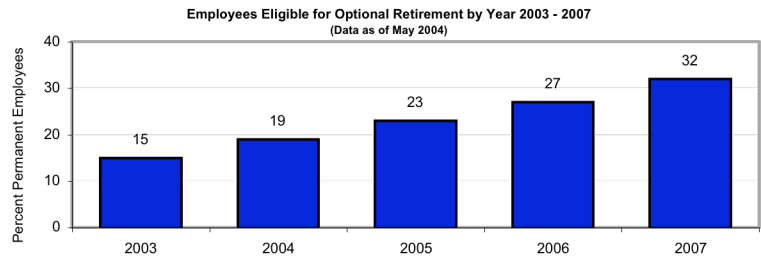
Eighty-eight percent of the Department's permanent employees are non-supervisors and 12 percent are supervisors. On average, each office's workforce is 12 percent supervisors and 88 percent non-supervisors.

Diversity. The Department's workforce diversity objective is to build and maintain a diverse workforce reflective of our nation, and develop, recommend, and implement strategies and initiatives to eliminate employment barriers within the workforce. In August 2004, the Department employed 4,618 employees. Sixty-two percent of positions were held by female employees and 38 percent were held by male employees. Also, 54.6 percent of positions were held by White employees, 36.2 percent by Black employees, 4.4 percent by Hispanic employees, 3.7 percent by Asian employees and 1.1 percent by American Indian employees.

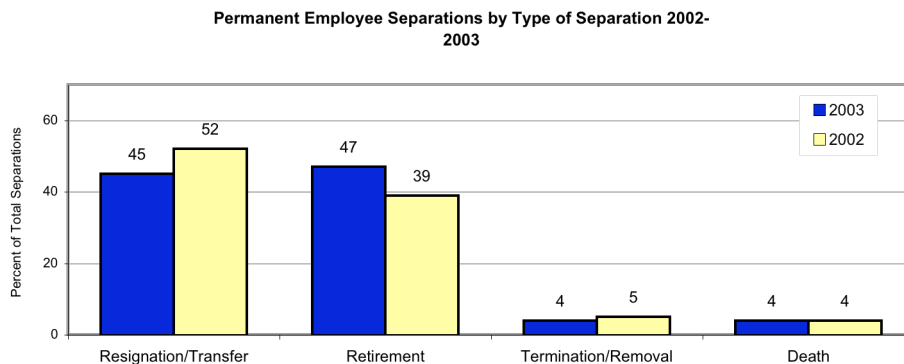


Retirement Eligibility. At the end of calendar year 2003, 15 percent of the Department's permanent workforce was eligible for optional retirement. In 2007, looking at the current workforce, 32 percent of permanent employees will be eligible for optional retirement, and more than half of the Department's offices will have more than 30 percent of their permanent employees eligible for optional retirement.

Also, by December 2007, 46 percent of the Department's current permanent supervisors will be eligible for optional retirement and almost half of the Department's offices will have 50 percent or more of their permanent supervisors eligible for optional retirement.



Turnover. The Department's workforce is relatively stable with only 7 percent turnover of permanent employees in calendar year 2003. Most (47 percent) of the separations in 2003 were voluntary separations of employees resigning or transferring to other agencies. In 2003, retirements were 45 percent of the separations, an increase from 2002 where 39 percent of separations were retirements. The number of permanent employee separations has remained relatively stable since 1990, with the exception of 1994, 1995 and 1996 when early retirement incentive payments were offered Department-wide. The average number of separations in a calendar year for this 14-year period is 301, with 55 percent of the separations from resignations or transfers, 39 percent from retirements, 3 percent from terminations or removals and 3 percent from deaths.


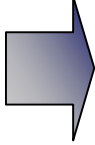

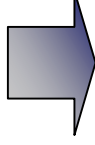


Key Human Capital Management Opportunities and Initiatives

The Department's existing human capital initiatives were outlined in the Department of Education's "Blueprint for Management Excellence" (October 2001) and "One-ED Report" (July 2002), both of which embrace key features of government-wide initiatives set forth in the PMA. The PMA calls on all federal agencies to improve in five key areas: financial management, information technology, budget and performance integration, human capital management and competitive sourcing.

OPM, OMB and GAO have jointly outlined the essential building blocks for effectively managing people – the Human Capital Standards for Success.¹ The Human Capital Standards for Success serve as a foundation for the Department's ongoing human capital initiatives. Building upon OPM's standards for success and responding to the need to better manage its human capital, the Department has developed this human capital plan, which places special emphasis on five FY 2005 priorities.

To ensure that our ongoing, and any planned, human capital management activities are strategically aligned to support our critical mission and human capital challenges, we outlined a comprehensive human capital management framework for the Department describing the key ingredients for success, our current challenges, and the implementation initiatives needed to address those challenges. The following is a brief discussion of the Department's ongoing and planned human capital improvement initiatives.

OPM's Human Capital Standards for Success		Department of Education's Human Capital Initiatives	FY 2005 Priorities
<p>Strategic Alignment <i>Agency human capital strategy is aligned with mission, goals, and organizational objective and integrated into its strategic plans, performance plan, and budgets</i></p> <p>Accountability <i>Agency human capital decisions are guided by a data-driven, result-oriented planning and accountability system</i></p>		<p>Establish Leadership Accountability for Human Capital Management</p>	<p>Clarity of Results</p>
<p>Leadership & Knowledge Management <i>Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance.</i></p>		<p>Prepare Leaders to Lead and Manage the Workforce</p>	<p>Succession Planning and Development</p>
<p>Workforce Planning and Deployment <i>Agency is citizen-centered, de-layered and mission-focused, and leverages e-Government and competitive sourcing</i></p> <p>Talent <i>Agency has closed most mission-critical skills, knowledge, and competency gaps/deficiencies, and has made meaningful progress toward closing all.</i></p>		<p>Recruit, Develop, and Assign Talent to the Department's Critical Priorities</p>	<p>Filling Vacancies Effectively</p>
<p>Results-Oriented Performance Culture <i>Agency has a diverse, results-oriented, high performance workforce, and has a performance management system that effectively differentiates between high and low performance, and links individuals/team/unit performance with organizational goals and desired results</i></p>		<p>Strengthen our Results-Oriented Culture</p>	<p>Improving Performance Evaluations</p> <p>and</p> <p>Differentiating Pay for Performance</p>

¹ See the Human Capital Standards for Success published on OPM's website at: <http://apps.opm.gov/HumanCapital/standards/index.cfm>.



Department of Education's Human Capital Initiatives

Establish Leadership Accountability for Human Capital Management

The Department's leaders and managers will expand their partnership with human resources to ensure the Department is effectively hiring, developing, motivating, coaching, differentiating performance and holding staff accountable. An enhanced partnership will guarantee the alignment of the Department's mission, strategic goals, annual plans and resources.

Current Actions:

- ❑ **During 2004, the Department has been focusing attention on five core human capital priorities.** This effort has been a strong first step in putting management muscle behind key human capital issues and provides a framework for future activities that will continue into fiscal year 2005. They include:
 - Filling vacancies effectively
 - Clarity of Results
 - Improving performance evaluations
 - Differentiating pay for performance
 - Succession planning/development
- ❑ **Report on key human capital performance measures in the Department's annual Performance and Accountability Report.**

Planned Actions:

- ❑ **Make leaders and managers accountable for people management** by clarifying expectations, setting performance standards and executing contracts accordingly
- ❑ **Revise the SES performance management system** to include key performance standards for human capital management and tie financial rewards directly to success in human capital elements
- ❑ **Provide support to managers** to ensure their success by identifying areas where they need assistance and then providing resources and removing barriers, as needed
- ❑ **Develop and implement a human capital leadership calendar that is integrated with the budget and strategic plan** and ensures top attention to critical strategies, initiatives, and processes
- ❑ **Review a dashboard of key measures** at senior leadership meetings, building on existing human capital program measurement efforts to ensure we are making progress on human capital priorities
- ❑ **Perform assessments of human capital management programs** to determine their effectiveness

Anticipated Results:

- ❑ The Department's leaders make human capital management a priority, integrated with performance and financial management
- ❑ Critical human capital decisions are informed by evaluations and data
- ❑ Human capital management is more effective enterprise-wide



Prepare Leaders to Lead and Manage the Department's Workforce

The Department's current and emerging leaders and managers are policy experts and technical resources. Expanding the focus on human capital management knowledge and skills for high potential staff will help to ensure that the Department has the leaders and managers it needs to achieve the Department's mission now and in the future.

Current Actions:

- Defining core leadership competencies**
- Developing leadership development program** to prepare emerging leaders for management responsibilities

Planned Actions:

- Pilot a more comprehensive succession planning process for leadership and mission critical positions** which, if successful, could be used throughout the organization
- Implement leadership development strategy** that includes employee participation in the Department, OPM and other leadership development programs
- Develop a suite of development aids for existing leaders and managers** to enhance their effectiveness

Anticipated Results:

- The Department's leaders manage people in a manner that drives both short- and long-term results
- Employees report feeling connected to the Department's mission and goals
- The Department's leadership and human resources team work together seamlessly on mission critical people issues

Recruit, Develop and Assign Talent to Department of Education's Critical Priorities

The Department is currently examining key organization structures and major work processes to ensure that resource allocation and staffing and development models continue to meet the Department's emerging business and mission requirements. Currently, the Department's managers are focused on recruiting or developing employees to fill some of the critical positions required to support immediate mission requirements.

Current Actions:

- Defining core competencies and learning tracks** for mission critical occupations
- Developing and deploying Employee Skills Inventory System (ESIS)** and an Individual Development Plan training and framework as voluntary tools to identify employees' existing skills, competencies, and development needs
- Seeking use of Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payments (VSIP)** when they help us obtain needed skills sets
- Continuing business process improvement activities underway** (e.g., Federal Student Aid (FSA) - ASEDs, Discretionary Grants Improvement Team, Human Resources Services)
- Providing workforce and diversity profiles to POs**
- Filling critical vacancies identified by POs**
- Providing information on flexibilities (i.e., recruitment bonuses, retention allowances, student loan repayments) to managers**
- Participating in the Extreme Hiring Makeover project** to improve the hiring process, reduce the time to hire, and ensure vacancies are filled with high caliber candidates



Planned Actions:

- Implement the recommendations of the Extreme Hiring Makeover team**
- Strategically invest in training** to build and develop employees' skills in mission critical areas
- Evaluate business process improvement efforts** to ensure human capital management issues are addressed, including resource allocation, aligning organizational structures and people management
- Use ESIS to identify employee skills gaps and development requirements**

Anticipated Results:

- The Department's employees possess the competencies required to effectively service customer and taxpayer interests
- The Department can readily hire any new employees needed

Strengthen Our Results-Oriented Culture

The Department has made substantial progress by implementing a new five-level performance management system – EDPAS. Further improvements and refinements provide an opportunity to ensure employees clearly understand the results required to support and achieve the Department's mission.

Current Actions:

- Implemented a five-level performance appraisal system (EDPAS)** that allows for more differentiation between employee performance
- Updated and expanded disciplinary Table of Penalties** including specific penalties for purchase and travel card abuse
- Revised policies on discipline and adverse actions**
- Issued guidance on achieving clarity of results** to ensure employees clearly understand the results they are expected to achieve
- Issued guidance to incorporate** Performance Assessment Rating Tool (PART) responsibilities in EDPAS performance agreements

Planned Actions:

- Set enterprise-wide expectations** regarding leadership accountability for performance management and reward leaders and employees based on performance and results
- Establish an effective process for communicating organization, unit and individual performance standards**
- Invest for the long-term in manager/supervisory training related to performance management** – including coaching as required
- Develop and communicate a strategy for improving employee performance** throughout the Department and provide resources and support to leaders and managers dealing with poor performers
- Revise awards policy to align more clearly with performance and accomplishments**

Anticipated Results:

- The Department is a cohesive, high-performing organization
- Employees feel challenged and take pride in contributing to the Department's success



Accountability for Results

Ultimately, responsibility for achieving the goals outlined in this human capital plan will fall on the shoulders of our capable management team throughout the Department. The Under Secretary, Chief Human Capital Officer, Office of Management (OM), and Human Resources Services (HRS) will be responsible for leading and supporting many of the initiatives we plan to pursue over the next two years. Implementation will take the ongoing commitment of the whole management team, which will be supported by increasing accountability of managers for human capital management. Senior leadership will be engaged through reports on human capital metrics and the evaluation and assessment of human capital activities. We recognize, however, that we cannot realistically pursue all of these improvement initiatives within one year. The Department will sequence our human capital activities into four stages:

❑ **Strengthening the Foundation of the Department's Human Capital Management**

As evidenced by our plan, we already have several human capital initiatives underway. In the short-term, we will continue our focus on these efforts, ensuring that the initiatives are aligned with our strategic goals and refined according to our leaders' needs. We are focusing on the five human capital priorities that include filling vacancies effectively, clarity of results, improving performance evaluations, differentiating pay for performance and succession planning and development.

❑ **Integrating Human Capital Management as a Centerpiece of Leadership and Strategic Priorities**

The Department's leaders and managers are empowered and held accountable for effectively managing the Department's employees. Throughout 2005 and 2006, we will develop the tools and other support systems required for managers to most effectively recruit, develop, motivate, and retain the employees required to support our mission and strategic goals.

❑ **Piloting Innovation to Address Complex Challenges**

Broad organizational changes, such as succession planning and leadership development and business process improvement, are valuable initiatives to successfully undertake Department-wide. We have had success within our individual offices developing innovative approaches to issues like recruiting (e.g., Office for Civil Rights), employee training and development (e.g., certain regional offices), and restructuring (e.g., FSA). It is our intent to pilot innovations in our offices in the short-term and then measure the success of those pilots for possible implementation office-by-office or Department-wide.

❑ **Evaluation, Assessment, and Improvement**

To ensure the Department has the right people at the right time with the right skills to fulfill our mission, we will establish a plan to assess our human capital management programs and strengthen the link between the strategic and annual plans, the human capital management plan and budget planning and execution.

A more comprehensive implementation plan detailing the specific steps the Department will take to pursue our human capital goals, the timeframes for completing those activities, individuals responsible for the activities, and key metrics for assessing our success is included in Appendix A. It is our intent that this plan be a living document, updated annually to reflect the Department's progress and priorities in human capital management.



Appendix A

Detailed Human Capital Management Implementation Plan September 2004

Human Capital Standard for Success: Strategic Alignment/Accountability				
Department of Education Goal	Action Steps to Implement Improvement Initiatives	Schedule	Project Team	Success Measures
A. Establish Leadership Accountability for Human Capital Management FY2005 Priority: Clarity of Results	1. Revise strategic human capital plan that aligns the Department's human capital strategies and activities with its mission, goals and other government-wide management initiatives.	Q4 2004	Under Secretary OM Assistant Secretary HRS Director	<ul style="list-style-type: none"> Executive Management Team (EMT) endorses plan. OPM and IG oversight teams provide positive feedback.
	2. Begin work on the human capital implementation plan.	Q1 2005	HRS Director PO Managers	<ul style="list-style-type: none"> Tracking progress against success measures.
	3. Revise the SES performance management system to include key performance standards for human capital management and tie financial rewards directly to success in human capital efforts.	Q3 2005	HRS Director ERB SES Core	<ul style="list-style-type: none"> SES performance management system policy revised. Revised policy approved by OPM. New SES performance management system implemented.
	4. Fully execute performance plans for every senior executive.	Q4 2004 and Q4 2005	Deputy Secretary Under Secretary	<ul style="list-style-type: none"> FY2004 – SES plans in place. FY2005 – SES plans in place based on revised SES performance management system.
	5. Develop and implement a human capital leadership calendar that is aligned with the budget and strategic planning calendars to ensure top attention to critical human capital strategies, initiatives, and processes.	Q3 2005	Budget Service Director SAS Director HRS Director	<ul style="list-style-type: none"> Integrated calendar published.
	6. Develop strategies for measuring, collecting, and reporting relevant data on EDPAS Management and Leadership standards.	Q2 2005	HRS Director	<ul style="list-style-type: none"> Report data on EDPAS Management and Leadership standards, annually.
	7. Conduct an Executive Management Team (EMT) session to introduce the new calendar and discuss increasing the focus on human capital management and accountability.	Q2 2005	OM Assistant Secretary EMT	<ul style="list-style-type: none"> EMT is briefed and questions are answered.
	8. Revise and enhance dashboard of key human capital metrics to support effective human capital management.	Q3 –Q4 2005	OM Assistant Secretary	<ul style="list-style-type: none"> Human capital dashboard measures established.
	9. Publish updated dashboard periodically when new data becomes available and share with senior leaders.	FY 2005 – FY 2007	OM Assistant Secretary	<ul style="list-style-type: none"> Dashboard baselines and targets developed. Dashboard shared with senior officers.
	10. Perform assessments of human capital management programs.	FY2005- FY2007	OM Assistant Secretary PPIS Director HRS Director	<ul style="list-style-type: none"> Human capital management evaluation plan developed. Evaluations completed as scheduled.
	11. Leaders/Managers use HRS resources to develop effective strategies to deal with specific individual performance challenges – Individual Development Plans (IDPs) constructed for most significant challenges	Ongoing	PO Managers	<ul style="list-style-type: none"> Low performing employees are coached to higher performance.
	12. Establish team to support managers with employee performance management using HRS and other resources as needed to coach and counsel managers.	Q2-Q3 2005	HRS Director PO Managers	<ul style="list-style-type: none"> Support team established. Materials developed to inform managers of resources. Disseminate information/brief managers on services available.
	13. Align human capital planning with budget formulation and execution.	2005 – 2007	Budget Service Director Executive Officers PO Managers HRS Director	<ul style="list-style-type: none"> FY 2007 budget submission and execution includes human capital planning.



Human Capital Standard for Success: Leadership/Knowledge Management

Department of Education Goal	Action Steps to Implement Improvement Initiatives	Schedule	Project Team	Success Measures
B. Prepare Leaders to Lead and Manage the Workforce FY2005 Priority: Succession Planning and Development	1. Announce Senior Executive Service (SES) Continuing Development Program.	Q1 2005	HRS Director	<ul style="list-style-type: none"> Senior Executive Service Continuing Development Program announced in SES meeting.
	2. Announce Executive Leadership Program.	Q1 2005	HRS Director	<ul style="list-style-type: none"> Executive Leadership Program announced.
	3. Conduct annual update of succession and recruitment planning process.	Q3 2005	HRS Director Assistant Secretaries Executive Officers PO Managers	<ul style="list-style-type: none"> Succession plan updated.
	4. Implement a leadership development strategy that includes employee participation in Department of Education, OPM and other leadership development programs.	Q4 2005	HRS Director PO Managers ED Employees	<ul style="list-style-type: none"> Programs are active and being completed by candidates.
	5. Pilot and evaluate a collaborative succession planning process in FSA that engages supervisors and focuses on changing organizational requirements.	Q4 2004 – Q2 2005	COO FSA	<ul style="list-style-type: none"> Formal succession planning exercise is completed, mission-critical leadership positions and potential gaps identified.
	6. If FSA pilot of succession planning process is successful, begin to involve other offices.	FY2005/ FY2006	Under Secretary FSA HR Director HRS Director Assistant Secretaries	<ul style="list-style-type: none"> Evaluation of FSA succession planning pilot is favorable and indicates process can be replicated.
	7. Develop a suite of effective development aids for existing leaders and managers to enhance their effectiveness.	Q4 2005	OM Assistant Secretary HRS Director Budget Services PO Managers	<ul style="list-style-type: none"> Menu of leader and manager resources provided. Budget developed to ensure implementation.



Human Capital Standard for Success: Workforce Planning and Deployment/Talent

Department of Education Goal	Action Steps to Implement Improvement Initiatives	Schedule	Project Team	Success Measures
<p>C. Recruit, Develop and Assign Talent to the Department of Education's Critical Priorities</p> <p>FY2005 Priority: Filling Vacancies Effectively</p>	1. Complete development of the Hiring Tracking System, an auditable system for collecting and analyzing data on the stages of the hiring process	Q4 2004	HRS Director PPIS Director Chief Information Officer	<ul style="list-style-type: none"> System developed and being used.
	2. Establish goals for reduction in vacancies.	Q4 2004	HRS Director PO Managers	<ul style="list-style-type: none"> Goals are established.
	3. Establish target for hiring cycle time.	Q1 2005	HRS Director	<ul style="list-style-type: none"> Hiring cycle time baseline and target established.
	4. Evaluate hiring cycle time and vacancy reductions.	Q2 2005	HRS Director	<ul style="list-style-type: none"> Evaluation of hiring cycle time and vacancy reductions complete.
	5. Provide updated diversity profiles and workforce profiles to each Principal Office (PO).	Q2 2005	Mgt Svcs Director/EEO HRS Director	<ul style="list-style-type: none"> Updates issued to offices.
	6. Develop an action plan to improve hiring – reduce time to hire; fill vacancies with high caliber candidates, improve the candidate experience significantly (e.g., Extreme Hiring Makeover).	Q1 2005	HRS Director PO Managers	<ul style="list-style-type: none"> Action plan to improve hiring process developed.
	7. Begin to implement recommendations from the "Extreme Makeover" of hiring process.	Q2 – Q4 2005	HRS Director PO Managers	<ul style="list-style-type: none"> Implementation plan developed and progress made on recommendations being tracked.
	8. Develop clearly defined competencies and learning tracks for mission critical occupations, including grants management.	Q1 – Q4 2005	HRS Director	<ul style="list-style-type: none"> Competencies and learning tracks developed for mission critical occupations.
	9. Analyze data in the Employee Skills Inventory System (ESIS) for information on skills gaps in training needs and provide training aligned with PO priorities.	Q3 2005	HRS Director	<ul style="list-style-type: none"> ESIS data analyzed, skills gaps determined, training opportunities provided.
	10. Use ESIS and Individual Development Plans (IDPs) to identify gaps and development requirements.	Q3 2005	ED Employees PO Managers HRS Director	<ul style="list-style-type: none"> ESIS and IDPs provide meaningful information on skill gaps.
	11. Strategically invest in training required to build and develop employees' skills in mission critical areas – include requirements in 2007 budget	Q3 2005	Budget Service Director Assistant Secretaries Executive Officers PO Managers HRS Director	<ul style="list-style-type: none"> 2007 HRS and PO budget submissions includes training and development investments to build mission critical skills.
	12. Complete current business process improvement activities underway (e.g., FSA/ASEDS, DiGIT, HR); evaluate and develop lessons learned for future efforts.	Q1 2005	COO FSA Assistant Secretary OM DiGIT Team Leader Assistant Secretary OCFO	<ul style="list-style-type: none"> Restructuring activities implemented. Restructuring activities evaluated and lessons learned identified.



Human Capital Standard for Success: Results-Oriented Performance Culture

Department of Education Goal	Action Steps to Implement Improvement Initiatives	Schedule	Project Team	Success Measures
<p>D. Strengthen Our Results-Oriented Culture</p> <p>FY2005 Priorities: Improving Performance Evaluations and Differentiating Pay for Performance.</p>	1. Complete revision of general schedule employee performance appraisal plans.	Q1 2005	HRS Director	<ul style="list-style-type: none"> 60% of General schedule employee performance plans reviewed. Necessary revisions in place before appraisal cycle.
	2. Issue guidance on developing performance plans with clarity of results that include PART responsibilities.	Q4 2004	OM Assistant Secretary Budget Service Director SAS Director	<ul style="list-style-type: none"> Guidance issued.
	3. Implement Senior Executive Service (SES) pay for performance system.	Q3 2005	HRS Director	<ul style="list-style-type: none"> SES pay policy developed and approved. SES pay for performance system implemented.
	4. Revise performance award policy to focus cash awards on the highest performing staff.	Q2 2005	OM Assistant Secretary EMT Assistant Secretaries AFGE HRS Director	<ul style="list-style-type: none"> Performance award policy revised.
	5. Set department-wide expectations for leadership accountability, employee performance management, awards, and employee development.	Q2 2005	EMT Assistant Secretaries	<ul style="list-style-type: none"> Develop expectations and briefing materials. Brief EMT/Assistant Secretaries Assistant Secretaries brief PO managers.
	6. Establish a process to communicate Department of Education strategic and annual goals to all employees and translate into EDPAS performance standards.	Q2 2005	SAS Director HRS Director Budget Service Director Assistant Secretaries PO Managers	<ul style="list-style-type: none"> EDPAS performance agreements reflect PART and Strategic Plan responsibilities.
	7. Implement process to communicate Department of Education strategic and annual goals and translate into EDPAS performance standards to all employees	Q2-Q3 2005	Under Secretary Assistant Secretaries PO Managers	<ul style="list-style-type: none"> Communications materials and schedule developed. Employees receiving information on ED goals and how they link to their EDPAS performance standards.
	8. Evaluate process to communicate Department of Education strategic and annual goals and translate into EDPAS performance standards to all employees.	Q4 2006	PPIS Director	<ul style="list-style-type: none"> Evaluation conducted.
	9. Assess EDPAS to determine feasibility of implementation on a fiscal year schedule.	Q2 2005	OM Assistant Secretary HRS Director EMT	<ul style="list-style-type: none"> Decision made on aligning EDPAS cycle with the fiscal year.
	10. SES performance based pay distributions determined and broad employee bonuses awarded.	Q1 2006	HRS Director PRB (Bonus) Secretary	<ul style="list-style-type: none"> Performance Review Board (PRB) (Bonus) convened. Recommendations receive Secretarial approval. Bonuses awarded.
	11. Analyze results of the 2004 OPM Federal Human Capital Survey (FHCS) and disseminate to all employees and offices	Q4 2005	PPIS Director	<ul style="list-style-type: none"> FHCS results provided to the Department by OPM are analyzed and disseminated to Department employees and offices.
	12. Use results of the Federal Human Capital Survey to improve human capital management programs.	Q1 – Q3 2006	Assistant Secretary OM Assistant Secretaries PO Managers	<ul style="list-style-type: none"> Survey results used to identify human capital management programs that need more complete evaluations or improvements.



Appendix B

Methodology

The Department developed its approach to strategic human capital planning following the key steps and principles outlined by the Office of Personnel Management (OPM), the Government Accountability Office (GAO) and Partnership for Public Service's Solutions Center Strategic Human Capital Planning case studies.²

This human capital plan reflects the voice of the Department's leaders and managers. Our planning efforts relied extensively on the input of our leadership team and stakeholders, as well as the support and expertise of our Human Resources Services (HRS). Based on this collective input, we developed an approach and project plan to identify:

- ❑ Critical mission challenges likely to affect the Department in the short- and long-term;
- ❑ The types of employees needed now and in the future to achieve our mission and address critical challenges;
- ❑ Workforce trends likely to affect our ability to recruit, hire, develop, motivate, and retain the employees needed; and
- ❑ Ongoing and planned initiatives the Department should pursue to address the range of workforce challenges.

To collect this information and begin to synthesize our plan, we completed an extensive review of our human capital policies, programs and progress in recent years. We also used a structured interview guide to complete interviews and focus groups with approximately 80 leaders and supervisors within the Department, assessing their views on our most mission critical human capital challenges and the actions needed to overcome those challenges.

To supplement our leaders' views, HRS performed a significant amount of data analysis to assess the workforce trends developing within the Department; that data is summarized in the body of the Human Capital Management Plan. Based on this data collection effort, HRS outlined our significant challenges and strategies and convened a meeting with Department leaders to confirm the findings and the direction of the plan. Based on the leaders' input, we revised the outline and drafted a final 2004 human capital management plan.

² See OPM's strategic human capital/workforce planning guidance at <http://www.opm.gov/workforceplanning/>. Also, see GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, GAO-04-39 (December 11, 2003) and the Partnership for Public Service's Solutions Center *Strategic Human Capital Planning* case studies at <http://www.ourpublicservice.org/solutions/>.

