

# Demonstration Projects Handbook



## Beyond Current Flexibilities

U.S. Office of Personnel Management  
Human Capital Leadership and Merit Systems Accountability Division  
Center for Human Capital Implementation and Assessment  
1900 E Street, NW.  
Room 7677  
Washington, D.C. 20415-6000  
Phone: 202-606-2840  
Email: [demoprojects@opm.gov](mailto:demoprojects@opm.gov)

**DEMONSTRATION PROJECTS  
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## **INTRODUCTION**

Demonstration projects provide a structure for testing and introducing beneficial change in a Governmentwide personnel management system. The Office of Personnel Management (OPM) is authorized to develop and evaluate demonstration projects that test new ideas that will shape the future of Federal human resources management. Demonstration projects address organizational needs and problems in human resources management; however, they are neither needed nor designed to fit and fix all personnel management problems in every Government agency. Although a demonstration project is the method that provides for the waiver of title 5 law and regulations, there are other mechanisms available to agencies that also permit the introduction of innovations and flexibilities. This document contains information and examples that highlight the demonstration project process and help you decide whether you and your agency will benefit from developing a demonstration project.

A demonstration project is the vehicle by which an agency or organization obtains the authority to waive existing title 5 law and regulations in order to propose and test interventions for its own personnel management system. A prospective agency should first determine what its organizational needs and problems are based on a strategic plan and focus. Then the agency can determine the best path to achieving desired changes to its personnel management system—through existing flexibilities, demonstration projects, or, in some cases, legislation.

All organizations are encouraged to contact their OPM Human Capital Officer (HCO) to begin discussing organizational objectives and needs in the human resources management area and the possibilities for a demonstration project. Your HCO is available to partner with agencies in the design of a project that aligns organizational mission and objectives, meets needs, avoids costly mistakes, and draws upon lessons learned.

Through your HCO, we are ready to provide assistance to all Federal agencies to help them determine whether or not a demonstration project is needed and, if so, to assist them in the development and evaluation of a project plan leading to implementation. Targeted briefings and consultation will be provided to organizations that have expressed interest in exploring the possibilities of a demonstration project. A team of OPM functional specialists, in areas such as classification, compensation, performance management, employee relations, and staffing, will be available to provide expertise throughout the project.

## **WHAT IS A DEMONSTRATION PROJECT?**

Under the Civil Service Reform Act of 1978, the Office of Personnel Management (OPM) received the authority to conduct demonstration projects. Chapter 47 of title 5, United States Code, defines a demonstration project as:

. . . a project conducted by the Office of Personnel Management, or under its supervision, to determine whether a specified change in personnel management policies or procedures would result in improved Federal personnel management.

Demonstration projects are conducted jointly by OPM and the agency. Under title 5, OPM is permitted to waive laws and regulations to enable agencies to conduct demonstration projects by experimenting with new and innovative systems. Legal requirements for demonstration projects include:

- that the length of the project be no more than 5 years (with some extension permitted);
- that there be no more than 5,000 employees per project;
- that OPM has no more than 10 active demonstration projects at one time;
- that there be consultation and negotiation with affected employees and unions;
- that the agency submit a formal project plan;
- that Congress and employees be notified; and
- that an evaluation be done.

No waivers of law are permitted in areas of employee leave, employee benefits, equal employment opportunity, political activity, merit system principles, or other prohibited personnel practices.

Examples of law and regulations that may be waived under title 5 include methods of:

- qualification requirements, recruitment, and appointment to positions;
- classification and compensation;
- assignment, reassignment, or promotions;
- disciplinary actions;
- providing incentives;
- establishing hours of work;
- involving employees and labor organizations in personnel decisions; and
- reducing overall agency staff and grade levels.

OPM will assist and guide you throughout the process; however, the agency must be prepared to devote the appropriate amount of human and monetary resources.

## **BEFORE YOU BEGIN**

There are experts at OPM available to help agencies in the various facets of human resources management. We are ready to advise and assist organizations throughout the process as they develop and implement a demonstration project. We have found, however, that successful demonstration projects start with a clear, specific vision developed by the agency before OPM ever enters the picture. Creating a strategic plan for the project with a purpose, mission, and objectives serves as a strong framework upon which to build the demonstration project.

With that in mind, the following questions can serve as a guide for preliminary discussions (and brainstorming sessions) as you move along the path of improvement to decide whether or not a demonstration project will meet your needs and enhance mission accomplishment.

- **What specific organizational problem or need do you want to address?**

The more specific you can be when answering this question, the better. “We want to change how we compensate our employees” is too broad an issue. “We are losing our most valuable and highly-skilled scientists because we pay 10-20% less than comparable private industry positions” will help you to define the objective of your demonstration project.

- **How will the resolution of this problem or need help in the accomplishment of your organizational mission?**

Organizations exist to accomplish a mission—to provide a service or a product. Resolving a problem or making an improvement in personnel management practices and procedures should be targeted to support what the agency is all about. The organizational mission, objectives, and outcomes should drive proposed changes.

- **What barriers prevent you from resolving this problem, and how will the demonstration project be used to remove these barriers?**

Internal as well as external barriers should be considered. If there are internal barriers, what steps have been taken to resolve them? “The agency will not approve use of retention bonuses” might be one of the internal barriers and something that could be changed without the use of a demonstration project. Exploring existing flexibilities that are available at all levels and have not been taken advantage of or that could be changed may preclude the need for a demonstration project. Our handbook, *Human Resources Flexibilities and Authorities in the Federal Government* [ [PDF](#)][[Word](#)], lists existing flexibilities in such areas as staffing, classification, compensation, recruitment and retention incentives, performance management, and dispute resolution.

- **Is the action required to resolve your problem within the scope of the demonstration project authority?**

Demonstration projects are conducted under specific prescribed authorities, which are outlined throughout this package. For example, under current law there are parameters about the number of employees who may participate in a demonstration project and there are some exclusions about what may be tested. For those issues that fall outside of the demonstration project authority, an organization may need to narrow the scope of the project or explore other options.

- **Do you require a waiver of title 5 laws or regulations?**

If your proposed action does not require a waiver of title 5 laws or regulations, you may be able to achieve your goal without a demonstration project.

- **What will be considered a “success” in terms of the purpose and objective of this demonstration project?**

A clear vision, mission, plan, and outcome determine what you as an agency want to accomplish with the proposed demonstration project. The more specific you are about what you want to achieve, the more likely you are to achieve it. Identifying intended outcomes and measures of success leads to realistic yet innovative options that support the organization’s mission and let you know “when you have arrived.”

To increase your chances of success, approach a demonstration project with a thorough assessment of organizational needs, problems, and areas for improvement. The Demonstration Project Sample Concept Outline (page 11) and the following discussion of getting started on a demonstration project offer specific guidance and information for moving further along the path to developing a demonstration project.

## **GETTING STARTED ON YOUR DEMONSTRATION PROJECT**

In order to make your project a success, the following describes a recommended approach to demonstration project development. Based on our experience with demonstration projects, we have learned that the development process is easier, the time required for development is lessened, and the final quality of the project is improved when organizations contact us early in the process. The process that an agency follows to design a demonstration project is as important as the technical aspects of that design. Those instances where an agency has begun an innovative proposal, only to witness its demise at a later stage, have been largely due to process rather than technical flaws. We are here to help you achieve a successful demonstration project, avoid the pitfalls, and gain from lessons learned.

### **A. DEVELOPING YOUR PROJECT PLAN**

- **Establishing Your Project Team**

You cannot design a demonstration project in a vacuum. Include the people who will be impacted by the demonstration project. In this way, your project will represent the views of people at all levels and will garner necessary support and buy in at an early stage. The project team is often composed of line managers, human resources managers, other technical experts, union representatives, employees, and central office and regional representatives. The most successful projects are those that were begun in partnership with appropriate unions at the earliest stages. In addition to the unions, work closely with your employees and solicit regular feedback from them. More participation elicited at the preliminary stages helps improve the overall project.

- **Organizational Assessment**

Identify and analyze the problems in your organization that serve as barriers to accomplishing your mission. Through focus groups, climate surveys, and workforce data analysis, agencies are better able to understand their problems and develop proposed human resources solutions. Agencies can then determine if a demonstration project is needed or whether the identified barriers can be addressed through the current system.

- **Concept Paper**

The concept paper is actually the preliminary draft of the project plan. At the beginning, it is intended to help collect and communicate ideas and build stakeholder consensus. It serves as a working tool to further develop the project plan through its many evolutions; it is a work in progress.

A sample outline is available to assist your project team in developing the concept paper. It is the first document that you share with us to present your ideas and

innovations.

- Project Plan Proposal

The next step is to develop the concept paper into a more detailed project plan, which will eventually be published in the *Federal Register*. At this stage, we work with your team to help you refine your plan with the goal of producing it in *Federal Register* format.

We are often asked about the level of detail required in the project plan. It's a difficult question, but the best answer is that the project plan needs to be written so that affected employees will understand how the demonstration project will impact them. When the plan is published in the *Federal Register*, it actually substitutes for title 5 as the statutory authority under which the project operates. Therefore, it needs to contain enough detail in plain language to be understandable and to make sense to employees and other stakeholders interested in the project.

## **B. COMMUNICATING YOUR PROJECT PLAN**

- Communicate

When employees say that they have heard enough about the demonstration project plan, you know that you have done your job. One agency head took the time to regularly meet with small groups of employees to explain the demonstration project. Although this appeared time consuming at the front end, it was actually a time saver later on. The key to a sustainable and successful project is understanding the project through information that is based on facts and not rumors, while also encouraging bona fide input. Demonstration projects are, in actuality, change processes. Therefore, the same principles espoused for change management are appropriate for demonstration projects.

- Stakeholder Analysis

We have often said that a demonstration project is really a project of stakeholders. It is important to do a stakeholder analysis that identifies all players whose interests should be taken into account in the development of your project. It is also wise to develop a strategy to bring these stakeholders in early so that they feel vested in your project. The demonstration project takes time, commitment, and resources—both human and monetary. Stakeholders' approval or disapproval of your project could make or break your project.



## **C. APPROVING AND CLEARING YOUR PROJECT PLAN**

- Agency Review, Clearance, and Approval

Clear your project plan through all appropriate channels, such as the agency, the department, and any participating site departments. The head of your agency (or the department) must sign your project plan. This final version of the proposed project plan must be formally transmitted to OPM. As part of the transmittal, you must outline the discussions that have been held with labor organizations (that have been accorded exclusive recognition) for bargaining units containing employees involved in or affected by the proposed demonstration project.

- OPM Review, Clearance, and Approval

Once OPM receives the agency-cleared project plan, your HCO will begin coordination with you and OPM program offices to facilitate the review process. If needed, working sessions are scheduled with your team and OPM to further refine and address concerns before final approval. When all concerns and questions have been addressed and incorporated into the plan to the satisfaction of all parties, the project plan begins the clearance process through OPM. Once cleared, the OPM Director approves and signs the *Federal Register* notice (your proposed project plan) for publication.

## **D. STATUTORY NOTIFICATION REQUIREMENTS**

- 1st *Federal Register* Notice

OPM publishes your approved project plan proposal as a notice in the *Federal Register* and notifies unions and Congress. Chapter 47 of title 5 specifies that proposed project plans must be published at least 180 days before implementation. At this time, both Congress and employees must be notified, with copies of the *Federal Register* notice of the proposed demonstration project. No less than 30 days after publication in the *Federal Register*, OPM facilitates a public hearing to solicit comments. The comment period must then remain open for 2 weeks after the public hearing. OPM and your agency review all oral and written comments; and if necessary, the proposed project is modified accordingly.

- 2nd *Federal Register* Notice

The resulting modified project plan must again go through the OPM clearance and approval process before being published in the *Federal Register* as the final project plan. The law requires that this final notice be published at least 90 days after the first *Federal Register* notice and that the project begin no sooner than 90 days from the date of the second *Federal Register* notice. At this time, OPM also notifies Congress of the final project plan.

- Implementation

A minimum of 90 days after the publication date of the final *Federal Register* notice, your agency may implement the plan. Your agency can use the 90-day waiting period to prepare implementing regulations, operating procedures, training manuals, employee handbooks, and conduct all necessary training to begin the demonstration project. OPM is required to approve the implementing regulations, which substitute for the waived title 5 regulations in the project.

**SAMPLE CONCEPT OUTLINE -Description of Proposed Demonstration Project**

**A. Purpose and Objective**

Briefly describe your organization's:

- Mission, vision, and value statements.
- Problems in human resources management (HRM) systems that hinder mission accomplishment, and identify HRM improvements to address these problems.
- Purposes and expected outcomes for the demo project, including how this demo will enhance mission accomplishment.

**B. Methodology**

Briefly describe the method used in identifying and analyzing the problems and outcomes listed in the purpose and objectives section and in developing proposed solutions.

**C. Innovations**

List all the changes that you are proposing for inclusion in your project. Describe each innovation in as much detail as possible. Discuss how the innovations will solve the problems described in the purpose and objectives section.

**D. Budget Strategy**

Describe your budget strategy for cost controls and expected fiscal impact.

- If cost neutrality is a goal, how will it be achieved?
- How will costs be controlled in broadbanding?

**E. Scope of Coverage**

Describe who will participate in the demo project.

**F. Project Development and Oversight Strategy**

Describe how the project will be developed:

- What is your timeline for development?
- Who will be held accountable for keeping the project on track?
- Who will participate in developing the demo? For example, HRM specialists, unions, line managers, employees, executives? How will they be participating in demo development?
- The demonstration authority requires employee and union input. How will this be obtained?

**G. Evaluation Plan**

Outline what you want to know as a result of this demo project:

- What are the key elements for the evaluation?
- What do you expect will happen as a result of implementing each innovation?

## **OVERVIEW OF THE FEDERAL REGISTER PROCESS FOR A NEW DEMONSTRATION PROJECT**

- Section 470.307(b)(2) of title 5, Code of Federal Regulations (CFR), specifies that OPM will publish each tentatively approved demonstration project plan as a notice in the *Federal Register*. In *The Federal Register: What It Is and How To Use It*,\* a notice is described as containing “documents other than rules or proposed rules that are applicable to the public.” Notice documents must meet publication requirements set forth by the Office of the Federal Register in the *Document Drafting Handbook*.\* Agencies are required to use the preamble format for their notices. This format is also described in the *Document Drafting Handbook*.
- Notification to Congress of the first *Federal Register* notice, which is usually the same day as publication, marks the beginning of the 180-day statutory requirement. The agency formally notifies employees with this *Federal Register* notice. At a minimum, the actual project implementation can begin no sooner than 180 days from the Congressional notification date.
- We facilitate at least one public hearing no earlier than 30 days after the publication date of the first notice in the *Federal Register*. Roles and requirements for public hearings are outlined in Public Hearings. The comment period remains open for two weeks after the date of the final hearing.
- We, along with the agency, categorize, analyze, and assess all oral and written comments. All comments must be summarized and addressed in the final *Federal Register* notice. As appropriate and necessary, the proposed project plan is modified.
- At least 90 days after Congressional notification of publication of the first *Federal Register* notice, the final project plan may be published as the second *Federal Register* notice.
- A minimum of 90 days after the date of Congressional notification of publication of the second (final) *Federal Register* notice, the agency may begin formal implementation of the project.

The following is an outline of the format in which notices must be submitted to the *Federal Register*. Also following is a sample of a *Federal Register* notice. This is similar to the document your agency will need to prepare when you reach this stage of the process. Explanatory editorial comments are in italics.

The format for documents to be published in the *Federal Register* is described at <http://www.archives.gov/federal-register/write/handbook/index.html>

\*Available from the [Government Printing Office](#), (202) 512-0000.

## **FEDERAL REGISTER SAMPLE DOCUMENT**

Publication Date: *Leave blank; filled in by Federal Register.*

Billing Code: *This is a number assigned by OPM*

OFFICE OF PERSONNEL MANAGEMENT *This will always identify OPM because it is the only agency that can issue notices relating to demonstration projects.*

Subject heading *This is the title of the proposed demonstration (e.g., Proposed Laboratory Personnel Management Demonstration Project; Department of the Air Force).*

AGENCY: Office of Personnel Management. *See above.*

ACTION: Notice of Proposed Demonstration Project

SUMMARY: Title VI of the Civil Service Reform Act, 5 U.S.C. 4703, authorizes the Office of Personnel Management to conduct demonstration projects that experiment with new and different personnel management concepts to determine whether such changes in personnel policy or procedures would result in improved Federal personnel management. *This paragraph is included as the authority citation; another paragraph may be added to cite additional authority, if available. (For example: Public Law 103-337, October 5, 1994, permits the Department of Defense (DoD), with the approval of the OPM, to carry out personnel demonstration projects generally similar to the China Lake demonstration project at DoD Science and Technology (S&T) reinvention laboratories.)*

DATES: Comments must be submitted on or before (*Insert date \_\_ days after date of publication in the Federal Register*); public hearings will be scheduled as follows:

1. (*Insert date 30 days after date of publication in Federal Register*), 9:30 a.m. to 5:00 p.m. in *Hearing Location*;

2. (*Insert date 30+ days after date of publication in Federal Register*), 9:30 a.m. to 5:00 p.m. in *Hearing Location*;

*This section exemplifies the request for written comments, notification of public hearings, and intent to implement as of date. Each notice does not need to contain all three topics; only the relevant topics are included. This section also illustrates how to identify dates that need to be computed by the Federal Register.*

ADDRESSES: Comments may be mailed to *Name (OPM Human Capital Officer)*, U.S. Office of Personnel Management, 1900 E. Street, NW, Room 7470, Washington DC 20415; public hearings will be held at the following locations:

1. *Hearing Location City, State*

2. *Hearing Location City, State*

*This section addresses the location of hearings included under the date(s) section above. In this example, dates were given for allowing public comment, public hearings, and scheduled implementation date. As such, this section must identify where public comments should be mailed to and where public hearings will be held.*

**FOR FURTHER INFORMATION CONTACT:** (1) Agency Coordinator name, address, and phone number; (2) OPM Human Capital Officer name, address, and phone number. This section identifies by name, address, and phone number the principal point of contact in the sponsoring agency who can address questions. It also identifies the point of contact at OPM.

**SUPPLEMENTARY INFORMATION:** This section summarizes the motivation and principal outcomes desired of the demonstration project.

Dated: This is the official date of the document.

Office of Personnel Management

[Name]  
Director

*This last section is the signature block for OPM.*

*This concludes the preamble. The body of the notice looks like this:*

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- B. Problems with the Present System
- C. Changes Required/Expected Benefits
- D. Participating Organizations
- E. Participating Employees
- F. Project Design

### **III. Personnel System Changes**

- A. Broadbanding (*example*)
- B. Classification (*example*)
- C. Appointment Authorities (*example*)
- D. Revised Reduction-In-Force (RIF) Procedures (*example*)

### **IV. Training**

### **V. Conversion**

### **VI. Project Duration**

### **VII. Evaluation Plan**

### **VIII. Demonstration Project Costs**

### **IX. Required Waivers to Law and Regulation**

## **I. Executive Summary**

The project was designed by .... *management synopsis of project.*

## **II. Introduction**

### **A. Purpose**

The purpose of the project is to ....

### **B. Problems with the Present System**

Our products contribute to ....

### **C. Changes Required/Expected Benefits**

This project is expected to demonstrate that ....

### **D. Participating Organizations**

The four agency laboratories ....

### **E. Participating Employees**

In determining the scope of the demonstration project, primary consideration was given to the number and diversity ....

### **F. Project Design**

A special action team was formed ....

## **III. Personnel System Changes**

### **A. Broadbanding**

The proposed broadbanding system will ....

### **B. Classification**

#### 1. Occupational Series

The present General Schedule classification system ....

#### 2. Classification Standards

The present system of OPM classification standards will....

#### 3. Classification Authority

Laboratory directors/commanders will have delegated classification authority....

#### 4. Classification Process

The classification process is accomplished by ....

### **C. Appointment Authorities**

#### 1. Appointment Authority

Under the demonstration project, there will be....

### **D. Revised Reduction-In-Force (RIF) Procedures**

A separate competitive area will be established....

## **IV. Training**

An extensive training program is planned for everyone in the demonstration project...

## **V. Conversion**

### **A. Conversion to the Demonstration Project**

Initial entry into the demonstration project....

### **B. Conversion Back to the Former System**

In the event the project ends, a conversion....

## **VI. Project Duration**

Public Law 103-337 removed any mandatory expiration date....

## **VII. Evaluation Plan**

Authorizing legislation mandates evaluation of the demonstration project to....

## **VIII. Demonstration Project Costs**

### **A. Step Buy-Ins**

Under the current pay structure, employees progress through their assigned grade....

### **B. Cost Neutrality**

The demonstration project is required to be cost neutral. A baseline will be established at the start of the project...

### **C. Developmental Costs**

Costs associated with the development of the demonstration system include....

## **IX. Required Waivers to Law and Regulation\***

### **A. Waivers to title 5, United States Code**

5 U.S.C. 33                      Chapter 33  
5 U.S.C. 3501 - 3502      Chapter 35, Section 3501 - 3502  
5 U.S.C. 4303                      Chapter 43, Section 4303

### **B. Waivers to title 5, Code of Federal Regulations**

Part 300, Sections 300.601 through 300.605  
Part 308, Sections 308.101 through 308.103  
Part 531, Sections 531.201 through 531.205; 531.401 through 531.413; 531.501 through 531.508; and 531.602  
Part 536, Sections 536.101 through 536.105; 536.201; 536.301 and 536.302

\*Waiver required only to the extent that the project conflicts with pertinent provision of law and regulation.



## **PUBLIC HEARINGS: ROLES, REQUIREMENTS, AND OPTIONS**

Proposed demonstration projects require at least one public hearing. The number of participants in the project, geographic dispersion, and organizational need determine the number and location of public hearings. The following information is provided as a base to begin thinking about all the requirements and activities associated with the public hearing. While OPM facilitates the process and provides the presiding officer, the major responsibilities rest with the agency.

### **WHAT IS THE PUBLIC HEARING?**

1. Fulfillment of a statutory requirement.
2. An opportunity for interested parties (employee and public) to be heard and acknowledged.
3. An opportunity to obtain additional input and information on the demonstration project and to complete identification of key issues.

This public hearing is designed to be informal and inviting. Comments and questions are acknowledged, clarified, and responded to with additional information. It is not a debate, or a question and answer session. It is focused on obtaining input.

The OPM Director designates the hearing presiding officer [5 CFR 470.309 (b)]. The role of the OPM presiding officer includes: calling the meeting to order, opening and welcoming, overviewing the process, setting the ground rules, and acting as moderator.

### **REQUIREMENTS, PREPARATION, AND CONDUCT**

The overall conduct of the public hearing is the responsibility of OPM. The agency is responsible for determining the location, obtaining a place, and managing the overall logistics before and during the hearing. Your OPM Human Capital Officer (HCO) will always be a member of the panel; other panel members will be determined in concert by the agency and OPM. A detailed record of the proceedings is required with transcript of the proceedings as the best option.

What follows is an outline of issues, needs, and considerations for the public hearing:

#### **BEFORE:**

##### **Place:**

1. Accessible to the disabled.
2. Large enough to accommodate about 100 people.
3. Accessible to employees and other interested parties.
4. Security issues.

**Logistics:**

1. Technological capabilities for tele- and video conferencing (if needed).
2. Microphone system: table, lavalier, and/or standing floor microphones.
3. Handouts; reference and resource materials such as title 5 and CFR.
4. Electrical outlets for tape recorders, etc.
5. Signs, gavel.
6. Tent cards for panel and name badges for panel and staff.

**Panel:**

1. Presiding Officer: OPM executive.
2. Agency designated representative (e.g., personnel officer, project manager, executive).
3. Union representation.
4. OPM HCO.
5. Agency site representative.

**Support Personnel:**

1. Notetaker/reporter.
2. Timekeeper.
3. Registrar.
4. Agency site manager.
5. OPM executive staff support/overall coordinator.
6. Runner.

**Federal Register:**

1. Notification requirements of date, place, time, and comment closing date.
2. Recommended: "Please notify us of your intent to speak."

**DURING:****Set Up and Site Management:**

1. Checks: security needs (emergency, telephones, etc.); physical layout; AV and technology ventilation; water for panel; coffee, if desired.
2. Registration: tables, chairs, signs, speaking list, sign-in sheets (name, city, representing), welcome.

**AFTER:**

1. Panel debrief.
2. Final arrangements for notes/proceeding report.
3. Finalize comment synthesis arrangements.

## **DEMONSTRATION PROJECT EVALUATION**

The law refers to evaluation of demonstration projects in 5 U.S.C. 4703:

. . . the Office of Personnel Management may, directly or through agreement or contract with one or more agencies and other public and private organizations, conduct and evaluate demonstration projects.

The goal of the demonstration project evaluation is to provide the necessary analytic information upon which to base conclusions and decisions about the demonstration project. Past experience has shown that evaluations are resource (time, people, and money) intensive. The combination of high cost and influential nature of the findings demand that as much care is given to designing and conducting the evaluation as that given to developing the overall demonstration project. Indeed, the resources devoted to planning, implementing, and monitoring the project will have been wasted without a good evaluation from which to base decisions about its future.

### **A. Why? - The Importance of the Evaluation**

The demonstration project authority requires that each demonstration project be evaluated directly or through contractors to determine the demonstration project's "impact on improving public management" (5 U.S.C. 4703). The results from the project evaluation serve several purposes. First, the results allow an examination of the effectiveness of the innovations and the goals and objectives of the project. Second, the results are used to determine the project's potential applicability elsewhere and to support the decision to pursue legislative changes Governmentwide. Third, the results are the basis for mid-course correction—that is, fine-tuning the project based on early feedback and knowledge gained through the evaluation. Fourth, evaluation results are communication tools for documenting best practices and sharing lessons learned with employees, stakeholders, and the public. Fifth, the results aid in linking human resources management to organizational and mission outcomes (e.g., the Government Performance and Results Act, GPRA). And sixth, the results are the basis for extension, expansion, or termination of the project for the good of employees or the Government.

## **B. How? - Program Evaluation**

Although OPM does not prescribe one evaluation approach, we do require a sound, defensible research design that protects the integrity of the evaluation process and produces reliable (repeatable) and valid (accurate) results that “measure the impact of the project results in relation to its objectives” (5 CFR 470.317(b)). Because demonstration projects occur in a natural environment, not in a controlled experimental environment (i.e., a laboratory), they are typically exposed to methodological criticisms. Most methodological criticisms concern the inability in a field setting to rule out other uncontrollable explanations for change. The use of appropriate program and process evaluation techniques will help rule out many of these uncontrollable explanations for change and allow the strongest (accurate and repeatable) possible conclusion regarding the effect and outcomes of the particular project innovations, as well as the impact of the project on mission accomplishment and organizational effectiveness and productivity.

## **C. What? - Requirements and Guidance**

The requirements and guidance described in the next section provide more specific information on the “. . . procedures, methods, and techniques that will be used to show whether the objectives have been met” and the “. . . data collection and analysis procedures to be used to assess the project’s success or failure . . .” (5 CFR 470.301). These requirements are designed to ensure an effective evaluation of sufficient quality to meet the needs of various stakeholders. The requirements include technical as well as logistical aspects of evaluation. We have tried to make the technical aspects of evaluation clear and provide references for additional information. We can assist in designing an effective evaluation approach within reasonable resource limits.

## **D. When? - Time Line**

Evaluation planning is time consuming, and is best begun at the inception of the demonstration project development. Evaluation planning is an integral part of the overall development of the project. As innovations are developed, so should the indices and methods used to measure the effect of these innovations. Designing the evaluation and developing the evaluation plan after the final plan is published in the *Federal Register* is not good practice and will not produce a quality evaluation with quality information. An effective evaluation must begin even before project implementation. This in turn means that an evaluation plan should be designed and approved in conjunction with the final project plan well in advance of implementation.

The conduct of the evaluation is an ongoing process throughout the length of the project. Effective evaluation results cannot be based solely on periodic surveys or annually collected data. The best evaluations will take advantage of regularly gathered information, existing automated systems and frequent contact between the evaluator, the project staff, and the employees and supervisors taking part in the project. This ongoing concept is similar to that used in agency human resources accountability and strategic

planning and organizational performance measurement. Just as effective organizational performance measurement is based on gathering and using critical information on a routine and reasonably frequent basis, so is effective demonstration project evaluation.

### **E. Who? - Roles and Responsibilities**

The agency and OPM have different roles in evaluation. OPM sets requirements for evaluation, provides technical assistance, guides and monitors the project and evaluation, and approves the evaluation plan and demonstration project evaluation reports. OPM is also responsible for pulling together results from similar demonstration projects to identify common themes and lessons learned for use in Governmentwide human resources legislation.

The department or agency designs, conducts, and funds the evaluation, and is ultimately responsible for the quality of the evaluation and the results. The agency selects the evaluator and ensures that the work of the evaluator meets OPM evaluation requirements. The evaluator typically provides methodological expertise and resources to gather and analyze data and prepare reports and briefings. There are a variety of ways in which the agency and evaluator may work to ensure a quality evaluation is designed and conducted. The best evaluation results are obtained when there is an open and collaborative relationship between the agency, evaluator, and OPM.

Past projects have designated an evaluation team to design and conduct the evaluation and prepare and shepherd the evaluation plan. The evaluation team should include members of the larger demonstration project development team in addition to subject matter and technical experts such as researchers, statisticians, human resources specialists, systems experts, etc.

### **F. Evaluation Questions and Hypotheses**

There are six general types or categories of questions that all demonstration project evaluations are required to address. However, the definition and operationalization (type and source of data collected) of the specific questions or hypotheses under each category will be developed for each demonstration project. The evaluation plan submitted by the agency will describe the specific questions and how data will be collected and analyzed to answer these questions. The section on report requirements provides information regarding the degree to which these questions must be addressed in formal reports, or monitored throughout the course of the project. The six areas all demonstration project evaluations are required to address are:

- Did the project accomplish the intended purpose and goals? If not, why not?
- Was the project implemented and operated appropriately and accurately?
- What were the costs, relative to the benefits of the project?
- What was the impact on veterans and other EEO groups?
- Were Merit System Principles adhered to and Prohibited Personnel Practices avoided?

- Can the project or portions thereof be generalized to other agencies or Governmentwide?