



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE INSPECTOR GENERAL

March 31, 2004

INSPECTION MEMORANDUM

To: Phil Maestri
Director, Management Improvement Team
Office of Deputy Secretary

From: Cathy H. Lewis
Assistant Inspector General
Evaluation, Inspection and Management Services

Subject: Review of MIT Action Item Number 169 (ED/OIG I13E0003)

This memorandum provides the results of our inspection of one Action Plan item from the Department of Education's (Department's) Blueprint for Management Excellence. We will be examining approximately 20 Action Plan items with two objectives in mind, determining if: 1) the item was completed as described; and, 2) the item helps meet the stated Blueprint objective. In this report, we examined item number 169 (completed on 9/16/02), concerning the publication of special hiring authorities.

Background:

The action required by item number 169 was to:

Publicize special hiring authorities (e.g., outstanding scholars, PMIs, excepted service) and encourage managers to use these authorities.

The comments field on this item states, "Completed – 9/16/02."

On September 16, 2002, OM posted a Recruitment Tools brochure on ConnectED that "provides an overview of special appointing and compensation authorities that are available." For this review, we focused on the use by Principal Offices of two hiring flexibilities—the Outstanding Scholar program and the President's Management Intern (PMI) program.

Objective 1: Was the item completed as described?

OM created and issued a Recruitment Tools brochure containing information on special hiring authorities, including, but not limited to, the Outstanding Scholar Program, Presidential Management Interns (PMIs), student loan repayment and the excepted service. The brochure offers an overview of the many flexibilities available to the Department. It does not include information about the additional costs associated with some of the programs. For example, there is a short description of what the PMI program is. However, it does not mention the \$4800 fee that has to be paid to the PMI Office at the Office of Personnel Management within 30 days of the PMI appointment.

OM announced and published its Recruitment Tools brochure on ConnectED on September 16, 2002. On that same date, OM emailed the Principal Offices, encouraging them to distribute the brochure to all the managers, become familiar with the options and use the flexibilities to “attract and retain highly qualified employees.”

OIG interviewed twelve Principal Offices to assess their familiarity with the special hiring authorities. In general, there was a sense that the PMI program was well managed and that the head of the program did a good job of disseminating information about the program and upcoming fairs.

Objective 2: As completed, do the actions taken help the Department towards its stated Blueprint Objective?

The intention of this Blueprint Action Item was to publicize and encourage the use of special hiring authorities and, in that respect, help the Department to improve the strategic management of its human capital. While the Department generally did a good job of sharing information with Principal Offices about the special hiring authorities, it could do a more effective job of facilitating and encouraging their use.

There has been no apparent increase in the use of either flexibility over the past year. According to the Director of Human Resource Services, OM has “not seen any appreciable increase in the use of these flexibilities...probably due to lack of funds.” However, in our interviews only one Principal Office mentioned that lack of funds were a problem.

Of the twelve Principal Offices interviewed about their use of the two above-mentioned hiring flexibilities, only five had hired Outstanding Scholars (3) or PMIs (4) in the past year. The reasons for the lack of use of these flexibilities varied widely. Some reasons cited for not hiring under these flexibilities included: a focus on hiring senior level people in positions vacated by retirement, a lack of hiring in general, a concentration on hiring internal employees, the length of process and lack of encouragement by OM staff to use the Outstanding Scholar flexibility, and the use of other recruiting processes (such as Schedule A, Schedule B, consultants). Only one Principal Office felt *encouraged* to use these flexibilities, especially PMI.

Departmental Response

We provided the MIT with a draft report. OM initiated a survey to the Executive Officers and some managers on January 29, 2004 to identify barriers to the use of special recruitment and compensation tools. OM will report its findings to the EMT. A copy of MIT's response is attached.

OIG Response

We have accepted the above action, withdrawn our recommendation that OM survey Executive Officers and consider this report closed.

February 13, 2004

To: Cathy H. Lewis
Assistant Inspector General
Evaluation, Inspection and Management Services

From: Phillip Maestri, Director
Management Improvement Team

Subject: Draft Inspection Memorandum (January 6, 2004)
Review of MIT Action Item Number 169 (ED/OIG I13E0003)
“Publicize special hiring authorities and encourage managers to use them”

Thank you for the opportunity to review and comment on a draft version of this inspection memorandum.

Comments on Background and Findings

Consistent with the MIT documentation, the draft memo indicates that action taken completed the action item.

The MIT recognizes that there has not been a formal assessment or evaluation of the impact of the activities. Such rigorous assessment of the impact of human resource activities was not built into the *Blueprint*. The OIG memo raises the question: why do offices chose to use hiring authorities, such as the PMI and Outstanding Scholar programs, to the extent they currently do?

Developments since the completion

The Office of Management developed a survey to help identify barriers to using special hiring and compensation flexibilities. The memo was distributed January 29, 2004 to executive officers and selected senior executives who OM identified as “key informants” with specific experience with or insight into the use special hiring and compensation tools. Responses were due to OM by February 6, 2004. OM will report its findings to the EMT.

Response to recommendations

Recommendation: “*OM should meet with or survey Executive Officers to identify impediments to the use of these tools and, to the extent cost is a determined to be a deterrent, identify how the Department can address this issue.*” OM has already initiated such a survey.