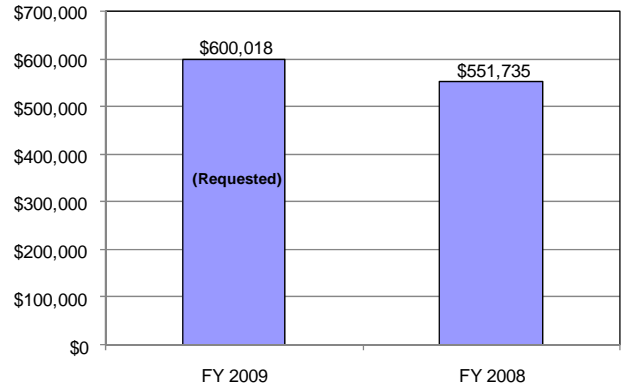# Cross-Goal Strategy on Management

Overview

Strategic Objectives:

- Maintain and strengthen financial integrity and management and internal controls

- Improve the strategic management of the Department's human capital

- Achieve budget and performance integration to link funding decisions to results

Cross-Goal Resources
($ in thousands)

Note: Each year the Department analyzes the percentage of program performance targets that were met or exceeded, not met but improved over time, not met, or for which data are not yet available. Since the Department has a lag in the time data are received for the established targets, the FY 2007 target results are presented here. For more information on *PART Ratings by Programs* and *Percent of Targets Met and Not Met,* see *Program Performance Summary* at the end of this goal.

Cross-Goal Strategy on Management
FY 2007 Percent of Targets
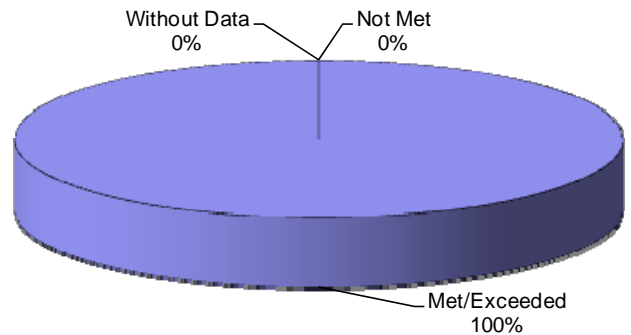
Key Measures

The Department's *Strategic Plan for Fiscal Years 2007-2012* restructured internal management objectives as functions supporting the achievement of all three new program-related goals. This does not relegate internal management to lesser importance; rather, management's role in ensuring proper accounting of federal funds, developing a talented and motivated Department workforce, and improving program performance forms a strong internal backbone that should eventually lead to successful classroom outcomes. See more detail on pages 36–41 of the Strategic Plan at
http://www.ed.gov/about/reports/strat/plan2007-12/2007-plan.pdf.

The new management cross-goal objectives omit previous measures that have attained high levels of sustained success, such as electronic access to grant competitions and participation of faith-based and community organizations in grant applications. Other measures on customer service in federal student aid programs are moved into Strategic Goal 3 to align with postsecondary education objectives. In their place, new measures are included that focus on expediting the grant award process and strengthening critical human capital skills. These challenges must be surmounted to allow deployment of resources for high-quality program monitoring and improvement. Measures on financial accountability and program quality remain in place from the previous *Strategic Plan.*

While the new management cross-goal key measures appear to be less aligned with the components of the *President's Management Agenda* than before, they are also more focused on actual outcomes of government efficiency and performance envisioned in that agenda.

Strategic Cross-Goal, Objective 1: Maintain and strengthen financial integrity and management and internal controls

The Department has maintained the highest (*Green*) status on the financial performance initiative of the *President's Management Agenda* since December 2003, indicating that financial systems consistently produce accurate and timely information to support the Department's operational, budgetary and policy decisions. The Department has also taken significant steps to award thousands of discretionary grants earlier in the fiscal year, enabling grantees to implement their projects in a more timely manner. These actions are accompanied by a commitment to linking financial information and program improvements; an active presence in federal lines-of-business consolidation activities; and the publication of the *Financial and Performance Quarterly Update,* a quarterly analysis of the Department's financial position and accountability for performance results, and *Fast Facts,* the monthly internal business intelligence executive summary for senior Department managers and staff.

Measures for Objective 1	2005		2006		2007		2008	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
4.1.A. Maintain an unqualified (clean) audit opinion (2204)	U	U	U	U	U	U	U	U
4.1.B. Achieve and maintain compliance with the *Federal Information Security Management Act of 2002* (89a0s9)	*	NC	*	NC	NC	NC	C	NC
4.1.C. Percentage of new discretionary grants awarded by June 30 (89a0sa)	*	49	*	40	60	66	70	61

* New measure in 2007.

C = Compliant, NC = Non-compliant, U = Unqualified (clean)

Sources:

4.1.A.   Independent Auditors' financial statement and audit reports.

4.1.B.   U.S. Department of Education, Office of Inspector General, annual *Federal Information Security Management Act* audit.

4.1.C.   U.S. Department of Education, Office of the Chief Financial Officer, Grant Administration and Payment System.

Analysis of Progress.

4.1.A.   The Department earned a seventh consecutive unqualified or "clean" audit opinion from independent auditors, thus meeting the FY 2008 target for this measure.

4.1.B.   The Department's Office of Inspector General has determined the Department to be non-compliant in fulfilling the requirements of the *Federal Information Security Management Act of 2002* each year since the first evaluation in FY 2003, and this determination for FY 2008 means that the Department did not meet its target. The Department is making progress in addressing OIG's concerns, having resolved fully more than 70 percent of the audit recommendations from FY 2005 through 2007.

4.1.C.   Concerted efforts by Department program managers to award new discretionary grants earlier in the fiscal year resulted in 66 percent of new FY 2007 awards being issued by June 30 of that fiscal year (three-fourths of the year complete). This exceeded the 60 percent FY 2007 target for this measure. In the previous four fiscal years, no more than 49 percent of new discretionary grants had been awarded by June 30. In FY 2008, the ambitious 70 percent target was not achieved by June 30, but the 61 percent award rate far exceeded the rates prior to FY 2007.

Data Quality and Timeliness.

4.1.A.   Independent auditors follow professional standards and conduct the audit under the oversight of the Department's Office of Inspector General. There are no data limitations.

4.1.B.   Pursuant to 44 U.S.C. § 3545, the Department's Office of Inspector General annually evaluates the effectiveness of the Department's information security program and practices. The evaluation includes testing of the effectiveness of information security policies, procedures, and practices of a representative subset of the agency's information systems, as well as an assessment of compliance with requirements of the *Federal Information Security Management Act of 2002* and related information security policies based upon the testing performed.

4.1.C.   The Department's Office of the Chief Financial Officer regularly collects data via the Grant Administration and Payment System from principal offices with responsibilities for directing discretionary grant programs. During the second half of the fiscal year, data are distributed frequently to senior Department officials to ensure that planned award deadlines are met successfully.

Target Context.

4.1.A.   An unqualified or "clean" opinion means that the Department's financial statements present fairly, in all material respects, the financial position of the Department in conformity with accounting principles generally accepted in the United States.

4.1.B.   The 2006 actual data served as the baseline for this measure. The Department technically met its goal of non-compliance for FY 2007; however, non-compliance is the opposite of the measure's intent, and therefore a "not met" indicator for this measure is included for FY 2007 in the key measures performance results chart that begins on page 26.

4.1.C.   The Department has made a concerted effort in the past two years to expedite the processing of new discretionary grant awards. The Department aims to streamline the process further in future years to enable program staff to spend more time on program monitoring and performance improvements. The 2006 actual data served as the baseline for this measure.

Strategic Cross-Goal, Objective 2: Improve the strategic management of the Department's human capital

The Department made significant progress in improving human capital management and human resources services during FY 2008. In support of the *President's Management Agenda* human capital criterion for the four quarters ending June 30, 2008, the Department maintained *Yellow* overall status and was able to achieve *Green* progress for all four scoring cycles.

Human capital activities during FY 2008 sought to improve the Department's performance culture; close leadership competency gaps in performance management, strategic leadership, and planning and accountability; reduce hiring cycle time; and close targeted competency gaps and staffing gaps in mission-critical occupations. These areas of focus helped to address the human capital challenges identified in the Department's Human Capital Management Plan. Also, through the use of the human capital metrics established under the Organizational Assessment, the Department is able to determine the effectiveness of its human capital strategies both overall and at the principal office level. Tracking these metrics is crucial as the Department strategically invests in its employees and work environment.

Measures for Objective 2	2006		2007		2008	
Percentage of employees believing that:	Target	Actual	Target	Actual	Target	Actual
4.2.A. Leaders generate high levels of motivation and commitment (89a0sr)	*	28	31	37	34	Dec. 2008
4.2.B. Managers review and evaluate the organization's progress towards meeting its goals and objectives (89a0ss)	*	53	56	58	59	Dec. 2008
4.2.C. Steps are taken to deal with a poor performer who cannot or will not improve (89a0st)	*	25	28	29	31	Dec. 2008
4.2.D. Department policies and programs promote diversity in the workplace (89a0sv)	*	46	49	48	52	Dec. 2008
4.2.E. They are held accountable for achieving results (89a0sy)	*	81	82	82	83	Dec. 2008
4.2.F. The workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals (89a0sx)	*	67	69	70	71	Dec. 2008

* New measure in 2007.

Source: U.S. Office of Personnel Management, Federal Human Capital Survey (even-numbered years); U.S. Department of Education, Office of Management, Annual Employee Survey (odd-numbered years).

Analysis of Progress. Department employees indicated greater agreement with all six key measure statements in the 2007 Annual Employee Survey than they had in the 2006 Federal Human Capital Survey. Targets for 2007 were exceeded on measures 4.2.A, 4.2.B, 4.2.C and 4.2.F, and the target was met on measure 4.2.E. Progress was made on a narrowly missed target for measure 4.2.D. Department employees indicated greater agreement in 2007 than in 2006 on 89 percent of the items included in both surveys, with an average improvement of four percentage points per question.

Data Quality and Timeliness. The 84-item Federal Human Capital Survey is conducted in even-numbered years by the Office of Personnel Management; in 2006, the Department of Education had an 80 percent response rate. In odd-numbered years, the Department conducts the Annual Employee Survey with 56 items duplicated exactly from the biennial federal survey, plus 25 agency-specific items; in 2007, the Department had a 71 percent response rate. The six survey items included among the key measures are present on both surveys and were selected by the Department in consultation with the Office of Personnel Management as major qualitative indicators of employee satisfaction. Data from the 2008 Federal Human Capital Survey are expected in December 2008.

Target Context. The targets and data above reflect the percentage of favorable response (either "strongly agree" or "agree") to the selected items on the employee surveys. The Department used 2006 Federal Human Capital Survey data to establish baselines for the above measures.

Report Explanation. The Department made multiple requests of employees to complete both the Federal Human Capital Survey and the Annual Employee Survey, which may increase the

participation rate compared to the absence of such requests. One small difference in the sampled population is that all Department employees may complete the Annual Employee Survey, but only permanent, full-time employees (91 percent of all Department employees as of May 2008) may complete the Federal Human Capital Survey.

Related Information. See more detail on the 2008 Federal Human Capital Survey at http://www.fhcs2008.opm.gov/What/, and on the 2007 Annual Employee Survey at https://www.opm.gov/surveys/index.asp.

Measures for Objective 2	2006		2007		2008	
	Target	Actual	Target	Actual	Target	Actual
4.2.G. Average number of days to hire is at or below the OPM 45-day hiring model for non-SES (89a0sm)	*	NA	A	A	A	A

*New measure in 2007.

NA = Not Achieved; A= Achieved.

Source: U.S. Department of Education, Office of Management.

Analysis of Progress. The Department met the goal of the Office of Personnel Management hiring model in both 2007, with an average hiring time of 27 business days, and 2008, with an average hiring time of 24 business days. The Department restructured its human resources services office in 2007, which enabled additional resources to focus on improving the staffing process. Improved interaction over time between human resources officers and Department managers is also credited with enabling process improvements. Furthermore, human resources officers track hiring cycles for each principal office in the Organizational Assessment and issue monthly progress reports to the principal offices. These actions provide continual incentives to shorten the hiring process.

Data Quality and Timeliness. For this measure, the Department tracks progress against the Office of Personnel Management 45-day hiring model for positions other than the Senior Executive Service. The model tracks the hiring process from the closing date of the vacancy announcement to the date a job offer is extended. It is measured in business days, not calendar days, and is calculated quarterly based on an average process length of all hires completed within that quarter.

Target Context. When the Department's revised strategic plan was being developed, the median of the average hiring time for the four most recent quarters then known (July 2005 through June 2006) was 54 days. This data point was used to establish the 2006 baseline for this measure, which indicated that the Department had not achieved the standard.

Related Information. See more detail on the Office of Personnel Management hiring model at https://www.opm.gov/hiringtoolkit/docs/45_Day_Hiring_Model.pdf.

Measures for Objective 2	2005		2006		2007		2008	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
4.2.H. Percentage of employees with performance standards in place within 30 days of start of current rating cycle (89a0sn)	*	79	*	65	85	59	90	93

*New measure in 2007.

Source: U.S. Department of Education, Office of Management, Education Department Performance Appraisal System.

Analysis of Progress. After an unexpected decline in 2007 that fell well short of the target percentage, the Department rebounded to exceed an even higher target in 2008. The inclusion of this measure as a component in the Organizational Assessment rating for each principal office beginning in 2007, which first affected this measure for 2008, likely provided an incentive toward timely completion of performance standards.

Data Quality and Timeliness. To be considered successful on this measure, a Department employee or his or her supervisor must establish performance standards that align with the strategic plan and are approved by the supervisor. These standards must be entered no more than 30 days into the fiscal year covered by the measure. Senior Executive Service employees are not included in this measure. Effective October 1, 2007, the 12-month period on which employee performance is assessed aligns with the federal fiscal year.

Target Context. This measure was a component of measure 6.2.A from the previous Department strategic plan, which comprised an index of Department human capital activities and was measured in FY 2005 through FY 2007. The 2005 actual data served as the baseline for this measure.

Report Explanation. The 2005 and 2006 data for this measure were based on the percentage of employees with performance standards in place prior to the start of that year's EDPAS cycle. This component was changed for 2007 to link its time frame to that of measure 4.2.I, allowing for entry of the previous year's ratings prior to the establishment and entry of a new year's standards.

Measures for Objective 2	2005		2006		2007		2008	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
4.2.I. Percentage of employees who have ratings of record in the system within 30 days of close of rating cycle (89a0so)	*	85	*	54	90	97	95	Dec. 2008

*New measure in 2007.

Source: U.S. Department of the Interior, Federal Payroll/Personnel System, which provides personnel and payroll support to numerous federal agencies, including the Department of Education.

Analysis of Progress. After an unexpected decline in 2006 that fell well short of expectations (see Target Context below), the Department rebounded to exceed the measure's target in 2007. The inclusion of this measure as a component in the Organizational Assessment rating for each principal office beginning in 2007 likely provided an incentive toward timely completion of ratings.

Data Quality and Timeliness. To be considered successful on this measure, an employee rating of the level of success achieved on established performance standards must be entered no more than 30 days after the fiscal year covered by the measure. Senior Executive Service employees are not included in this measure. Effective October 1, 2007, the 12-month period on which employee performance is assessed aligns with the federal fiscal year. Data for 2008 are expected in December 2008.

Target Context. This measure was a component of measure 6.2.A from the previous Department strategic plan, which comprised an index of Department human capital activities and was measured in FY 2005 through FY 2007. The 2005 actual data served as the baseline for this measure.

Strategic Cross-Goal, Objective 3: Achieve budget and performance integration to link funding decisions to results

Changes in the size of a federal education program's budget should correlate with the program's efficacy in improving student achievement. If a program works, more funding is

justified; if it doesn't, the program should undergo corrective action or be eliminated. The Department's work on the Performance Improvement initiative of the *President's Management Agenda* reflects this focus and has resulted in the highest (*Green*) status score available for this criterion.

The Office of Management and Budget and the Department have worked together to measure program effectiveness by means of the Program Assessment Rating Tool (PART). By analyzing a program's purpose, strategic planning functions, management capability, and demonstrated results, this tool has identified the strengths and weaknesses of large and small Department programs. The Department has used the PART process to make significant changes to ineffective programs or, in some cases, to recommend their termination. The overriding goal is that Department-funded programs demonstrate proven effectiveness.

Measures for Objective 3	2005		2006		2007		2008	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual
4.3.A. Percentage of Department program dollars in programs that demonstrate effectiveness in terms of outcomes, either on performance indicators or through rigorous evaluations (89a0sq)	78	78	79	86	79	86	86	88

Source: U.S. Department of Education, analysis of Program Assessment Rating Tool findings.

Analysis of Progress. As of October 2008, 91 currently funded Department programs have undergone a PART review, representing 98 percent of the Department's FY 2008 budget authority for programs subject to the PART. Although 45 currently funded programs constituting 88 percent of this budget authority have been rated *Adequate* or higher in their PART reviews, enabling the Department to exceed its target for FY 2008, four programs were rated *Ineffective* and 42 programs were rated *Results Not Demonstrated.* (Two additional programs that are not currently funded have been assessed and rated *Results Not Demonstrated.*)

The National Institute for Literacy was assessed for the first time in FY 2008 but its results could not be demonstrated. Of the seven programs that were reassessed based on newly available evaluation or performance data in FY 2008, the Transition to Teaching program was rated *Effective;* the IDEA Special Education Grants to States program was found to be *Moderately Effective;* and the Student Aid Administration, Training and Advisory Services, Impact Aid Basic Support Payments and Payments for Children with Disabilities, and Smaller Learning Communities programs were found to be *Adequate.*

Data Quality and Timeliness. Calculation is based on dollars in Department programs with at least an *Adequate* PART rating in the given year divided by dollars in all Department programs rated through that year. The PART assessment cycle occurs during the spring and summer, and OMB makes scores public via http://www.expectmore.gov. OMB allows the Department to report aggregated results from a year's assessments in time for publication in that year's *Performance and Accountability Report*.

Target Context. The Department determines measure effectiveness from the proportion of FY 2008 PART-eligible program budget authority that supports programs with an *Adequate* or higher rating from the PART analysis. This standard is used because such programs produce evidence of effectiveness with data from performance measures and rigorous program evaluations, unlike programs that have insufficient performance or evaluation data or for which data indicate ineffectiveness. The rationale for the target remaining steady for FY 2008 compared with the two

previous years is that nearly all program dollars subject to PART have been rated, and subsequent changes will likely be incremental based upon selected program reassessments.

Cross-Goal Strategy on Management

Program Performance Summary

The Department attributes the operations below to the Cross-Goal Strategy on Management. In the table, an overview is provided for the results of these operations on their performance measures. (See page 46 for the methodology of calculating the percentage of targets met, not met, and without data.) Individual program performance reports are available at **http://www.ed.gov/about/reports/annual/2008report/program.html**. Appropriation and expenditure data for FY 2008 are included for each of these programs.

Program Name	PART Rating	Appropriations† FY 2008 ($ in mil.)	Expenditures‡ FY 2008 ($ in mil.)	FY 2008 % Met/ Exc.	FY 2008 % Not Met But Improved	FY 2008 % Not Met	FY 2008 % No Data	FY 2007 % Met/ Exc.	FY 2007 % Not Met	FY 2007 % No Data	FY 2006 % Met/ Exc.	FY 2006 % Not Met	FY 2006 % No Data	FY 2005 % Met/ Exc.	FY 2005 % Not Met	FY 2005 % No Data
Office for Civil Rights	**	90	91	100	0	0	0	100	0	0	100	0	0	100	0	0
Office of Inspector General	**	51	51	67	0	33	0	100	0	0	100	0	0	0	100	0
Program Administration	**	411	424	#				#			#			#		
TOTAL		$552	$566													

Program Performance Results: Percent of Targets Met/Exceeded, *Not Met But Improved Over Prior Years, Not Met, Without Data

† Budget for each program represents program budget authority.

‡ Expenditures occur when recipients draw down funds to cover actual outlays. FY 2008 expenditures may include funds from prior years' appropriations.

* The "Not Met But Improved Over Prior Years" column is new for FY 2008.

☐ A shaded cell denotes that the program did not have targets for the specified year.

The Department does not plan to develop performance measures for programs, activities, or budgetary line items that are administrative in nature or that serve to support other programs and their performance measures.

PART Rating

** Resources devoted to the Cross-Goal Strategy are drawn from the budgets for overhead functions that are not subject to PART review.