

## Goal 6. U.S. Department of Education Capacity:

### Improve the organizational capacities of the Department to implement the *Strategic Plan*.

#### Goal Leader: Assistant Secretary, Office of Management (OM)

**Objective 6.1: Effective Workforce.** Continue to build a skilled, diverse, and engaged workforce within the Department.

**Objective 6.2: Risk Management.** Improve the Department's program efficacy through comprehensive risk management, and grant and contract monitoring.

**Objective 6.3: Implementation and Support.** Build Department capacity and systems to support states' and other grantees' implementation of reforms that result in improved outcomes, and keep the public informed of promising practices and new reform initiatives.

**Objective 6.4: Productivity and Performance Management.** Improve workforce productivity through information technology enhancements, telework expansion efforts, more effective process performance management systems, and state-of-the-art leadership and knowledge management practices.

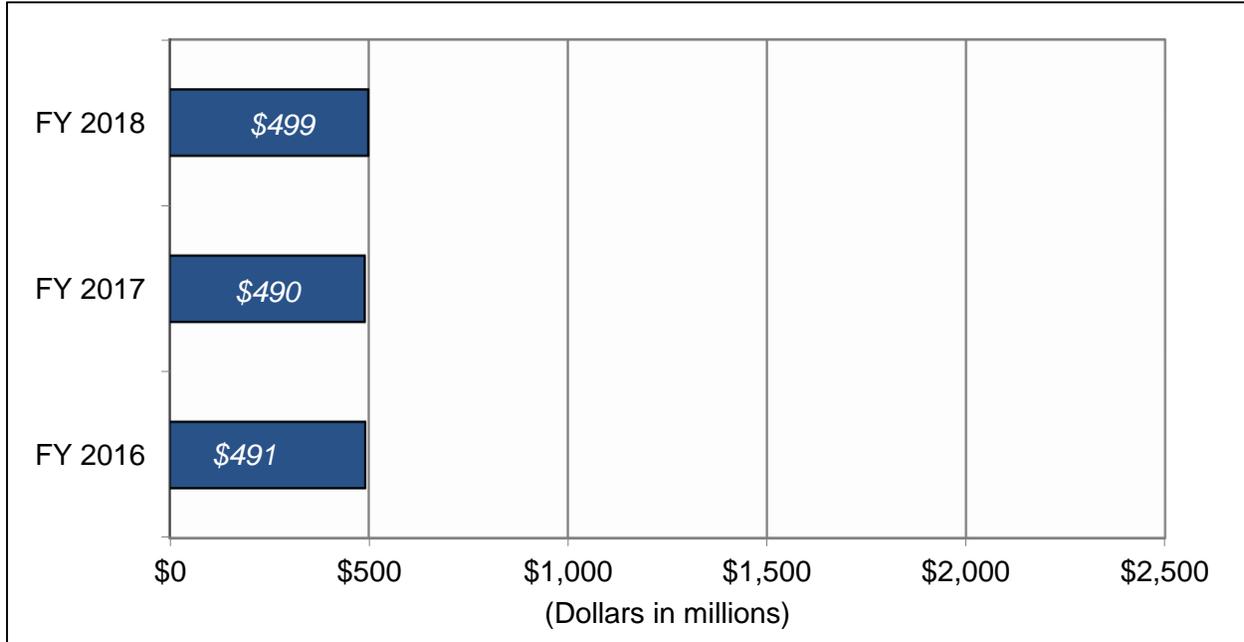
#### Public Benefit

The Department continues to focus on acquiring and developing its workforce through human capital management; increasing diversity and inclusion and improving employee engagement; rethinking how it monitors and intervenes with high-risk grantees and contractors; enhancing workforce productivity through IT; safeguarding its assets and stakeholders from cybersecurity threats; continuing to improve and integrate effective performance management; and transforming the way the Department interacts with states, districts, institutions of higher education, and other grantees and stakeholders. These efforts aim to improve performance results, increase stakeholder collaboration, and lead to greater employee engagement.

The Department continues to build Department capacity and systems to support states' and other grantees' implementation of reforms that result in improved outcomes, and keep the public informed of promising practices and new reform initiatives. By consolidating processes, the Department has been able to more effectively customize its outreach to individual states and model the critical partnerships states should have with their respective districts.

Beyond building Department capacity to support states and other grantees, throughout FY 2016, the Department provided strategic training courses to strengthen leadership and knowledge management throughout the Department, with a special emphasis on ensuring managers and supervisors have the essentials they needed to effectively manage and lead. The Department also recognized the important role that technology and facilities contribute to supporting productivity. As a result, the Department continued to build on the success of its ED Space Modernization plan, including the deployment of critical IT to support telework and leverage wireless connectivity.

**Goal 6 Discretionary Resources**



**Major Discretionary Programs and Activities<sup>83</sup> Supporting Goal 6 Performance Metrics [Dollars in Millions]**

POC	Account	Obj.	Program	FY 2016 Appropriation	FY 2017 Annualized CR <sup>84</sup>	FY 2018 President's Budget
OIG	OIG		Office of Inspector General	59	59	61
DM/PA	DM/PA		Program Administration: Building modernization	1	--	--
DM/PA	DM/PA		Program Administration: Salaries and expenses	431	431	438
<b>TOTAL, GOAL 6</b>				<b>491</b>	<b>490</b>	<b>499</b>

POC = Principal Operating Component.

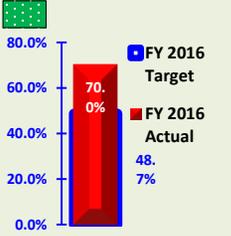
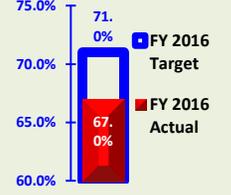
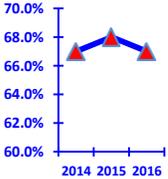
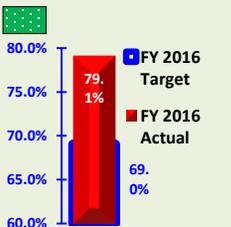
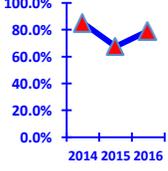
CR = Continuing Resolution.

NOTES: Many programs may have sub-activities that relate to other goals. Detail may not add to total due to rounding.

<sup>83</sup> All the programs listed are discretionary programs, as distinct from mandatory programs. These include both competitive and noncompetitive/formula programs.

<sup>84</sup> A full-year 2017 appropriation was not enacted at the time the FY 2018 Budget was prepared; therefore, the Budget is built off of the *Further Continuing Appropriations Act, 2017* (P.L. 114-254). The amounts included for 2017 reflect the annualized level provided by the continuing resolution.

**Goal 6: Details**

U.S. Department of Education Indicators of Success	Baseline	Actuals			Current Year Target	Current Year Results	Actual-to-Target 2016		Out-Year Targets		Trend Line (Actuals)
		2014	2015	2016	2016	2016	Missed <sup>85</sup>	Exceeded <sup>86</sup>	2017	2018	
<b>6.1.A. Percent of selections made per job opportunity announcement (JOA)</b>  <b>INCREASE</b> 	FY: 2015 46.4%	NA	FY: 2015 46.4%	FY 2016: 70.0%	<b>FY: 2016 48.7%</b>	<b>MET</b>			51.2%	53.7%	
<b>6.1.B. EVS Employee Engagement Index</b>  <b>INCREASE</b> 	FY: 2012 64.7%	FY: 2014 67.0%	FY: 2015 68.0%	FY 2016: 67.0%	<b>FY: 2016 71.0%</b>	<b>NOT MET</b>			72.0%	73.0%	
<b>6.1.C. Time to hire</b>  <b>INCREASE</b> 	FY: 2013 65.0%	FY: 2014 85.0%	FY: 2015 67.6%	FY: 2016 79.1%	<b>FY: 2016 69.0%</b>	<b>MET</b>			70.0%	71.0%	

<sup>85</sup> Missed target by <=1, or if percentage, <=1.3 percentage points.

<sup>86</sup> Surpassed target; not just met the target. If a diminishing target, the actual was below the reduction target set.

U.S. Department of Education Indicators of Success	Baseline	Actuals			Current Year Target	Current Year Results	Actual-to-Target 2016		Out-Year Targets		Trend Line (Actuals)
		2014	2015	2016	2016	2016	Missed <sup>85</sup>	Exceeded <sup>86</sup>	2017	2018	
<b>6.1.D. Effective Communication Index</b>  <p style="text-align: center;"><b>INCREASE</b></p> 	FY: 2012 48.0%	FY: 2014 50.0%	FY: 2015 51.0%	FY: 2016 50.0%	FY: 2016 51.0%	<b>NOT MET</b>			52.0%	53.0%	
<b>6.2.A. Percentage of A-133 Single Audits Overdue for resolution<sup>87</sup></b>  <p style="text-align: center;"><b>DECREASE</b></p> 	FY: 2012 57.0%	FY: 2014 37.0%	FY: 2015 20.0%	FY: 2016 10.0%	FY: 2016 37.0%	<b>MET</b>			NA	NA	

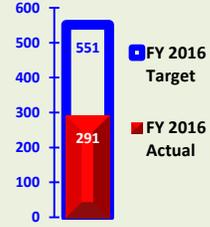
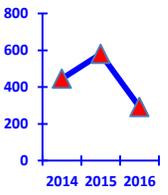
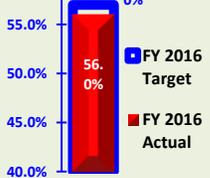
<sup>87</sup> Retiring metric at conclusion of FY 2016. Please see appendix B for additional information pertaining to the metric's retirement. The FY 2017 and 2018 targets were 31.0% and 25.0%, respectively. If a new metric is being proposed, the new metric will be directly below the indicator measurement direction of the metric being retired.

U.S. Department of Education Indicators of Success	Baseline	Actuals			Current Year Target	Current Year Results	Actual-to-Target 2016		Out-Year Targets		Trend Line (Actuals)
		2014	2015	2016	2016	2016	 Missed <sup>85</sup>	 Exceeded <sup>86</sup>	2017	2018	
<b>New Metric: Percentage of Department Grant Recipients without any Single Audit Findings</b>	FY: 2014–2016 Average 85.4% <sup>88</sup>	NA	NA	86.1%	NA	NA	NA		86.1%	86.6%	NA
<b>6.2.B. Compliance rate of contractor evaluation performance reports</b>	FY: 2013 85.0%	FY: 2014 97.0%	FY: 2015 98.0%	FY: 2016 95.8%	FY: 2016 100.0%	<b>NOT MET</b>			100.0%	100.0%	
<b>INCREASE</b> 											

<sup>88</sup> The baseline data is based on an average of Department grantees with no single audit findings over the past three fiscal years, 2014–16.

U.S. Department of Education Indicators of Success	Baseline	Actuals			Current Year Target	Current Year Results	Actual-to-Target 2016		Out-Year Targets		Trend Line (Actuals)
		2014	2015	2016	2016	2016	Missed <sup>85</sup>	Exceeded <sup>86</sup>	2017	2018	
<b>6.3.A. Overall average impact score of the Department’s technical assistance in helping build State capacity to implement education reforms<sup>89</sup></b>	FY: 2015 7.73	NA	FY: 2015 7.73	FY: 2016 7.58	FY: 2016 8.00	<b>NOT MET</b>			7.75	8.00	
<b>INCREASE</b> 											

<sup>89</sup> Metric has been revised from tracking the “percentage of states” to tracking the “overall average impact score” of the states that rate the Department’s technical assistance via the Grantee Satisfaction Survey, which is a more meaningful metric for the Department. The baseline and subsequent data points have been revised from the 2015 APR to reflect the change in the metric.

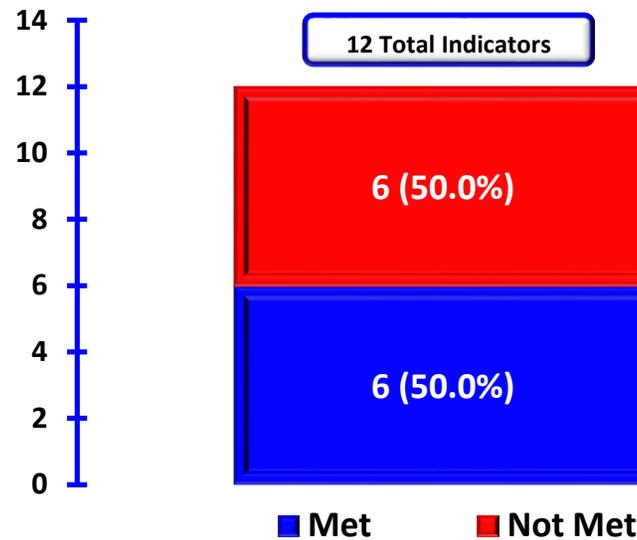
U.S. Department of Education Indicators of Success	Baseline	Actuals			Current Year Target	Current Year Results	Actual-to-Target 2016		Out-Year Targets		Trend Line (Actuals)
		2014	2015	2016	2016	2016	Missed <sup>85</sup>	Exceeded <sup>86</sup>	2017	2018	
<b>6.4.A. Number of ED IT security incidents</b>  <p style="text-align: center;"><b>DECREASE</b></p> 	FY: 2012 756	FY: 2014 445	FY: 2015 580	FY: 2016 291	FY: 2016 551	<b>MET</b>	 		291 <sup>90</sup>	277 <sup>91</sup>	
<b>6.4.B. EVS Results-Oriented Performance Culture Index</b>  <p style="text-align: center;"><b>INCREASE</b></p> 	FY: 2012 53.0%	FY: 2014 56.0%	FY: 2015 57.0%	FY: 2016 56.0%	FY: 2016 57.0%	<b>NOT MET</b>	 		58.0%	59.0%	

<sup>90</sup> FY 2017 target was reduced significantly to aim at a continual decrease in incidents by more than the 5 percent reduction from the initially proposed FY 2016 target in the 2015 APR.

<sup>91</sup> Reduction of 5 percent from previous year's actual to align with a more aggressive approach to reducing security incidents.

U.S. Department of Education Indicators of Success	Baseline	Actuals			Current Year Target	Current Year Results	Actual-to-Target 2016		Out-Year Targets		Trend Line (Actuals)
		2014	2015	2016	2016	2016	Missed <sup>85</sup>	Exceeded <sup>86</sup>	2017	2018	
<b>6.4.C. EVS Leadership and Knowledge Management Index</b>  <b>INCREASE</b> 	FY: 2012 60.0%	FY: 2014 61.0%	FY: 2015 62.0%	FY: 2016 61.0%	FY: 2016 63.0%	<b>NOT MET</b>			64.0%	65.0%	
<b>6.4.D. Total usable square footage</b>  <b>DECREASE</b> 	FY: 2012 1,563,641	FY: 2014 1,533,239	FY: 2015 1,530,864	FY: 2016 1,367,000	FY: 2016 1,459,937	<b>MET</b>			TBD	TBD	
<b>6.4.E. Rent cost</b>  <b>DECREASE</b> 	FY: 2014 \$74.3M	FY: 2014 \$74.1M	FY: 2015 \$72.7M	FY: 2016 72,149,828	FY: 2016 \$80.3M	<b>MET</b>			\$74,470,439	TBD	

### Goal 6 FY 2016 Indicator Performance Summary



NA = Not applicable.

TBD = To be determined.

Academic Year (AY) is a collegiate year spanning August–May; School Year (SY) spans August–July and is aligned with a P–12 school year; Fiscal Year (FY) corresponds to a federal fiscal year; Calendar Year (CY) spans January–December.

Data Sources and Frequency of Collection:

- 6.1.A. EDHires (Monster’s electronic hiring management system); annually
- 6.1.B. Office of Personnel Management (OPM) Federal Employee Viewpoint Survey (FEVS); annually
- 6.1.C. Federal Personnel/Payroll System (FPPS) Datamart; annually
- 6.1.D. OPM FEVS; annually
- 6.2.A. Office of the Chief Financial Officer’s (OCFO) Audit Accountability & Resolution Tracking System (AARTS); annually
- 6.2.B. Past Performance Information Retrieval System (PPIRS) [www.ppirs.gov](http://www.ppirs.gov) “PPIRS Compliance Report”; annually
- 6.3.A. Annual Grantee Satisfaction Survey; annually
- 6.4.A. Cyber Security Assessment and Management (CSAM) and RSA Security Operations management (SecOps); quarterly
- 6.4.B. OPM FEVS; annually
- 6.4.C. OPM FEVS; annually
- 6.4.D. Department’s Master Space Management Plan; annually
- 6.4.E. Department’s Master Space Management Plan; quarterly

**Note on performance metrics and targets:** These metrics were established as a part of the *FY 2014–18 Strategic Plan*. Metrics may be updated or revised to reflect awareness of more accurate data or clarifications. Such updates or revisions are identified in footnotes.

## Analysis and Next Steps by Objective

### Objective 6.1: Effective Workforce

#### *FY 2016 Implementation Strategy*

In FY 2016, the Department continued to improve its time-to-hire performance, fill mission-critical positions, and offer viable options to the competitive process while ensuring hiring managers continue to receive a high caliber of applicants from which to select. These successes continue to be relayed during Supervisor Training 101, at collaboration meetings with hiring managers and HR Specialists, and in meetings with the Department's Senior Leaders.

The Department's enhanced engagement activities resulted in the Department exceeding the government average [Federal Employee Viewpoint Survey \(FEVS\)](#) response rate by 30.4 percentage points. The Department's 2016 response rate increased 3.5 points to 76.2 percent. Nine offices met or exceeded the Department's 2016 response rate goal of 80 percent. Fourteen offices exceeded their prior year participation rate; seven exceeded by double digits. The Department's unwavering and focused championing of engagement has resulted in the Department achieving a 1 percent increase in the Employee Engagement Index annually since 2012.

Diversity and inclusion has been empirically and positively associated with greater talent utilization, better employee retention, increased innovation, and higher performance. The Department continues to build capacity at all levels of the Department, working through the Department's Diversity and Inclusion Council, the Diversity Change Agent Program, and various training opportunities. The Department has designed a "Diversity and Inclusion Dashboard" for internal use that serves as a tool to provide senior leaders with demographic diversity data about hiring, attrition, retention, and a host of other data-driven accountability measures to assist in diversity planning. The Department continues to participate in the governmentwide Federal Diversity in Government Council.

#### *FY 2016 Barriers to Success*

There are challenges to educating managers on the numerous hiring flexibilities of the recruitment process and engaging subject matter experts (SMEs) where it would be most beneficial. Some hiring managers found reworking recruitment packages to include strengthening specialized experience statements or reworking self-assessment questions to be a challenge. The Department mitigates this risk by building partnerships up front, utilizing other avenues to hire, and providing consistent briefings from top to bottom.

The Department's employee engagement initiative relies heavily on principal office prioritization and implementation. The Office of Management (OM) offered and will continue to offer training courses, access to expert consultants, and senior-level engagement meetings to assist principal offices in successfully implementing employee engagement programs and activities. OM also communicated to principal offices about the support services available to the principal offices to assist them in the engagement planning and implementation process.

#### *Key Milestones and Future Actions*

The Department has entered into an agreement with Monster Government Solutions to utilize the assessment tool and position classification modules within its hiring system. This agreement expands the Department's ability to standardize position descriptions and provide more support

in the efforts to shorten timeframes. In addition, the Department will continue to promote the effective use of noncompetitive hiring authorities and advocate HR Specialists directly partnering with hiring officials at the onset of the process.

In the area of employee engagement, OM will continue outreach to principal offices and work through the Monthly Operations Forum to shape annual engagement focus areas, raise awareness of best practices and information sharing, incorporate engagement best practices into day-to-day operations, and strive to increase the Department's Employee Engagement Index.

Currently, the Department plans to continue hosting regularly scheduled Diversity and Inclusion Council meetings, participating in the governmentwide Diversity and Inclusion Council, and providing diversity and inclusion training opportunities.

## **Objective 6.2: Risk Management**

### ***FY 2016 Implementation Strategy***

Through risk management, the Department identifies, sets priorities, and takes action on challenges affecting the successful use of grant, loan, and contract funds, in order to forward the achievement of its mission and strategic goals. During FY 2016, the Department's risk management work included improving the audit resolution process, conducting grantee risk assessments, increasing oversight and technical assistance with targeted grantees, recording past performance information on contractors, and monitoring grants and contracts.

This year, the Department improved its use of audit data to identify grantee management challenges. Our continued improvement in the audit resolution and closure process enables the Department to provide feedback and technical assistance to audited grantees that helps them improve the management and outcomes of their grant-funded activities.

During FY 2016, the Department conducted a preaward risk review of all organizations slated for new awards or continuation awards from competitive grant programs. This process helped identify grantees that had not completed audits, as required for all grantees expending \$750,000 or more during the fiscal year, and resulted in many organizations completing their audits. The number of grantees the Department identified as missing audits declined by two-thirds between 2012 and 2015. In addition, the Department's program officers provided targeted oversight and technical assistance to grantees to address issues identified during the preaward risk reviews. The Department formula grant programs reviewed the financial management and performance information of grantees and used this information to guide technical assistance to the field, as well as monitoring and oversight of specific grantees.

Contract monitoring was improved this year by partnership between the contracts office and program staff to ensure that both the contractor fulfillment of requirements and successful outcomes and deliverables were achieved. Program offices conducted ongoing monitoring of grants, targeting programs and grantees that pose the greatest risk to program success.

### ***FY 2016 Barriers to Success***

Although the Department did not encounter barriers to success in risk management, there are ongoing challenges that must be addressed on a regular basis. These include the resources available for monitoring and the agency's dependence on direct grant recipients to monitor the ultimate recipients, who spend the grant funds.

The staff levels in Department program offices, FSA, the contracts office, and other Department offices largely determine the limits of monitoring and oversight activities. To address this challenge, the Department continues to explore ways to make the process more efficient, such as targeting oversight based on risk, automating the analysis of audit and past performance information, and using telecommunication and web-based technology to communicate with grantees.

Because most Department funds flow through direct grant recipients to the agencies and individuals who ultimately use the funds, good oversight of Department funds depends on the “pass through agency” that distributes funds to the ultimate recipient agencies and beneficiaries. State agencies that sub-award Department grants to local agencies are crucial participants in grant oversight. Control over student aid funds is dependent on participating institutions. Most of these partners in administering Department programs are also challenged to find sufficient staff resources to conduct rigorous oversight of grant programs.

### ***Key Milestones and Future Actions***

In 2016, the Department launched Enterprise Risk Management (ERM) to meet the requirements of OMB Circular No. A-123, “[Management’s Responsibility for Enterprise Risk Management and Internal Control](#).” Over the next year, the Department will formulate ERM plans by coordinating and expanding current risk management activities into an agencywide strategy to address its highest priority risks.

To address capacity for grant, contract, and student financial aid oversight, the Department will continue to improve upon its risk-based monitoring planning and provide professional development for contract and grant officers. The number and skills of the staff responsible for monitoring will be assessed through ERM.

To improve the usefulness of audits to the Department as well as the audited organization, the Department will continue to work toward improving the audit process. The Department is developing guidance for grantees on audit readiness, and plans to continue to promote quality audits by working with the national auditor community. The Department will continue to improve the process for resolving audits and will revise its procedures for audit resolution and closure.

### **Objective 6.3: Implementation and Support**

#### ***FY 2016 Implementation Strategy***

The OSS within OESE is designed to provide more transparent, higher quality, and better differentiated support to states. The matrix organization model adopted by the OSS ensures that a state has two primary contacts within the office, and these individuals serve as the liaisons across key state-administered grant programs and major federal funding streams that flow to each state and district. By consolidating processes and technical assistance, the Department will be able to more effectively customize its outreach to individual states and model the critical partnerships that states should have with their respective districts.

In FY 2016, the office focused on continuing professional learning and increasing staff knowledge and capacity in the program areas and office functions, as well as supporting states in implementing programs administered by the OSS. The OSS is working to deepen staff knowledge and build and pilot systems and routines that allow staff to support states with implementation through a systemic approach to performance review, policy coordination, data review, and technical assistance. In early 2016, the OSS launched staff Professional Learning Communities to provide OSS staff opportunities to deepen knowledge of new ESSA provisions.

The OSS is also working to create a culture of data use. In FY 2016, OSS staff reviewed and validated state data reported on the consolidated state performance report (CSPR). Staff used this and other outcome data from the state to better understand state context when conducting performance progress review calls. Additionally, leadership used data from the employee viewpoint survey, as well as focus group findings, to determine areas of strength and weaknesses of the OSS. As a result of these data, leadership began a strategic planning process, with input from staff.

The OSS continued implementing its performance review system. This new system covers all OSS programs through a single, streamlined process that encourages SEAs to develop and effectively implement integrated and coherent state plans. OSS restructured the comprehensive performance review system implementation timeline by elevating support to SEAs preparing for full implementation of the ESSA and its requirements in SY 2017–18. As a result, during this transition period the OSS implemented, in phases, a comprehensive performance review system.

In FY 2016, OSS implemented several new routines to ensure ongoing coordination with internal and external partners. OSS began monthly conversations with the CCSSO to increase information sharing and coordination of ESSA transition support to states. Additionally, OSS and School Support and Rural Programs have regular meetings to increase coordination and communication between state program officers and Department-funded Comprehensive Centers.

### ***FY 2016 Barriers to Success***

Transitioning to the new OSS structure is a significant change that will take time to implement fully. OESE and OSS leadership are still establishing new processes and procedures, and the transition will take place gradually. Continuing challenges include staffing, appropriate professional development and support for staff, and relevant outreach and communication internally and externally. Additional challenges for the upcoming year include the launch of an updated state performance review and implementing against a new strategic technical assistance plan. State capacity to implement new ESSA provisions also continues to be a challenge.

### ***Key Milestones and Future Actions***

In launching the OSS performance review system, the Department deepened its collaborative relationship with the states with the quarterly progress checks on a common topic, piloted a risk-based fiscal review, conducted several shadowing trips to better understand the work of SEA staff, and hosted two collaborative calls that brought several states together to discuss common problems and share their approaches. To support continuous improvement of this process, OSS surveyed each fiscal review pilot state to gather feedback on the prototype tiered protocol that was developed in partnership with the Management and Support Unit of OESE.

The OSS kicked off the State Support Network, a new four-year, \$10 million technical assistance contract that will support states as they intervene in the lowest-achieving schools. The State Support Network continues to work collaboratively with the Comprehensive Centers and other partners to help states. In FY 2017, the State Support Network will provide universal support through broadly shared school improvement resources organized in a user-friendly website; collective support for technical assistance delivered in person, virtually, and shared by multiple organizations; and individual support focused on direct technical assistance from providers delivered in person and virtually to address specific state and district needs.

The OSS restarted an assessment peer review process. After a four-year hiatus, and releasing new guidance in fall 2015, the OSS led a peer review process for 38 states in spring and summer 2016. From those reviews, the OSS began to develop feedback to states, with the goal of providing peer review notes and feedback letters to all reviewed states by the first quarter of FY 2017. Having good, actionable data from the assessment system is paramount to having a strong accountability system and providing schools, teachers, parents, and the public with the information they need to help all kids reach their potential.

#### **Objective 6.4: Productivity and Performance Management**

##### ***FY 2016 Implementation Strategy***

Cybersecurity continues to be a priority at the Department with the implementation of new, and the optimization of existing, capabilities to control the flow of sensitive information and prevent access to information systems, data, and critical information and infrastructure by unauthorized individuals. The ongoing measurement and analysis of cybersecurity incidents and privacy breaches, in accordance with OMB and Department of Homeland Security (DHS) guidelines, identifies areas for improvement and working with critical stakeholders to implement best practices.

The Department continued its focus on the implementation and utilization of new security tools, and fine-tuning existing tools to meet the security needs of the IT environment. Our progress demonstrated the effectiveness of the installed capabilities by identifying unauthorized business practices and inappropriate handling of sensitive information. The Department increased its emphasis on the training of the cybersecurity workforce, to address identified discrepancies, and published new standard operating procedures (SOPs). In another effort to expand and strengthen its IT security posture, the Department implemented Two-Factor Authentication (2FA) for external users of the Grant Management System (G5), in compliance with Homeland Security Presidential Directive 12 (HSPD-12).

The Department continued its implementation efforts to maximize the utilization of electronic signature functionality for discretionary and formula grants. The Department performed continuous monitoring of discretionary and formula grant activities in the G5 system to evaluate adoption of the electronic signature functionality by the program offices.

The Department focused on applying the lessons learned, testing of the automation changes, and implementation of additional process to improve the Department's overall incident response. To reduce the response time, additional resources were assigned and a surge capacity has been identified using Department and DHS assets.

The Department also continues to improve the performance management system to strengthen and clarify performance expectations and ensure alignment with organizational goals to support a results-oriented performance culture. This effort keeps performance management at the forefront of Departmental news on a regular and recurring basis.

Ensuring staff have the facilities and space to perform is an important part of supporting productivity. Through an aggressive strategy of relocating staff and reconfiguring space, as well as leveraging wireless connectivity, telework, desk sharing, and "hoteling" seating arrangements, the Department achieved the FY 2016 goals in reducing overall footprint (Usable Square Feet/USF) and rent costs. The immediate reductions in FY 2016 were mainly due to the Rapid Rent Reduction initiative (R3), which compressed personnel into existing Lyndon B. Johnson (LBJ) and Potomac Center Plaza (PCP) locations, allowing the release of three

commercial leases: 1990 K Street, Capitol Place, and L'Enfant Plaza. This strategy supported an overall plan that will further reduce the overall USF and rent costs in FY 2017, FY 2018, and beyond. Significant progress was made in FY 2016 that will generate further reductions in space and commercial leases.

### ***FY 2016 Barriers to Success***

During FY 2016, the Department continued to address challenges that included the availability of a skilled cybersecurity workforce, and the ability to rapidly implement automated cybersecurity capabilities. Additionally, OCIO is working with its IT services provider to provide qualified staff and accelerate planned implementations.

While data assurance and visibility increased, processes and technology continually need to be refined to reduce the risk to the Department. The Department met the FY 2016 performance target of 234 for IT security incidents and 120 for IT security breaches. To reduce the response time, additional resources were assigned and a surge capacity has been identified using Department and DHS assets. The Department's efforts resulted in reducing the cybersecurity response time to 22 minutes for the final quarter of FY 2016.

The use of the electronic signature functionality was heavily promoted during the fourth quarter of FY 2016. The outcome was an increase in use by program offices. The Department found that only through continued change management efforts will the use of the functionality be fully accepted. Change management is an important theme in the Department's efforts in leadership and knowledge management and maintaining a results-oriented performance culture. However, employees need time to participate in training opportunities, even online learning opportunities. Managers and employees need to be engaged in training and performance management; risks are mitigated by senior leadership emphasis and support for the program. Also, risks are mitigated by holding managers accountable for completing the process.

In the areas of space and rent, while the commitment is strong to reduce the amount of space and the rent bill, there are several factors that affect the Department's implementation of these plans. One challenge is the availability of funds in the near term, as it will require an initial investment to realize the longer-term savings.

Another challenge is identifying program areas that may grow or shrink in coming years, based on both policy and changes in resources and environment. One way to mitigate this is to provide flexibilities both in furnishings and layout, but also to leverage increased telework, desk sharing, and technology to increase the flexibility and usage of space.

### ***Key Milestones and Future Actions***

As noted earlier, the Department achieved a 97 percent establishment rate for performance plans. The Department continues to make strides toward 100 percent completion of performance plans. The involvement and commitment from senior leaders was essential to the increase in the percentage of performance plans completed this year and is essential moving forward. Performance management and training are critical to employees and supervisors. Throughout FY 2016, OM continued to market and educate supervisors on the initial and annual requirements for supervisory/managerial training. This effort and the provision of a robust set of course offerings for employees will continue in FY 2017.

In the area of space and rent, the Department will continue with projects and plans to consolidate our footprint. The General Services Administration (GSA) is currently performing the PCP/LBJ Program of Requirements (POR)/Feasibility study for the renovation, space

optimization, and consolidation of a significant portion of the PCP-leased space into the LBJ Headquarters Building. The consolidation will reduce the overall utilization rate by reducing space allocations in the two locations. Once the Department has the study results, it will incorporate the space reductions into its out-year space plan.