

## QUESTIONS AND ANSWERS FROM FSA ALL-STAFF MEETING, 10/21/03

1. Seed Question. Is it true that we're getting rid of anyone associated with the previous administration's programs?

**No. It should be obvious that most of the FSA staff members are career employees who have served under different administrations.**

2. Seed Question. Is it true there is a shroud on FSA's future?

**I do not believe there is a shroud on FSA's future. We have gotten very positive feedback from the Secretary and the White House on the excellent work we are doing.**

3. Seed Question. Is it true that FSA/COD is just winging it? How much of what we do on COD is planned? How much is off-the-cuff?

**We have tried to plan it all, but, as with most new systems, we have had to make some off-the-cuff decisions to deal with problems as they arise. We are definitely not winging it! Perhaps we need to communicate more to FSA staff on COD operations.**

4. Question from someone in New York (Bill Swift?). I have seen an article in *U.S. News and World Report* this week about our loan programs. In addition, I have seen some chatter on FINAID-L about this article and the competition between the loan programs. What is our response?

**The magazine staff has been working on this article since June. I was interviewed as part of the background. Secretary Paige is being interviewed by the *Washington Post* today, and will be responding to the article. Could you please send to Kay Jacks the comments you have been reading?**

5. Question from someone in Atlanta. Do you have any updated information on the availability of buyouts for FSA staff? Is FSA on a general list of organizations being considered for outsourcing?

**Bill Leidinger answered these questions. FSA is not on a general list for outsourcing, and he is not aware of such a list. However, some functions/activities in ED/FSA are being considered for competitive sourcing as directed by the President's Management Agenda. We have been working with employee teams in functions/activities identified as part of phases one and two to develop business cases. We have forwarded 10 functions/activities to the Executive Management Team for consideration. On some of them, a decision**

was made to just re-engineer the existing functions/activities and not compete them. Three are going through the competitive sourcing process, but we have streamlined and re-engineered the processes associated with these functions/activities so that ED/FSA employees should be in a much more favorable position during the competition. [Note from John Mondragon: There are nuances to the activities and competitions that make the numbers confusing. There are nine activities/functions that have been presented to the EMT in phase one: 1. OGC Legal, 2. OCR Legal, 3. OPE Policy, 4. OIG Audit, 5. OCFO Audit, 6. Payment Processing, 7. Employee Relations, 8. Staffing/Hiring, and 9. Training. The last three were presented to the EMT as separate functions/activities, but they were competed as one, and are often referred to as a single activity/function (i.e., HR/Training). There have only been two competitions (1. HR/Training - which includes activities 7, 8, & 9; and 2. Payment Processing).] Most of the activities in Phase 2 are associated with Information Technology. There are few realistic opportunities for competitive sourcing of IT functions/activities since most of our IT work is now done by contractors, and ED/FSA staff mostly perform contract monitoring work.

We have used buyouts in the new Institute of Education Sciences (IES). As a part of the establishment of this new organization in ED, we identified a number of surplus employees. We offered reassignments/buyouts to these employees, and 11 took the buyouts. The remaining employees were reassigned to other positions in ED. If we identify surplus employees in other organizations, we will consider the use of buyouts along with other options. We want to have a “full toolkit” of options to deal with such events.

6. Questioner not identified. Has the President’s Management Agenda been changed in light of Congressional criticism and action on competitive sourcing initiatives?

Bill Leidinger answered this question. OMB has dropped the quotas it had assigned, modified the competitive sourcing procedures, and identified different means of measuring progress. To his knowledge, only one competitive sourcing initiative (at the Department of Veterans Affairs) has been stopped as a result of Congressional or OMB action.

7. Question from Sarah Babson. Have we changed our plans for competitive sourcing?

**Bill Leidinger answered this question. No. We are proceeding on course as planned originally. Initially, OMB was not keen on the approach ED was following, but now OMB considers us the model and encourages other departments and agencies to consult with us.**

- 8. Question from Bob Berry. Terri, in your prepared remarks, you indicated that one-third of FSA's workforce will be eligible for retirement in the next year or so, our budget will be flat for the out-years, and our workload will continue to increase. What are our personnel strategies to meet these needs – recruiting, retaining and growing our staff?**

**We need to make an investment in each employee. We need to aggressively pursue succession planning. We need to tap the next generation. I hope that many of those employees who are or will be eligible soon to retire will decide not to do so. Calvin Thomas and his HR team are working to develop formal plans for dealing with the staffing needs, and there are some informal efforts underway.**

**Employees need to be willing to learn and accept new challenges, and be willing to share their knowledge with their colleagues. While we have some program/project experts (Gurus), we need more Gurus-in-Training. The current Gurus need to reach out to help others advance.**

- 9. Question from Vicki Wilson. Is it true that no decisions will be made on competitive sourcing initiatives until ED has a budget (not a continuing resolution)?**

**Bill Leidinger answered this question. Yes. There will be costs associated with implementing competitive sourcing decisions regardless of who wins the competition so we want to deal with those costs out of our regular budget rather than the continuing resolution under which we are now operating.**

- 10. Question from Ben Leborys. Has ED considered re-employing retirees?**

**Bill Leidinger answered this question. The Human Capital Office is reviewing this possibility. It will be one more item for our "toolkit" for dealing with staffing needs. [Note: Federal retirees may be reemployed in any position for which they are qualified unless they have accepted a buyout incentive payment to retire. In that case, the law bars reemployment for five years, including under a personal services contract type arrangement, unless the full (pre-tax) amount of the buyout is repaid. For example, if someone who has received a**

buyout comes back into the government within the 5 years they have to pay back the entire amount of the buyout, i.e., \$25,000 buyout, net \$17,000 – repayment \$25,000. In general, annuity payments and salaries of returning annuitants may not be combined, and the salaries of those reemployed annuitants who retired voluntarily will be offset by the amount of the annuity. Those who retired early under a discontinued service retirement will have their annuity suspended for the period of reemployment. There are numerous provisions related to reemployed annuitants spelled out in law and OPM regulations.]

**11. Seed Question. Schools complain consistently about COD. Has Ms. Shaw heard these complaints?**

**Yes. She met recently with members of the Direct Loan Coalition who articulated a number of concerns, and she regularly meets with school representatives at conferences and meetings who express concerns about COD and other FSA programs. We are pursuing solutions, both internally and with our partner, Accenture. We are working on changes, and will address many of the concerns and changes at the upcoming Electronic Access Conferences.**

**12. Seed Question. Is it true that FSA, in the context of the number of employees who are leaving, is a sinking ship?**

**No. We have critically important work delivering student aid. We have the full confidence of Secretary Paige and the administration. Our ship is not sinking, nor is it leaking.**

**13. Question from Mary K Muncie. How will employees who can't go to the Electronic Access Conferences (EACs) learn about new initiatives and issues that are discussed?**

**This year, we are trying something different to ensure that employees who cannot attend the EACS can learn about what went on. Prior to the New Orleans Conference we will be doing dry-run videoconferences of many presentations from the Learning Center here in DC. Employees in DC will be able to attend these, and employees in the regions will be able to observe/listen via videoconference capabilities. After the conferences are over, we will post the presentations to FSANet for employees to read and learn.**

**This brings up the broader issue of our need to communicate news among all of our staff. I would like to be able to hold All-FSA Staff Meetings such as this more frequently, but logistics and costs preclude that. However, I meet, via videoconference, with all FSA**

managers monthly to bring them up-to-date on what we are doing and solicit their input for ways in which we can improve. These managers **MUST** pass this information along to their staff members. I expect that all managers will have regular meetings with their staffs, and communicate frequently and openly with them.

Anne Teresa chimed in that we can't always rely on the "trickle down" of information since the information is often not easily understood. I agree that we need to solve this. One solution: perhaps Keith Wilson would be willing to come to your staff meetings to provide an update on the data strategy initiative. This could also work with other major initiatives.

14. Question from John McGonigal. This is more of a recommendation than a question. Students are coming out of college with exorbitant financial obligations due to the increasing cost of postsecondary education. I believe that ED/FSA needs to be more pro-active in developing and publicizing, as part of the reauthorization process, its position on the exploding costs of education and the financial burden that places on students. We should be more supportive of students by permitting re-consolidation of loan balances to reduce their enormous debt burden.

FSA is preparing position papers in Jeff Baker's office on this and other issues as part of the reauthorization process. These papers should be finished after the EACs, and submitted to OPE, which is compiling all of ED's recommendations. In addition, two bills have been introduced in Congress to permit re-consolidation.

15. Question from Atlanta. We need to better publicize the work done by the Debt Collection staff and the positive benefits that accrue to students in terms of more funds available to finance their educations.

This is a very good point. Perhaps we can capture this information on our Executive Dashboard.

16. Question from Carolyn Craddock. [Note from JEN: I believe that what she was saying was that certain employees in FSAU and the functions they performed were reassigned to ASEDS. Unfortunately, not all of the work from the reassigned employees has been reassigned, and the remaining staff in FSAU has to pick up that work.] We're going through competitive sourcing. We're also in the midst of mid-year EDPAS evaluations. Since some of the work that we have to do is not covered in our EDPAS agreements, how should

**our work be measured? Also, what will be done for employees whose functions are outsourced?**

**If your jobs have changed, your EDPAS agreements should be updated to reflect those changes. EDPAS agreements MUST reflect the actual work that employees are expected to perform. We need to look at changes in functions to ensure that EDPAS agreements accurately reflect the work being done by all.**

**We're being very supportive of employees' efforts at placement if they are outsourced or want to move to another position. As Bill has indicated, we are exploring all options to ensure that employees whose jobs are outsourced will have positions with ED/FSA if they so choose, and are building a toolkit of available personnel flexibilities.**

**17. Comment from Corwin Jennings. In the Ombudsman's office, we see many cases that are decades old. Most of these relate to longstanding issues about overpayment and collection action by ED. I believe that we need to reach a point where we terminate efforts to collect on very old debts and just write them off.**

**I agree that we need to do something. It is just not cost-effective to continue to pursue some of these collection actions, particularly for very small amounts.**

**18. Question from Corwin Jennings. We put an enormous amount of time into aligning our back-end systems with our partners' systems. We need to consider a way to get this information out to our customers using a single sign-on with a single-view capability.**

**This is part of our front-end integration initiative. You have described the end-state of our data strategy vision, and we plan to complete it in 2008.**

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