UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

DEC 1 3 2011

MEMORANDUM

SUBJECT: OCFO Corrective Action Plan Addressing Recommendations in Office of Inspector
General (IG) Final Report "EPA Needs Workload Data to Better Justify Future
Workforce Levels" Project Number 2010-1211

FROM: Barbara J. Bennett
Chief Financial Officer

TO: Arthur A. Elkins, Jr.
Inspector General

This memorandum presents EPA's proposed plan to address the recommendations in the Inspector
General's (IG) final report "EPA Needs Workload Data to Better Justify Future Workforce Levels,
Report No. 11-P-0630" issued September 14, 2011. In addition, the actions listed below are consistent
with the action plan and timelines presented in our corrective action plan, approved by the IG on August
18, 2011, in response to the IG's December 20, 2010 final report, "EPA Needs to Strengthen Internal
Controls for Determining Workforce Levels, Report No. 11-P-0031."

Inspector General (IG) Recommendations:

We recommend that the Chief Financial Officer:

1. Conduct a pilot project requiring EPA organizations to collect and analyze workload data on key
   project activities.

2. Use information learned from the pilot and the ongoing contract workload study to issue
   guidance to EPA program offices on:
   a. How to collect and analyze workload data
   b. The benefits of workload analysis
   c. How this information should be used to prepare budget requests

Below, by recommendation, is the plan that OCFO is implementing to address the IG's
recommendations.

1. **IG Recommendation #1** – Conduct a pilot project requiring EPA organizations to collect and
   analyze workload data on key project activities.

Agency Response: OCFO is working closely with EPA's air and water programs and their lead regions
to refine and expand on FY 2011 pilot projects. The goal is to focus on specifics of how EPA

organizations should collect and analyze workload data on key project activities. This effort uses the lessons learned and data developed from EPA's three principal recent efforts:

- Regions 1 and 6's pilots in air permitting and State Implementation Plans (SIPs) and in water permitting and grants management.
- OCFO's frontline manager's survey that captured over 1,000 managers' best estimates of FTE devoted to six critical functions: 1) Scientific Research, 2) Environmental Monitoring, 3) Regulatory Development, 4) Permitting, 5) Enforcement, and 6) Financial Management. The survey also captured estimates of the workload of major tasks within each function as well as major work drivers and work products.
- OCFO's contractor's assessment of workload analytics at 23 other federal agencies, including interviews with 13 agencies identified as having workload analytic tools.

The short term plan is to construct a draft format for an EPA workload analytic "Table Top" tool using existing data and work already done to the extent possible. The Table Top concept (used also at the United States Coast Guard) is designed to be fairly high-level with a standard format for incorporating data and leveraging Subject Matter Experts knowledge and experience. Concurrently, we will continue to assess potential external data sources that could inform future management decision-making.

2. **IG Recommendation # 2** – Use information learned from the pilot and the ongoing contract workload study to issue guidance to EPA program offices.

Agency Response: In developing the pilot project, EPA's analytic team is carefully considering how a pilot would collect and verify workload data and efficiently produce results to benefit the Agency's resource decision-making processes. The analysis of other agencies' tools provided extensive perspective on workload analytics' structure, use, data requirements, guidance and potential limitations. It is important to note that none of the other agencies had analytical tools for many major EPA mission areas, including research or regulatory development. Some major pieces of advice were to avoid too-detailed data collection, focus on a limited set of tasks, and ensure that Subject Matter Experts' (SMEs) insights are incorporated throughout the process.

In this context, it is important to raise one concern with a statement in the "Agency Comments and OIG Evaluation" section of Chapter 3 in the September 14th report. While the OIG notes that 37 FTE is 'only 0.2 %' of overall agency FTE resources, the Agency would like to point out that in the context of EPA's overall tight resource level and the large and challenging environmental issues we must address, 37 FTE is a huge incremental investment, as large as almost any programmatic increase proposed in the last decade and larger than many critical programs overall. For example, 37 FTE is greater than EPA's FTE for the Science Advisory Board which guides EPA's all-important science efforts. In this time of federal fiscal constraint, OCFO and the programs are focused on efficiency and value-added as key objectives for this project.

The efforts to address these two recommendations will be integrated with our efforts defined in the August 9, 2011 response to the final report No. 11-P-0031, "EPA Needs to Strengthen Internal Controls for Determining Workforce Levels." We plan to circulate draft tools and options in February 2012, followed by senior leadership review and feedback, and have an approach in place by September 30, 2012 to address both reports' recommendations. EPA's goal is to provide guidance that includes clear, practical steps for programs to use. We look forward to developing viable tools to improve EPA's ability to strengthen resource stewardship while also achieving better environmental results.

If you have questions or comments on our corrective action plan or this update, please contact me. Staff may wish to follow up with Carol Terris, Deputy Director, Office of Budget/OCFO at (202) 564-0533 or Hamilton Humes, Senior Advisor, Office of Budget/OCFO at (202) 564-2835.

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