Major Management Accomplishments at the Department of State Since 2001

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I really wear two hats: by law, I am the principal foreign policy advisor of the President of the United States, but I am also the leader, the manager, the CEO of the Department of State, and I take that role and that charge very, very seriously. And to be successful, I think in both roles, we have to make sure—I have to make sure—that the Department is properly organized, equipped and manned to conduct America’s foreign policy.

- Secretary of State Colin L. Powell
  May 2001

This quote from Secretary Powell is indicative of the emphasis placed on the management of the Department over the past three and a half years. In 2001, we faced a situation in which the Department of State was widely criticized by the United States (US) Congress, Department employees, government-sponsored studies, and several independent studies for the way it was managed. For too long the Department had insufficient funding, a severe shortage of personnel, a lack of emphasis on training, a lack of real budget planning, antiquated information technology, and many insecure facilities in poor condition. When he became Secretary, Colin Powell said that he did not need further studies but that it was time to fix these well-documented problems.

Since January 2001, the Secretary’s management priorities—frequently and consistently enunciated by the Secretary, Deputy Secretary, and me within the Department, in public speeches, and in Congressional testimony—have been: People, Security, Technology, Facilities and Management Reform and Improvement. Key to this, we have worked hard within the administration and on the Hill to obtain the resources to support initiatives and very much appreciate the support we have received from both.

Implementing the President’s Management Agenda (PMA)—the government-wide strategy for improving the management performance of the federal government—has been integral to achieving results in these management priorities.

I will illustrate below some of the key things that have been done by the Department in the management area over the past three and a half years. For a more detailed discussion, you may access the Department’s full Results Report, which was issued in August 2004, at http://www.state.gov/m/p/results/index.htm. Each Cabinet department and major agency issued a parallel report, and the Office of Management and Budget (OMB) published a government-wide report. This process gave us a good opportunity to stand back and look at what has been done by the Department and its employees, especially those on the management team, to address the problems we found in 2001.
People

First priority was given by Secretary Powell to Department staffing and the people who work for the Department:

♦ Over the past three years, the Department has had its largest workforce expansion in three decades, in large part as a result of our Diplomatic Readiness Initiative (DRI). Aimed to correct long-standing critical staffing gaps, make training and crisis response possible, and strengthen our consular and diplomatic security staffing, we have added over 2,000 positions beyond attrition since 2001.

♦ We achieved a “green” status score on the PMA Human Capital initiative for our recruitment, hiring, retention, training, quality of life and workforce planning efforts.

♦ We improved our recruitment and hiring processes to ensure that we hire the best talent available:
  - We streamlined the Foreign Service examination and hiring processes, cutting by more than half the time from the oral assessment to hiring.
  - We created new hiring mechanisms, such as the Career Entry program and the Pre-Assignment Center for the Civil Service.
  - State has been one of the top three users of the Presidential Management Fellows (PMF) program among federal agencies since 1999.

♦ We also are using a number of successful tools to recruit and retain people for critical positions:
  - Our Student Loan Repayment Program (SLRP) is the largest in the federal government.
  - The Department’s hiring, retention, salary bonus and skills incentive programs for Information Technology (IT) specialists have allowed us to essentially eliminate the Foreign Service IT vacancy rate, over 30 percent five years ago.

♦ Minority recruitment has been on the rise in the past three years. Minorities made up 19 percent of total entry-level Foreign Service generalist hires in fiscal year (FY) 2003 compared to 13 percent in FY 2000.

♦ We have made training a high priority. Overall, in FY 2004 we are providing 40 percent more training than in FY 2001.
  - We put in place mandatory leadership and management training for mid-level Foreign Service and Civil Service employees and expanded leadership training for our junior and senior employees. The Foreign Service Institute’s (FSI’s) Leadership and Management School has already provided the mandatory training to 4,466 employees as of the end of FY 2004. This is 15
percent ahead of the plan, which targets approximately 7,000 employees by
the end of calendar year 2006.
  o We dramatically increased and improved our IT specialized and end-user
training, with a 29 percent increase in enrollments and a 52 percent increase in
hours from FY 2001 to FY 2003.
  o Our enrollments in language training have increased by over 50 percent
since 2001. The number in Arabic language training has more than doubled
over the past three years from 121 in FY 2001 to 260 in FY 2004.
  o We are making training available beyond the traditional FSI classroom
through distance education.

♦ We launched a mentoring program for Civil Service employees in 2003 and
recently expanded the Civil Service Orientation Program from three days to two
weeks.

♦ Our two childcare centers are expanding to meet the increasing needs of our Civil
and Foreign Service employees.

♦ We reduced the average time to investigate formal equal employment opportunity
(EEO) complaints from 700 days in FY 2001 to 180 days in FY 2004.

♦ Our workforce planning efforts support the PMA rightsizing initiative.

Security

♦ Since September 11, 2001, in keeping with our policy of “Secure Borders/Open
Doors,” visa policies and procedures have undergone complete review, and major
revisions have been made in cooperation with the Department of Homeland
Security (DHS). The Department focused on improving management controls,
ensuring a more robust visa application process, and expanding information
resources and data-sharing in databases such as TIPOFF and the Consular Lookout
and Support System (CLASS).

♦ We deployed the Consular Lost and Stolen Passport (CLASP) database in 2002
to provide data on lost and stolen US passports to all overseas posts, the domestic
passport agencies, and DHS for use at US ports of entry within seconds of
receiving the information.

♦ We are successfully implementing the Biometric Visa Program (two fingerprints
and a digital photo) at all visa-adjudicating posts, and this information is shared
with Department of Homeland Security inspectors at ports of entry.

♦ We completed digital imaging of the 70 million passport applications, including
photographs, for all currently valid passports into the Passport Records Imaging
System Management (PRISM). These data are now available to domestic passport
facilities, posts abroad, and Department of Homeland Security personnel at US ports of entry.

♦ We deployed the Internet-Based Registration System (IBRS) to permit American citizens to register their foreign travel plans and contact information via the Department’s Internet Web site and to obtain key information immediately about their destination by e-mail.

♦ The Department’s weapons of mass destruction countermeasures program provides our overseas posts and domestic staff with the knowledge, equipment and training necessary to respond to a chemical/biological attack with minimal loss of life.

♦ We reduced the backlog of personnel security and suitability cases outstanding since June 1, 2002, by 46 percent. We decreased the processing time for issuing a security clearance by 34 percent and have now virtually eliminated the backlog of full-time employees with clearances older than five years.

♦ The Overseas Security Advisory Council (OSAC) now has over 2,550 businesses, religious groups, universities and colleges and other nongovernmental organizations participating—up 30 percent in the past three years. We doubled the number of OSAC Country Councils from 39 in January 2001 to 81 as of July 1, 2004.

♦ We have provided funding for security enhancements at nearly 140 overseas schools. Upgrades include installation of shatter resistant window film, alarm/warning systems and emergency communication radios. A second phase to improve physical security is underway.

♦ We enhanced the security and preparedness of the Department’s domestic facilities by establishing the Office of Domestic Emergency Management to develop policies, plans, procedures and capabilities to ensure the Department can respond to and recover from domestic emergencies and by creating an Emergency Response Team of highly qualified uniformed security officers to handle emergencies.

Technology

♦ We completed the Secretary’s first two major technology goals—on-time and under budget: (1) worldwide deployment of OpenNet Plus, a modernized unclassified system with Internet access, to 43,500 desktops; and (2) deployment of a modernized classified computing capability at 224 eligible posts worldwide.

♦ By FY 2006, the State Messaging and Archive Retrieval Toolset (SMART) will fully replace the Department’s obsolete cable and e-mail systems with a simple, secure, and user-driven system to support diplomacy through modern messaging, dynamic archiving and information sharing.
♦ The Global Information Technology Modernization (GITM) initiative—begun in FY 2004—will modernize all of the Department’s infrastructure on a four-year cycle.

♦ We have made major progress on key goals of the e-Gov PMA initiative such as strengthening our IT security and actively participating in government-wide e-Gov initiatives.

♦ We linked our unclassified computer network with the US Agency for International Development (USAID) network.

Facilities

♦ We greatly accelerated the construction of safe, secure and functional Embassies. In most cases, we have reduced Embassy construction time from more than four years down to two.

♦ Overseas Buildings Operations (OBO) manages over $4 billion in projects worldwide, up from $0.7 billion at the end of 2001. Since 2001, we completed 13 major capital construction projects. Currently, there are 40 capital projects under design/construction and 13 more awards planned for FY 2005. By contrast, from 1996-2000, the Department averaged less than one major project per year.

♦ Over the past three years, OBO has been thoroughly restructured and transformed into a results-based organization. Best practices introduced by OBO over the past three years include: standard Embassy designs, integrated design reviews, rigorous reconciliation of project scope and budget, the long-range overseas buildings plan, and the Industry Advisory Panel.

♦ We also have made substantial security improvements to existing facilities, including physical security upgrades such as forced entry/ballistic resistant doors and windows, perimeter security and safe havens and technical security systems such as new duck and cover warning systems, upgraded closed circuit television coverage with digital recording of events and improved alarm systems.

♦ We are improving the quality of the workplace in the Harry S. Truman building:

  o The Foggy Bottom, a new service facility that consolidated retail and employee services, opened in August 2001.
  o The cafeteria was given a facelift with new finishes, lighting and seating, and one of two serveries was completely renovated with nine state-of-the-art food stations.
  o The Old State section of the Harry S. Truman building, including modernized offices, a new conference center, a computer room and relocation of critical infrastructure, will be occupied by summer 2005.
Management Reform and Improvement

♦ We developed the first-ever joint State-USAID Strategic Plan for FYs 2004-2009. In the fall of 2003, the Department and USAID created a Joint Management Council (JMC) and a Joint Policy Council (JPC).

♦ We consolidated strategic planning and budget operations in the new Bureau of Resource Management, creating the structure not only to improve financial performance but to integrate planning, budget and performance. In implementing the budget and performance integration and financial performance PMA initiatives:

  o We are linking budget decisions to program performance, including Senior Reviews chaired by the Deputy Secretary and Budget Reviews chaired by the Department’s budget officer.
  o Today the Department is well on its way to installing a single, worldwide financial management system that integrates and supports the Department’s global fiscal activities. The Global Financial Management System (GFMS) will be operational at the beginning of FY 2006.
  o At the same time and together with USAID, we initiated the implementation of the Joint Financial Management System (JFMS) to create a common State-USAID financial platform starting in FY 2006. The savings on licensing costs alone will be approximately $5 million through FY 2007.
  o For the first time since the Chief Financial Officers’ Act was passed, the independent CPA firm cited no Department material weaknesses in internal controls in their report on the FY 2003 financial statements audit.

♦ The Integrated Logistics Management System (ILMS) is replacing the Department’s 20-year-old logistics stovepipe systems with modern technology. Once deployed, the Department of State will have an enterprise-wide supply chain management system fully integrated with the Department’s financial management system—a first for any government agency. Domestic deployment is well underway, and ILMS is scheduled to be deployed overseas beginning in FY 2006.

♦ The State Department is implementing the PMA competitive sourcing initiative as a business tool. In-house State Department teams won four of five streamlined competitions.

♦ We have closed all but 274 cases of the original 6,214 case Freedom of Information Act backlog in July 2002 and reduced the median days to close new cases by more than 65 percent.

♦ We recently established an Office of Rightsizing the US government’s Overseas Presence and have a project underway to redefine and strengthen regional support operations.
Conclusion

Much has been accomplished in the management area over the past three and a half years, but much remains to be done. As the above discussion demonstrates, we have a number of key initiatives to further the Secretary’s management priorities in progress.

We await the assessment of the Foreign Affairs Council, which issued its first report on the Department under Secretary Powell in March 2003 and will publish another one covering the Secretary’s entire tenure this Fall. We will examine the recommendations carefully.

One additional step we have recently taken is to create an Advisory Committee on Leadership and Management. The Committee is composed of prominent individuals from academe and the business world as well as former members of Congress. This Committee will give us and future management teams advice on what we have done right and wrong and how to build on what has been accomplished so far because in the final analysis management issues must continue to be a high priority for the Department and its leadership.