



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

April 8, 2011

Olympia J. Snowe
Ranking Member
United States Senate
Committee on Small Business & Entrepreneurship
Washington, DC 20510

Re: Agency Personnel Policy and Initiatives

Dear Senator Snowe:

Thank you for your letter dated March 3, 2011, regarding the Federal News Radio series published starting February 7, 2011, and also regarding the Agency's personnel management policies and practices. I am very pleased to report to you about the Agency's wide-ranging and deeply important personnel initiatives.

From the outset of my administration, we have made investment in SBA's employees a top Agency priority. We are immensely proud of our team here at the SBA, and all they have accomplished. As a result of the worst economic downturn since the Great Depression, small businesses across the country have faced tough challenges as they have struggled to survive, thrive and create jobs. Through it all, across the country, our team's extraordinary commitment and hard work have made it possible for the Agency to provide small businesses with crucial access to capital, counseling and contracting opportunities.

To achieve this, we have taken numerous steps to give our employees and managers at the SBA the tools, training and support they need. This process has not been without challenges. The Agency went through various transformations over the past decade, and other issues appear to have competed for attention with staffing, training, development and other critical personnel and labor issues. However, this Administration believes that our people are the core foundation of the Agency's success; accordingly, we have focused proactively on top-to-bottom review and improvement in all our Human Capital functions and initiatives.

Attached as Appendix "A" is an outline of the key Human Capital initiatives at the Agency during my administration, including pertinent goals, objectives and applicable timelines for our many ongoing initiatives. In numerous areas, our Office of Human Capital Management has identified opportunities for proactive engagement and improvement, and those areas are also identified on Appendix "A." In sum, the Agency is focused on five key pillars of personnel support:

- First and foremost, we certainly agree with you that each employee should have meaningful roles and objectives which are tied to the Agency's fundamental goals. For that reason, we have implemented an agency-wide review to align all employee position plans and critical elements with the Agency's mission and goals. We are also

engaged in comprehensive training in best practices for goal-setting, employee communication and performance management.

- Second, we need to make sure our employees receive ongoing, robust programmatic training so that they can perform with maximum effectiveness and efficiency. A top priority of our Office of Human Capital Management and each program office has therefore been to identify and implement targeted, meaningful training to provide better service, oversight and small business support across Agency programs.
- Third, effective and well-supported employees are the Agency's most important resource. For that reason, our Office of Human Capital Management conducts comprehensive Workforce Planning to make sure we have the employee resources we need, and also to address knowledge transfer, succession planning and professional development.
- Fourth, we listen attentively and proactively to our employees' feedback, including especially where it highlights opportunities for improvement. We take the Federal Employee Viewpoint Survey very seriously, and have worked hard to address the issues and concerns it has in the past highlighted. Deputy Administrator Marie Johns and I are committed to ensuring we have an environment where employees feel that their managers, and in particular the Agency's senior leadership team, are accessible and open to employees. For example, both Ms. Johns and I have held periodic town hall meetings with employees across the Agency. We also travel extensively; and in each city, we sit down in small-group settings with employees in District Offices to have open discussion with employees on challenges, questions, successes and other matters. We have also implemented monthly conference calls led by our Chief of Staff with the Agency's managers to ensure better communication about policies, initiatives and programs, as well as to hear directly from managers about issues of concern to them.
- And finally, we know that in any workplace personnel disputes from time to time arise. We engage in mediation and resolution efforts wherever possible, and look for creative solutions even where disputes have been long-standing. We use the lessons from prior disputes to implement training to improve employee interaction and management supervision. The Agency is committed to proactive workplace conflict resolution; and to that end, our Equal Employment Opportunity Office has been tasked with standing up an Agency Employee Conflict Resolution Center which will employ current best practices in dispute resolution.

In addition to the above, the Agency has worked diligently to establish an effective partnership with our employee unions. We believe the Agency's unions play a central role in identifying and addressing employee workplace, training and professional development concerns. We confer regularly with our unions' representatives about a broad range of issues and get very valuable input on items ranging from major Agency initiatives to individual employee concerns. We are currently engaged in negotiations for renewal of the Agency's Master Agreement with its primary union, and hope to have those negotiations completed by Summer, 2011.

The above Agency-led initiatives are managed out of the Agency's Office of Human Capital Management, and do not directly involve the Agency's Office of Inspector General. However, the Agency also works in concert with its Office of Inspector General to improve efficiency and effectiveness in its personnel policies, and to identify and address fraud, waste and abuse both within the Agency and in the Agency's dealings with third parties. The Agency's interaction with the OIG reaches across all Agency programs; and with respect to personnel matters the Agency and the OIG are currently coordinating in three primary areas:

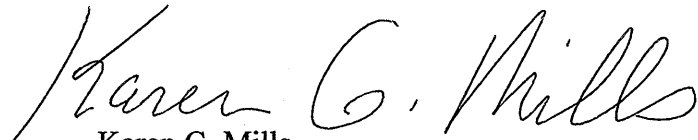
- First, the Agency's Human Capital Office has been working with the Office of Inspector General (OIG) to address the OIG's long-standing personnel Management Challenge involving Agency staffing, workforce planning, and Federal Employee Viewpoint Survey results. The Challenge is quite broad; and we agree that each aspect of the Challenge should be effectively incorporated into the Agency's ongoing personnel initiatives. The Agency and the OIG are currently reviewing that Challenge in the context of our pending personnel initiatives, and within the next 45 days expect to have in place an agreed framework for its ultimate resolution.
- Second, the Agency works with the OIG to issue joint employee notices to raise employee awareness about matters of Agency-OIG concern. For example, within the next 30 days, the Agency and the OIG intend to issue a Notice jointly informing employees and third parties about the need to report—and procedures to report—suspected fraud by Agents in our lending programs. In addition, the Agency and the OIG are also preparing a joint Notice respecting whistleblower protections and procedures for making confidential whistleblower disclosures to the OIG.
- Third, the Agency's Fraud Prevention Task Force is working collaboratively with the OIG to implement effective, Agency-wide practices to encourage employees to identify and report suspected fraud in Agency programs, and to provide them with meaningful feedback and encouragement when they do so. The Task Force has developed numerous structural, reporting, tracking and coordination changes which will re-shape and enhance the Agency's fraud detection and prevention efforts, and has received detailed and valuable input from the OIG about how the Agency and OIG can best work together in this effort. The Agency's initial employee fraud awareness, detection and reporting trainings will commence within the next 30 days and additional trainings will take place regularly thereafter.

Your letter notes that the SBA cannot achieve its mission if employees feel disenfranchised, retaliated against or unable to perform their functions. We agree, and that's why we are taking all of the actions identified above. This is among our most important tasks in building the SBA best-suited to serve the needs of our Nation's small businesses, and we are bringing to bear all necessary resources across the Agency to get the job done.

Out of respect for the privacy of the individuals involved in the news article itself, the Agency cannot comment upon the specific claims reported. Please be assured, however, that the Agency investigates and evaluates all such claims promptly after they are received, and that it responds and communicates appropriately after thorough review of all applicable facts and circumstances.

Thank you for your focus on an issue so important to the Agency's daily functions and ongoing success.

Sincerely yours,



Karen G. Mills

Appendix "A"

SBA Human Capital Management Initiatives

The Office of Human Capital Management (OHCM) addresses all aspects of Human Resources: strategic alignment, talent management, leadership and knowledge management, performance culture, and accountability. OHCM's mission is to partner with SBA leaders to develop strategic solutions to human capital issues and create a work environment attracting and retaining the talented and high performance workforce SBA needs to accomplish its mission.

Since January 2010, a new Chief Human Capital Officer (CHCO) has been actively working to ensure the important work of SBA is being met. To meet SBA's Strategic Plan, the CHCO has brought in strong new members of OHCM's management team. A new Deputy CHCO and Chief of Organizational Analysis and Improvement Division bring new strategic focus to their positions with a wealth of experience in leading employees forward to successfully achieve goals.

Despite OHCM experiencing daunting staffing and budgetary challenges, SBA has shown significant improvement in the areas of performance-based culture, leadership, training, support for diversity, pay, work/life balance, and communications and strategic management. We are proud of the accomplishments described below and believe our achievements will only serve as a catalyst for continued improvement. SBA will continue to capture and evaluate human capital management successes and challenges to build on our results and lessons learned.

SBA's achievements in the area of human capital management are best reflected in the following areas: Strategic Alignment, Leadership and Knowledge Management, Results-Oriented Performance Culture, Talent Management, and Accountability. Following are summaries of SBA's key initiatives in these areas, as well as ongoing projects underway:

Strategic Alignment:

- In support of the Administrator's goal of investing in SBA's people through training and new technologies, SBA took a first step in achieving this goal by offering five management training classes at the Federal Executive Institute (FEI) in the Q2 and Q3 of FY 2010. The focus of these courses was to provide tools for and strategies to strengthen the management team, especially in the area of performance management. The groups looked at how to take the Administrator's strategic goals and integrate them through their respective organizations with clear, concise and measureable objectives. The desired outcome was every SBA employee would know how their work is tied to the success of the agency and to lay a solid foundation for a high performing organization. Approximately 180 senior leaders and managers attended the classes, including the Chief Operating Officer and the Chief-of-Staff. As a result of these sessions, managers and supervisors obtained a clearer understanding of how performance elements and standards are tied to organizational mission.

- SBA plans a series of similar training sessions for approximately 120 first-line managers and supervisors beginning in April, 2011. As a result of this training SBA managers will learn the basic Management Task Cycle, develop common language and understanding of management tasks, participate in interactive case studies, and build a network of manager colleagues.
- The Office of Disaster Assistance (ODA) developed guidance and workshop materials in Q2 of FY 2010 to 1) increase employee awareness of strategic alignment of performance plans to Agency goals; and 2) increase awareness of how creation of SMART (specific, measureable, accurate, realistic, timely) performance plans leads to more accurate assessments of employee performance. During Q3 and Q4, ODA conducted workshops for all career employees (approximately 500). Workshops covered strategic alignment and included organizational charts that clearly showed linkage from employee performance plans to department, Center, ODA and Agency goals. In addition, the performance module included how to develop SMART performance elements, how to conduct quarterly progress reviews, explained distinctions in level of performance and importance of employee involvement in the entire performance process.
- Over the past year, SBA District Directors in the Office of Field Operations (OFO) established a peer group team to re-engineer all performance plans and position descriptions for employees in Regional, District, and Branch offices. This entailed drafting and creating critical elements, performance standards, and position descriptions to align with the District Office Strategic Plan, components of which include the Strategic Marketing and Outreach Plan, the Strategic Business Opportunity Plan, and the Strategic Lender Marketing Plan. OHCM provided key input to the development of the overall implementation plan, deliverables, due dates, action agents, and HR requirements. The Field Task Force engaged with the Agency's Union throughout the process, and will implement the new elements before FY12 after consultations and (as applicable) further negotiations with the Union.
- SBA's OHCM is engaged in the redesign of its human capital plan outlining the framework for comprehensive workforce and succession planning to align with the SBA Five-Year Strategic Plan. The plan will identify strategies and actionable goals to move the agency from its current state to the desired future state within established timeframes. The development of the plan will begin in Q1 FY 2011 and a draft will be completed for Q4 FY 2011. The creation of this plan has been an excellent opportunity for OHCM to build relationships with program office leaders, reshape OHCM to ensure it is prepared to meet the emerging needs of the agency, and begin to position SBA as an "employer of choice."
- SBA's OHCM is also engaged in follow-on discussions with program offices to assess OHCM's current capabilities and determine gaps in needed competencies based on best practices in the government's human resources community. This process includes a complete design of new structure to include benchmarking against other comparable federal agencies, which will involve agency-wide input through the 606 reorganization process. A key goal of this process is to align current staff according to their

competencies and hire new staff to fill the competency gaps where it is needed according to the new structure.

- The Agency is continuing to examine technology initiatives across SBA in order to transition from paper-based processes to automated solutions. These technology initiatives will allow the Agency to streamline processes, reduce errors, modernize workflow processes as well as achieve compliance with mandated e-Gov initiatives. For example, SBA successfully transitioned from paper-based Official Personnel Folder (OPF) system to e-OPF. The Agency-wide deployment of e-OPF instantly modernized the SBA's Official Personnel Files records management system. This technology provides a more efficient records management control environment by simplifying operational workflow processes. SBA's employees and managers now have desktop self-service to view and retrieve their OPF documents. Additionally, SBA uses the Employee Personal Page Time Manager for on-line entry of time and attendance, and participated in electronic 2010 W-2 testing.
- SBA has been successful in the implementation of the Employee Personal Page (EPP) for a host of previously paper-based employee actions. As noted above, the EPP system has been instrumental in assuring employee's timecards are processed more accurately and in a timelier manner to the National Finance Center. EPP has also been instrumental in reducing the paper flow which is generated through the payroll office, due to the increase in SBA employees who are using EPP to make changes to tax forms, address changes, open season changes for health benefits and Thrift Savings Plan, direct deposits and allotments.
- SBA continues to promote employee development by offering on-line training courses available anytime through the Internet; and it continues to implement the e-training initiative focused on unifying, simplifying, and increasing access to high quality e-learning products and services. SBA is preparing to launch an aggressive marketing campaign aimed at communicating the benefits of, and increasing usage of, SBA's online learning tool.
- SBA continues its comprehensive training program for SBA's acquisition workforce (Occupational series 1102) to ensure compliance with the Federal Acquisition Certification in Contracting (FAC-C) Program.
- During recent months, SBA trained and certified 8 Contracting Officers Technical Representatives to meet program office acquisition requirements.
- OHCM's Executive Resources Branch is in the process of developing a robust orientation program for both headquarter and Field employees to align the Agency mission and incorporate program office participation to foster a positive on boarding experience for new hires.

Leadership and Knowledge Management

- SBA's employees are actively engaged with reshaping SBA's culture to become an employer of choice. The 2010 Federal Employee Viewpoint Survey (FEVS) feedback reinforces the view that SBA's employees are actively engaged. For example, SBA's employees continue to set the example by maintaining high participation rates of almost 70%. Looking closer, the 2010 FEVS numbers indicate SBA employees feel their management team listens and values their input. One of SBA's greatest survey areas of improvement was the increase in the number of employees who felt conversations with their manager or supervisor about their performance were worthwhile. This measure indicated employees and management communications improved, increasing 6% points above the 2009 survey. Likewise, SBA employees responded favorably to a new survey question: "When needed I am willing to put in the extra effort to get a job done." This new question sheds light on employees' commitment level: SBA's employees had a positive response rate of approximately 97%. This reflects a continued positive trend in the responses to the leadership questions directly related to leadership development, training and communication initiatives SBA has implemented.
- In an effort to encourage broad participation in the review of the 2010 Federal Viewpoint Survey results, OHCM conducted additional analysis of individual program office results and prepared briefings for each of those program offices. A team from OHCM met with the senior leadership of approximately 10 program offices to brief them on their results, respond to questions and provide an overview of the agency-wide action plan. The agency-wide action plan requires the support of the program offices and will help build a network of individuals throughout the agency who reside in the program offices but are primary points of contact on a variety of human capital issues. OHCM also asked program offices to identify a senior leadership champion to visibly show support for action plan initiatives. In several cases, OHCM was asked by senior program office leadership to provide a briefing of survey results to employees.
- OHCM has taken the lead on addressing findings from the 2010 Federal Viewpoint Survey, and formed teams to develop action plans targeted to improve deficiencies identified in the areas of SBA's work life programs, employee development, and hiring reform. The Administrator has taken an active role in communicating the importance of employee participation in the upcoming 2011 Federal Viewpoint Survey.
- SBA administered the 2010 WellCheck Needs Assessment to determine existing gaps in services. SBA identified locations with populations exceeding 100 employees (typically other regions have lower employee populations) to administer the assessment: Headquarters and Denver, Colorado. The WellCheck assessment results identified a number of areas for improvement, including: 1) a lack of health education opportunities; 2) low participation in health education offerings; 3) minimal agency support for healthy nutrition; and 4) health screenings (substance abuse, depression, mammography) were not offered. The results of this assessment provide SBA an opportunity to make substantial improvements in its work/life initiatives, and illustrate a conscious effort to invest in its employees.

- Five SBA career employees completed the Partnership for Public Service's Excellence in Government Fellows Program (EIG). (Eight employees are currently in this year's program.) Last year's team's project was to develop a comprehensive understanding of SBA's Information Technology acquisition management process and develop recommendations for streamlining and improving SBA's IT acquisition process. In addition to their team project activities, EIG Fellows attended courses taught by the nation's leading public and private sector experts in the subjects of strategic thinking and project management, knowledge, networking, leading innovation and change, driving performance and managing people, communicating and influencing, and crisis management and continuous self development.
- SBA successfully graduated its 2009-2010 Senior Executive Service Candidate Development Program (SESCDP) Class. Four of the 12 class members received SES certification and appointments while in the program and 7 successfully completed the program and received their SES certification. The SESCO is a structured approach to recruit and develop qualified GS-14 and GS-15 candidates to assume leadership positions for placement into the SES cadre. Over a period of 18 to 24 months, candidates developed their abilities as leaders, while creating strategies for meeting the complex challenges facing their organizations. The program requirements included individual assessments, developmental assignments, interagency executive-level training, core competency courses, forums, and mentoring.
- SBA continues to leverage online training solutions to address gap closures. Online courses were delivered to provide competency and skills training for SBA's employees. In FY 2010, SBA purchased 3,000 SkillPort licenses for agency employees, which provides access to online training as well as reading material via SkillSoft's Books 24x7. Access to these online reading materials complemented other online training delivered to employees in mission critical occupations.
- The Agency will shortly post for a new Health & Wellness coordinator who will coordinate SBA's commitment to the whole employee and will create a network for disseminating information about Work Life programs. To date this fiscal year, employees have received information on EAP, telework and other work/life programs.
- Along with Health & Wellness issues, the 2010 Federal Employee Viewpoint Survey identified the need for more training, SBA launched "Training Tuesdays" for Field Offices. SBA is gearing up for another round of training, this time focused on 120 mid-level managers covering management and communication. SBA made available to all employees access to SkillPort, an on-line catalog of courses.

Results Oriented Performance Culture

- SBA continued utilization of its automated performance management system, GoalOwner, to align employees' performance objectives with SBA's strategic goals and ensures a consistent format for establishing results-oriented and outcome-based performance objectives. OHCM trained the Agency's leaders, managers and supervisors

to improve the SBA's performance management system. During FY 2010, 16 GoalOwner training sessions were conducted for supervisors and employees and 2 training sessions were conducted for specific organizations in SBA.

- During FY 2010, SBA actively participated with the American Federation of Government Employees Union (AFGE) representatives in the spirit of cooperative and productive labor-management in support of the President's Executive Order (E.O.) No. 13522. Consistent with E.O. 13522, SBA submitted its Labor-Management Partnership Plan to the National Council on Federal Labor-Management Relations in March 2010. The Agency's commitment to cooperative labor-management relations was also supported by SBA's financial resources dedicated to ensure labor-management partnership meetings were realized. During the fiscal year, SBA and the AFGE collectively met at various offsite facilities to collaborate on labor-management matters. SBA and AFGE continue to pursue collaborative opportunities on pre-decisional conditions of employment and other permissive matters affecting all SBA employees. In accordance with the Order, a plan was developed and submitted to OPM outlining the process to be used to execute partnership within the SBA. To date, SBA and AFGE have held two partnership meetings.
- To further illustrate SBA's employees are actively engaged with reshaping SBA's culture to become an employer of choice, one SBA organization has developed and implemented a new and transparent methodology for recognizing excellent performance with bonuses. The result involved a broader distribution of smaller awards to more employees and engendered a sense of fairness in the process. As a result, the program office's favorable scores in the Federal Employee Viewpoint Survey in this area jumped over 20%.
- OHCM's Workforce Relations Division was actively engaged in resolving labor-management disputes in FY 2010, addressing grievances, unfair labor practices, and issuing union notices on issues ranging from employee reassignments to changes in conditions of employment.
- One excellent example of our culture of employee commitment was the Feds Feed Families campaign: SBA collected over 11,000 pounds of food. SBA was presented with an impressive trophy for this achievement when compared to other agencies of similar size. In addition, well over 70% of the Agency's employees participated in this year's Combined Federal Campaign. SBA continues to shine as a culture of support, whether it is for the small business owner or families in need.
- In briefing SBA program offices about their FEVS results, OHCM learned of opportunities for delivering in-house training on performance management. To date this fiscal year, approximately 50 managers have received this training.

Talent Management

- Throughout the fiscal year, SBA continued to implement activities to improve its "time to hire" goal to meet or exceed the 80-day target established by OPM. SBA achieved an

average “hiring time” of 98 days and continues to improve. Hiring mechanisms were improved with active use of USA Staffing, a web-based hiring system to maximize the size and quality of the candidate pool. SBA met its Time-to-Hire goal by revising operational processes and consulting with managers to use hiring flexibilities. Although OHCM, and specifically the Personnel Services Division, has experienced significant turnover, SBA remained diligent in recruiting and hiring skilled employees. In spite of limited resources, OHCM processed approximately 6000 personnel actions in addition to generating approximately 4000 payroll processing reports. OHCM announced over 500 positions, processed over 38,000 applications, and classified over 100 positions. In addition to these activities, OHCM met various reporting requirements, including Delegated Examining Unit reports, bi-weekly staffing reports, ARRA bi-weekly reports, and responding to FOIA and OIG requests.

- OHCM continues to actively participate in recruitment fairs and manage various special programs for recruitment (e.g., Student Temporary Employment Program, Presidential Management Fellows, and Presidential Appointments, Latinos for Hire Career Expo, Public Service Career Fair, American University Career Fair, and Annual Legislative Conference Diversity Career Fair.). Participation in these job fairs ensures that SBA attracts the necessary diversity of talent to maintain a high performing workforce.
- In support of recent hiring reform guidance, OHCM consulted with managers to increase their awareness of veterans’ employment opportunities. OHCM also developed and initiated action plans to meet OPM’s November 2010 hiring reform implementation date. OHCM produced several hiring reform action planning templates, as well as drafting a hiring reform guide for managers and supervisors.
- During FY 2010, SBA continued to fill the critical jobs needed to increase the Agency’s staffing capacity to execute SBA’s mission in support of the American Reinvestment and Recovery Act (ARRA). OHCM partnered and provided consultation service support to SBA’s managers needing to recruit ARRA employees to implement the Agency’s Stimulus Recovery Plan initiatives.
- SBA has made an effort to institutionalize continuous learning opportunities throughout the organization. For example, as mentioned above, Tuesdays of each week are designated as training days by the Office of Field Operations (OFO). OFO, which consists of approximately 900 employees (nearly half of all FTEs), offers conference calls and continuous learning events for OFO employees and other interested employees. These training opportunities are communicated via a daily agency-wide e-newsletter.
- Throughout SBA, organizations are taking proactive steps to successfully recruit high performers. For example, managers and supervisors in the Office of the Chief Financial Officer are actively engaged in recruitment for their program areas. This engagement is aligned with SBA’s goal of recruiting and hiring a skilled workforce, and demonstrates management’s commitment to building a high performing workforce.

- OHCM provided a range of employee relations consultative services to SBA employees in FY 2010. OHCM conducted over 3,000 consultations with employees regarding retirement planning, contract interpretation, hours of work, FLSA, overtime/compensatory time, performance management, conduct, leave abuse, and incentive awards. OHCM processed over 100 retirements (approximately 5% of all FTEs) in FY 2010, and employees were provided pre-retirement training, retirement estimates and counseling. OHCM processed over 900 requests for retirement estimates and counseling; and processed over 100 formal employee relations cases, including reasonable accommodation, FMLA, grievance responses, leave restriction letters, EEO document requests, disciplinary actions, adverse actions, requests for medical documentation, and return to duty cases.
- SBA's Category Rating SOP was signed for final implementation. Implementation of this SOP further enhances SBA's recruitment of highly qualified individuals and is aligned with the human capital goals of eliminating barriers and providing maximum flexibility in the hiring process to ensure quality applicants.
- A staff member recently completed the Georgetown certificate program in leadership coaching and is available to coach high performing leaders, and develop and deliver modules on coaching skills for managers. Program offices have begun to take advantage of this service.
- Personnel processing is taking advantage of the USA Staffing enhancements. Over 40 specific modifications and updates have been implemented. SBA was in the forefront of working with OPM on customized reporting under the new system.

Accountability

- Internal control is a process affected by management and other personnel, designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, compliance with applicable laws and regulations, and reliability of financial reporting. Utilizing OMB Circular A-123 as a framework, OHCM conducted an assessment of the effectiveness of the internal controls within the CHCO's responsibility. OHCM submitted the FY 2010 Annual Assertion of Internal Controls with no material weaknesses identified.
- Several human capital management policies have been developed or updated in FY 2010. This was driven by several factors which support our strategic human capital planning to eliminate human capital barriers and to sustain the Agency's internal controls. SBA continues to disseminate human capital information to employees and the human resources offices in various forms, e.g. informal presentations, workgroups, information notices, and standard operating procedures (SOP). Currently in the clearance process are policies covering hiring, student employment, Student Loan Repayment Program, telework, alternative work schedules, FLSA designations, military differential pay, FMLA, and exit clearance.

- OPM Human Capital Evaluation audit of Delegated Examining Unit and Human Resources Organizational Audit took place in winter 2011. The effectiveness of Human Capital programs was evaluated. These programs include hiring, training, leadership, and performance management. We expect to receive the report in June, and to review it and implement actionable recommendations promptly and proactively.

As demonstrated by this summary, SBA is not relaxing its efforts to improve the strategic management of human capital. Moving forward, SBA will continue to make every effort to keep up with competing priorities in human capital management, including but not limited to OPM audits, continued hiring reform activities, veterans outreach, work life initiatives, finalizing human capital management policies, and responding to other Executive Orders.