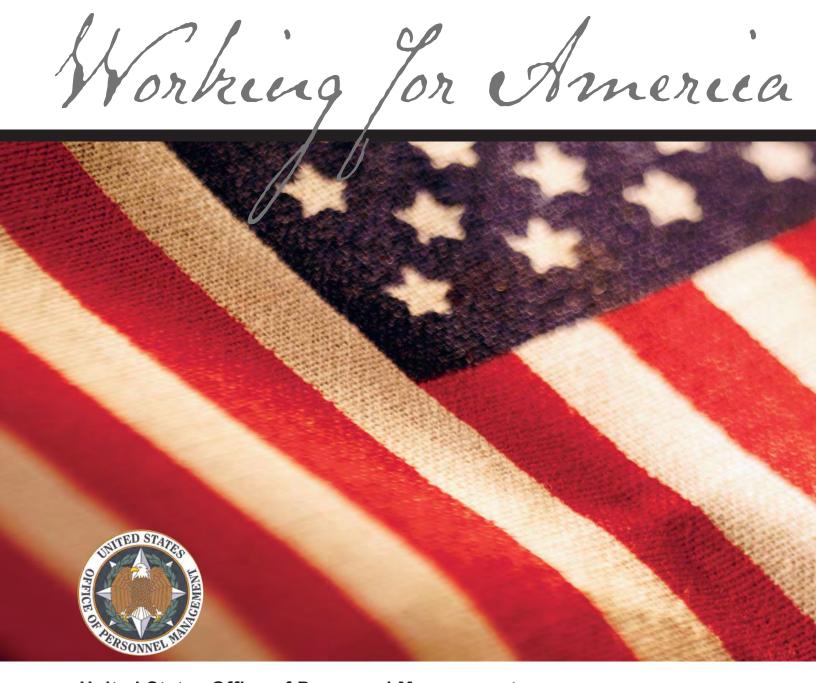
# Chief Human Capital Officers Council Fiscal Year 2003

**Annual Report to the Congress** 



United States Office of Personnel Management Kay Coles James, Director September 2004



"I hope you'll never take the honor of public service for granted. Some of us will serve in government for a season; others will spend an entire career here. But all of us should dedicate ourselves to great goals: We are not here to mark time, but to make progress, to achieve results, and to leave a record of excellence."

> - President George W. Bush October 15, 2001 Constitution Hall Washington, D.C.



"The work of the CHCO Council is going to play an invaluable role in our stepped-up drive for results. Our Federal work force is the driving engine on which all our efforts depend, and the Council will be an essential and influential catalyst in the development of policies and strategies that will shape the Federal Government's human resources management programs."

- OPM Director Kay Coles James CHCO Council Chairman June 11, 2003 The White House Washington, D.C.

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# A Message from OPM Director Kay Coles James, Chief Human Capital Officers Council Chairman

I am pleased to present to Congress the first annual report of the Chief Human Capital Officers (CHCO) Council, detailing activities during Fiscal Year (FY) 2003. By law, the Council was established on May 23, 2003, 180 days after the enactment date of its enabling legislation. To maintain a reporting structure that is parallel with the Fiscal Year, this report details activities during the first four months of the Council's existence, a formative period during which the body made a great deal of progress and developed proactive plans for future activities. A second report will be prepared shortly after the end of FY 2004.

This report was prepared in response to the statutory requirement that the CHCO Council submit annually to Congress a report on the activities of the Council. Section 1401 [note] of title 5, United States Code, establishes a Chief Human Capital Officers Council to advise and coordinate the activities of the agencies of its members on such matters as the modernization of human resources systems, improved quality of human resources information, and legislation affecting human resources operations and organizations.

Since its establishment, the CHCO Council has been actively engaged in assisting agencies in the implementation of the first Government-wide initiative of the President's Management Agenda: the Strategic Management of Human Capital. The Council, its initial subcommittees, and its members are driving this initiative on a daily basis across the Federal Government. As the Council reaches its first anniversary, I am confident that, through its activities, this important body of key policymakers is achieving the elevated profile for human resources issues that Congress and the President envisioned.

This report can be found on the OPM Web site at www.chcoc.opm.gov.

Kay Coles James Chairman

# **Executive Summary**

The Chief Human Capital Officers Act of 2002 (Act), enacted as part of the Homeland Security Act of 2002 on November 25, 2002, 1 required the heads of 24 Executive departments and agencies to appoint or designate Chief Human Capital Officers (CHCOs). The Act also established a Chief Human Capital Officers Council (Council) "to advise and coordinate the activities of members' agencies on such matters as the modernization of human resources systems, improved quality of human resources information, and legislation affecting human resources operations and organizations."

The 25-member Council is composed of the Director of the Office of Personnel Management

(OPM), who serves as chairman; the Deputy Director for Management of the Office of Management and Budget (OMB), who acts as vice chairman; the CHCOs of the 15 Executive departments; and the CHCOs of eight additional agencies designated by the OPM Director.

The Act's effective date, 180 days after enactment, was May 24, 2003.

On May 24, 2003, OPM Director Kay Coles James, Chairman of the CHCO Council, announced the CHCOs designated by the heads of the 24 Executive departments and agencies specified in the Act. Chairman James also announced the members of the CHCO Council. By statute, the Council is composed of the CHCOs of Executive departments and any other members designated by the OPM Director. Employing this authority, the Chairman designated the CHCOs of several large Executive agencies, as well as a representative group of smaller Executive agencies, as members of the Council.

Chairman James convened the Council for its inaugural meeting on Wednesday, June 11, 2003, in the Indian Treaty Room at the White House. At the meeting, the Council adopted its charter; OPM staff briefed members on the new Governmentwide direct hire and category rating authorities included in the *Homeland Security Act of 2002;* executive vice president for human resources of The Home Depot, Mr. Kevin Donovan, offered a private sector perspective on human capital management; and congressional staff read a letter from Senator George V. Voinovich, the CHCO Act's author.

The Council held its second meeting on July 23, 2003, at the Office of Personnel Management.

A strategic planning retreat originally scheduled for September 2003 was postponed due to Hurricane Isabel. The retreat took place on November 20-21, 2003, at OPM's Federal Executive Institute in Charlottesville, Virginia, and will be described in the Council's Annual Report to the Congress for Fiscal Year 2004.

Chairman James established an Executive Committee composed of nine CHCOs to help steer the Council. In 2004, the Committee is scheduled to meet on a monthly basis. In addition, the Chairman designated the following five initial subcommittees to examine key human resources issues: (1) The

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<sup>&</sup>lt;sup>1</sup> Pub. L. No. 107-296.

Hiring Process; (2) Leadership Development and Succession Planning; (3) Performance Management; (4) Employee Conduct and Poor Performers; and (5) Emergency Preparedness. Each subcommittee is chaired by a member of the Executive Committee.

At the Council's inaugural meeting, Chairman James announced the establishment of a CHCO Academy, a forum for Council members to discuss Federal human resources issues, learn from one another in an informal setting, and share best practices in the strategic management of human capital. The Academy meets monthly at OPM.

On November 18, 2003, Chairman James appointed Mr. Michael D. Dovilla the Council's first Executive Director to direct the daily operations of the Council, serve as an advisor to the Chairman and her principal liaison to Council members, and act as a catalyst for assuring rapid, effective, and comprehensive follow-through on Council initiatives.

To enhance communication among members and with external stakeholders, in the near future OPM will launch a Web site containing key information about the Council. Once active, the site will be accessible on the Internet at <a href="https://www.chcoc.opm.gov">www.chcoc.opm.gov</a>.

The Council held an offsite with representatives of Federal employee labor organizations to celebrate the first anniversary of the body's establishment. Additional information on this meeting will be provided in the Council's Annual Report to the Congress for Fiscal Year 2004.

# **Background**

The Chief Human Capital Officers Act of 2002 (Act), enacted as part of the Homeland Security Act of 2002 on November 25, 2002,<sup>2</sup> required the heads of 24 Executive departments and agencies to appoint or designate Chief Human Capital Officers (CHCOs). In addition, the Act established a Chief Human Capital Officers Council (Council) "to advise and coordinate the activities of members' agencies on such matters as the modernization of human resources systems, improved quality of human resources information, and legislation affecting human resources operations and organizations."<sup>3</sup>

The 25-member Council is composed of the Director of the Office of Personnel Management (OPM), who serves as chairman; the Deputy Director for Management of the Office of Management and Budget (0MB), who acts as vice chairman; the CHCOs of the 15 Executive departments; and the CHCOs of eight additional agencies designated by the OPM Director.

The Act's effective date, 180 days after enactment, was May 24, 2003.

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<sup>&</sup>lt;sup>2</sup> Pub. L. Ko. 107-296.

<sup>&</sup>lt;sup>3</sup> 5 USC 1401 note.

## **Council Activities**

# Designation of Chief Human Capital Officers and Establishment of the Council

On May 24, 2003, OPM Director Kay Coles James, Chairman of the CHCO Council, announced the CHCOs designated by the heads of the 24 Executive departments and agencies specified in the Act, as follows:

# Chief Human Capital Officers Inaugural Class May 24, 2003

Ruthie Jackson Department of Agriculture
Otto Wolf Department of Commerce
David Chu Department of Defense
William Leidinger Department of Education
Claudia Cross Department of Energy

Rosemary Taylor Department of Health and Human Services

Ronald James Department of Homeland Security

Vickers Meadows Department of Housing and Urban Development

Lynn Scarlett Department of the Interior
Joanne Simms Department of Justine
Patrick Pizzella Department of Labor
Ruth Davis Department of State

Michael Dannenhauer Department of Transportation
Rebecca Contreras Department of the Treasury
William Campbell Department of Veterans Affairs

Rose Marie Depp Agency of International Development
Morris Winn Environmental Protection Agency
Gail Lovelace General Services Administration

Vicki Novak National Aeronautics and Space Administration

Anthony Arnolie
Patricia Norry
Doris Hausser
Monika Harrison
Reginald Wells
National Science Foundation
Nuclear Regulatory Commission
Office of Personnel Management
Small Business Administration
Social Security Administration

The Act cited section 901(b) of title 31, United States Code, a provision of the *Chief Financial Officers Act of 1990*, as the basis for which agencies would have statutory CHCOs. Several agencies not enumerated in the Act embraced the spirit of the legislation, however, and designated CHCOs as well. These agencies include the Central Intelligence Agency (CIA), Federal Labor Relations Authority, and Peace Corps.

On the Act's effective date, Chairman James announced the members of the CHCO Council. By statute, the Council is composed of the CHCOs of Executive departments and any other members designated by the OPM Director. Employing this authority, the Chairman designated the CHCOs of several large Executive agencies, as well as a representative group of smaller Executive agencies, as members of the Council. Not all statutory CHCOs are members of the Council, while some non-statutory CHCOs are members. The Chairman sought to achieve a representative sample of small agencies on the Council. Accordingly, she selected for membership three of the six smallest agencies' statutory CHCOs. In addition, to highlight the necessity of excellent strategic human capital management in the Intelligence Community and the Federal Government's myriad small agencies, the Chairman designated as Council members the CIA CHCO and a representative of the Small Agency Council, the voluntary management association of approximately 80 sub-Cabinet, independent Federal agencies, each of which generally has fewer than 6,000 employees.

In summary, the Federal Government's CHCOs can be categorized as follows:

- CHCOs of the 15 Cabinet departments specifically enumerated in the Act, all of whom are on the Council;
- CHCOs of nine Executive agencies also listed in the statute, six of whom are on the Council;<sup>4</sup>
   and
- CHCOs of other Federal agencies that voluntarily have established these positions, two of whom are on the Council.<sup>5</sup>

Appendix 1 of this report contains a diagram that displays these categories.

# Meetings of the Council

#### June 2003

Chairman James convened the Council for its inaugural meeting on Wednesday, June 11, 2003, in the Indian Treaty Room of the Eisenhower Executive Office Building at the White House. The meeting provided new Council members a chance to introduce themselves and offer thoughts on actions that could be taken to meet current strategic human resources challenges. In calling the inaugural meeting to order, Chairman James described the Council as an additional body through which to drive the implementation of Federal personnel flexibilities within agencies. Citing the initiative and excellence of Federal managers and employees on and after the terrorist attacks of September 11, 2001, the Chairman stated that OPM will continue its commitment of supporting

<sup>&</sup>lt;sup>4</sup> Of these nine, EPA, GSA, NASA, NRC, OPM, and SSA have seats on the Council.

<sup>&</sup>lt;sup>5</sup> Of these agencies, the two represented on the Council are CIA and the Small Agency Council.

agency requests for assistance in seeking new flexibilities or further implementing existing authorities.

At the meeting, the Council adopted its charter; OPM staff briefed members on the new Government-wide direct hire and category rating authorities included in the *Homeland Security Act* of 2002; executive vice president for human resources of The Home Depot, Mr. Kevin Donovan, offered a private sector perspective on human capital management; and congressional staff read a congratulatory letter from Senator George V. Voinovich (R-Ohio), the CHCO Act's author.

# **July 2003**

The Council held its second meeting on July 23, 2003, at the Office of Personnel Management. At the meeting, the Chairman announced the Council's Executive Committee members; **OPM** staff briefed members on emergency communications, personnel background investigations (including the issues of bogus degrees and questionable resumes) and the Human Capital Performance Fund; and the Council discussed an initial strategic planning retreat as well as the appointment of a Technical Assistant for each CHCO to strengthen lines of communication between the Council, OPM, and agencies.

## September 2003

A strategic planning retreat originally scheduled for September 2003 was postponed due to Hurricane Isabel. The retreat took place on November 20-21, 2003, at OPM's Federal Executive Institute in Charlottesville, Virginia, and will be described in the Council's Annual Report to the Congress for Fiscal Year 2004.

# Establishment of Executive Committee and Initial Subcommittees

In July 2003, Chairman James established an Executive Committee composed of nine CHCOs to help steer the Council. In 2004, the Committee is scheduled to meet on a monthly basis. In addition, the Chairman designated the following five initial subcommittees to examine key human resources issues: (1) The Hiring Process; (2) Leadership Development and Succession Planning; (3) Performance Management; (4) Employee Conduct and Poor Performers; and (5) Emergency Preparedness. Each subcommittee is chaired by one member of the Executive Committee. The groups, which receive support from OPM and member agency staff, are meeting regularly and have been charged with driving their respective issues and making recommendations to the Council, via the Executive Committee, for regulatory or legislative changes.

## Establishment of Chief Human Capital Officers Academy

At the Council's inaugural meeting, Chairman James announced the establishment of a CHCO Academy, a forum for Council members to discuss Federal human resource issues, learn from one another in an informal setting, and share best practices in the strategic management of human capital. The topics of the first three monthly sessions of the Academy, which was launched in February 2004, are (l) current flexibilities under title 5, United States Code, (2) human resources competitive sourcing, and (3) continuing the dialogue on Federal pay reform. The Chairman has invited Council members to recommend issues for discussion at future Academy sessions.

# Appointment of Executive Director

On November 18, 2003, Chairman James appointed the Council's first Executive Director to direct the daily operations of the Council, serve as an advisor to the Chairman and her principal liaison lo Council members, and act as a catalyst for assuring rapid, effective, and comprehensive follow-through on Council initiatives. For this position, the Chairman selected Mr. Michael D. Davilla, a former professional staff member for Senator George V. Voinovich, chairman of the Senate Governmental Affairs Committee's Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia. During his time on Senator Voinovich's staff, Mr. Dovilla, a former Presidential Management Intern, assisted in drafting and guiding to passage by the Congress a package of Federal civil service reforms, including the provisions of the *Chief Human Capital Officers Act of 2002*.

#### Outreach to External Stakeholders

To enhance communication among members and with external stakeholders, OPM will launch in the near future a Web site containing key information about the Council. Once active, the site will be accessible on the Internet at <a href="https://www.chcoc.opm.gov">www.chcoc.opm.gov</a>.

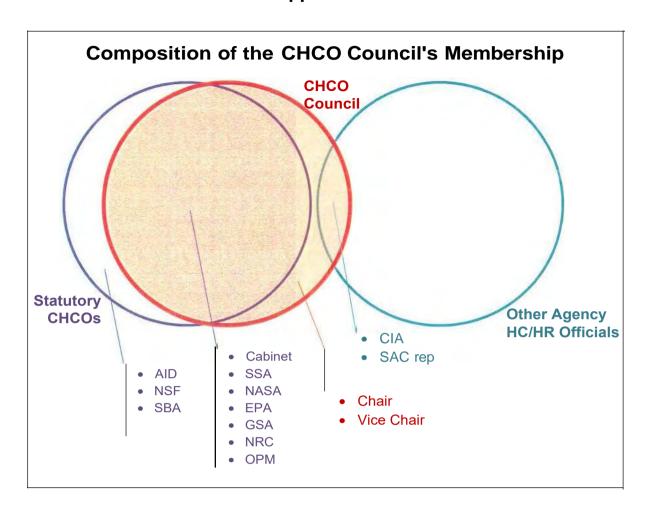
In addition, the Council held a major offsite to celebrate the first anniversary of the body's establishment. This meeting included representatives of Federal employee labor organizations, as required at one meeting per year by the Act. Additional information on this meeting will be provided in the Council's Annual Report to the Congress for Fiscal Year 2004.

### Conclusion

From the first day of its existence as one of the Federal Government's interagency management councils, the Chief Human Capital Officers Council began adding value to the public policy dialogue over the future of America's civil service. As the Council reaches its first anniversary, it already has assumed a prominent place among the interagency management councils that are helping to drive the initiatives of the President's Management Agenda.

The members of the CHCO Council take seriously their important, new responsibilities. With continued attention to the President's charge to achieve results, the American civil service will only grow stronger as it continues to provide the Nation with the critical services our citizens expect.

# Appendix 1



# Chief Human Capital Officers Council Members of the Council

September 2004

#### Ms. Kay Coles James, Chairman

Director

Office of Personnel Management

#### Mr. John Surina

Acting Assistant Secretary for Administration Department of Agriculture

#### Mr. Otto J. Wolff

Assistant Secretary for Administration Department of Commerce

#### Dr. David S. C. Chu

Under Secretary for Personnel and Readiness Department of Defense

#### Mr. William Leidinger

Assistant Secretary for Management Department of Education

#### Ms. Claudia Cross

Director of Human Resources Management

## Department of Energy

**Dr. Ed Sontag**Assistant Secretary for Administration and Management Department of Health and Human Services

#### Mr. Ronald James

Chief Human Capital Officer Department of Homeland Security

#### Ms. Vickers B. Meadows

Assistant Secretary for Administration Department of Housing and Urban Development

#### Ms. Lynn Scarlett

Assistant Secretary for Policy, Management and Budget Department of the Interior

#### Ms. Joanne W. Simms

Deputy Assistant Attorney General for Human Resources and Administration

Department of Justice

#### Mr. Patrick Pizzella

Assistant Secretary for Administration and Management Department of Labor

#### Amb. W. Robert Pearson

Director General of the Foreign Service and Director of Human Resources

Department of State

#### Mr. Clay Johnson, III, Vice Chairman

Deputy Director for Management Office of Management and Budget

#### Mr. Vincent T. Taylor

Assistant Secretary for Administration Department of Transportation

#### Ms. Rebecca Contreras

Deputy Assistant Secretary for Management Department of the Treasury

#### Mr. William H. Campbell

Assistant Secretary for Management Department of Veterans Affairs

#### Mr. Robert A. Rebelo

Chief Human Resources Officer Central Intelligence Agency

#### Mr. David J. O'Connor

Deputy Assistant Administrator for Administration and Resources Management Environmental Protection Agency

#### Ms. Gail Lovelace

Chief People Officer General Services Administration

#### Ms. Vicki A. Novak

Assistant Administrator for Human Resources National Aeronautics and Space Administration

#### Ms. Patricia G. Norry

Deputy Executive Director for Management Services Nuclear Regulatory Commission

#### Dr. Doris Hausser

Senior Policy Advisor 10 the Director and Chief Human Capital Officer Office of Personnel Management

## Dr. Reginald Wells

Deputy Commissioner, Human Resources Social Security Administration

#### Mr. John Seal

Chairman. Small Agency Council Chief Management and Human Capital Officer Pension Benefit Guaranty Corporation

# Charter

**United States Government** 

**Chief Human Capital Officers Council** 

Adopted:

June 11, 2003

The White House

#### Introduction

In his Management Agenda, the President has stated that the Federal Government's workforce is one of its most valuable assets. Our employees are a national resource, and the American public expects the Federal workforce to be managed effectively and efficiently on their behalf. The Congress, through law, also supports this goal and has required that agencies establish a system of human capital management with plans that are strategically developed, leadership that has authority and accountability, and performance that is measured and continuously improved.

Chief Human Capital Officers (CHCOs) are essential to the success of human capital management throughout the Federal Government. They are vested with stewardship responsibilities for Federal employees and agencies and also share a collective accountability with OPM for improving the strategic management of human capital throughout the executive branch. They exercise that accountability in part through the CHCO Council, as strategic partners with the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB).

# **Authority**

The CHCO Council (Council) is formally established by the Chief Human Capital Officers Act of 2002 (Act), which was enacted as part of the Homeland Security Act, Public Law 107-296, on November 25, 2002. The provisions are effective May 24, 2003.

# **Purposes**

The purposes of the Council are to:

- Advise OPM, OMB, and agency leaders on human capital strategies and policies, as well as on the assessment of human capital management in Federal agencies.
- Inform and coordinate the activities of its member agencies on such matters as modernization of human resources systems, improve quality of human resources information, and legislation affecting human resources management operations and organizations.
- Assist member CHCOs and other officials with similar responsibilities in fulfilling their individual responsibilities to:
  - (1) Implement the laws governing the Federal civil service, as well as the rules and regulations of the President, OPM, and other agencies with regulatory authority that affects Federal employees;
  - (2) In accordance with those laws and regulations, advise and assist agency heads and other senior officials in carrying out their responsibilities for selecting, developing, training, and managing a high-quality, productive workforce in accordance with merit system principles;
  - (3) Assess workforce characteristics and future needs and align the agency's human resources policies and programs with the agency's mission, strategic goals, and performance objectives;
  - (4) Advocate and assure a culture of continuous learning and high performance, developing and implementing effective strategies to attract, develop, manage, and retain employees with superior abilities;
  - (5) Identify human capital best practices and benchmarks, and apply those exemplars to their agencies and the Federal Government as a whole.
- Provide leadership in identifying and addressing the needs of the Federal Government's human capital community, including training and development.

# **Membership**

The Act establishes as permanent members of the Council:

- (1) the Director of OPM;
- (2) the Deputy Director for Management of OMB; and
- (3) the Chief Human Capital Officers of Executive departments.

The Act also provides that the Director of OPM may designate other members of the Council. Such additional members may include, but are not limited to:

- (1) the Chief Human Capital Officers of other Executive agencies; and
- (2) members who are designated on an *ex officio* basis and who may be invited to contribute to projects, as particular skills and expertise are needed.

The Act provides that the Director of OPM serves as Chairperson of the Council, and the Deputy Director for Management of OMB serves as Vice Chairperson.

## **Other Attendees**

As required by the Act, at least once a year, representatives of employee labor organizations will be invited to attend a Council meeting. At the discretion of the Chair, representatives of other organizations may be invited to attend Council meetings.

# Meetings

Meetings will be scheduled at the direction of the Chair. Attendance will generally be limited to principals and members, as described above, and to others who are specifically invited or approved by the Chair.

When votes are taken, each Council member (other than *ex officio* members) will have one vote. Members must be present to vote.

Invited guests who are not Federal employees may express their views, but will not participate in deliberations or decisions on policy matters, unless the meeting has been opened to the public in accordance with the Federal Advisory Committee Act (FACA). Note in this regard that FACA does not normally apply to Council meetings.

Minutes of meetings will be prepared by the Secretary/Treasurer, and copies will be provided to all members. The Secretary/Treasurer will maintain an official archive of all minutes and other official Council documents.

# **Committees**

The Chair may establish standing committees of the Council and appoint committee chairs and members. The Chair may also establish one or more *ad hoc* committees to deal with specific issues or initiatives.

# **Annual Report**

The Act requires that the Council submit each year to Congress a report on the activities of the Council.

# Members of the Executive Committee September 2004

# Ms. Kay Coles James Chairman

Director Office of Personnel Management

# Mr. Clay Johnson, III Vice Chairman

Deputy Director for Management Office of Management and Budget

#### Mr. Otto J. Wolff

Assistant Secretary for Administration
Department of Commerce

#### Dr. David S.C. Chu

Under Secretary for Personnel and Readiness
Department of Defense

## Mr. William Leidinger

Assistant Secretary for Management Department of Education

#### Mr. Ronald James

Chief Human Capital Officer Department of Homeland Security

## Ms. Vickers Meadows

Assistant Secretary for Administration
Depa1tment of Housing and Urban Development

#### Mr. Patrick Pizzella

Assistant Secretary for Administration and Management Department of Labor

# Ms. Gail Lovelace

Chief People Officer General Services Administration

# Initial Subcommittees September 2004

# **Subcommittee on the Hiring Process**

David Chu, Department of Defense, *Chairman*Ed Sontag, Department of Health and Human Services
William Campbell, Department of Veterans Affairs
Robert Rebelo, Central Intelligence Agency
David O'Connor, Environmental Protection Agency

# Subcommittee on Leadership Development and Succession Planning

William Leidinger, Department of Education, *Chairman*Claudia Cross, Department of Energy
W. Robert Pearson, Department of State
Rebecca Contreras, Department of the Treasury
Patricia Nony, Nuclear Regulatory Commission

# **Subcommittee on Performance Management**

Otto Wolff, Department of Commerce, Chairman
John Surina, Department of Agriculture
Lynn Scarlett, Department of the Interior
Doris Hausser, Office of Personnel Management
Reginald Wells, Social Security Administration
John Seal, Small Agency Council

# **Subcommittee on Employee Conduct and Poor Performers**

Patrick Pizzella, Department of Labor, *Chairman*Vickers Meadows, Department of Housing and Urban Development
Joanne Simms, Department of Justice
Vicki Novak, National Aeronautics and Space Administration

# **Subcommittee on Emergency Preparedness**

Gail Lovelace, General Services Administration, *Chairman*Ronald James, Department of Homeland Security
Vincent Taylor, Department of Transportation
John Seal, Small Agency Council

# CHCO Council Accomplishments Fiscal Year 2004

These items will be described comprehensively in the CHCO Council's Annual Report to the Congress for Fiscal Year 2004.

# **Council Activity**

- Chairman James convened a retreat of the full Council at OPM's Federal Executive Institute
  in Charlottesville, Virginia on November 20-21, 2003. All subcommittees presented initial
  findings on their issue areas, OPM staff provided briefings on several issues, including
  Executive branch detailees and security clearance adjudications, and CHCOs had the
  opportunity to become familiar with one another and meet the Council's first executive
  director.
- The Council held six meetings in Fiscal Year (FY) 2004, as follows:
  - o January 13, 2004
  - o February 10, 2004
  - o April 13, 2004
  - o May 25, 2004 (first anniversary joint meeting/training session, with Veterans Service Organizations at Walter Reed Army Medical Center in Washington, D.C.)
  - o July 13, 2004
  - September 9, 2004 (meeting held in conjunction with OPM's Federal Workforce Conference in Baltimore, Maryland)
- The Executive Committee held six meetings in Fiscal Year (FY) 2004, as follows:
  - o January 29, 2004
  - o February 26, 2004
  - o April 7, 2004
  - o May 19, 2004

- o July 29, 2004
- o September 30, 2004
- OPM staff began development of a CHCO Council Web site containing key information about the Council and designed to enhance communication among members and with extremal stakeholders. The site is set to be launched early in FY 2005.

# **Interaction with Congress**

- Chairman James testified before the House Subcommittee on Civil Service and Agency
  Organization of the Committee on Government Reform at a hearing titled, "First Year on the
  Job: Chief Human Capital Officers."
- Chairman James, agency CHCOs, and the executive director participated in interviews with the Government Accountability Office (GA0) in late 2003/ early 2004 for a report on the CHCO Council requested by the House Civil Service Subcommittee.

# **Involvement of CHCOs in Key Strategic Human Capital Management Issues**

- To showcase the Administration's efforts to reform the Federal hiring process, Chairman James accompanied several CHCOs to the last of eleven OPM "Working for America" recruitment fairs in New York City.
- To demonstrate the Administration's commitment to increasing the use of telework, Chairman James led CHCOs and human resources staff on a site visit of the Fairfax Telework Center on July 6, 2004.
- To engage CHCOs in discussion and decision-making, Chairman James included in full Council meetings a series of briefings and extensive dialogue on major policy issues such as the new Senior Executive Service pay for performance and agency certification regulations and the revamped Presidential Management Fellows Program.

# **Subcommittee Activity**

- All five subcommittees met regularly throughout FY 2004 to discuss and form a foundation of knowledge on their issue areas.
- Three of the five subcommittees issued initial reports, all of which were presented to the Executive Committee (EC) as follows:
  - o Leadership Development and Succession Planning
    - Report presented to EC: February 26, 2004
    - Revised report presented to EC: July 29, 2004

- Report presented to and approved by full Council: September 9, 2004
- Chairman James charged OPM staff to implement subcommittee recommendations as soon as possible
- o Employee Conduct and Poor Performers
  - Report submitted to Executive Director: February 18, 2004
  - Report presented to EC: February 26, 2004
  - Report scheduled to be presented to full Council: October 12, 2004
- o The Hiring Process
  - Report presented to Chairman James: April 14, 2004
  - Report presented to EC: July 29, 2004
  - Subcommittee currently revising report based on EC comments
- Two of the five subcommittees have met but have not issued reports on their findings and recommendations. They have, however, taken the following actions:
  - o Performance Management
    - Met at OPM on several occasions in 2004
    - Served as a review panel for options pursued in OPM's development of regulations to implement the new statutory Senior Executive Service performance-based compensation system
    - Received OPM briefings on new personnel systems being developed for the Departments of Homeland Security and Defense in order to gain a better understanding of options for performance-based compensation at other Federal agencies