

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

May 26, 2010

Via Electronic Transmission

The Honorable John Berry
Director
U.S. Office of Personnel Management
Theodore Roosevelt Federal Building
1900 E Street, NW
Washington, DC 20415

Dear Director Berry:

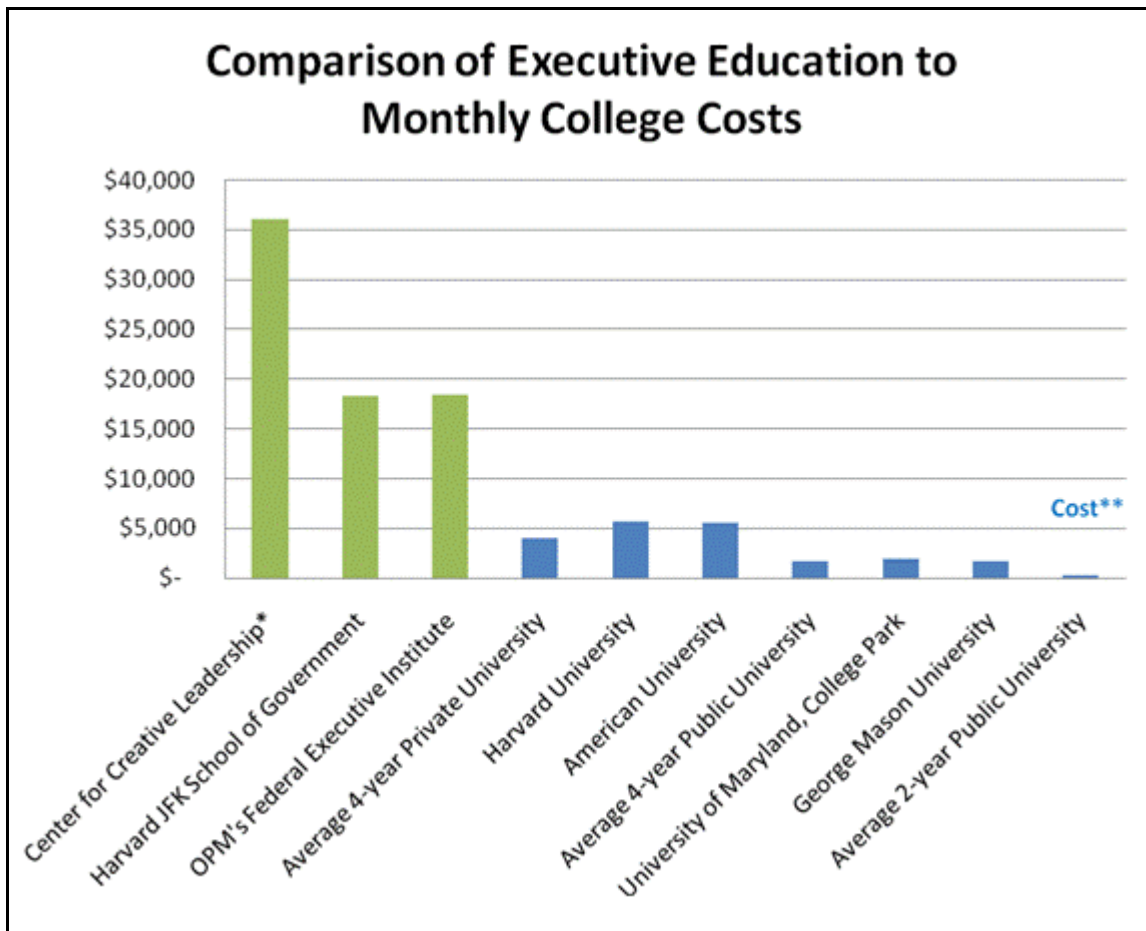
As a senior member of the United States Senate and as Ranking Member of the Committee on Finance (Committee), it is my duty under the Constitution to conduct oversight into the actions of the executive branch, including the activities of the U.S. Office of Personnel Management (OPM). A critical part of this responsibility is to ensure that scarce federal funds are being spent in an effective, efficient and economical manner and that OPM and other agencies manage taxpayer funds prudently.

Recently, I learned that numerous agencies of the federal government are expending large amounts of taxpayer funds on executive education. Although I am a strong proponent of maintaining a well-trained, highly competent federal workforce, I am alarmed by what appears to be the excessive costs related to these programs. For instance:

- OPM's own Federal Executive Institute charges agencies \$18,375 per employee to attend its four-week program, *Leadership for a Democratic Society* (http://ksgexecprogram.harvard.edu/Programs/By_Name.aspx);
- A recent graduate of Harvard Kennedy School's *Senior Executive Fellows* reported that the government paid \$17,500 plus travel for this four-week course, and that the tuition has just been raised to \$18,300 (<http://www.leadership.opm.gov/programs/Executive-Leadership-Development/LDS/Index.aspx>); and
- The Center for Creative Leadership charges between \$6,200 and \$10,600 for a **five-day** course, the longest course it offers (<http://www.ccl.org/leadership/programs/summaries.aspx>).

These courses are examples of training that is recognized in the federal community as meeting certain requirements to become certified by OPM as eligible to enter into the Senior Executive Service (SES). The SES was created in 1978, and was

designed to create a corps of executives, selected for their leadership qualifications. Generally, these individuals serve in key positions just below the top Presidential appointees and are often viewed upon as the major link between these appointees and the rest of the Federal workforce. So the importance of insuring that the SES corps is well-trained is not at issue. However, my questions relate to the cost of that training and whether or not more effective, efficient, and economical ways exist to train SES candidates. Let me elaborate with a chart that compares the costs of SES executive education to, for example, the tuition, fees, and room and board of private, and public universities.



*Since the longest course offered is one week, the mean cost (\$8400) was multiplied by 4.3

**From Collegeboard.com and CNNMoney.com, divided by 9 for monthly average

As you can see from the chart above, the costs of each of the two, four-week SES approved courses is more than 460 percent greater than the total tuition, fees, and room and board of the average four-year private university for one month, and exceeds the average four-year public university by over **1000 percent**.

In addition, research by my staff shows that OPM neither collects complete and reliable information on how many federal employees participate in these training activities, nor does it know how much this training costs the American taxpayer annually. In addition, OPM does not compare this training to other types of training that may be available on the open market at a cheaper price.

My staff also learned that OPM is in the process of staffing a new, centralized office to serve the SES program. Among other functions, this office is to provide recommendations on agencies' SES candidate development programs. Additionally, I learned that as part of the Enterprise Human Resources Integration (EHRI) initiative, OPM will, in the future, support human resources management across the Federal government at all levels, to include the collection of training data.

Therefore, in light of my above concerns and the recent changes at OPM, I respectfully request that you answer the following:

- 1) With the establishment of this new SES office, will OPM begin to track executive training, to include the total amount of federal funds expended on that training? If not, why not?
- 2) What is the status of EHRI? Please include an estimate of when it will be fully functional across all Executive Branch agencies with all data, including training data, available to OPM. In addition please note whether or not this information will be available publicly.
- 3) Has OPM evaluated the cost effectiveness of executive education and the potential to meet executive education requirements in a more economical manner? If not, does OPM have any plans to conduct such an evaluation? If not, why not?
- 4) What expectations and requirements does OPM place on executive branch agencies to assess the cost effectiveness of their executive education programs? If OPM does require such assessments, what oversight does OPM conduct to ensure that the assessments are being done and the results are being used?
- 5) In light of the fact that numerous universities offer online instruction, is OPM giving consideration to having any portion of SES training completed online?

In cooperating with the Committee's review, no documents, records, data or information related to these matters shall be destroyed, modified, removed or otherwise made inaccessible to the Committee.

I look forward to hearing from you by no later than June 16, 2010. All documents responsive to this request should be sent electronically in PDF format to Brian_Downey@finance-rep.senate.gov. If you have any questions, please do not hesitate to contact Christopher Armstrong or Brian Downey of my Committee staff at (202) 224-4515.

Sincerely,



Charles E. Grassley
Ranking Member