

January 2004

CENTERS FOR
DISEASE CONTROL
AND PREVENTION

Agency Leadership
Taking Steps to
Improve Management
and Planning, but
Challenges Remain



G A O

Accountability * Integrity * Reliability



Highlights of [GAO-04-219](#), a report to the Director of the Centers for Disease Control and Prevention

Why GAO Did This Study

The scope of work at the Centers for Disease Control and Prevention (CDC) has evolved since 1946 from a focus on communicable diseases, like malaria, to a wide and complex range of public health responsibilities. The agency's Office of the Director (OD) faces considerable management challenges to ensure that during public health crises the agency's nonemergency but important public health work continues apace. In 2002, the agency's OD began taking steps aimed at organizational change. GAO has observed elsewhere that major change management initiatives can take at least 5 to 7 years. In this report, GAO examined the extent to which organizational changes have helped balance OD's oversight of CDC's emergent and ongoing public health responsibilities. Specifically, GAO examined OD's (1) executive management structure, (2) approach to overseeing the agency's work, and (3) approach to setting the agency's priorities.

What GAO Recommends

GAO recommends that the CDC Director ensure OD's oversight of the centers' programmatic work at a level below the Director, improve OD's monitoring of the centers' operations and programmatic activities, and ensure that the agency's strategic and human capital planning are coordinated and done expeditiously. CDC responded with a series of actions to address these recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-04-219.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Marjorie E. Kanof at (202) 512-7101.

CENTERS FOR DISEASE CONTROL AND PREVENTION

Agency Leadership Taking Steps to Improve Management and Planning, but Challenges Remain

What GAO Found

The management team in CDC's top office—OD—is undergoing a structural change designed to provide a new approach to managing the agency's public health work. Through this effort, CDC has taken steps that have merit. For example, OD established a Chief Operating Officer position with clear oversight authority for the agency's operations units, such as financial management and information technology. However, a significant oversight weakness remains: there is no position or combination of positions on OD's management team below the Director's level to oversee the programs and activities of 11 centers that perform the bulk of the agency's public health work. Only CDC's Director has line authority for the centers, and the extraordinary demands on the Director's time associated with public health emergencies and other external events make the practicality of this oversight arrangement uncertain. Another of OD's structural initiatives was to align OD management team positions with broad mission "themes," or goals, that cut across the centers' institutional boundaries. The intent was to foster among the 11 independent centers a more integrated approach to performing the agency's mission. This purpose may be difficult to realize, however, as connections between certain themes and associated OD positions are not sufficiently clear.

OD has made improvements in its ability to oversee the agency's response to public health emergencies—including the creation of an emergency preparedness and response office and the development of an emergency communication system—but concerns remain about OD's oversight of nonemergency public health work. OD's efforts to monitor the activities of the centers are not sufficiently systematic. For example, few formal systems are in place to track the status of centers' operations and programmatic activities. Although OD has a process for center officials to elevate important issues of concern, the information flow under this process is largely center-driven, as the subjects discussed are typically raised at the discretion of the center officials. Similarly, OD's efforts to foster coordination among the centers fall short of institutionalizing collaboration as standard agency practice.

The planning tools that OD needs to set agency priorities and address human capital challenges are under development. In recent years, OD has operated without an up-to-date agencywide planning strategy with which to set mission priorities and unify the work of CDC's various centers. In June 2003, OD initiated an agencywide strategic planning process. In a separate planning effort initiated in April 2003, CDC began working on a human capital plan for meeting the agency's current and future staffing needs. This effort has been suspended while the strategic planning process gets under way, and no time frames have been established for resuming its development. At the same time, agency attrition and future limits on workforce growth suggest that agency leadership may be needed to ensure that workforce planning occurs expeditiously.

Contents

Letter		1
	Results in Brief	3
	Background	5
	Despite the Merit of Some Changes, CDC's Executive Structure Is Not Well Aligned to Oversee Centers' Programmatic Work	10
	OD Has Improved Oversight of Public Health Emergencies, but Concerns Remain about Oversight of Ongoing Agency Activities	18
	Planning Tools That OD Needs to Manage Agency Priorities and Human Capital Challenges Are Not Yet Operational	23
	Conclusions	28
	Recommendations for Executive Action	29
	Agency Comments	30
Appendix I	Scope and Methodology	32
Appendix II	Comments from the Centers for Disease Control and Prevention	35
Table		
	Table 1: OD's Organizational Themes and Corresponding OD Management Positions	17
Figures		
	Figure 1: CDC's Funding and FTE Growth from Fiscal Years 1946 to 2003	6
	Figure 2: Principal Locations of CDC Employees within the United States	8
	Figure 3: CDC Organization Chart as of November 1, 2003	9
	Figure 4: OD Management Team Below the Director as of November 1, 2003	12
	Figure 5: Senior Officials Reporting to CDC's Director as of November 1, 2003	15
	Figure 6: Timeline of High-Profile Public Health Events and Emergencies Requiring CDC Response	16

Abbreviations

ATSDR	Agency for Toxic Substances and Disease Registry
CDC	Centers for Disease Control and Prevention
COO	Chief Operating Officer
FTE	full-time equivalent
GPRA	Government Performance and Results Act of 1993
HHS	Department of Health and Human Services
NCEH	National Center for Environmental Health
OD	Office of the Director
OTPER	Office of Terrorism Preparedness and Emergency Response
SARS	severe acute respiratory syndrome

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



G A O

Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

January 30, 2004

The Honorable Julie L. Gerberding, MD, MPH
Director, Centers for Disease Control and Prevention

Dear Dr. Gerberding:

As the national focal point for conducting disease prevention and control efforts, the Centers for Disease Control and Prevention (CDC) is widely recognized for its work in investigating disease outbreaks as well as its health promotion programs. Since it was established in 1946, CDC's scope of work has evolved from a narrow focus on malaria control and other communicable diseases to a wide and complex range of public health responsibilities. Today, CDC's mission is "to promote health and quality of life by preventing and controlling disease, injury, and disability." Establishing and maintaining balance within this broad mission is an ongoing challenge for agency management. CDC, an agency in the Department of Health and Human Services (HHS), has the lead federal role in responding to infectious disease outbreaks, such as severe acute respiratory syndrome (SARS), monkeypox, and the West Nile virus. The agency is also responsible for addressing nonemergency public health concerns, such as chronic diseases (including heart disease, cancer, and diabetes), childhood immunizations, and environmental and occupational health matters.

CDC's agency management responsibilities are considerable. In fiscal year 2003, CDC managed a budget of almost \$7 billion and its full-time equivalent (FTE) staff numbered more than 8,800. Most of the agency's staff are distributed across 11 centers, which are located at multiple sites.¹ The centers are responsible for working with the agency's external partners—which include state, local, and international public health agencies, among others—to carry out a range of public health activities. In addition, CDC's Director serves as the administrator of HHS's Agency for Toxic Substances and Disease Registry (ATSDR), which focuses on environmental health-related issues. CDC's top office, the Office of the Director (OD), has overall management responsibility for CDC and ATSDR.

¹"Centers" refers collectively to the agency's centers, institute, and program offices.

Over the past few years, concerns have surfaced about aspects of the agency's management, beginning with weaknesses identified in the financial management area. A 1999 study by the HHS's Office of Inspector General stated that one of CDC's centers failed to report the redirection of some of its funds—a problem that highlighted shortcomings in top management's knowledge about center operations.² In 2000, we reported that CDC's financial management capabilities had not kept pace with the agency's expanded mission and increased funding and that financial management was not a high priority relative to the agency's other functions.³ That same year, after the public health community's response to the first outbreak of the West Nile virus, we reported that public health preparedness could be improved, in part, through better communication among public health agencies, including CDC.⁴ During the 2001 anthrax incidents, the agency garnered criticism for its slow release of important information. In 2002, we subsequently reported internal management control weaknesses with CDC's oversight of the Select Agent Program, which is responsible for regulating the transfer of certain biological agents and toxins—such as anthrax—to appropriate laboratories.⁵

In the wake of the anthrax incidents and SARS outbreak, CDC has emerged as a key player in preparing the nation for public health emergencies. In 2002, the agency's OD spearheaded a number of initiatives aimed at organizational change. Such change is necessarily a long-term undertaking, requiring leadership and commitment. Experience shows that successful major change management initiatives in large private and public sector organizations can often take at least 5 to 7 years. This length of time and the frequent turnover of political leadership in the federal government have often made it difficult to obtain the sustained and

²U.S. Department of Health and Human Services, Office of Inspector General, *Audit of Costs Charged to the Chronic Fatigue Syndrome Program at the Centers for Disease Control and Prevention*, A-04-98-04226 (Washington, D.C.: May 10, 1999).

³U.S. General Accounting Office, *Centers for Disease Control and Prevention: Independent Accountants Identify Financial Management Weaknesses*, [GAO-01-40](#) (Washington, D.C.: Nov. 15, 2000).

⁴U.S. General Accounting Office, *West Nile Virus Outbreak: Lessons for Public Health Preparedness*, [GAO/HEHS-00-180](#) (Washington, D.C.: Sept. 11, 2000).

⁵U.S. General Accounting Office, *Homeland Security: CDC's Oversight of the Select Agent Program*, [GAO-03-315R](#) (Washington, D.C.: Nov. 22, 2002).

inspired attention to make needed changes.⁶ At this time, OD's structural and management changes are relatively new. This report examines the extent to which these changes have helped balance OD's oversight of the agency's emergent and ongoing public health responsibilities. Specifically, it examines OD's (1) executive management structure, (2) approach to overseeing the agency's work, and (3) approach to setting the agency's priorities.

In performing our review, we interviewed CDC senior executives within OD. We also met with senior managers responsible for agency operations and selected senior managers in six of the agency's centers and ATSDR. We analyzed pertinent agency documents and interviewed officials at state and local health departments, health-care-related associations, nonprofit organizations, private industry, and schools of public health. We performed our work from June 2002 through January 2004 in accordance with generally accepted government auditing standards. (See app. I for further detail.)

Results in Brief

The management team in CDC's top office—OD—is undergoing a structural change designed to provide a new approach to managing the agency's public health work. Through this effort, CDC has taken steps that have merit. For example, OD established a Chief Operating Officer (COO) position with clear oversight authority for the agency's operations units, such as financial management and information technology. However, a significant oversight weakness remains: no similar position or combination of positions on OD's management team below the Director's level has been established to oversee the programs and activities of the centers, which perform the bulk of the agency's public health work. Only CDC's Director has line authority for the centers, and the extraordinary demands on the Director's time associated with public health emergencies and other external events make the practicality of this oversight arrangement uncertain. Another of OD's structural initiatives was to align OD management team positions with five broad mission "themes," or goals, that cut across the institutional boundaries of the centers. The intent was to foster among CDC's 11 independent centers a more integrated approach to performing the agency's mission. This purpose may

⁶U.S. General Accounting Office, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, GAO-03-669 (Washington, D.C.: July 2, 2003).

be difficult to realize, however, as connections between certain themes and associated OD positions are not sufficiently clear.

OD has made significant improvements in directing the agency's response to public health emergencies, but concerns remain about OD's oversight of nonemergency public health work. An emergency preparedness and response office was created in OD that, during the SARS outbreak, successfully coordinated the response efforts of CDC's various centers and OD staff offices. OD's communications office also developed an emergency communication system that facilitates coordination among specialists agencywide so that they can act in concert during public health emergencies. However, OD continues to face challenges in monitoring the agency's ongoing programmatic activities. Historically, OD has operated in an environment in which—outside of routine management meetings—its communication with center management officials was largely informal and relied substantially on personal relationships. Currently, OD's efforts to monitor the centers are still not sufficiently systematic. For example, few formal systems are in place to track the status of centers' activities and develop strategies to mitigate adverse consequences in the event that some activities fall behind schedule. Although OD has a process for center officials to elevate important issues, the information flow under this process is largely center-driven, as the subjects discussed are typically raised at the discretion of the center officials. OD has not established its own criteria specifying the type of matters warranting management input or the time frames for reporting such matters. Similarly, OD's efforts to foster coordination among the centers as a standard agency practice for nonemergency public health work fall short of institutionalizing such collaboration.

The planning tools that OD needs to set agency priorities, including addressing human capital challenges, are under development. In recent years, OD has operated without an up-to-date agencywide planning strategy with which to set mission priorities and unify the work of CDC's various centers. In June 2003, OD initiated an agencywide strategic planning process. In a separate planning effort initiated in April 2003, CDC began developing a human capital plan for meeting the agency's current and future staffing needs. This effort has been suspended while the strategic planning process gets under way, and no time frames have been established for resuming its development. At the same time, agency attrition and future limits on workforce growth suggest that agency leadership may be needed to ensure that workforce planning occurs expeditiously.

In light of OD's management challenges, we are making several recommendations to the CDC Director. These include ensuring OD's oversight of the centers' programmatic work at a level below the Director, improving OD's monitoring of the centers' operations and programmatic activities, and ensuring that the agency's strategic and human capital planning are coordinated and done expeditiously. In commenting on a draft of this report, CDC listed a series of actions it would take for each recommendation, such as evaluating OD's oversight structure, instituting formal reporting requirements and tracking systems, and linking human capital planning and deployment with the agency's strategic plan.

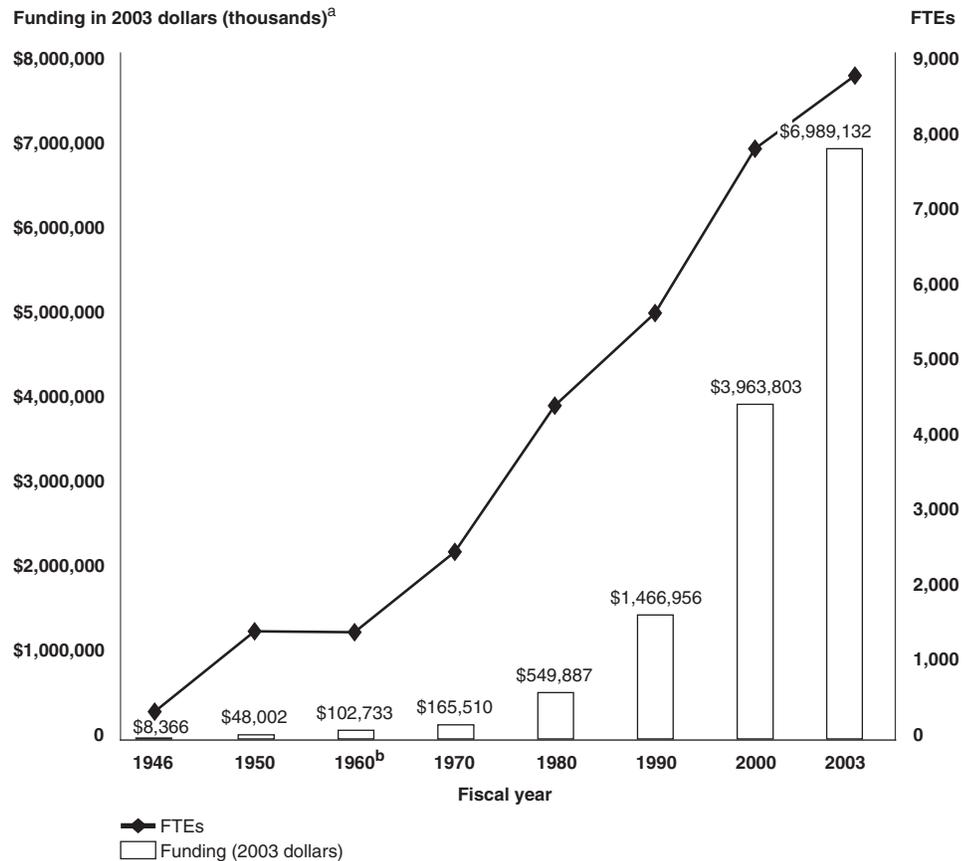
Background

CDC is one of the major operating components of HHS, which acts as the federal government's principal agency for protecting the health of all Americans.⁷ CDC serves as the national focal point for developing and applying disease prevention and control, environmental health, and health promotion and education activities designed to improve the health of Americans. CDC is also responsible for leading national efforts to detect, respond to, and prevent illnesses and injuries that result from the release of biological, chemical, or radiological agents.

CDC was originally established in 1946 as the Communicable Disease Center with the mission to help state and local health officials in the fight against malaria, typhus, and other communicable diseases. Over the years, CDC's mission and scope of work have continued to expand in concert with public health needs. Commensurate with its increased scope of work, CDC's budget and staff have grown. In 1946, the agency had a budget of about \$1 million and had over 360 FTEs. In fiscal year 2003, CDC managed a budget of almost \$7 billion and had over 8,800 FTEs. (See fig. 1.)

⁷In addition to CDC, there are seven Public Health Service Operating Divisions within HHS: Agency for Healthcare Research and Quality, Agency for Toxic Substances and Disease Registry, Food and Drug Administration, Health Resources and Services Administration, Indian Health Service, National Institutes of Health, and Substance Abuse and Mental Health Services Administration.

Figure 1: CDC's Funding and FTE Growth from Fiscal Years 1946 to 2003



Source: CDC.

Note: GAO analysis of CDC data.

^aWe adjusted each of the budget numbers using a chain-type Gross Domestic Product Price Index and an estimate for 2003 provided by the Congressional Budget Office because fiscal year 2003 had not ended at the time these calculations were made.

^bFTE data are for 1961.

To achieve its mission, CDC relies on an array of external partners, including public health associations, state and local public health agencies, schools and universities, nonprofit and volunteer organizations, international health organizations, and others. CDC collaborates with these partners to monitor the public's health, detect and investigate disease outbreaks, conduct research to enhance prevention, develop and advocate public health policies, implement prevention strategies, promote healthy behaviors, foster safe and healthful environments, and provide

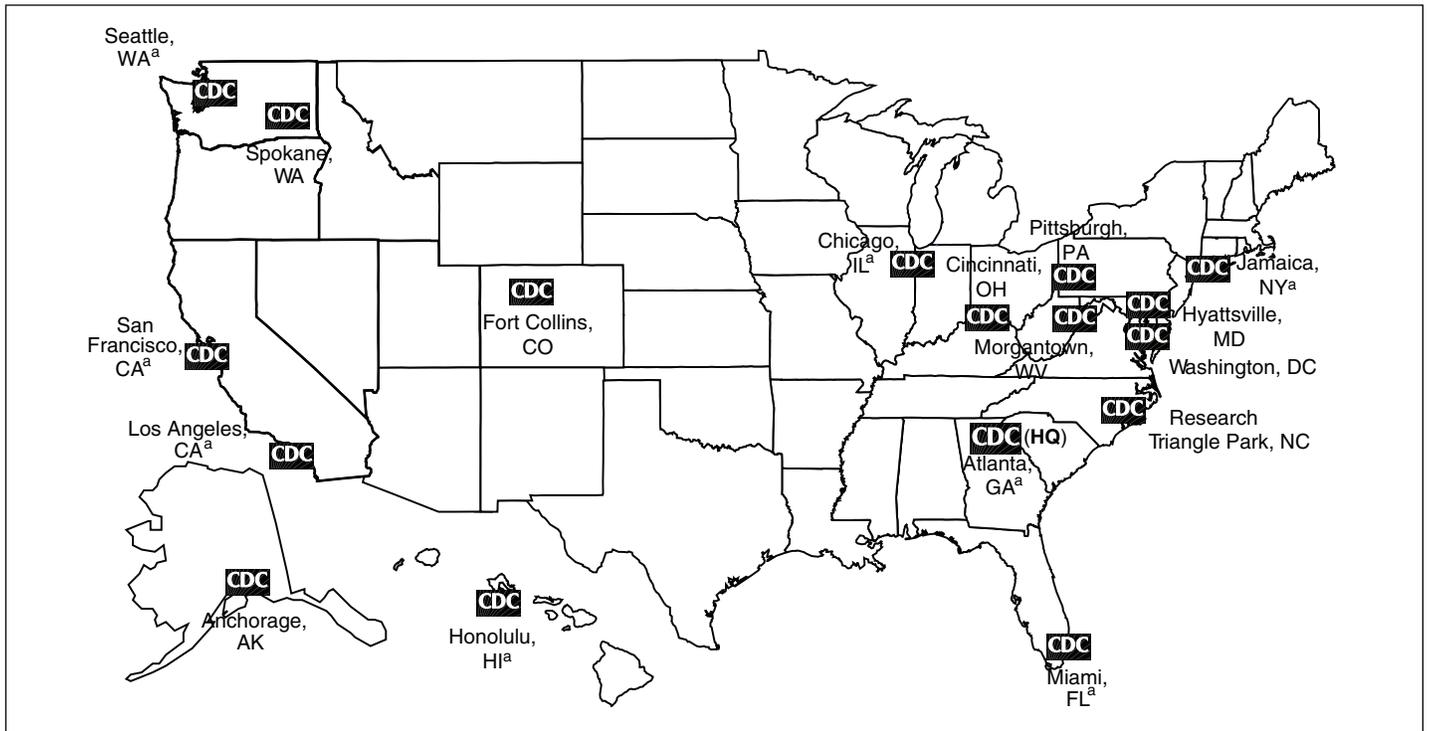
training. CDC provides varying levels of support to its partners through funding, technical assistance, information sharing, and personnel. In fiscal year 2002, CDC awarded 69 percent of its total budget to partners through financial assistance, such as cooperative agreements and grants.⁸ The majority of these funds—about 75 percent—were disbursed to state health departments. The remaining 25 percent of these funds were disbursed to various other public and private entities.

CDC's workforce consists of 170 job occupations including physicians, statisticians, epidemiologists, laboratory experts, behavioral scientists, and health communicators. Seventy-eight percent of CDC's workforce consists of permanent civil service staff. U.S. Public Health Service Commissioned Corps employees account for 10 percent of the workforce, and temporary employees make up the remaining 12 percent.⁹ Most of CDC's staff are dispersed across over 30 locations in Atlanta, Georgia. CDC also has more than 2,000 employees at other locations in the United States. (See fig. 2.) Additional CDC staff are deployed to more than 37 foreign countries, assigned to 47 state health departments, and dispersed to numerous local health agencies on both short- and long-term assignments.

⁸A cooperative agreement is a financial assistance instrument for which the recipient receives money as well as programmatic collaboration in carrying out the contemplated project or activity.

⁹The U.S. Public Health Service Commissioned Corps is one of the seven Uniformed Services of the United States.

Figure 2: Principal Locations of CDC Employees within the United States

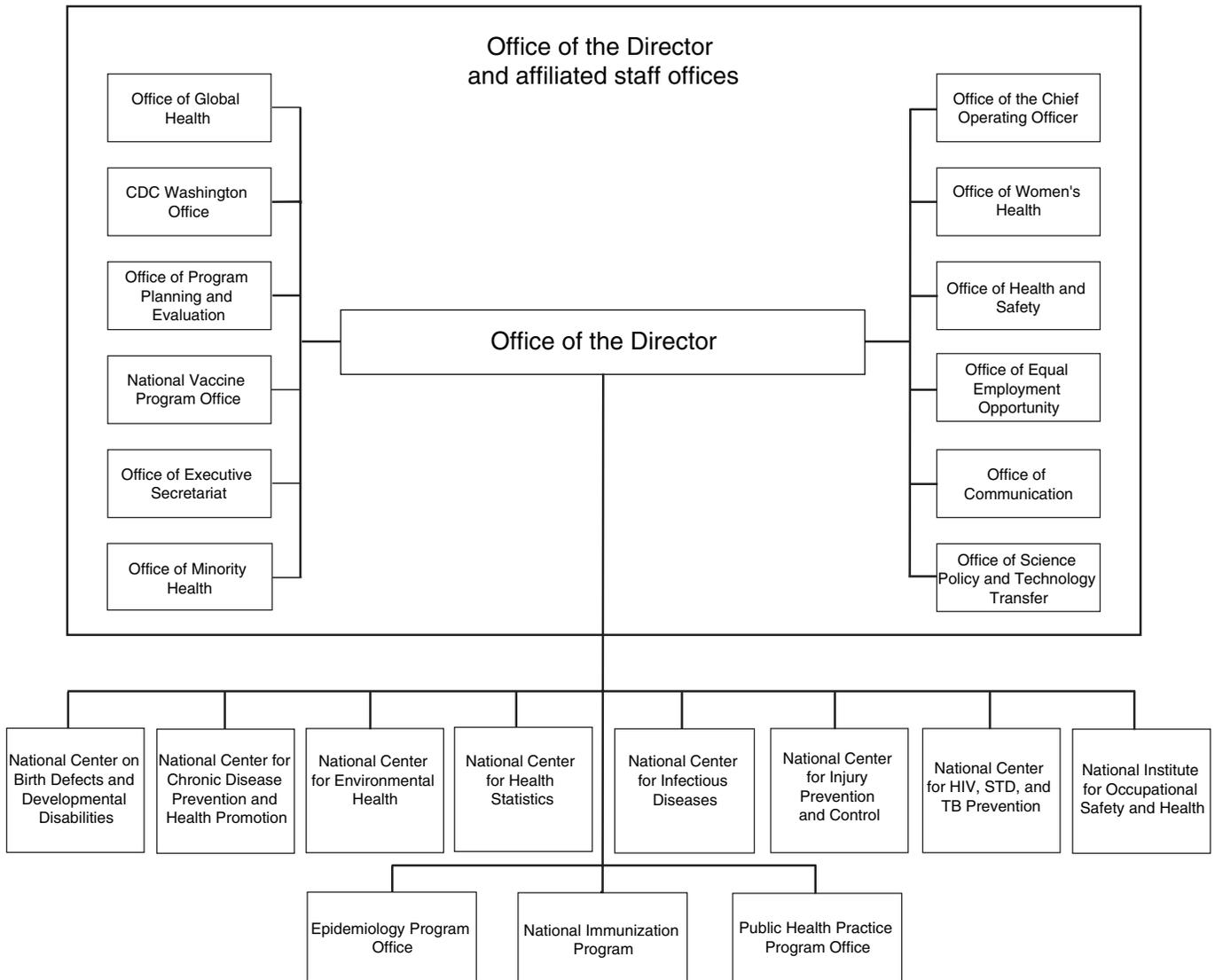


Source: CDC.

^aThese CDC facilities are quarantine stations located at major international airports. CDC staff at these locations make and enforce regulations necessary to prevent the introduction, transmission, or spread of communicable diseases from foreign countries into the United States. There is also a quarantine station located at the international airport in Atlanta, the city where CDC is headquartered.

CDC's organization consists of OD and 11 centers. OD consists of the CDC Director's office and 12 separate staff offices. (See fig. 3.) OD manages and directs the agency's activities; provides overall direction to, and coordination of, its scientific and medical programs; and provides leadership, coordination, and assessment of administrative management activities. The individual OD staff offices are responsible for managing crosscutting scientific functions, such as global health and minority health, as well as support functions, including financial management, grants management, human capital, and information technology.

Figure 3: CDC Organization Chart as of November 1, 2003



Source: CDC.

Each of CDC's centers interacts with the agency's external partners by providing various means of assistance, such as funding and training. Each center has an organizational structure that includes a director's office, programmatic divisions, and branches, in most cases. The centers also have their own budgets, which they administer. Eight of the centers have

their own mission statements, and several have developed their own strategic plans.

CDC also performs many of the administrative functions for ATSDR. The Director of CDC serves as the Administrator of ATSDR, which was established within the Public Health Service by the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.¹⁰ ATSDR works to prevent exposures to hazardous wastes and environmental spills of hazardous substances. Headquartered in Atlanta, the agency has 10 regional offices and an office in Washington, D.C. It also has a multidisciplinary staff of about 400 employees. For many years, ATSDR has worked closely with CDC's National Center for Environmental Health (NCEH), which is responsible for providing national leadership in preventing and controlling disease associated with environmental causes. To foster greater efficiency, NCEH and ATSDR signed a statement of intent in January 2003 to consolidate their administrative and management functions for financial savings. In August 2003, CDC's OD announced HHS's approval for a single director to lead both ATSDR and NCEH. Final approval of this consolidation effort was completed on December 16, 2003.

Despite the Merit of Some Changes, CDC's Executive Structure Is Not Well Aligned to Oversee Centers' Programmatic Work

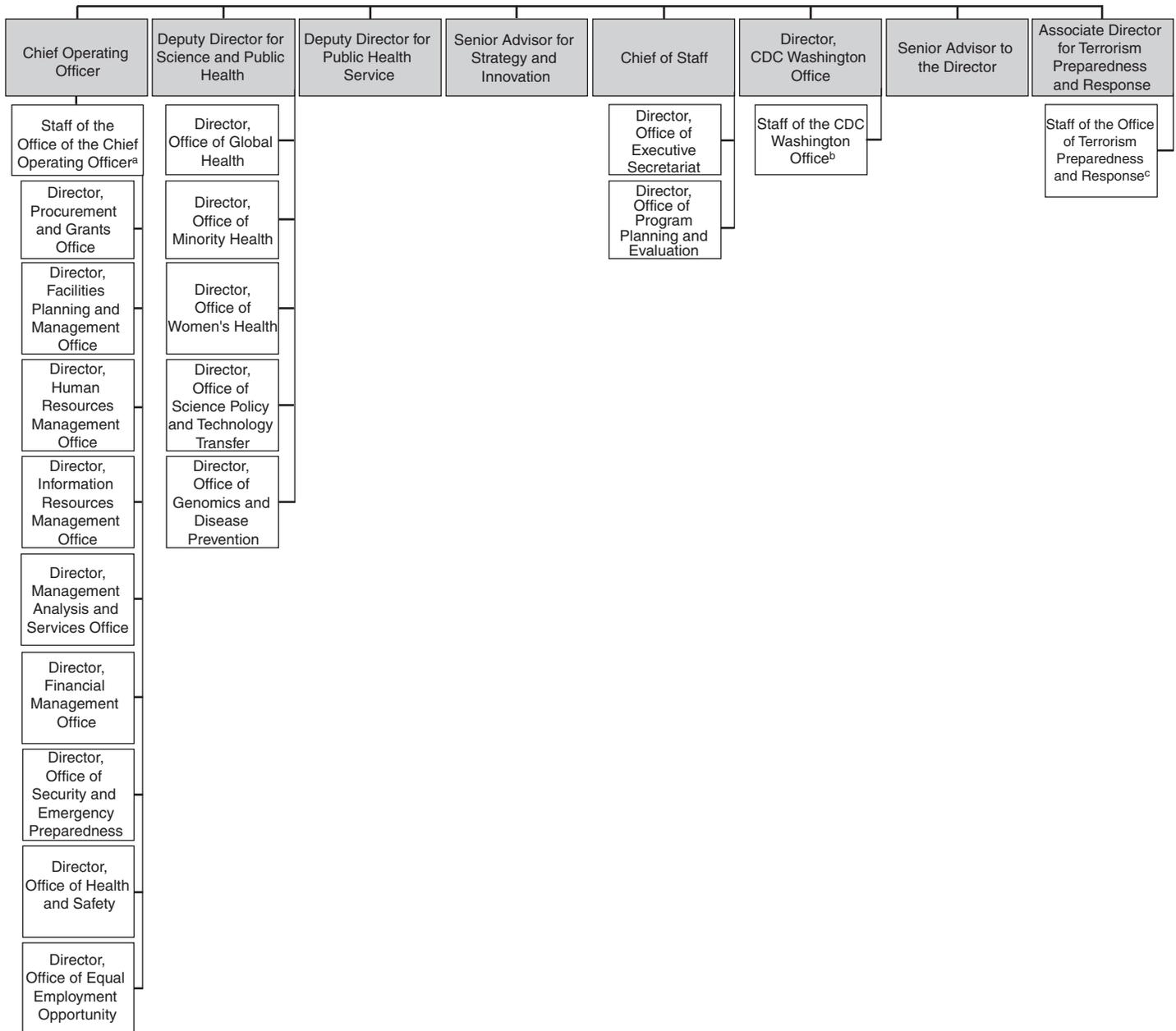
The restructuring of the executive management team in CDC's top office, despite certain merits, has shortcomings with respect to agency oversight. A positive OD change made in 2003 was the assignment of an OD official other than the agency's Director to provide oversight authority for the agency's operations units, such as financial management and information technology. However, no OD official, other than the Director, has explicit responsibility for overseeing the centers' programmatic work. Another positive change made in 2003 was to align OD management team positions with broad agency mission themes that cut across individual programs and organizational units. However, despite the intention for the themes to foster collaboration among CDC's 11 centers and with its external partners, clear connections between the management team's deputy positions, the mission themes, and agency mission activities have not been made.

¹⁰Pub. L. No. 96-510, 94 Stat. 2767, 2778. (This act established the Superfund program to clean up highly contaminated hazardous waste sites.)

**OD's Structure for
Overseeing Centers'
Programmatic Work Raises
Concerns**

In January 2003, as part of the agency's transformation efforts, CDC's Director announced an OD management team consisting of five senior officials, including a COO, two deputies, a senior advisor, and a Chief of Staff. A beneficial change in OD's structure was the creation of a COO with clear oversight authority over the agency's operations units, positioning OD to oversee these areas appropriately. However, no similar position or combination of positions has been established in OD to oversee the programs and activities of the centers, as no one below the Director on OD's management team has direct line authority for the centers' programmatic work. This also holds true for the three officials added to the OD management team as of fall 2003—the Director of the CDC Washington Office, the Senior Advisor to the Director, and the Associate Director for Terrorism Preparedness and Response. (See fig. 4.)

Figure 4: OD Management Team Below the Director as of November 1, 2003



Source: CDC.

Note: GAO analysis of CDC data.

^aStaff reporting to the COO, who heads the office, include the Deputy COO, the Chief Information Officer, and the Chief Financial Officer.

^bStaff reporting to the Director of the CDC Washington Office include a deputy director.

^cStaff reporting to the Associate Director for Terrorism Preparedness and Response include two deputy directors and an associate director.

A look at the roles of OD's management team highlights a structural weakness in oversight authority for the centers' programmatic work.

- *COO*. This official has oversight responsibility for the agency's core business operations, including financial management, procurement and grants, human resources, and information technology, among others. CDC's COO is consistent with a commonly agreed-upon governance principle that "a single point" within an agency should have the responsibility and authority for the agency's management functions.¹¹ It also parallels the experience of successful organizations that place this type of management position among the agency's top leadership.¹²
- *Deputy Director for Science and Public Health and Deputy Director for Public Health Service*. These officials function largely as technical advisors, working with the centers on various issues but having no oversight responsibility for them. Five OD offices report directly to the Deputy Director for Science and Public Health. No offices report directly to the Deputy Director for Public Health Service.
- *The Senior Advisor for Strategy and Innovation*. This advisor is responsible for the agency's strategic planning efforts and, apart from the official's own office staff, has no direct reports.
- *Chief of Staff*. The Chief of Staff serves as a principal advisor and assistant to the Director and is responsible for OD's day-to-day management. This responsibility includes routing to the appropriate OD or center official the agency's incoming inquiries or requests from the Congress, the administration, and the public health community. Two OD offices report directly to the Chief of Staff—the Office of the Executive Secretariat¹³ and the Office of Program Planning and Evaluation.¹⁴

¹¹U.S. General Accounting Office, *Highlights of a GAO Roundtable: The Chief Operating Officer Concept: A Potential Strategy to Address Federal Governance Challenges*, [GAO-03-192SP](#) (Washington, D.C.: Oct. 4, 2002).

¹²U.S. General Accounting Office, *Results-Oriented Government: Shaping the Government to Meet 21st Century Challenges*, [GAO-03-1168T](#) (Washington, D.C.: Sept. 17, 2003).

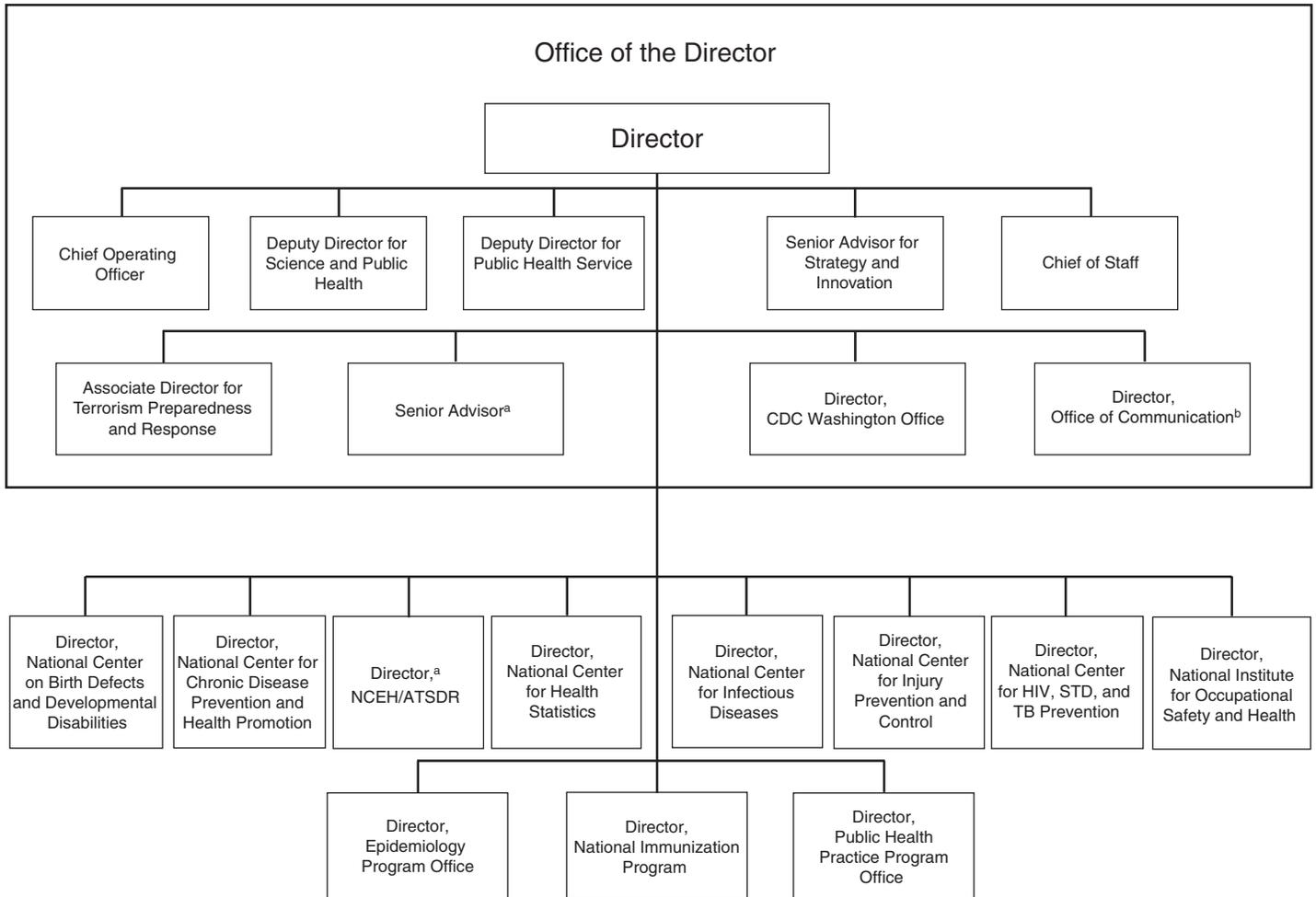
¹³This office serves as the focal point for review and clearance of documents that require the signature of the Director and documents that require the signature of department officials.

¹⁴This office performs numerous functions, including producing the agency's annual performance reports.

-
- *Director, CDC Washington Office.* This official manages the CDC Washington Office, which acts as a liaison between CDC and its Washington-based stakeholders, which include other agencies, associations, policymakers, and others interested in public health.
 - *Senior Advisor to the Director.* This advisor is responsible for providing research, analysis, outreach activities, and strategy formulation to meet the needs of the Director and, apart from the official's own office staff, has no direct reports.
 - *Associate Director for Terrorism Preparedness and Response.* This official's responsibilities include managing OD's Office of Terrorism Preparedness and Emergency Response (OTPER) as well as CDC's national bioterrorism program.

As of November 1, 2003, a total of 20 officials, including the 11 center directors, reported to the CDC Director. (See fig. 5.)

Figure 5: Senior Officials Reporting to CDC's Director as of November 1, 2003



Source: CDC.

Note: GAO analysis of CDC data.

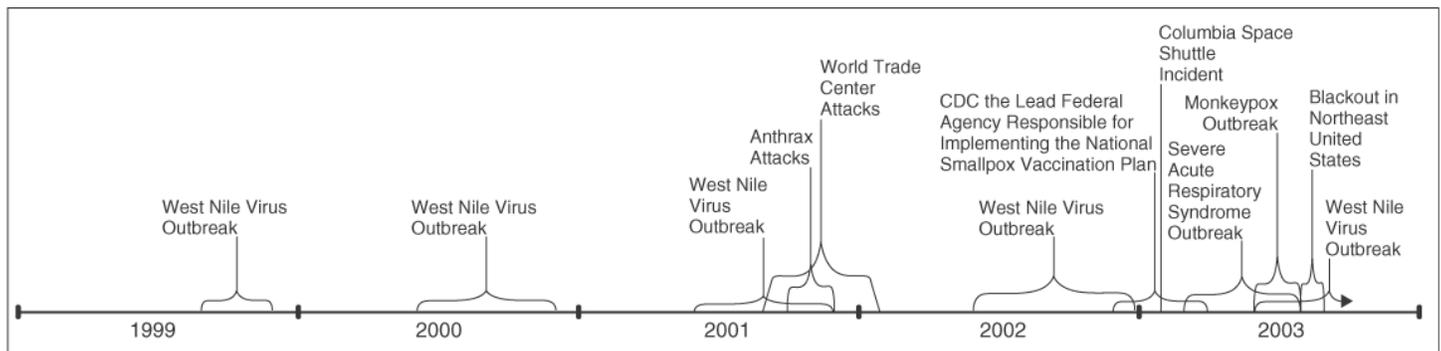
^aAs of August 18, 2003, the Director of NCEH became a Senior Advisor within OD, and the Director of ATSDR became the head of the consolidated management and administrative structure for ATSDR and NCEH.

^bAlthough this official reports to the CDC Director, the official is not a member of the OD management team.

Whether this structural arrangement can support effective oversight of the agency's programmatic work is uncertain, given the growth in the demands on the CDC Director's time along with the likely change in directors over time. Since the first West Nile virus outbreak in 1999, CDC

has responded to a steady stream of high-profile public health emergencies, including the anthrax incidents and the more recent outbreak of SARS. (See fig. 6.) Responding to these events has required the focused attention of the CDC Director. In addition, routine demands on the Director's time—such as testifying before the Congress, coordinating with HHS officials, and meeting with other national and international public health officials—subtract from the time the Director has to oversee the centers, which perform the core of CDC's mission work.

Figure 6: Timeline of High-Profile Public Health Events and Emergencies Requiring CDC Response



Source: CDC.

Note: GAO analysis of CDC data.

The typical change in politically appointed agency heads every several years is another factor that makes center oversight solely by the Director a management vulnerability. CDC has had four directors, including the current one, since 1990. While there is nothing uncommon or irregular about such change, it is significant from a management perspective, as agency heads typically need time to acclimate to their new responsibilities and may not stay in office long enough to institutionalize management improvements.

Unclear Roles and Responsibilities of OD Deputy Positions Slow Intention to Integrate Center Activities around Themes

Despite the restructuring of OD to reflect agency mission themes, this effort falls short of its intention, owing to a lack of clarity and definition in the roles of the OD deputies. CDC's Director established five mission themes, or goals—science, strategy, service, systems, and security. The intention was to acknowledge that shared goals cut across the agency's diverse centers and that viewing the work in this way could foster collaboration. The new OD structure announced in January 2003 aligned executive management positions with each of the themes. (See table 1.)

Table 1: OD’s Organizational Themes and Corresponding OD Management Positions

Themes	Positions
Excellence in Science: Practice evidence-based science grounded in sound peer-reviewed research.	Deputy Director for Science and Public Health
Excellence in Service: Promote efficient service to meet the needs of partners and customers.	Deputy Director for Public Health Service
Excellence in Systems: Fine-tune and manage systems so that personnel, technology, infrastructure, and information are used efficiently to achieve results.	Chief Operating Officer
Excellence in Strategy: Ensure that strategies prepare agency for future challenges.	Senior Advisor for Strategy and Innovation
Excellence in Security: Ensure public health preparedness and support response efforts.	Associate Director for Terrorism Preparedness and Response ^a

Source: CDC.

^aAlthough this position and its corresponding theme were also announced in January 2003, this official was not a member of the OD management team until October 2003.

The distinction between the roles of the two deputy positions—Deputy Director for Science and Public Health and Deputy Director for Public Health Service—has not been clearly made. The role of the Deputy Director for Science and Public Health is to serve as OD’s contact point to the centers in areas including agency reports, guidelines and recommendations, and outbreak investigations. However, this deputy’s role is not distinct from that of the Deputy Director for Public Health Service, who serves as OD’s liaison to public health agencies and other external partners as well as OD’s contact point for certain scientific issues, including HIV policies, occupational safety and health policies, injury and violence prevention policies, and programs to address public health disparities. Addressing public health disparities, however, is the mission of CDC’s Office of Minority Health, which reports to the other deputy—the Deputy Director for Science and Public Health. Furthermore, some center officials said that regarding science-related issues involving CDC’s external partners, they were uncertain whether the primary point of contact should be the Deputy Director for Science and Public Health or the Deputy Director for Public Health Service.

OD Has Improved Oversight of Public Health Emergencies, but Concerns Remain about Oversight of Ongoing Agency Activities

OD has implemented several changes in its approach to managing the agency's response to public health emergencies, including the creation within OD of an emergency operations office that, during the SARS outbreak, successfully coordinated the response efforts of CDC's various centers and staff offices. However, concerns remain about OD's management of ongoing agency activities, as few systems are in place to provide top agency officials with essential oversight information or to foster collaboration among the centers.

OD Has Improved Its Ability to Oversee the Agency's Response to Public Health Emergencies

In recognition of past problems, OD initiated several structural and procedural changes that improved its ability to oversee the agency's response to public health emergencies. Specifically, the 2001 anthrax incidents revealed weaknesses in the agency's ability to coordinate internal response efforts and in its efforts to communicate with the nation's public health agencies, medical communities, and other external partners—a problem that had also been identified during the response to the first West Nile virus outbreak in 1999. Agency officials and external partners recognized several problems that needed to be addressed:

- A top OD official we spoke with noted that during the anthrax incidents, the agency leadership lacked formal protocols for making crisis management decisions. This official stated that over 100 staff attended internal information briefings; in this official's view, the volume and diversity of information presented to agency management at these briefings resulted in "information overload" that impeded timely decision making.
- An internal CDC document noted that as of October 2001, CDC was running four separate emergency operation centers, resulting in an uncoordinated command and control environment. Prior to September 11, 2001, CDC operated two loosely connected emergency operations centers—one in NCEH and one in ATSDR.¹⁵ After the terrorist attacks on September 11, 2001, CDC established two additional emergency operations centers in the National Center for Infectious Diseases and the Public Health Practice Program Office. The internal document asserted that after the subsequent anthrax incidents, CDC's multiple emergency

¹⁵At that time, infectious disease outbreaks were handled outside of the emergency operations centers.

operation centers could not provide the agencywide coordinated effort needed to address a crisis.

- A variety of external partners we spoke with criticized CDC's response to the anthrax incidents for its failure to quickly communicate vital information to the public and to the health care workers responsible for diagnosing and treating suspected cases. Likewise, we recently reported that although CDC served as the focal point for communicating critical information during the response to the anthrax incidents, it experienced difficulty in managing the voluminous amounts of information coming into the agency and in communicating with public health officials, the media, and the public.¹⁶
- A top OD official contended that during the response to the anthrax incidents, the agency would have had difficulty responding to another public health emergency, since key personnel and resources drawn from the various centers and OD staff offices were consumed by this effort.

In response to these weaknesses, CDC instituted several organizational changes. In August 2002, CDC created OTPER within OD to be headed by the Associate Director for Terrorism Preparedness and Response, who reports to the CDC Director. The office is responsible for coordinating agencywide preparedness and response efforts among the agency's centers and its partners. Agency officials told us that the elevation of this responsibility to OD was necessary because of unsuccessful past efforts to ensure coordination among the centers. This office also has responsibility for specific aspects of information systems, training, planning, communications, and preparedness activities designed to facilitate the agency's emergency response effectiveness. In addition, it provides financial and technical assistance for terrorism preparedness to state, local, and U.S. territorial health departments. In fiscal year 2002, OTPER disbursed about \$1 billion in financial assistance to these partners.

To improve the agency's response effectiveness, OTPER developed management decision and information flow models, which outline who will be involved and how the emergency will be handled from strategic, operational, and tactical perspectives. According to the Associate Director for Terrorism Preparedness and Response, these models were used to manage the emergencies involving SARS, monkeypox, and potential terrorist acts associated with the war in Iraq. OTPER also drafted CDC's national public health strategy for terrorism preparedness and response,

¹⁶U.S. General Accounting Office, *Bioterrorism: Public Health Response to Anthrax Incidents of 2001*, [GAO-04-152](#) (Washington, D.C.: Oct. 15, 2003).

including an internal management companion guide on implementation. CDC intends to distribute this document to the agency's external partners.

OTPER manages CDC's recently constructed emergency operations center, where all aspects of the agency's emergency response efforts are coordinated. This center is intended to provide a central command-and-control focal point and eliminate the need to coordinate efforts of multiple centers during emergencies. According to the Associate Director for Terrorism Preparedness and Response, the emergency operations center is operational around the clock and has a small number of dedicated staff. In times of emergency, subject matter and communication experts from the centers are temporarily detailed for 3 to 6 months as needed. For example, during the SARS response, individuals from the National Center for Infectious Diseases, the National Institute for Occupational Safety and Health, the Epidemiology Program Office, and the Global Health Office, among others, staffed the emergency operations center and returned to normal duties at predetermined intervals to mitigate any major impact on routine public health work. This logistical approach to staffing and resources was intended to enable CDC to respond to multiple public health emergencies, if needed.

Within OD, the Office of Communication works with OTPER to facilitate external communications during public health emergencies. In August 2002, this office established an emergency communication system to enhance CDC's ability to disseminate timely and reliable information. This system consists of 10 teams that include agency staff from various units who can be called on to act in concert during public health emergencies. Each team has a particular focus—such as media relations, telephone hotline information, Web site updates, and clinician communication. In June 2003, CDC named an Emergency Communication System Coordinator to provide day-to-day oversight of the teams.

OD Faces Challenges in Overseeing Nonemergency Public Health Work

Despite improvements to crisis management, OD faces challenges in managing its nonemergency public health work. Typically, the attention of OD's top officials has been focused on emergent public health issues, such as infectious disease outbreaks, leaving little time for focusing on nonemergency public health work and agency operations. OD has also operated in an environment that until recently had not significantly evolved from the time when the agency was smaller and its focus was narrower; outside of routine management meetings, OD's communication with the centers was largely informal and relied substantially on personal

Few Tracking Systems Are in Place to Provide Management Oversight Information

relationships. As a result, the centers have operated with a high degree of independence and latitude in managing their operations.

OD has few systems in place with which to track agency operations and programmatic activities. As of summer 2002, OD management officials received only limited management information regularly—monthly reports on budget obligations, a weekly legislative report, a weekly media relations report, and a weekly summary workforce report. Over the past year, OD has taken steps to obtain additional management information and has begun to track some aspects of center operations.

- As of April 2003, a weekly summary report on congressional activities that supplements the weekly legislative report has been provided to OD management team officials.
- In fall 2003, OD began compiling a weekly list of selected CDC publications, correspondence, and activities.
- The COO began monitoring the centers' travel and training expenditures on an ad hoc basis after conducting a benchmarking analysis on the centers' fiscal year 2002 expenditures in these areas. Previously, scrutiny of these expenditures was at the discretion of center management.

OD has not made similar efforts to monitor the agency's programmatic work. Outside of routine management meetings with the centers, OD continues to lack formal reporting systems needed to track the status of the centers' public health programs and develop strategies to mitigate adverse consequences in the event that some activities fall behind schedule.

OD relies on its issues management process as one way to stay informed of the centers' important but nonemergency issues.¹⁷ Historically, the center directors, accustomed to operating autonomously, had little precedent for raising issues for OD management input. In January 2003, OD instituted the issues management process, which, among other things, sought to encourage center officials to elevate significant matters that are not national emergencies but that warrant timely input from the agency's senior managers. Under this process, a center official seeking management input on an issue of concern contacts OD's Chief of Staff, who is responsible for coordinating agency input on the issue. The Chief of Staff identifies the appropriate senior officials for handling the concern and

¹⁷This process is also used to manage nonemergency issues received from external sources, such as the Congress, HHS, and the media.

tracks actions taken until the matter is concluded. Emerging issues that centers have raised through this process include the agency's HIV prevention initiatives, preparedness activities for the West Nile virus, and wild animal trade restrictions subsequent to the monkeypox outbreak.

According to the Chief of Staff, the issues management process has provided an effective communication channel for the center directors, as it has enabled them to have regular contact with OD management and the CDC Director, as needed. As an effective OD oversight tool, however, the issues management process is incomplete. Under this process, OD has not established formal criteria—in the form of reporting requirements—that would instruct centers on what types of issues warrant management input and the time frames for reporting them. Instead, OD relies largely on the center directors' discretion to determine which nonemergency public health issues are made known to the agency's top management. In this regard, the issues management process remains essentially a bottom-up approach to obtaining information on CDC center activities. Coupled with a lack of management reporting systems, this approach places OD in a reactive rather than leadership position with respect to the centers and the public health work they manage.

OD Efforts to Foster Collaboration among Centers Are Incomplete

While OD has taken steps to improve the centers' ability to effectively collaborate during emergencies, more needs to be done for collaboration on nonemergency public health work. The centers have historically not coordinated well on nonemergency public health issues common to multiple centers—a situation we reported on in February 1999.¹⁸ OD officials have also acknowledged that the centers operate as “silos,” characterizing the isolated manner in which these separate but related organizational components operate.

OD has taken several steps to foster center collaboration on nonemergency public health work. Conceptually, OD's emphasis on the five themes—science, service, systems, strategy, and security—is part of an approach to integrate the agency's public health work across the centers' respective missions and functions. In August 2003, OD announced the establishment of two governing bodies that encourage center collaboration—the Executive Leadership Team and the Management

¹⁸U.S. General Accounting Office, *Emerging Infectious Diseases: Consensus on Needed Laboratory Capacity Could Strengthen Surveillance*, GAO/HEHS-99-26 (Washington, D.C.: Feb. 5, 1999).

Council. The Executive Leadership Team, which includes the OD management team and each of the center’s directors, meets biweekly and seeks to ensure that coordination occurs across centers and that the centers’ interests are not omitted when key decisions are being considered by the agency’s top officials. The Management Council, which also meets biweekly, focuses on crosscutting issues involving agency operations, such as information technology. The council is chaired by OD’s COO and is composed of staff office officials and representatives from each of the centers. In providing recommendations to the Executive Leadership Team on agency operations issues, such as the development of performance metrics and the consolidation of the agency’s information technology infrastructure, the council has the opportunity to foster more consistent management practices across the agency.

OD officials acknowledged that along with these efforts to promote collaboration, additional initiatives are needed to ensure that collaboration among the centers becomes a standard agency practice. Such efforts by leading organizations to institutionalize collaboration include, for example, the design of cross-functional, or “matrixed,” teams; pay and other incentive programs linked to achieving mission goals; and performance agreements for senior executives that specify fostering collaboration across organizational boundaries.¹⁹

Planning Tools That OD Needs to Manage Agency Priorities and Human Capital Challenges Are Not Yet Operational

In recent years, CDC’s OD has operated without an up-to-date agencywide planning strategy with which to set agency mission priorities and unify the work of its various centers. In June 2003, OD initiated an agencywide strategic planning process. Shortly before this, in April 2003, OD began developing a human capital plan for current and future staffing priorities, but the plan has been put on hold until the agencywide planning strategy has been established.

¹⁹U.S. General Accounting Office, *A Model of Strategic Human Capital Management*, [GAO-02-373SP](#) (Washington, D.C.: Mar. 15, 2002), and *Human Capital: Key Principles From Nine Private Sector Organizations*, [GAO/GGD-00-28](#) (Washington, D.C.: Jan. 31, 2000).

OD's Priority-Setting Efforts Have Lacked a Long-Term Focus

CDC has a strategic plan that has not been updated since 1994. Consequently, this plan does not reflect the agency's more recent challenges, such as preparing for terrorism-related events and implementing the civilian portion of the national smallpox vaccination campaign. In the absence of a current long-term strategy, OD has been establishing priorities within its diverse mission through the annual processes for developing the budget and updating goals for the agency's annual performance report as required by the Government Performance and Results Act of 1993 (GPRA). This method for setting priorities is not effective for long-term planning, as its focus is on funding existing activities one year at a time rather than examining agency goals and performance from a broader perspective.

CDC's need for a comprehensive strategic plan is substantial, as OD must set priorities based on disease prevention and control objectives inherent in the agency's mission as well as any additional public health priorities of HHS and the Congress. For example, in addition to addressing public health program priorities, such as obesity and diabetes, CDC must also address administration management priorities as directed by HHS.²⁰ Moreover, the agency must keep a mission focus when coordinating with its external partners—largely, state, local, and international public health agencies. Although CDC relies heavily on these and other external partners to achieve its mission, a mutual understanding of the agency's priorities may be lacking. For example, some of the state and local public health officials we spoke with were unable to articulate the agency's top priorities aside from bioterrorism preparedness. CDC officials we spoke with similarly acknowledged the need to better communicate priorities to external partners.

Many of the centers have their own mission statements and a few also have strategic plans to address individual center goals and priorities—a reflection of the centers' independent focus. In the absence of an agencywide plan, however, OD lacks an effective management tool to ensure that the agency's priorities are being addressed without undue overlap or duplication. In July 2003, participants in preliminary strategic planning discussions acknowledged poor cooperation across centers and the need for improvement in collaboration.

²⁰The administration's management priorities are specified in the President's Management Agenda, which addresses executive branch management practices in the areas of human capital, competitive sourcing, financial performance, electronic government, and the integration of budget and performance.

Strategic Planning Process Recently Initiated

In June 2003, OD initiated an agencywide strategic planning process called the Futures Initiative, which is intended to involve all levels of staff and some of the agency's partners in developing long-range goals and associated performance measures. The agency's strategic planning efforts will be focused on 10 topics: the public health system, customers' needs, research capacity, communication and information priorities, future resource needs, government partner relationships, measuring results, intra-agency coordination, programs and grants portfolio, and global health issues. In developing the strategy, OD intends to incorporate the agency's mission and vision, the federal Healthy People 2010 goals, HHS's strategic goals and objectives, and selected public health reports.²¹ However, at the time of our review, OD had not clearly linked the 10 topics and the agency's five mission themes of science, strategy, service, systems, and security.

To guide and manage the agency's planning efforts, OD created a steering committee, which is led by the agency's Director and consists of a small group of senior officials from OD and the centers. This committee makes recommendations to the Executive Leadership Team for decision making. Under the committee, four initial work groups, consisting of center representatives and some external partners, have been established to examine the following topics: customers and partners, health systems, health research, and global health.

CDC's overall strategic planning process has three phases. In the first phase, CDC will evaluate the agency's overall direction and set priorities. In the second, it will examine the agency's organizational structure and processes and their alignment with the strategic plan's goals and begin implementation. The last phase will focus on measuring results and implementing the plan at all agency levels—both management and staff. OD plans to begin implementing the strategy in spring 2004. OD intends to communicate the results of the planning process internally to staff and externally to agency partners through CDC's Web site and through a variety of meetings and different venues.

According to the Senior Advisor for Strategy and Innovation, priority issues and programs identified through the strategic planning process will

²¹Healthy People 2010 is a national health promotion and disease prevention initiative that aims to improve the health of all Americans, eliminate disparities in health, and improve years and quality of life. These goals and objectives were launched by HHS and the Office of the Surgeon General.

have goals, action plans, and outcome measures for tracking and accountability. This official also stated that the expected result is that the finished “strategy” will act as a framework for the individual centers to align with and will guide CDC’s priority setting, budget formulation, and annual development of GPRA goals. For OD to effectively lead the agency’s efforts in implementing its long-term strategy, it will be important to link the performance expectations of senior management to the agency’s organizational goals.²²

Human Capital Plan Initiated but Recently Suspended

OD has been operating without a comprehensive human capital plan with which to link workforce needs to agency priorities. The agency has several separate initiatives under way in response to administration directives regarding human capital management. However, in December 2002, HHS criticized these efforts as being overly focused on the centers and lacking an agencywide focus. In April 2003, OD began developing a comprehensive, long-term human capital plan. In July 2003, OD suspended the development of this plan until further progress could be made on the agency’s strategic planning process. As of November 2003, OD had not established a date when the human capital planning would resume nor determined how it would be coordinated with the agency’s strategic planning efforts.

Furthermore, CDC is facing several human capital challenges that underscore the need for a strategy to address succession planning, which involves preparing for the loss of key staff and their associated skills. Leading organizations use succession planning and management as a tool that focuses on current and future workforce needs in order to meet their mission over the long term.²³ Our analysis of CDC’s 2003 personnel data showed that—similar to the rest of the federal government—about 30 percent of the agency’s workforce is eligible to retire within the next 5 years. We also found that 33 percent of its senior managers and

²²U.S. General Accounting Office, *Results-Oriented Cultures: Using Balanced Expectations to Manage Senior Executive Performance*, [GAO-02-966](#) (Washington, D.C.: Sept. 27, 2002).

²³U.S. General Accounting Office, *Human Capital: Insights for U.S. Agencies from Other Countries’ Succession Planning and Management Initiatives*, [GAO-03-914](#) (Washington, D.C.: Sept. 15, 2003).

supervisors will be eligible for retirement within this time frame.²⁴ Thus, within several years, the agency could potentially lose a key portion of its human capital that possesses both managerial and technical expertise.²⁵

In addition, by the end of fiscal year 2005, CDC and other HHS agencies are expected to achieve a departmentwide 15 percent reduction in administrative management and support positions. HHS mandated that this reduction not result in the involuntary separations of employees and that affected resources be redirected to programmatic public health work. The implications for CDC are that within a 2-year time frame, CDC must redirect 573 administrative positions from support activities to frontline public health program activities. In some cases, this would involve redirecting administrative staff to program work. However, this will pose a challenge for CDC, as the agency does not maintain a repository of its employees' skills, which is important to ensure appropriate employee placement. HHS has also directed each of its agencies to assume no growth in the number of FTEs beginning with the fiscal year 2005 budget formulation process and to include a 5 percent FTE reduction option in their budget submissions.

OD has taken modest steps toward succession planning. For example, CDC participates in HHS's program to train and mentor emerging leaders. CDC's Director has also emphasized the importance of identifying future leaders within the agency and has made this issue a standing agenda item in routine management meetings with center officials. To forecast workforce needs, in August 2002, the agency produced a report of attrition for its offices and centers. Currently, CDC's managers can access the most recent attrition data by querying a Web-based personnel information system. However, OD is limited in its ability to conduct targeted succession planning or promote greater retention, as it does not track certain key personnel information. For example, although resignations in calendar year 2002 accounted for a higher percentage of the agency's attrition than retirement (30 percent compared with 20 percent),²⁶ CDC

²⁴Senior managers and supervisors were defined as positions at GS-14 or higher—or the equivalent thereof. However, these data did not include officials of the Public Health Service Commissioned Corps, who are eligible to retire at 20 years of service and who must retire after 30 years of service.

²⁵CDC's personnel data show that staff who are eligible to retire tend to stay at the agency an average of about 3 years beyond their eligibility dates.

²⁶Other attrition was due to reasons such as death, termination of limited appointments, and separation.

does not systematically document the reasons for resignations, either through standard “exit interviews” of employees who leave the agency or some other means.²⁷ This lack of documentation limits OD’s ability to conduct comprehensive workforce planning, which includes strategies for retaining an organization’s workforce for meeting future needs.²⁸

The considerable succession planning challenges that the agency faces argue for greater OD leadership over human capital planning. Such leadership would be consistent with the effective human capital planning actions of six federal agencies cited in our April 2003 report on this subject.²⁹ The report noted, among other things, the importance of including human capital leaders in key agency decision making and the establishment and communication of a strategic vision by human capital leaders. Currently, CDC does not have, as envisioned in these reported best practices, a top-level leadership position focused on CDC’s human capital efforts.

Conclusions

To better position CDC as it grows and evolves, OD has embarked on a number of changes to improve the agency’s management and planning efforts. While some of these changes have improved the agency’s ability to respond to recent public health emergencies, OD continues to face challenges in overseeing its ongoing, nonemergency public health work. First, a weakness in oversight of the centers exists, as only the CDC Director has line authority over them, and it is uncertain whether this arrangement provides for sufficient top management oversight of the centers’ programs and activities. In addition, the roles of OD’s two deputy directors lack the clarity needed for those seeking the appropriate OD points of contact.

Second, OD lacks sufficiently systematic information to track agency operations or the centers’ core public health programs—placing agency

²⁷OD officials told us that some OD offices and centers give employees the choice to participate in exit interviews. However, the offices and centers use different methods in conducting these interviews.

²⁸U.S. General Accounting Office, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: Dec. 11, 2003).

²⁹U.S. General Accounting Office, *Human Capital: Selected Agency Actions to Integrate Human Capital Approaches to Attain Mission Results*, [GAO-03-446](#) (Washington, D.C.: Apr. 11, 2003).

management in a reactive rather than leadership position. Despite efforts made to encourage a better information flow between OD and the centers, the reporting of important but nonemergency issues remains largely at the discretion of the centers. Furthermore, efforts to foster collaboration among centers for routine public health work have been made, but little has been done to institutionalize such collaboration and avoid undue overlap or duplication.

Third, OD is taking steps to manage the agency strategically, but key planning tools are not fully in place. A recently announced strategic planning process is intended to identify and communicate the agency's optimal structure, processes, and performance measures. A human capital plan was initiated in April 2003, but this effort has been postponed while the strategic planning process gets under way. As of November 2003, no time frames had been established for resuming the development of the human capital plan or coordinating it with the strategic planning process. The newness of the agency's strategic planning process and stalled workforce planning efforts argue for greater leadership from OD to continue and coordinate both efforts.

Recommendations for Executive Action

To improve OD's management of CDC's nonemergency mission priorities, we recommend that the CDC Director take the following three actions:

- realign and clarify oversight responsibility for the centers' programmatic work at a level below the Director, including clarifying the roles of OD's deputy directors;
- ensure that reporting requirements and tracking systems are developed for OD to routinely monitor the centers' operations and programmatic activities; and
- develop incentives to foster center collaboration as a standard agency practice.

We also recommend that the CDC Director take the following two actions:

- ensure that the agency's new strategic planning process will involve CDC employees and external partners to identify agencywide priorities, align resources with these priorities, and facilitate the coordination of the centers' mission-related activities and
- ensure that the agency's human capital planning efforts receive appropriate leadership attention, including resuming human capital planning, linking these efforts to the agency's strategic plan, and linking senior executives' performance contracts with the strategic plan.

Agency Comments

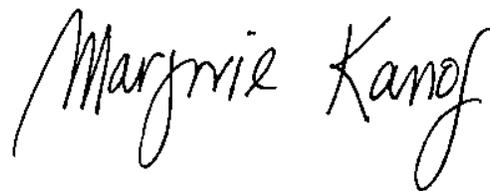
In its written response to a draft of this report, CDC stated that it is committed to continuing the positive changes we highlighted in the report and agreed that challenges remain—especially for ensuring program accountability. CDC acknowledged that continued oversight from OD is critical to ensure high-quality management practices and scientific excellence. The agency further emphasized that it is in the early stages of a multiyear process of change.

CDC stated that ensuring program accountability is a significant challenge that it takes most seriously as stewards of the public's trust and funding. The agency agreed to evaluate our recommendation to realign and clarify oversight for the centers' programmatic work at a level below the Director in light of the management changes the agency has already undertaken. CDC also stated that it is working to institute formal reporting requirements and tracking systems that monitor center activities with special emphasis on program outputs, outcomes, and impacts. In addition, CDC stated that it continues to seek ways to strengthen center collaboration. The agency also agreed with our recommendation regarding its strategic planning process and provided information on how it has involved both internal employees and external partners. CDC concurred that human capital planning is critically important and stated that it will link human capital planning and deployment to its strategic plan, and appropriately connect the performance contracts of its senior executives with the developing strategic plan. CDC also provided technical comments, which we incorporated as appropriate. CDC's written comments are reprinted in appendix II.

We are sending copies of this report to the Secretary of HHS. We will also provide copies to others upon request. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please call me at (202) 512-7101 or Bonnie Anderson at (404) 679-1900. Hannah Fein, Cywandra King, and Julianna Williams also made key contributions to this report.

Sincerely yours,

A handwritten signature in black ink that reads "Marjorie Kanof". The signature is written in a cursive, flowing style.

Marjorie E. Kanof
Director, Health Care—Clinical Health Care Issues

Appendix I: Scope and Methodology

To assess the Centers for Disease Control and Prevention's (CDC) executive management structure, we analyzed past and current organizational structures and reporting arrangements. We interviewed the agency's Director about the basis of the management reorganization and the roles of the officials in the Office of the Director's (OD) management team. We also interviewed the consultant who worked with agency management to help develop the new OD structure. To identify changes resulting from the reorganization, we spoke with past and current OD executive management officials to discuss their roles and responsibilities, and we reviewed the position descriptions for these officials. To ascertain the centers' understanding of the roles of the OD management team, we interviewed management officials from the following six centers: National Center for Chronic Disease Prevention and Health Promotion; National Center for Environmental Health; National Center for Health Statistics; National Center for Infectious Diseases; National Center for HIV, STD, and TB Prevention; and Public Health Practice Program Office. We also interviewed management officials at the Agency for Toxic Substances and Disease Registry, which functions similarly to CDC's centers. To assess the demands on the Director's time, we identified high-profile public health events and emergencies since the first West Nile outbreak in 1999. We also analyzed the Director's calendar for the 7-month period covering January 1, 2003, through July 27, 2003.¹

To evaluate OD's approach to managing the agency's response to public health emergencies, we looked at CDC's emergency infrastructure and communication processes. To identify changes CDC implemented to improve its performance in this area, we interviewed senior management officials within OD, including the Associate Director for Terrorism Preparedness and Response. We reviewed documentation that included the agency's decision models, its national public health strategy for terrorism preparedness and response, and information about the Office of Terrorism Preparedness and Emergency Response. We also reviewed documentation about the agency's past emergency operations centers as well as the recently constructed operations center, including how it is staffed during times of emergency. To learn about CDC's emergency communication system, we interviewed the Director of the Office of Communication and reviewed pertinent documentation on the various communication teams. We also spoke with some of CDC's partners to

¹CDC officials told us that some items of a sensitive nature were removed from the calendar before it was given to us.

obtain their views on how well the agency communicates during public health emergencies.

To assess OD's approach to managing routine agency operations, we met with OD executive management officials to determine the frequency and types of communications among them. We also met with management officials in six of the centers to discuss the frequency and type of communications between them and OD. To identify the type of management information OD received, we obtained copies of periodic management reports. We also obtained a list of all management meetings, including purpose, attendees, and frequency. We observed several management meetings, including an OD planning meeting, a senior staff meeting, and an issue briefing. We also attended agencywide staff meetings. In addition, we spoke with senior officials of the following OD staff offices: CDC Washington Office; Office of Communication; Financial Management Office; Procurement and Grants Office; Human Resources Management Office; Management Analysis and Services Office; and Office of Program, Planning, and Evaluation. We discussed with these officials the functions of their offices. We met with the Chief of Staff to discuss the issues management process, which the agency uses to manage issues requiring OD's attention, and its use by agency officials. We obtained documentation of the corresponding issues tracking system as well as a list of issues that have been or are going through the process. To discuss how well the centers collaborate with one another, we met with management officials within OD to obtain their views and to identify steps taken by OD to improve the level of cooperation. We also obtained the views of some of the agency's partners, who interact with multiple centers. To determine how CDC collaborates with its partners, we interviewed over 30 officials of state and local health departments, health-care-related associations, nonprofit organizations, private industry, schools of public health, and others, such as past CDC directors. We also interviewed the Deputy Director of Public Health Service to discuss how this official interacts with the agency's partners. In addition, we reviewed relevant documentation, including an internal assessment of CDC's customer service practices.

To identify OD's approach for setting the agency's priorities, we interviewed senior management officials within OD and reviewed relevant documentation, including the agency's 1994 strategic plan. In addition, we spoke with some of the agency's partners to determine how CDC communicates its priorities to them. To learn about CDC's recently implemented strategic planning approach, we interviewed CDC's Senior Advisor for Strategy and Innovation and reviewed extensive

documentation regarding this effort. We also attended agency meetings, which introduced the strategic planning process to both CDC staff and some of its advisors. We interviewed officials in CDC's human resource office to discuss the agency's workforce planning efforts. We also reviewed relevant documentation, including internal workforce planning reports, reports to the Department of Health and Human Services (HHS), feedback from HHS, and analyses performed by the agency's contractor for the development of a human capital plan. We obtained and analyzed agency data on overall attrition and retirement eligibility. We also calculated retirement eligibility specifically for management-level staff. We discussed the limitations of the data with the appropriate CDC official and determined that the data were suitable for our use. Furthermore, we analyzed HHS directives that will potentially affect the size and composition of CDC's workforce and discussed their implications with OD management officials.

Appendix II: Comments from the Centers for Disease Control and Prevention



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Centers for Disease Control
and Prevention (CDC)
Atlanta GA 30333

DEC 22 2003

Marjorie E. Kanof, M.D., M.P.H.
Director, Health Care – Clinical
Health Care Issues
United States General Accounting Office
441 G Street, N.W., Room 5104
Washington, D. C. 20548

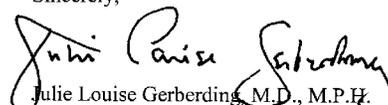
Dear Dr. Kanof:

Enclosed are the Centers for Disease Control and Prevention's (CDC) comments on your draft report (GAO-04-219), "*Centers for Disease Control and Prevention: Agency Leadership Taking Steps to Improve Management and Planning, But Challenges Remain.*"

The agency is providing technical comments directly to your staff.

CDC appreciates the opportunity to comment on this draft report before its publication. CDC also recognizes the General Accounting Office's diligent effort over the past 18 months to review CDC's evolving management actions.

Sincerely,


Julie Louise Gerberding, M.D., M.P.H.
Director

Enclosure

**Comments from the Centers for Disease Control and Prevention
on the U. S. General Accounting Office (GAO) Draft Report
“Centers for Disease Control and Prevention: Agency Leadership Taking Steps to
Improve Management and Planning, But Challenges Remain” (GAO-04-219)**

General Comments

The Centers for Disease Control and Prevention (CDC) welcomes GAO’s positive evaluation of CDC’s management and strategic planning initiatives. As the report highlights, initiatives encompassing significant management changes, like those CDC is undertaking, can require at least 5 to 7 years to complete. When the agency began the strategic change process, CDC senior managers understood that this process, the *Futures Initiative*, would require substantial time. CDC is tremendously encouraged that GAO has documented dramatic changes that the agency has made over the last 12 months, and CDC is committed to continuing the positive changes GAO spotlighted. These changes will further improve the agency’s ability to address its vital public health mission and, ultimately, positively affect the health of the American people.

GAO highlighted CDC’s substantial improvements in managing public health emergencies, such as the recent SARS, West Nile virus, and monkeypox outbreaks. However, the draft report expresses caution regarding oversight of CDC’s non-emergency programmatic activities. CDC will closely consider GAO’s recommendations as the agency continues, through the *Futures Initiative*, to develop and implement structural changes to further strengthen across-the-board agency management. SARS, West Nile virus, monkeypox, and other public health emergencies are case studies for successful public health response – timely intervention, coordinated across varied agencies and jurisdictions (and even national boundaries), and real-time communication with all stakeholders. CDC is closely examining the lessons learned from these and other emergencies to determine the applicability to non-emergency public health issues. CDC intends to integrate those best practices with its successful experience in other public health domains.

The draft report states that challenges remain, and CDC agrees. Ensuring program accountability is a significant challenge for any government agency – one that, as stewards of the public’s trust and funding, CDC takes most seriously. CDC values GAO’s insights and will consider them in the ongoing evaluation of its organizational structure. Like the Institute Directors of the National Institutes of Health, CDC’s Center Directors are national and international scientific and public health leaders who are experts in their area of responsibility and are empowered by CDC top management to direct their programs. While some added formal reporting systems, as suggested by GAO, may be considered, CDC is committed to following the President’s Management Agenda (PMA) concepts, including management that focuses on results and operational flexibility. CDC recognizes that continued oversight from the Director’s office is critical to ensure high quality management practices and scientific excellence.

The CDC Director's two deputies are constantly engaged in the varied science and program service issues confronted by the Centers/Institutes/Offices (CIOs) – and thus the deputies play an integral role in program oversight. The Chief Operating Officer, the Chief of Staff, and the Senior Advisor for Strategy and Innovation not only have public health program experience at both the State and CDC level, adding practical experience and strength to OD oversight of programs, but also possess management credentials and experience. In addition, CDC has taken several steps to enhance systems for program oversight, creating the Executive Leadership Team, the Management Council, and instituting regular Cross-talks and Emerging Issues briefings between the CDC Director and CIO Directors and staff to surface issues that require OD oversight and involvement.

GAO noted that essential planning tools that will update CDC's priorities and address human capital challenges are under development. After more than a decade, CDC has embarked on a strategic planning effort, entitled the *Futures Initiative*, to ensure that the agency remains an effective, proactive public health organization, best equipped, staffed, and managed to serve the public in the 21st century. GAO also noted that CDC had postponed its human capital plan. Agencies of the federal government are subject to the PMA, and CDC has briefly postponed implementing steps for the human capital plan to refocus key elements with the PMA – and especially to follow the recommended premise that strategy development must precede structure and human capital development. Since resource allocation decisions should be based on strategic direction, CDC concluded it would be more efficient to clarify the agency's strategies and priorities before completing an agency-wide human capital plan. CDC agrees, however, that the human capital plan should be completed in the near future.

Some human capital preparatory steps have occurred. Recognizing the need to merge human capital planning efforts with the *Futures Initiative* planning, in October 2003, CDC established the position of Chief Learning Officer. This senior position will address essential human capital development to assure that CDC staff continue to be properly trained and positioned to carry out the agency's mission. CDC continues to develop a range of career assistance actions that address human capital improvement. CDC is also implementing other human capital workforce improvements including direct hire authority, Voluntary Separation Incentive Pay, and Voluntary Early Retirement Authority. In the near future, CDC expects to complete a framework for its Leadership Succession Management Plan, which will guarantee that tomorrow's leaders are prepared to manage the important scientific and prevention programs of CDC. As GAO noted, such changes can take years to finalize, and CDC is taking rational, sequential leadership actions to make certain that efficient, effective, and coordinated strategic planning and human capital outcomes are realized.

The management and oversight of agency programs have helped CDC to maintain its outstanding national and international reputation and respect. The report praises CDC for establishing a Chief Operating Officer position with clear oversight for the agency's operating units. The report further recognizes steps CDC is taking to develop a new management structure designed to provide a new approach to managing the agency's public health work. The GAO draft report compliments CDC for upgrading the agency's

response to emergencies and recognizes CDC's critical, ongoing role in emergency response. GAO also highlights CDC's positive actions to manage emergencies strategically. Finally, and a key factor, GAO acknowledges that significant change can require several years, and CDC is in the early stages of a multi-year process of change.

Specific Comments

GAO Recommendation

Realign and clarify oversight responsibility for the centers' programmatic work at a level below the Director, including clarifying the roles of OD's deputy directors.

Agency Comment

CDC agrees that proper oversight is vital to an effectively run organization and will evaluate this recommendation in light of the management changes the agency has already undertaken. As mentioned previously, CDC's CIO Directors are world-renowned scientists and leaders, with many years of experience in their respective fields. Given their expertise, CDC's Director holds them accountable for results, and adheres to the PMA requirement of streamlined management. The scientific and public health expertise of the Deputy Directors allows them to provide guidance to the CIO Directors and to monitor agency programs without adding another management layer to the agency's organizational structure. The Deputy Directors have functional and topical areas of responsibility that help maintain programmatic direction and clarity.

GAO Recommendation

Ensure that reporting requirements and tracking systems are developed for OD to routinely monitor the centers' operations and programmatic activities.

Agency Comment

The agency's leadership recognizes that reporting and monitoring systems are essential to effectively manage large organizations with complex domestic and international operations. CDC is working to institute formal reporting requirements and tracking systems that monitor CIO activities with a special emphasis on program outputs, outcomes, and impacts. Under the leadership of the Chief Operating Officer, the Management Council will also provide oversight for tracking mechanisms which will cover a range of internal business services and systems, including budget formulation and execution, workforce development and management, facilities management and security, information technology management, and management of grants and contracts.

GAO Recommendation

Develop incentives to foster center collaboration as a standard agency practice.

Agency Comment

CDC continues to seek ways to strengthen inter-CIO collaboration. CDC has made cross-CIO collaboration a key priority of the *Futures Initiative*. Enhanced collaboration between and among CIOs – and with outside partners – will further improve public

health. CDC has already taken steps to bolster cross-CIO collaboration by establishing the Executive Leadership Team, the Management Council, and the regularly scheduled programmatic Cross-talks; launching the “CDC Connects” employee information portal to promote shared goals across the agency; developing various cross-cutting initiatives; creating cross-functional or “matrixed” teams; and other actions.

GAO Recommendation

Ensure that the agency’s new strategic planning process will involve CDC employees and external partners to identify agency-wide priorities, align resources with these priorities, and facilitate the coordination of the centers’ mission-related activities.

Agency Comment

CDC agrees with this recommendation. Since its inception, the *Futures Initiative* has engaged CDC employees and external partners in critical discussions about the agency’s future. A survey sent to all CDC employees, regular All-Hands meetings with staff, and other major internal efforts have solicited in-the-trenches perspectives and provided forums for employees’ discussion and feedback. External interviews and focus groups with approximately 500 customers – including the public, business leaders, public health practitioners, and health care providers – have offered critical insights into the needs and priorities of those CDC serves.

GAO Recommendation

Ensure that the agency’s human capital planning efforts receive appropriate leadership attention; this would include resuming human capital planning, linking these efforts to the agency’s strategic plan, and linking senior executives’ performance contracts with the strategic plan.

Agency Comment

CDC concurs that human capital planning is critically important and merits the attention of senior leaders. CDC briefly postponed some human capital planning to allow the *Futures Initiative* to proceed logically; however, CDC has also undertaken appropriate interim actions, such as creating the senior management position of Chief Learning Officer to guide human capital development. CDC will link human capital planning and deployment to the agency’s strategic plan, and appropriately connect the performance contracts of senior executives with the developing strategic plan.

GAO's Mission

The General Accounting Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through the Internet. GAO's Web site (www.gao.gov) contains abstracts and full-text files of current reports and testimony and an expanding archive of older products. The Web site features a search engine to help you locate documents using key words and phrases. You can print these documents in their entirety, including charts and other graphics.

Each day, GAO issues a list of newly released reports, testimony, and correspondence. GAO posts this list, known as "Today's Reports," on its Web site daily. The list contains links to the full-text document files. To have GAO e-mail this list to you every afternoon, go to www.gao.gov and select "Subscribe to e-mail alerts" under the "Order GAO Products" heading.

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. General Accounting Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
 TDD: (202) 512-2537
 Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Public Affairs

Jeff Nelligan, Managing Director, NelliganJ@gao.gov (202) 512-4800
U.S. General Accounting Office, 441 G Street NW, Room 7149
Washington, D.C. 20548