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United States Government Accountability Office
Washington, DC 20548

September 27, 2005

The Honorable Frank R. Wolf
Chairman
Subcommittee on Science, the Departments of
State, Justice, and Commerce, and
Related Agencies
Committee on Appropriations
House of Representatives

Subject: *Agency Telework Methodologies: Departments of Commerce, Justice, State, the Small Business Administration, and the Securities and Exchange Commission*

Dear Mr. Chairman:

Telecommuting, or telework—meaning work that is performed at an employee’s home or at a work location other than a traditional office—has gained widespread attention over the past decade in both the public and private sectors, offering a variety of potential benefits to employers, employees, and society. On July 29, 2005, we briefed your office on the results of our review of telework methodologies at the Departments of Commerce (DOC), Justice (DOJ), State, the Small Business Administration (SBA), and the Securities and Exchange Commission (SEC). This report transmits the information provided during that briefing. (See enclosure.) Specifically, you had asked us to provide information on and analysis of the methodology that each of the five agencies used to define employees eligible to telecommute, the methods each agency used to make telecommuting opportunities available to eligible employees and what those opportunities are, and how each agency defines and measures telecommuting participation rates.

Background

The Fiscal Year 2005 Appropriations Act for the Departments of Commerce, Justice, State, the Judiciary, and Related Agencies¹ required the five agencies—DOC, DOJ, State, SBA, and SEC—to certify that telecommuting opportunities were made available to 100 percent of the eligible workforce. Of the total amounts appropriated to each agency, \$5 million was to be available only upon such certification. The legislation further required that each of those agencies provide the House and Senate

¹ Pub. L. No. 108-447, Division B, Section 622

Committees on Appropriations with quarterly reports on the status of their telecommuting programs, including the number of employees eligible for, and participating in, such programs. You asked us to provide information on and analysis of the five agencies' telework programs to help the subcommittee in its review of these legislatively required certifications and quarterly reports.

Results in Brief

We found that at DOC, DOJ, and State, groups of employees are not eligible to telework because of their positions, while SEC and SBA make all positions eligible. For example, at State, employees are excluded if they have to handle classified information in their positions. All five agencies exclude individual employees from teleworking on the basis of other criteria, such as employee performance. However, when the agencies recently reported the total number of employees who are eligible to telework, they did not subtract the number of individuals who were excluded on the basis of these criteria.

All five agencies used at least some active methods to make telework opportunities available to employees who were eligible. These methods ranged from sending each eligible employee an individual notification to sending all employees a broadcast message from the agency head. We could not confirm, however, whether all of the units in two of the agencies did more than post telework information on their internal Web sites.

None of the agencies could report the actual number of employees who telework and how often they do so because none had fully implemented the capability to track this through their time and attendance systems, although DOC and DOJ are implementing such a system. Instead, DOJ has reported the number of participants based on a survey of supervisors who are expected to track teleworkers; the other four agencies have reported the number of participants based on the number of employees with signed telework agreements in place. At DOC, however, these agreements do not include ad hoc teleworkers because they are not required to have telework agreements.

Some of the agencies had additional initiatives under way. For example, SBA and DOC required that employees be trained before participating. SEC and DOJ officials said that the agencies were currently working to address managerial resistance to participation by providing supervisors and managers with awareness training to help them see how telework can work.

Because of the lack of consistency among the five agencies with regard to how they determine eligibility to telework, make opportunities available, and measure employee participation, Congress should determine ways to promote more consistent definitions and measures related to telework. In addition, Congress should continue to consider ways to encourage agencies to promote telework.

Scope and Methodology

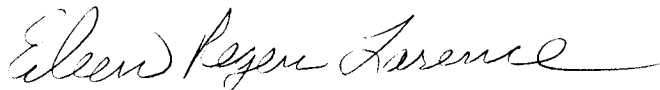
The presentation we prepared (see enclosure) was based on our review and analysis of the Fiscal Year 2005 Appropriations Act's legislative requirements, agency documentation, other official documents, and statements by agency officials. For our presentation, we obtained and reviewed each agency's telework policy as well as the certifications and quarterly telework status reports submitted to the appropriations committees, as required by law. We also interviewed the telework coordinators at each of the five agencies. We did not independently verify the information provided by the agencies.

We conducted our work from May through July 2005 in accordance with generally accepted government auditing standards. We provided the five agencies with a draft of the information included in the enclosure and incorporated their comments as appropriate.

We will make copies of this report available to other interested parties upon request. The report is also available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions or need additional information about this report, please contact me at (202) 512-6510 or at larencee@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report were William Doherty, Assistant Director; Joyce Corry; and Sonya Phillips.

Sincerely yours,



Eileen R. Larence
Director, Homeland Security and Justice

Enclosure

Agency Telework Methodologies

**Departments of Commerce, Justice, State, the
Small Business Administration, and the
Securities and Exchange Commission**

GAO Objectives, Scope, and Methodology

- Agencies covered
 - Department of Commerce (DOC)
 - Department of Justice (DOJ)
 - Department of State (State)
 - The Small Business Administration (SBA)
 - The Securities and Exchange Commission (SEC)
 - In response to your request, our objectives were to provide information on and analysis of:
 - the methodology each of the five agencies used to define its eligible workforce,
 - the methods each agency used to make telecommuting opportunities available to eligible employees and what those opportunities are, and
 - how each agency defines and measures telecommuting participation rates.
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GAO Objectives, Scope, and Methodology (continued)

- Information and analysis included in this presentation are based on agency documentation, other official documents, and/or statements by agency officials. GAO did not independently verify this information.
- We conducted our review in accordance with generally accepted government auditing standards.

2005 Appropriations Act Requirements Regarding Eligibility and Participation

Requirements for each of the five agencies:

- Must certify by February 8, 2005 that telecommuting opportunities are made available to 100 percent of the telecommuting-eligible workforce
 - Of the total amounts appropriated to each agency, \$5 million shall be available only upon such certification
 - Must provide quarterly reports to the Committees on Appropriations including the number of federal employees eligible for and participating in telecommuting programs
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What GAO Found

Determining Eligibility

- At DOC, DOJ, and State, groups of employees are not eligible to telework because of their positions, while SEC and SBA made all positions eligible.
 - At State, DOJ and DOC employees are excluded for mission-related reasons, such as having to handle classified information.
 - SEC decides each telework request on a case-by-case basis, in part, to reduce managerial resistance.
 - All agencies exclude individual employees from teleworking based on certain criteria, such as performance or the need for face-to-face interaction with clients.
 - None of the agencies report how many individual employees at any given time are excluded from teleworking based on these criteria, so employees excluded from telework for such reasons are included in the count of eligible employees that agencies report to the Congress.
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What GAO Found

Making Opportunities Available

- All agencies used at least some proactive methods to make telework opportunities available to employees who were eligible. These methods ranged from sending each eligible employee an individual notification to sending all employees a broadcast message from the agency head. However, DOC and DOJ had not confirmed whether all of their components had done more than simply posting information on the Intranet.
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What GAO Found

Measuring Participation

- None of the agencies has fully implemented the capability to track who is actually teleworking and how frequently through their time and attendance systems.
 - DOC and DOJ are currently implementing such a system. Until their systems are fully implemented:
 - DOJ is reporting the number of telework participants based on an annual survey of supervisors conducted by the individual components' telework coordinators. For this survey, the supervisors are expected to track teleworkers working for them.
 - DOC is counting the number of signed telework agreements for core teleworkers only.
 - State, SBA, and SEC are not implementing such a system and report the number of signed telework agreements when reporting participating employees. State reports core and recurring situational agreements.
- SBA and DOC require that employees be trained before participating.
- SEC and DOJ officials said that the agencies are currently working to address managerial resistance to participation by providing supervisors and managers with awareness training to help them see how telework can work.

What GAO Found

Observations

- Congress may want to consistently define the types of telework participants and eligible employees it would like agencies to report—such as for core and situational telework—and decide whether they should be reported together or separately.
 - Congress may want to ask OPM, working through the Chief Human Capital Officers Council and in consultation with GAO:
 - to develop a set of terms, definitions, and measurements that would best meet the needs of the Committees on Appropriations, other congressional committees, agencies, and other stakeholders in assessing and encouraging the progress agencies are making in enhancing their telework programs and
 - to provide consistent direction to the agencies in applying these to particular agency circumstances.
 - Congress may want to consider ways to encourage agencies to promote telework.
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Agency Telework Profiles

- Program Data
 - Methodologies for:
 - Determining Eligibility
 - Making telework opportunities available
 - Measuring participation
 - Observations
-

DOC-Reported Telework Information

- Legislative requirements
 - Telework Certification submitted to appropriations committees: 2/15/2005
 - Certifying official: Chief Financial Officer and Assistant Secretary for Administration
 - FY 2005 2nd Quarter Telework Report in review at DOC and not yet submitted to appropriations committees: for January through March 2005

- Agency information from FY 2005 2nd Quarter Telework Report¹ (as of 3/2005)
 - Total number of employees: 39,829
 - Employees eligible to telework: 29,530
 - Percent of total number of employees who are eligible: 74%
 - Participating telework employees: 11,931
 - Percent of eligible employees participating: 40%

¹Quarterly report is still in review at DOC and numbers are subject to change.

- Reported to OPM in response to 2004 OPM Telework Survey (as of 12/31/2004)²
 - Number of core teleworkers who actually teleworked: 6,820
 - Number of situational teleworkers who actually teleworked: 2,807

² The FY2005 2nd Quarter report reflects an increase in employees participating since the 12/31/2004 OPM survey.

Eligibility for Telework at DOC

- Employees are eligible to telework if they are not in excluded positions (e.g., scientific researchers) and meet position criteria (e.g., do not have to access classified information).
- Eligible employees still have to meet employee-related and other situational criteria to participate, such as demonstrating self-starter characteristics and having good time management and organization skills.
- DOC counts eligible employees. Employee-related and situational criteria as applied at any given time is not a reported measure. DOC requires that employees be trained before participating.

Making the Opportunity Available at DOC

- DOC delegated responsibility to each of its bureaus to determine the best methods to offer eligible employees the opportunity to participate. The bureaus had to ensure they made telework opportunities available to 100 percent of their eligible employees.
 - According to DOC's telework coordinator, the components reported using methods ranging from:
 - e-mailing notifications to eligible employees with an application attached to
 - maintaining an open door policy to address questions or concerns.
 - DOC had not confirmed whether all of their components had done more than simply posting information on the Intranet.
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Measuring Participation at DOC

- According to DOC officials, the department counts employees as participating in telework if they have a signed telework agreement for “core” telework. **“Ad hoc” teleworkers are not counted because they are not required to have telework agreements.**
 - DOC officials said that they do not have a way to count actual participation at the current time, but they are in the process of implementing a Web-based time and attendance system that will allow the department to track actual telework participation. DOC plans to have this method fully implemented by mid-2006.
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Observation on Telework at DOC

- DOC is inconsistent in how it excludes employees based on performance:
 - Under its 2-point rating system, employees can qualify if their average rating is at “meets or exceeds expectations.”
 - Under its 5-point rating system, employees can qualify if their average rating is “outstanding” or “commendable” but not if it is “fully successful.”
 - Agency officials confirmed that “meets expectations” and “fully successful” were essentially equivalent ratings and both represented the mid-point of their respective ratings systems.

SBA-reported Telework Information

- Legislative requirements
 - Telework Certification submitted to appropriations committees: 2/08/2005
 - Certifying official: Associate Deputy Administrator for Management and Administration
 - FY 2005 3rd Quarter Telework Report submitted to appropriations committees: 7/27/2005

- Agency information
 - Total number of employees (as of 12/31/2004 from 2004 OPM Telework Survey): 3,390
 - Employees eligible to telework (as of 7/27/05 from FY 2005 3rd Qtr. Report): 597
 - Percent of total number of employees who are eligible (calculated): 18%¹
 - Participating telework employees (as of 7/27/05 from FY 2005 3rd Qtr. Report): 389
 - Percent of eligible employees participating (from 7/27/05 FY 2005 3rd Qtr. Report): 65%

- Reported to OPM in response to 2004 OPM Telework Survey (as of 12/31/2004)
 - Number of employees who were core teleworkers: 162
 - Number of employees who were situational teleworkers: 166

¹This percentage is approximate, because it was calculated using numbers obtained at different points in time.

Eligibility for Telework at SBA

- SBA states it does not exclude any positions from telework, but does exclude employees because of certain situational criteria and employee-related conditions (e.g., the employee needs daily face-to-face contact with the immediate supervisor, other employees, or customers or the employee has received a disciplinary or adverse action within the 6 months prior to applying).
- SBA counts eligible employees. Employee-related and situational criteria as applied at any given time is not a reported measure. SBA requires that employees be trained before participating.

Making the Opportunity Available at SBA

- According to agency officials, SBA used one or more ways to make the opportunity to telework available to its eligible employees. These ranged from:
 - circulating a notice to all employees providing detailed instructions on how to apply to
 - creating a link on its Intranet home page.
-

Measuring Participation at SBA

- Supervisors or their designees are required to identify and update “approved teleworkers” in SBA’s electronic telework tracking system.
 - SBA’s FY 2005 2nd Quarter report to the appropriations committees labeled its teleworkers as “approved teleworkers” rather than as “participating employees.”
 - SBA officials said that they do not have a way to count employees actually participating in telework at the current time.
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Observation on Telework at SBA

- SBA’s use of “approved teleworkers” in its Quarterly Telework Report is more accurate than if they used “participating employees”.

SEC-reported Telework Information

- Legislative requirements
 - Telework Certification submitted to the House Appropriations Committees on Science, the Departments of State, Justice, and Commerce, and Related Agencies: 3/1/2005
 - Certifying official: SEC Chairman
 - FY 2005 combined 2nd and 3rd Quarters Telework Report submitted to the House Appropriations Committees on Science, the Departments of State, Justice, and Commerce, and Related Agencies: 7/25/2005
- SEC information from FY 2005 combined 2nd and 3rd Quarters Telework Report as of 7/25/2005
 - Total number of employees: 4,101
 - Employees eligible to telework: 4,101
 - Percent of total number of employees who are eligible: 100%
 - Participating telework employees: 813
 - Percent of eligible employees participating: 20%
- Update of SEC information reported to OPM in response to 2004 OPM Telework Survey (updated as of April 2005)
 - Number of employees who were core teleworkers: 240
 - Number of employees who were situational teleworkers: 507

Eligibility for Telework at SEC

- SEC states that all employees are eligible to telework.
- Employees can be excluded because of certain situational criteria and employee-related conditions (e.g., the necessity for face-to-face interaction or having time and attendance issues).
- SEC wants to decide each telework request on a case-by-case basis, in part to reduce managerial resistance.
- SEC counts eligible employees. Employee-related and situational criteria as applied at any given time is not a reported measure.

Making the Opportunity Available at SEC

- SEC used one or more ways to make the opportunity to telework available to its eligible employees. These ranged from:
 - Broadcast e-mail to all employees from the Chairman sent January 4, 2005 to inform them about SEC's telework flexibilities to
 - Telework link on the SEC Intranet.
 - SEC officials are currently working to address managerial resistance to participation by providing supervisors and managers with awareness training to help them see how telework can work.
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Measuring Participation at SEC

- According to SEC officials, the agency counts employees as participating in telework if they have a signed telework agreement.
 - Agency officials said that SEC does not have a way to count actual participation at the current time because the Department of Interior, which handles SEC's payroll, does not break out time spent teleworking versus time working in the office.
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Observation on Telework at SEC

- SEC noted that in previous years, its telework program restricted managers/supervisors, and non-bargaining unit employees from recurring telework schedules. In 2005, with the initiation of SEC's new telework program, this restriction eliminated.

DOJ-reported Telework Information

•Legislative requirements

- Telework Certification submitted to appropriations committees: 3/03/2005
- Certifying official: Assistant Attorney General for Administration
- FY 2005 combined 1st and 2nd Quarters Telework Report submitted to appropriations committees: 5/27/2005

•Agency information

- Total number of employees (as of 12/31/04 from response to 2004 OPM Telework Survey): 104,821
- Employees eligible to telework (as of 5/27/05 from FY 2005 1st/2nd Qtrs. Report): 56,127
- Percent of total number of employees who are eligible (calculated): 54%¹
- Participating telework employees (as of 5/27/05 from FY 2005 1st/2nd Qtrs. Report) 10,103
- Percent of eligible employees participating (as of 5/27/05 from FY 2005 1st/2nd Qtrs. Report) : 18%

•Reported to OPM in response to 2004 OPM Telework Survey (as of 12/31/2004)²

- Number of employees who were core teleworkers: 478
- Number of employees who were situational teleworkers: 18,126

¹This percentage is approximate, because it was calculated using numbers obtained at different points in time.

²These numbers, reported to OPM as of 12/31/04, exceed the 10,103 employees participating in telework that were reported to the committees on 5/27/2005. According to agency officials, the 5/27/2005 numbers reflect DOJ's budget office adjustment to account for attrition.

Eligibility for Telework at DOJ

- Employees are only eligible to telework if they meet certain position criteria (e.g., work planned for telework days is not classified, the technology and equipment needed to perform the work planned for telework days is available, or the employee is not classified as an entry or trainee level position) or they do not work in certain occupations (e.g., correctional officers and receptionists) or they do not work in certain occupations (e.g., correctional officers and receptionists).
- Eligible employees still have to meet employee-related and other situational criteria to participate (e.g., being able to work effectively in an isolated environment or having a history of reliable and responsible performance of duties).
- DOJ counts eligible employees. Employee-related and situational criteria as applied at any given time is not a reported measure.

Making the Opportunity Available at DOJ

- DOJ required each of its components to complete a formal, written confirmation that 100 percent of eligible employees in each individual component had been offered the opportunity to telework. The components certified that they used one or more means to do this, ranging from:
 - individual e-mails to eligible employees
 - to posting information about the telework program on the Intranet.
 - DOJ had not confirmed whether all of their components had done more than simply posting information on the Intranet.
 - DOJ officials are currently working to address managerial resistance to participation by providing supervisors and managers with awareness training to help them see how telework can work.
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Measuring Participation at DOJ

- According to DOJ officials, supervisors are expected to track all instances of telework manually. DOJ components record instances of telework and report the recorded participation levels annually in response to the OPM Telework Survey.
 - DOJ officials said that they are in the process of implementing a Web-based time and attendance system that will allow the Department to track actual telework participation and DOJ plans to begin partially using this method during this calendar year.
-

Observations on Telework at DOJ

- DOJ officials have confidence in the managers' recording and reporting of actual telework because the DOJ telework program has been in place for many years and this is a long-standing requirement for DOJ supervisors and managers. However, DOJ officials look forward to improved accuracy by use of the time and attendance system in the future.

State-reported Telework Information

- Legislative requirements
 - Telework Certification submitted to appropriations committees: 2/8/2005
 - Certifying official: Acting Assistant Secretary, Legislative Affairs
 - FY 2005 2nd Quarter Telework Report submitted to appropriations committees: 4/4/2005

- Agency information
 - Total number of employees (as of 12/31/2004 from 2004 OPM Telework Survey): 18,751
 - Employees eligible to telework (as of 3/2005 from FY 2005 2nd Qtr. Report): 1,240
 - Percent of total number of employees who are eligible (calculated): 7%¹
 - Participating telework employees (as of 3/2005 from FY 2005 2nd Qtr. Report): 1,019
 - Percent of eligible employees participating (calculated): 82%

- Reported to OPM in response to 2004 OPM Telework Survey (as of 12/31/2004)
 - Number of employees who were core teleworkers: 431
 - Number of employees who were situational teleworkers: 588

¹This percentage is approximate, because it was calculated using numbers obtained at different points in time.

Eligibility for Telework at State

- State counts employees as eligible only when they have been deemed eligible for core telework and those recurring situational teleworkers who will telework frequently.
- According to agency officials, while some employees may use situational telework arrangements infrequently, State only counts them in their number of eligible employees when they actually would be able to telework on a “regular situational basis”. They do this because they think counting non-regular situational teleworkers would not meet legislative intent.
- State excludes positions requiring regular daily access to classified national security information and employees who deal with the public (e.g., passport examiners and employees responsible for processing travel orders for Foreign Service personnel).
- At this time, only employees in the Metro D.C. area can telework to make the program easier to manage and to make sure it is working well. Also, State interpreted the telework legislation’s concern to be mostly about the D.C. area. A decision may be made in the future to offer the program in other areas. Also, State interpreted the legislative intent to be addressing the D.C. area.
- State counts eligible employees. Employee-related and situational criteria as applied at any given time is not a reported measure.

Making the Opportunity Available at State

- Supervisors and managers were directed to offer telework opportunities to employees who occupied eligible positions.
 - Supervisors and managers individually offered the opportunity to telework orally and/or in writing to these employees.
 - Employees accepted or declined telework in writing.
 - State reported that 221 eligible employees did not sign agreements and formally declined telework.
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Measuring Participation at State

- State counts those employees with a signed telework agreement as participating, and counts both core and recurring situational teleworkers.
 - State officials said that they do not have a way to count actual participation at the current time.
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Observation on Telework at State

- State officials observed that the department's employees work under conditions fundamentally different from the other four agencies included in this review. For example, regular access to classified material and the accompanying need for secure communications is a factor that excludes many State positions from being eligible for telework.

Some Similarities Among Agencies' Telework Approaches

- Identify employees who can't telework by virtue of:
 - the job they do/situational criteria related to their positions
 - employee-related criteria
 - approval process requirements
- Make opportunities to telework known to employees
- Most report employees with approved telework agreements as the number of employees participating in telework
- Large departments provide direction and subunits within the department have flexibility in the way they choose to implement the direction

Some Differences Among Agencies’ Telework Approaches

- Definitions of terms
 - The types of telework included in the reports
 - Exclusion from teleworking by positions versus exclusion case-by-case at various points in time
 - “Making opportunities available” meaning high awareness of telework opportunities versus extending specific individual notification of eligibility
 - Work locations included
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