



United States Merit Systems Protection Board

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MSPB RELEASES PERFORMANCE AND ACCOUNTABILITY REPORT (PAR) FOR FY 2004

Acting Chairman Neil A.G. McPhie announced today that the Merit Systems Protection Board (MSPB or the Board) has filed its PAR with the President, the Congress, the Office of Management and Budget, the Department of the Treasury and the Government Accountability Office. The PAR combines the performance report required by the Government Performance and Results Act (GPRA) the agency's audited financial statements required by the Accountability of Tax Dollars Act and the agency's annual report required by the Federal Financial Managers' Integrity Act. The MSPB filed the PAR in accord with the November 15, 2004 statutory due date.

The MSPB met or substantially met 26 of its 27 performance goals for a success rate of 96%. One goal, administration of our merit principles survey, was intentionally postponed at the request of OPM to avoid overlap with its human capital survey. The Board's regional and field offices continued to process cases in less than 100 days in FY 2004. The Board significantly improved its headquarters processing timeliness by meeting its goal for the average age of cases at headquarters. In addition, the Board reduced the number of cases at headquarters for more than 300 days, thus meeting this goal for the first time in three years. The Board's settlement programs in the regional and field offices and at headquarters continued to be effective with settlement rates of 53% and 37%, respectively. The quality of the Board's decisions continued with 95% of cases submitted to the Court of Appeals for the Federal Circuit left unchanged. The Board also continued to improve its automated appeals system known as e-Appeal by implementing phase II of the system. The new system supports web-based appeals and automated responses. The Board also successfully implemented its new internal automated case management system in the early part of calendar 2004. These results

indicate that MSPB continued to be effective and efficient in protecting merit through its adjudication function in FY 2004.

The Board continued to protect the Federal merit systems through its studies function in FY 2004. The Board completed six merit systems studies including reports on topics such as: what is on the minds of Federal human resources management stakeholders, the impact of automated assessment, and agency recruitment initiatives. In addition, the Board completed its PAR for FY 2003, the annual report for FY 2003, and its new Strategic Plan for FY 2004 – FY 2009. The Board also collected baseline data that will be used to assess the merit-based policies, procedures, and outcomes of alternative human resources management systems, such as those in DHS and DOD, in comparison to those of the traditional civil service system.

The financial report section of the PAR indicates that MSPB received a “clean” opinion from its independent auditor for the second successive year. The auditor’s reports on the financial statement, internal controls over financial reporting and compliance with laws and regulations are all included in the PAR.

The PAR also includes a discussion of the trends and issues that affect the performance of the MSPB. The first major issue involves the continued increase in the number of Federal agencies who have obtained or are seeking legislative authority to establish their own alternative human resources management systems. Typically, these new systems contain flexibilities different than the traditional civil service system in areas such as pay, performance management, and position classification. However, recently the Department of Homeland Security (DHS) and the Department of Defense (DOD) received authority to establish their own appeals procedures, which may or may not include review by the Board. MSPB consulted with DHS on their proposed appeals procedures. The Board will continue to monitor the development and implementation of these new systems.

When these two agencies implement their systems, well over half of the Federal workforce will be managed under non-traditional systems. Clearly, this will make the Board’s role in protecting merit through both its adjudicatory and merit systems studies

functions more important and complex. It is likely that the Board will be required to decide cases that arise from a number of different merit-based human resources management systems. This will require applying new laws and setting new precedents, potentially for each new alternative system. Considering these cases, within the context of protecting merit Governmentwide, makes it essential that the Board have a full complement of three confirmed Board members. The Board has not had three confirmed members since March 1, 2000. It is critical that the Board member vacancies be filled in FY 2005.

The Board's PAR for FY 2004 is available in the MSPB website www.mspb.gov. In the coming weeks, printed copies of the PAR will be available and can be obtained from the Clerk of the Board at MSPB headquarters, 1615 M St. NW, Washington DC, 20419.

The Board is an independent, bi-partisan quasi-judicial agency with responsibility for deciding Federal employee appeals from management action taken against them and for protecting the integrity of the civil service and other Federal merit systems. The Board also conducts studies of the civil service and other merit systems in the Executive Branch and renders reports to the President and Congress.

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