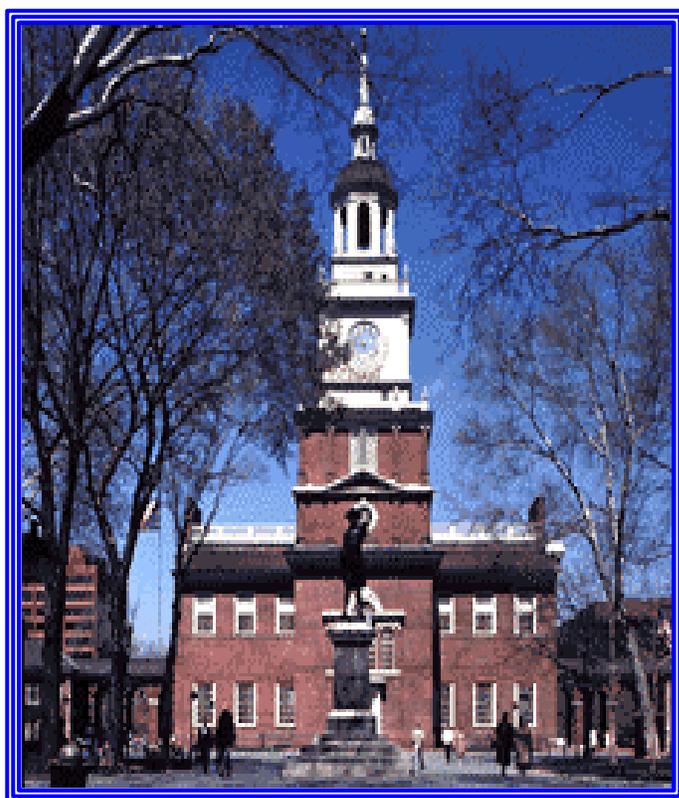




**HUMAN RESOURCES SERVICE CENTER
NORTHEAST
PHILADELPHIA, PA**

**Annual Business Report
~ The Year 2001 in Review ~**



**Independence Hall
Independence National
Historical Park
Philadelphia, PA**

“Birthplace of the United States of America”

HRSC-NE at a glance:



Serviced employees	39,331
Activities serviced	236
States serviced	25
HRO joint servicing partners	18

Website: <http://www.donhr.navy.mil>

Location:

The Bourse Building
111 South Independence Mall East
Philadelphia, PA 19106-2598



The Liberty Bell Philadelphia, PA



*“Proclaim liberty throughout
all the land unto all the
inhabitants thereof”*

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From the Director...

Dear Reader:

I again welcome the opportunity to share with you some of the Human Resources accomplishments and shortfalls that occurred during the past calendar year in this, our third Annual Report to the military and civilian senior managers of the Commands that are supported by Navy's Human Resources Service Center in the Northeast Region.

If you reviewed our year-end summaries of the previous two years, you may recall seeing some clear evidence of continuous improvement in our three key programs: merit staffing, external recruitment, and retirement. That trend, I am happy to report, has continued. Even though our Region produced over 540 additional certificates this year for use in merit staffing, the average number of days needed to produce these critical documents has fallen. Similarly, we reduced the average time needed to produce certificates for external candidates by over nine days. Finally, the timeliness of retirement counseling dropped for the third straight year. I am especially proud of this work because during the past year we provided requested retirement counseling more quickly than ever before even though our workload in this area increased by 10%. This year, for the first time, we surpassed the timeliness requirements issued by the Department of Navy (DON) Board of Directors (BOD) for all three programs. Our chart on page four displays this information.

There is another accomplishment attained this year that I am extremely proud of because it reflects well on our employees here at HRSC-NE. In our 1999 Annual Report (still available on our web page) I expressed concern about our "micro" data, meaning the "system" personnel data that was critical but was not necessarily visible to everyone. Errors in this data tend to become very apparent, however, at exactly the wrong time -- usually when an employee is undergoing a personal crisis. I indicated then that we would do all we could to ensure the integrity of that data.

In July of this year, we converted to a new personnel data system called Modern DCPDS. The conversion was an immense undertaking and the success of the conversion was very dependent on the quality of our "micro" data. I invite you then to review our write-up on how well that conversion went (page six). The team that oversees all of these conversions throughout the entire Department of Defense (DOD) reported that the conversion in the Northeast Region was the most flawless they had witnessed. The comment is indirect evidence that our Center is super-vigilant in relation to micro-data integrity.

I am proud to report other accomplishments during the year. Please take a minute to review the work we did on the first Commercial Call Center, which was set up within DON to provide some key HR benefits for our civilian employees (page five). You also may wish to look at a study we completed and published relative to e-recruitment (page nine) within the Northeast Region -- an effort that was favorably commented on by the Office of Personnel Management upon completion of a recent inspection of our external hiring process. Our report also discusses a pair of precedent-setting Labor Relations cases that supported the management goals of two Commands in the Northeast Region (page eight). I am also very proud of our response to the Combined Federal Campaign this year and in particular our special cash contribution to the

victims of the 9/11 attacks both in New York and Washington D.C. Details are to be found at page 11. On page seven you'll read about the plans to automate training and on page ten there is information about the special effort being made by our EEO Office to support your outreach efforts in Hispanic and disabled employee recruitment.

So what, then, were our "shortcomings?" Well, for one thing, the Modern system that we converted to is, if you'll permit me to use an obvious euphemism -- a challenge. It is impacting adversely on our ability to perform because it is both sluggish and a very substantial consumer of our resources. Modern is a DOD mandated system, so it is not exactly our failing, but we still have to find ways to cope with its idiosyncrasies. That, I can tell you, will be a major concern for us in Calendar Year (CY) 2002. By the way, you should know that DON is well aware of these (Navy-wide) difficulties and plans to address the issue forthrightly.

There is a second area I am concerned with. I had hoped to have a major reduction in our timeliness for filling vacancies through merit promotion this year because the phased installation of Resumix (an automated merit staffing system) into the processes of all of the Commands we support was completed at the end of June 2001. In fact, we were on track for just such a favorable shift in timeliness. But when we installed the Modern system at the end of July and then entered into an extended adjustment period, and when we concurrently engaged in the stand-up of the Region's Commercial Call Center, we found our staffing timeliness adversely impacted for a period of approximately three months. So, while, as noted above, we were able to reduce our merit promotion timeliness for the third consecutive year, we were disappointed in the small size of that reduction.

That will change this year. Our plan this year, which is being supported by your local HROs, is to utilize the Resumix system to, first, dramatically reduce the time to produce merit staffing certificates and, second, to re-shape our overall approach to Resumix-supported merit staffing in a way which will produce better certificates with higher concentrations of well-qualified candidates. In fact, the HROs and the HRSC-NE have jointly entered into an effort to generate selections within 60 calendar days from the time the position becomes vacant. That goal is very ambitious and, frankly, will be difficult to achieve. However, at a minimum, in our next Annual Report you can look for a dramatic drop in the average time for the HRSC-NE to produce merit staffing certificates from the current level of 43.9 days, and fewer complaints from your subordinate managers regarding the quality of the Resumix-generated merit staffing certificates.

During CY 2002, we also plan to make a similar reduction in the time needed to complete external recruitments. Here, however, we will need the support of many of the Commands we service. We have a continuing problem. Under the rubric of "finding the best possible candidate for the vacant position," there is an increasing trend in our Region to request external recruitment when there is no real desire or intent to follow through with that effort (i.e. by routinely making selections from the certificates we produce). Realistically, it is probably reasonable to sacrifice 25% of our overall effort to produce the certificates that result in selections. By this I mean that if we produced 100 such certificates, we should be able to anticipate selections from 75 of them and write off the effort associated with the 25 that are returned unused as a cost of doing business. But if that is a reasonable expectation, the facts are that last year over 60% of our certificates were returned unused.

Is this because the certificates we produce lack quality? No. The Office of Personnel Management interviewed representatives of the different Commands we support and all expressed satisfaction with the quality of the candidates on our external certificates. The patterns of non-use indicate that it has more to do with the local business culture. In one Command, for example, we produced 213 certificates, and 76% of them were returned unused. In a second Command, located in the same geographic area, we produced 80 certificates, yet only 30% were returned unused. In still another Command, only 12% of the certificates produced were returned unused.

The argument here then is that since our dedicated resources for external recruitment are fixed, heavy non-use by some Commands directly and negatively impacts on Commands that are clearly reliant on external recruitment. It is, in effect, a zero sum game: resources invested in X reduce the resources invested in Y. I do not regard this merely as a question of fairness. For the HRSC-NE it is more a question of achieving a responsible and optimum utilization of our finite resources. Accordingly, as part of our effort to improve overall timeliness in the area of external recruitment, we will be attempting to find ways to address this issue in the coming year.

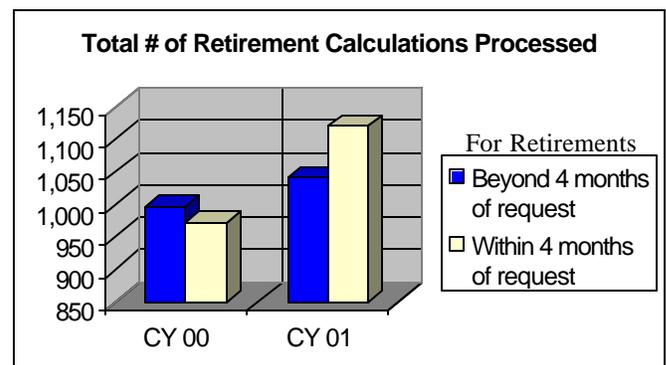
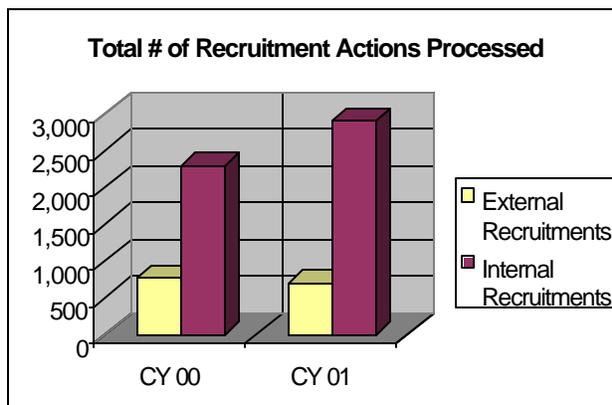
I'd like you to know that our organization's business goal, established prior to our standup, is a direct and concise statement that is always a part of our thinking and decision-making. That goal is to "... generate work products that are highly valued by the Region's HROs and the Commands they support." Our staff is here to provide the best possible HR service we are capable of and they are available to discuss any questions or concerns you may have. Our staff directory is located on the last page of this report.

The employees of the HRSC-NE would also like to take this opportunity to extend our gratitude to the professionals who make up the Human Resources community in the Northeast Region. Their continued support remains a vital ingredient to any success we have achieved here at the Center.

John Conwell
Director

Human Resources Service Center – Northeast (HRSC-NE) Recruitment/Retirement Highlights

Recruitments/Retirements	Average Processing Time (# of Days)		HRSC Standards CY 00 & CY 01	Total # of Actions Processed	
	CY 00	CY 01		CY 00	CY 01
External Recruitments	51.8	42.5	50 days	645	640
Internal Recruitments	45.2	43.9	45 days	2,208	2,750
<u>Retirement Calculations</u>					
Calculations for planned retirements beyond 4 months of request	10.1	6.6	30 days	997	1,041
Calculations for planned retirements within 4 months of request	5.1	4.7	10 days	971	1,111



ACHIEVEMENTS IN 2001



Employee Benefits Information System (EBIS)

On 5 November 2001 employees in the Northeast Region were given access to the EBIS application to transact Health, Life and Thrift Savings Plan (TSP) actions. The EBIS is a web-based application that allows employees to access general and personal benefits information and make health insurance, life insurance and TSP changes *electronically*. Employees can access EBIS through the Department of the Navy (DON) web site at www.donhr.navy.mil and clicking on Pay & Benefits (EBIS). Employees are able to:

- View Federal Employee Health Benefits (FEHB), Federal Employee Group Life Insurance (FEGLI), and TSP benefits information
- View and/or void projected FEHB, FEGLI and TSP actions
- Enroll, change or stop FEHB, FEGLI or TSP benefits
- Receive general retirement annuity estimates
- Obtain personal benefits statements
- Print benefits information documents
- Obtain forms

Employees using EBIS for the first time will set up a user account and establish a Personal Identification Number (PIN). When employees finish a transaction, they can print a receipt of the transaction. The EBIS application operates on Central Standard Time and all transactions are processed overnight.

The Human Resources Benefits Call Center

Effective 9 January 2002, employees can call the DON's toll-free Benefits Line at 1-888-320-2917. This Interactive Voice Response System (IVRS) allows employees to use their Social Security Number, PIN (same as one used in EBIS) and telephone keypad to:

- Obtain basic employee benefits information
- Enroll in/change their TSP, FEHB or FEGLI coverage
- Receive automated general retirement annuity estimates

Through the Benefits Line, employees will also have the option of speaking to a Benefits Customer Service Representative located in the Human Resources Benefits Call Center in the

Machias Bay region, Maine. The Benefits Line Call Center, staffed by contracted personnel, will be available Monday through Friday from 0730-1630 Eastern Standard Time.

The contracted Call Center personnel will assist employees with most FEHB, FEGLI and TSP issues while the counseling and processing associated with retirement and death benefit applications will continue to be performed by the HRSC-NE. The Customer Service Representatives at the contracted Call Center in Maine will not address specific issues about retirement. In addition, although EBIS and the Benefits Line can provide employees general information about retirement and provide generalized annuity estimates, employees should still contact the HRSC-NE for specific individual retirement computations when they are within one year of their targeted retirement date. An HRSC-NE generated annuity estimate will take into consideration special circumstances such as Post-56 military service, a refund of retirement contributions, service that was not subject to retirement deductions, or situations where an employee has transferred from the Civil Service Retirement System to the Federal Employees Retirement System. These refinements are not available in the generic EBIS/IVRS retirement module.

Effective 9 January 2002, all FEHB, FEGLI and TSP transactions began processing via the employee accessing EBIS on the web site or calling the Benefits Line. The change to these automated benefits systems is in line with DON's corporate goal that serviced employees exclusively utilize EBIS and the Benefits Line to enroll or effect changes in their FEHB, FEGLI and TSP benefits. We anticipate that these automated benefits systems will give employees serviced by the HRSC-NE maximum access and flexibility in making their benefits decisions.

Successful Deployment of the Modern Defense Civilian Personnel Data System (Modern DCPDS)

The Modern DCPDS is a human resources information system that will support human resources operations throughout the Department of Defense (DOD). On July 26, 2001 the Modern DCPDS at the HRSC-NE was certified as being fully operational in a deployment characterized as "perfect" by representatives of both the DOD and Lockheed-Martin, the central design agent for the newly deployed system. In addition, HRSC-NE's efforts set the record within all of DOD for the earliest and most thoroughly precise certification of a Modern System implementation. Notable achievements include:

- The only site within the DOD to have zero problem reports
- The only site within DOD to have zero errors on database conversion
- 315 client installations in six hours
- Master record check 100% complete in six hours, zero errors
- 1,872 pipeline actions completed in nine hours with minimal staff
- Resumix and EBIS interfaces 100% operational – earliest within the DON
- Payroll/HR update 100% operational – earliest within the DON

Such an accomplishment is especially magnified when considering that the HRSC-NE is the DON's largest center servicing 39,331 civilian employees.

Information Technology (IT) Department's Post-Modern DCPDS Perspective

The deployment of Modern DCPDS brought new challenges to our IT Department, Code 20, including the rebuilding of all User accounts as well as the loss of over 10 years worth of computer-generated report knowledge (5,000+ reports ranging from simple lists to complicated tabulation reports).

Many of the subsequent shortcuts and helpful conversion processes did not prove quite as speedy or helpful as hoped and this presented additional challenges. However, by year's end (six months after conversion/deployment) the HRSC-NE maintains:

- 2,200+ Modern User Accounts
- 1,400+ Civilian Servicing Unit Accounts
- 2,600+ Inboxes

The prior computer-generated report ability has been replaced with a Web-based Cognos report system. System restrictions still prevent the Human Resources Offices (HROs) from remotely creating their own reports, so the HRSC-NE has been working closely with our 18 serviced HROs to satisfy their report/data needs. To this end, 220 plus accounts have been built to enable outside access to reports available via the Internet. By years end, the HRSC-NE, along with a few HRO representatives working at the HRSC-NE, has "published" (made available for remote running) 195 different reports.

Additionally, SF-50s are available via the Web Cognos Server so the HROs (and managers when requested) can print SF-50s by the date generated. This method was created because of the complexity that Modern DCPDS presented when an HRO needed to verify all SF-50s were in fact received.

Many challenges remain when working out Modern DCPDS issues. The end-users have been extremely helpful in identifying problems/issues with Modern DCPDS and Cognos and have regularly submitted reports for improvement. This input is appreciated and readily accepted. Although Modern DCPDS operational issues and limitations will continue, we are confidently supporting your needs.

Navy E-Learning Center/Employee Development

The Navy E-Learning Center offers numerous online training opportunities as well as access to information, other web sites and news from the Navy training community. Users can check the E-Learning Catalog for Navy specific courses as well as a wide variety of commercially developed courses that may support their career development efforts. The E-Learning Center opened on 15 May 2001 and involves no tuition costs for training opportunities for our DON customers

All serviced civilians can now access the 480 plus Skill Soft courses and other offerings at either of the following two synchronized web sites:

<http://www.navylearning.navy.mil> or
<http://www.navylearning.navy.com>

The Skill Soft library includes a variety of personal and professional development courses, which may be taken without cost to your activity. At present, students will print a certificate upon completion of the course and then forward it to the HRSC for input into the system. This process will be automated in the future. Only courses that are longer than eight hours will be recorded.

Individual Development Plans (IDPs) may now be updated to include these web-based courses. Courses may be taken at home independently, or at work with the express approval of the participant's supervisor.

The sites also offer a number of useful links for career development, research, and libraries, including resources from the Naval Postgraduate School and the Naval War College. New courses continue to be added to this site, including three human resources courses now in development.

Appeals and Investigations Department Wins Two Precedent-Setting Cases

The HRSC-NE Code 40 handled some significant third party cases that have been noted by the Federal Service Impasses Panel (FSIP) and the Federal Labor Relations Authority (FLRA). For example, the FSIP ruled in management's favor in an "Adverse Agency Impact" hours of work case that Code 40 handled. At the April 2001 FLRA Conference in Arlington, VA, the workshop entitled "Effective Presentation of Cases Before the Federal Service Impasses Panel" used this case, DOD Navy, Naval Submarine Base New London, Groton CT and NAGE, 00 FSIP 19, in its presentation. The FSIP presenter stated that, under the Federal Employees Flexible and Compressed Work Schedules Act, the Employer bears the burden of proving that the union's proposed work schedule would cause "adverse agency impact" and that this case was an example of how an agency representative successfully did so.

A representation case that Code 40 successfully handled, DOD, Department of the Navy, Naval Computer and Telecommunications Area, Master Station-Atlantic, Base Level Communications Department, Regional Operations Division, Norfolk, VA, Base Communications Office-Mechanicsburg and AFGE, Local 1156 (56 FLRA 228; 57 FLRA 230) was included in the FLRA 2002 Year Book. The Year Book was initiated to fill a need for a concise overview of important recent case law---with commentary to place that law in context. Significant trends of the 2000-01 federal fiscal year are covered. The above case was contained in the Year Book in the Representation Chapter under both "Unit Coverage and Exclusions-Certification" and "Election Procedures/Successorship/ Accretion."

Code 40 also saved significant time and money in an election case when over 40 employees were excluded from the bargaining unit by stipulation. In a clarification of a unit petition hearing, Code 40 was successful in showing that investigators in Command Evaluation should be excluded from bargaining units. This case had potential for Navy-wide implication.

Successful Implementation of Resumix

Resumix is part of the Standard Inventory and Referral System that uses a state-of-the-art character recognition system to identify and match skills in resumes to position skills. Resumix automates the recruitment process. Implementation began in 2000 and by June 2001, all activities serviced by the HRSC-NE adapted their merit promotion program to utilize Resumix.

In addition to implementation, some enhancements to the program were tested and applied while some will soon be put into place:

- Employee resumes developed in the DON Resume Builder automatically flow into the Resumix program. Previously, clerical staff had to input the information through “copy and paste” commands.
- Enhanced versions of Resumix were tested. These versions had some minor programming faults that have been corrected in version 6.2. Resumix 6.2 should be distributed to the HRSC-NE during the summer of 2002.
- Resumix was tested for use with external announcements. To date, Resumix is used for announcements that typically target current federal employees. However, the program was adapted for use with announcements open to external candidates. The test results were positive. Resumix will begin to be used for external candidates towards the end of 2002.

Electronic Recruiting (E-Recruiting) Executive Summary

The HRSC-NE developed an "E-Recruiting Executive Summary" which provided its serviced activities with information necessary to develop an e-recruiting strategy for their hard-to-fill competitive examining positions. These positions included:

- | | |
|-------------------------------|--------------------------------------|
| ? Medical Officers | ? Senior Level Engineers |
| ? Nurses | ? Security (Police and Guards) |
| ? Crane Operators | ? Clerical |
| ? Pharmacists | ? High-level Engineering Technicians |
| ? Electricians (High Voltage) | |

The Summary compared and contrasted career management web-sites, niche-specific web-sites, and corporate web-sites --- providing relevant pricing structures as well as direct electronic hyperlinks to numerous e-recruiting web-sites. It is offered as a tool that activities can use in conjunction with, or in lieu of, normal media sources to locate quality applicants as part of their targeted recruitment efforts.

The Summary is located on the DON web site at http://www.donhr.navy.mil/HRSC/NORTHEAST/E-RECRUITING_EXECUTIVE_SUMMARY.DOC.

FUTURE INITIATIVES



Modern/Oracle Training Administration (OTA)

OTA is an advanced training administration system integrated with the Modern DCPDS that will streamline many Employee Development processes. OTA's capabilities will include:

- Initiating training requests
- Tracking training requests
- Scheduling training from an automated course catalog
- Certifying training completions
- Evaluating completed training
- Generating on-line training reports

The HRSC-NE Employee Development staff has been fully trained in OTA processes and completed testing of the system in February 2002.

EEO/Affirmative Recruitment Outreach

The DON recently announced several initiatives to increase the number of Hispanic and disabled employees. In an effort to support these initiatives, our EEO staff is currently preparing PowerPoint packages and "companion" brochures that will describe the systems (Delegated Examining Unit and Resumix) used in the application process, as well as benefits of "working for the DON." These products will be distributed to all relevant colleges, vocational rehabilitation offices, and veterans' organizations in early spring 2002. All of the serviced HROs will also receive a copy of each package.

EEO Briefing for Commanding Officers and Executive Officers

In late spring the HRSC-NE plans to host a two-day conference for all Commanding Officers and Executive Officers in our servicing area. The topics will include Alternative Dispute Resolution (ADR), staffing, and labor relations issues. Through this forum we hope to emphasize the needs of the Navy in these areas and solicit your support.

Web-Based Modern DCPDS

The Department of Defense recently announced plans to deploy a Web-based version of Modern DCPDS as early as August 2002. The first benefit of a Web-based system would be accessibility via existing web browsers verses the current method of using Oracle Client software on each personal computer and dealing with the continual updates. Beyond that tremendous benefit, user-friendly features and more efficient displays are promised. The HRSC-NE staff has not had the opportunity to review this new product but anticipates significant improvements.

COMMUNITY OUTREACH

The HRSC-NE has built into its formal strategic vision a commitment on the part of its employees to support the various charity drives that take place in the local community. Consequently, we are very proud of our efforts in this area, a few of which follow:

Our Charity Drives

The HRSC-NE just completed its fourth annual Holiday Charity Drive.



- * Our second annual "Gifts of Warmth" campaign was a resounding success. HRSC-NE employees contributed 150 trays and boxes of cookies and candy and over 100 packages of sweaters, gloves, hats and blankets. These donations will assist the isolated, homebound, frail, and elderly in the five county Philadelphia area.
- * The Salvation Army holiday drive was also a success. Employees contributed by filling approximately 125 holiday stockings and providing more than 125 "Angel Gifts" to children and needy families in the local area.
- * The Marine Corps Reserves Toys for Tots Campaign also went well in 2001. HRSC-NE employees donated a total of 179 new toys.

Our Combined Federal Campaign (CFC)

The HRSC-NE employees raised a total of \$24,100, which is more than double the assigned target of \$11,800. Our participation rate on pledges increased from 49% to 70%. The average pledge increased from \$114.00 to \$133.00 and the per capita gift went from \$56.00 to \$93.00.

Fundraising activities such as pretzel sales, basket auctions, bake sales, craft classes, and a flea market were a great success and increased the organization's donations by \$5,000. This money was sent to the American Red Cross, specifically for the "September 11th Fund." The money donated to this Fund is exclusively for the victims of the Pentagon and the World Trade Center disasters.

The success of the 2001 CFC is a tribute to all of the employees in the organization who, without exception, joined in the spirit of generosity that is now so much in evidence.

AWARD HIGHLIGHTS

Excellence in Government

The Federal Executive Board's Excellence in Government Awards Program honored the following HRSC-NE employees at its May 2001 luncheon:

- ★ Our Deputy Director, Ms. Patricia D'Amico, was awarded a Silver Medal for her significant managerial accomplishments.
- ★ The HRSC-NE's Information Technology (IT) group was awarded a Silver Medal for the development of a client/server computer system that significantly enhanced and improved the daily processes of the Center's mission. The group consisted of Jerry Klein, Regina Gallagher, and Georgeanne Nelson.
- ★ A group of HRSC-NE employees won Bronze Medals for the design of a comprehensive Activity-Based Costing survey of all human resources services and processes. The group consisted of Maureen Marron, Dennis Sullivan, Fran Nangle, Michael Markle, Maria Nahill, and Jane D'Amico.

Combined Federal Campaign (CFC)

The HRSC-NE and two of its employees were honored at the Southeastern Pennsylvania Area Combined Federal Campaign Awards Program in the following categories:

- ★ Leadership Award - This award is presented to the CFC Coordinators who have demonstrated outstanding leadership and special efforts to assure the success of their campaign. Mr. Fran Nangle, Head, HRSC-NE Code 30, was one of only two area Coordinators to receive this award.
- ★ Top Performer Award - This award is presented to top performing agencies for contributions based on the highest percentage of overall annual payroll contributed. The HRSC-NE was one of only ten area agencies to receive this award.
- ★ Most Valuable Contributor - This is an individual award designed to recognize especially generous contributors that contribute a large percentage of their annual salary. An HRSC-NE employee, Ms. Virginia Buterbaugh, was among those area contributors to receive the award.

HRSC-NE MANAGEMENT TEAM



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111 South Independence Mall East
Philadelphia, PA 19106-2598

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Commercial: (215) 408-xxxx

DSN: 243-xxxx

E-mail Address: FirstName_LastName@ne.hroc.navy.mil

Title	Code	Voice #	Fax #
Director	00	5090	5092
Deputy Director	01	5099	5092
Administration	S1	5096	5120
EEO Office	10	5250	5252
Automation & Information	20	5004	5008
Employee Development	30	5215	5218
Appeals & Investigations	40	5241	5245
Customer Service	50	5173	5172

