



THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: Peter R. Orszag
Director

SUBJECT: Responding to General Government Proposals from the President's SAVE Award

The President's first-ever SAVE Award invited employees from across the Federal Government to submit their ideas for making our Government more efficient and effective. The goal of the SAVE Award is to produce ideas that will yield savings while also improving the operation of Government and providing better service for the American people.

Over just three weeks, OMB received more than 38,000 ideas from Federal workers all across the country. The winning proposal, along with select others, will be incorporated into the President's FY 2011 Budget. However, thousands of SAVE Award proposals offered common-sense ideas that are relevant across the Federal government. This memorandum addresses some of these suggestions by directing agencies to respond with a series of immediate and longer-term steps. Agencies are directed to undertake two specific sets of activities, including:

- 1) Implementing a series of immediate, concrete changes to address simple inefficiencies;
- 2) Evaluating existing Agency and departmental policies and practices to assess compliance with existing Administration priorities.

Implementing immediate changes

The SAVE Award revealed a number of discrete, inefficient practices that should be fixed immediately. These include:

Making electronic paystubs the default

Many Federal workers expressed concern about the costs associated with paper paystubs, such as printing, shipping, and distributing. Employees currently have the ability to opt in to receive electronic paystubs, but only 64 percent of Federal employees are taking advantage of this option.

OMB reviewed the statistics for each payroll provider and learned that the National Finance Center (NFC) is behind the other payroll providers with respect to the percentage of people receiving electronic paystubs. According to NFC, only 30 percent of its 640,000

customers receive electronic statements. OMB will coordinate with this payroll provider to help boost their electronic statement participation numbers. Defense Finance and Accounting Service (DFAS) reported that 77 percent of the employees served (908,930) are receiving electronic statements and National Business Center (NBC) reported that 83 percent of their clients (199,556) obtain statements electronically. According to GSA, 100 percent of the employees it serves (27,000) receive electronic statements.

OMB is working with each payroll system to assess the necessary steps needed to implement a system in which employees opt out if they wish not to receive their paystubs electronically. By making electronic statements the default option while continuing to allow opt out, OMB hopes to increase the percentage of Federal employees who use this convenient, lost-cost approach.

Better monitoring of transit subsidies

A number of SAVE applicants noted that when Washington, D.C.-based Government employees receive transit subsidies via Smart Trip, they often do not use the amount that they receive, leading to unnecessary expenses for their agencies. In practice, employees have the ability not to claim their Metro benefits during a given month, and the benefits return to the agency in the event that they are not claimed. Unfortunately, this fact is not well publicized.

Agencies offering SmartTrip benefits should begin a communications campaign to encourage employees not to claim monthly benefits if, during a particular period of time, they have a balance that is sufficient for the coming month (for example, if an employee walks to work during the summer).

Evaluating existing agency and departmental policies and practices

In a number of areas, SAVE applicants identified significant inefficiencies that suggest a misalignment between their agencies' current practices and Administration priorities. In these areas, OMB is tasking the agencies to conduct a review of their current practices in order to identify gaps with respect to their achievements in priority areas. These areas include:

Use online technology to improve citizens' access to Government services

One of the finalists for the SAVE Award came from an employee at the Social Security Administration in Alabama, who noted that time and money could be saved by allowing people to schedule appointments online. The Administration is committed to opening up government, to reducing paperwork burdens, to increasing convenience, and to using the Internet to make Government more accessible to citizens. Simple features like online scheduling—a feature that users take for granted when reserving hotel rooms, airplane tickets, or even a table for dinner—can make it easier for citizens to have access to government, free employees up to work on individual cases, and yield savings for taxpayers.

This memorandum directs all agencies to examine their methods for delivering services to citizens—for example, processes for booking appointments, registering for participation in Federal programs, and communicating with program representatives from the agencies. Each

agency should identify at least two areas where efficiency and citizens' access could be improved through the use of online technology. Within 60 days, all agencies should report to OMB with their findings and with a plan for implementing their recommended changes.

Improving the energy and water efficiency of Federal facilities

Thousands of SAVE Award entries called for saving energy by taking common-sense actions. These include (a) turning off lights, (b) switching to motion sensors, (c) turning off computers or making sure that they are on standby at night, and (d) minimizing the unnecessary use of air conditioning. Some applicants pointed to specific agency policies that inhibit energy efficiency—for example, agencies' requirements that all their employees leave their computers on every night so that security updates and software upgrades can take place after hours. On water use, countless SAVE entrants want to switch to waterless or water-efficient toilets/urinals, to stop watering lawns during the winter (or in the rain), or to reduce the default temperature of tap water in restrooms.

Applicants' sentiments are aligned with existing Administration priorities, and reflect some of the goals of an Executive Order issued just months ago. When the President signed the Executive Order on Federal Leadership in Environmental, Energy, and Economic Performance, he required Federal agencies to set 2020 greenhouse gas emissions and reductions targets within 90 days, to increase energy efficiency, to reduce fleet petroleum consumption, to conserve water, to reduce waste, and to implement other means to promote sustainable and environmentally-responsible practices. Throughout the FY2011 Budget process, OMB has emphasized that agencies should take these priorities seriously and demonstrate real results. The SAVE Award has shown that this pressure is also coming from the bottom up.

In the time since OMB first launched the SAVE Award, we have seen agencies begin to pay more attention to easy-to-implement solutions that save energy, conserve resources, and are cost effective. This coincides with agency efforts to implement EO 13514 as they begin their development of Strategic Sustainability Performance Plans required by this executive order. For instance, some agencies, including NSF, are requiring workers to print double-sided. However, a great deal of work remains to be done, and there are informal indications that progress towards efficiency goals has slowed down in recent years.

In response to the thousands of SAVE Award entrants who flagged inefficient practices in their agencies, OMB is asking each agency to conduct a review of their policies and practices to confirm that their practices are consistent with Administration priorities. Specifically, agencies and departments should identify internal policies that serve as disincentives to efficiency (for example, requiring all employees to leave computers on every night), as they have already been asked to do as part of their Strategic Sustainability and Performance Plans. The SAVE Award reinforces the importance of this exercise, and OMB will work with the Council on Environmental Quality (CEQ) and others to make sure that agencies are complying with this responsibility.

To increase agencies' accountability in the area of energy and water efficiency, GSA should also implement a "random spot check" program in which teams are sent to assess select

buildings that agencies claim are meeting efficiency guidelines and requirements. GSA's findings should be posted on the agency's website.

Making sure that the Government's fleet of vehicles are living up to energy efficiency goals

Several employees suggested that the Government should use more energy-efficient vehicles such as hybrids or smaller vehicles (and even golf carts). Existing statutes and Executive Orders already require that 75 percent of Federal agency vehicle purchases to be alternative fuel vehicles (AFVs), which include hybrids.

Agencies should examine their current vehicle fleets to identify opportunities to transition to appropriate vehicles. As part of their review, agencies should document formal and informal policies concerning the use of SUVs and larger vehicles and to provide a justification for why these kinds of cars are necessary, if they are being used. They should also document the options offered to employees receiving a Government vehicle—preferably in the same format in which that information is conveyed to the employees. Agencies should provide OMB with a report on their current practices within 60 days. An OMB-led review team will assess whether options are being presented in a way that encourages efficient choices.

Reusing Government supplies

Several employees suggested the creation of a government-wide site modeled after "Craig's List." This model exists on a Government-wide basis for Property Act excess, and the concept should be used within individual departments and offices as well.

Presently, agencies identify unneeded personal property through the excess and surplus process, and property available for transfer and use by other Federal agencies is posted on a common, Government-wide site—www.gsaexcess.gov. This site also allows agencies to post requests for assets that they are seeking. We are encouraging agencies to establish a similar, internal process to vet unneeded assets and supplies prior to declaring them to be excess and posting on the GSA website for external exchange. By expanding this model for re-allocating supplies, the Federal Government would be save money and cut down on supplies that go to waste.

I have charged the Office of Federal Procurement Policy to assess the current process and find ways to expand its use within agencies and offices. Upon completion of this assessment, agencies will be tasked accordingly to develop internal policies for re-using supplies.