

OFR

OFFICE OF FINANCIAL RESEARCH

Annual Report to Congress on
Human Capital Planning



Recruitment and Retention • Training and Workforce Development • Workforce Flexibility

2013

Office of Financial Research

Establishment of the Office

The Dodd-Frank Wall Street Reform and Consumer Protection Act established the Office of Financial Research (OFR or Office) within the Treasury Department. Section 153(a) of the Dodd-Frank Act charged the OFR with supporting the Financial Stability Oversight Council (Council) and member agencies:

- by collecting data on behalf of the Council, and providing such data to the Council and member agencies;
- by standardizing the types and formats of data reported and collected;
- by performing applied research and essential long-term research;
- by developing tools for risk measurement and monitoring;
- by performing other related services;
- by making the results of the activities of the Office available to financial regulatory agencies; and
- by assisting Council member agencies in determining the types and formats of data authorized by the Act to be collected by the member agencies.

Organizational Structure and Responsibilities

Section 154 of the Dodd-Frank Act established a Data Center and a Research and Analysis Center within the OFR to carry out the programmatic responsibilities of the Office.

The law provided that the Data Center, on behalf of the Council, shall collect, validate, and maintain all data necessary to carry out the duties of the Data Center. The data assembled shall be obtained from Council member agencies, commercial data providers, publicly available data sources, and financial entities under certain statutory authority detailed in the law.

The law provided that the Research and Analysis Center, on behalf of the Council, shall develop and maintain independent analytical capabilities and computing resources:

- to develop and maintain metrics and reporting systems for risks to the financial stability of the United States;
- to monitor, investigate, and report on changes in systemwide risk levels and patterns to the Council and to Congress;
- to conduct, coordinate, and sponsor research to support and improve regulation of financial entities and markets;
- to evaluate and report on stress tests or other stability-related evaluations of financial entities overseen by Council member agencies;
- to maintain the expertise necessary to support specific requests for advice and assistance from financial regulators;
- to investigate disruptions and failures in the financial markets, report findings, and make recommendations to the Council based on those findings;
- to conduct studies and provide advice on the impact of policies related to systemic risk; and
- to promote best practices for financial risk management.

Contents

- Introduction 2**
 - Overview 2
 - OFR Activities 2
 - Human Capital Planning 3
- Organization and Workforce 3**
 - Organizational Structure 3
 - The OFR and the Council 4
 - Aligning Human Capital Planning to the OFR’s Strategic Goals. 6
 - Workforce Plan 7
- Recruitment and Retention 8**
 - Hiring Effectiveness. 9
 - Outreach 9
 - Pathways Programs. 10
 - Fellowship Program. 10
- Workplace Flexibility 11**
 - Compensation 11
 - OFR-Specific Benefits. 11
 - Work Schedules 11
 - Parental Leave Benefits and Child Care Assistance. 11
 - Reemployed Annuitants and Phased Retirement. 12
 - Other Flexibilities 12
- Training and Workforce Development. 12**
 - Leadership Development and Succession Planning. 13
 - Technology 13
 - Fostering Innovation and Creativity. 14
- Conclusion. 15**
 - Dodd-Frank Act Section 156(b) Reporting Requirement 16

Charts and Tables

- Office of Financial Research Organization Chart 5
- OFR Strategic Goals 6
- Workforce Plan for Steady-State. 7
- Workforce Onboard vs. Steady-State Target 7
- OFR Hiring Plan Annual Targets 8
- Workforce by Hiring Authority 9

Introduction

Overview

Section 156(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203 (Dodd-Frank Act) requires the Office to submit a report each year for the first five years to the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services that includes a Recruitment and Retention Plan, Workforce Flexibility Plan, and Training and Workforce Development Plan. The *2013 Annual Report on Human Capital Planning* provides an update on the OFR's progress in its human capital planning and reflects the broader efforts of the OFR to establish and to maintain operational frameworks and processes.

During fiscal year (FY) 2013, the OFR's growth continued as the Office builds to a steady-state level of 275-300 full-time employees by FY 2014-2015. Through the use of multiple recruitment methods, the OFR is making strong progress in building a talented staff dedicated to strengthening understanding of risks to financial stability. Strides have been made toward ensuring that employees are provided with training and development opportunities to enhance existing skill sets, as well as to acquire new ones for professional growth. The OFR is also using workforce flexibilities to promote employee satisfaction, engagement, and work/life balance.

OFR Activities

The OFR's strategic plan establishes the foundation for the Office's vision, mission, values, priorities, and goals. The Office is operating under the first strategic plan, covering the period from FY 2012-2014. The plan is based on the statutory mandates established in the Dodd-Frank Act. The strategic plan set out the OFR's mission to serve the Council, member agencies, and the public by improving the quality, transparency, and accessibility of financial data and information, conducting

and sponsoring research related to financial stability, and promoting best practices in risk management. The strategic plan established five strategic goals for the Office consistent with requirements of the statute and defined objectives to achieve these goals.

The OFR's human capital planning is a core element of the broader strategic planning framework. The goals and objectives identified in the strategic plan link the OFR's organizational structure and workforce plan. Human capital planning activities themselves are key to achieving our third and fifth goals — establishing a center of excellence for research and analysis and establishing the OFR as an efficient organization and world-class workplace. To measure progress against these goals, the OFR developed and published performance measurements in the FY 2012 Agency Financial Report and the FY 2014 President's Budget, which are tracked on a quarterly basis.

In December 2013, we published our *2013 Annual Report* to Congress under Section 154(d) of the Dodd-Frank Act. As required in the statute, the report included the OFR's analysis of threats to the financial stability of the United States, the status of the efforts of the Office in meeting our mission, and key findings from the research and analysis of the financial system by the Office.

Major FY 2013 OFR initiatives and activities included OFR staff serving as the chair of the Global Legal Entity Identifier System's Regulatory Oversight Committee, working with agencies and industry on data standard initiatives, creating data inventories, coordinating the Financial Research Advisory Committee and subcommittees' activities and meetings, hosting and co-hosting two publicly broadcast seminars relating to financial stability issues, publishing research working papers, and providing Congressional testimony.

On March 14, 2013, the Director of the OFR testified at a hearing before the House Financial Services Subcommittee on Oversight and Investigations, “Who Is Too Big to Fail? GAO Assessment of the Financial Stability Oversight Council and the Office of Financial Research.”¹

As the OFR moves toward a full staffing level, we continue to shape the structure of the Office to fulfill our mission, streamline functions, consolidate organizational elements, and better meet the needs of the stakeholders. To this end, the OFR has realigned several functions and positions. Changes in the organizational structure of the Data Center aligned resources across the OFR and enhanced coordination in planning and the ability to meet the Office’s needs. The Office of External Affairs was created to combine Congressional affairs, communications, and relationship management to enhance public outreach and transparency. Changes in the organizational structure of the Research and Analysis Center created two teams — a fundamental research team and an analysis and policy studies team.

¹ General Accounting Office

Human Capital Planning

The OFR has developed and continues to refine human capital strategies to meet the ongoing needs of the maturing office with support from human capital staff in Treasury’s Office of the Assistant Secretary for Management. In our first three years, we have focused on several key areas:

- continuing to define core human capital frameworks, including the pay-and-benefit system, human resources policies, and related procedures;
- aligning the OFR’s organizational structure and developing an updated workforce plan tied to the goals and objectives in the OFR’s strategic plan;
- recruiting OFR leadership and ramping up the staff across the full range of Office functions, including effective use of details as appropriate; and
- training and development of staff to encourage opportunities for skill enhancement and professional growth.

Organization and Workforce

Under the Dodd-Frank Act, the Office was established within the Department of the Treasury (Treasury) and uses the resources of the Department. In fulfilling our mandate to serve the Council, we also work closely with staff of the Council Secretariat, as well as the staffs of Council members and member agencies.

Organizational Structure

The OFR’s organizational structure is based on the requirements of the Dodd-Frank Act, specifically those prescribing the role of the Director and the responsibilities of the Data Center and the

Research and Analysis Center. OFR management’s approach to fulfilling these requirements reflects three organizational imperatives:

1. The effectiveness of the organization depends on teamwork and a unified approach that requires close collaboration and coordination among all units.
2. Important efficiencies come from using expertise from other Treasury offices.
3. The OFR’s organizational structure continues to evolve to meet changing needs as the organization matures and grows.

The OFR and the Council

Our primary function is to support the Financial Stability Oversight Council (Council) and its member agencies in fulfilling their duty to promote financial stability and enhance market discipline. To do so, the Director of the OFR works closely with the Chairman of the Council (the Secretary of the Treasury).

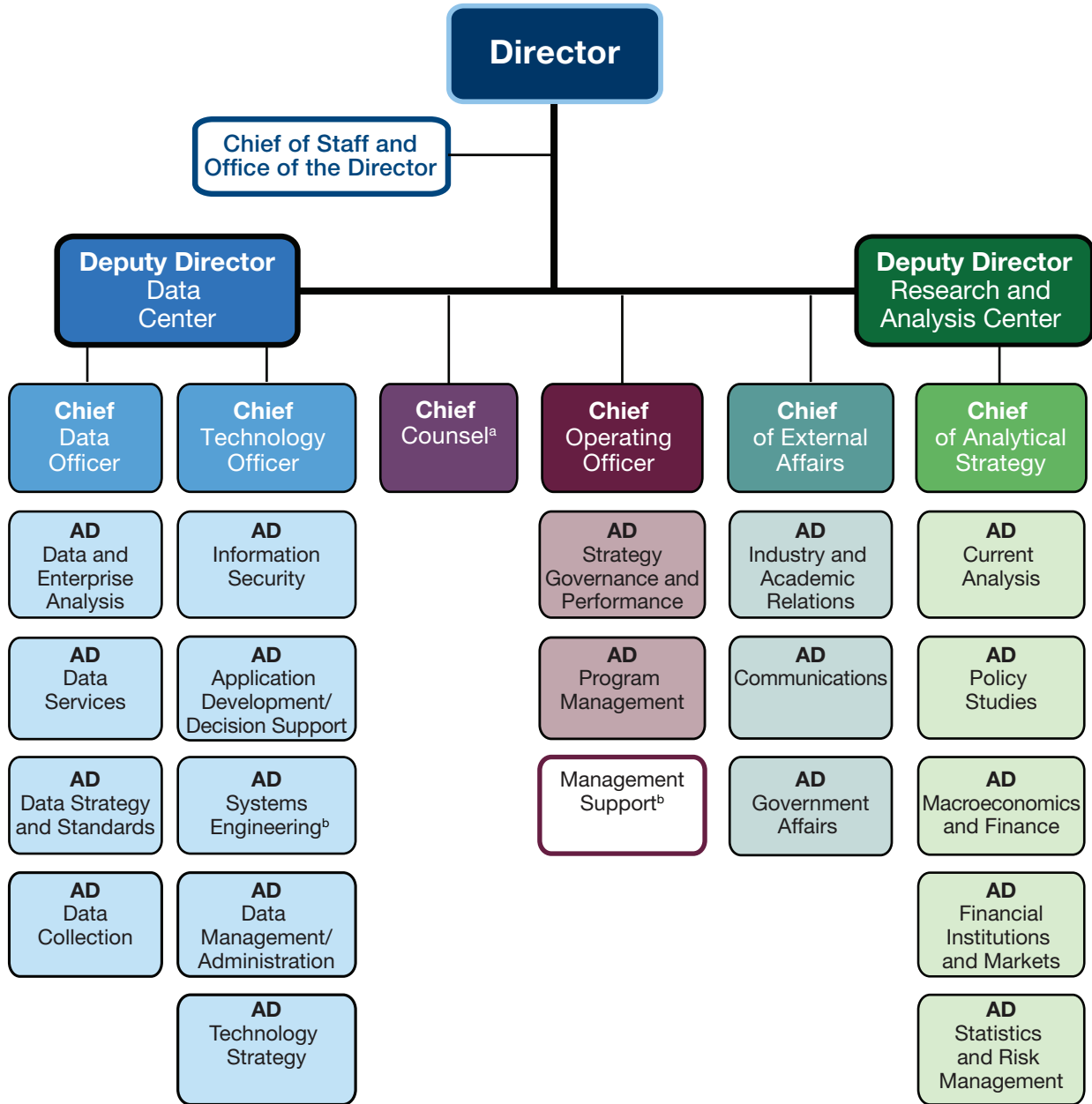
The OFR serves as a data and research resource for the Council and its member agencies and works with those agencies to reduce reporting burdens and increase market transparency. In this context, we serve as a shared resource for Council members, their agencies, and staffs. We are unique because our primary mission is to analyze threats to the stability of the overall financial system and because we have the authority to collect information, where needed, from any U.S. financial company. We have a responsibility to evaluate and report on stress tests and other stability-related assessments of financial entities overseen by member agencies, provide advice to member agencies on the impact of their policies as they relate to financial stability, investigate disruptions and failures in the financial markets, and provide analysis to the Council, Congress, and the public.

The OFR works closely with Council staff, who support policy discussions among and recommendations by the Council, such as at Council Committee meetings, through Council work streams, and in the Council's annual report. We provide data and analysis to support that work, either as a participant or in response to requests from Council members, their agencies, and staffs. The OFR has the capacity to provide in-depth, long-term research, as well as rapid analyses of significant financial events to inform the policy debate that Council staff will coordinate.

The Dodd-Frank Act requires that a Director lead the Office, overseeing the Data Center and the Research and Analysis Center. In January 2013, the President's nominee, Richard Berner, was confirmed by the Senate to be the OFR's first Director. Organizationally, the senior management team is made up of the Director, Deputy Directors for each of the two centers, and six Chiefs (the Chief Data Officer, Chief Technology Officer, Chief of Analytical Strategy, Chief of External Affairs, Chief Operating Officer, and Chief Counsel).

OFR Deputy Directors and Chiefs oversee 20 sections led by 19 Associate Directors and one management support senior liaison from Treasury's Office of the Assistant Secretary for Management. As of June 30, 2013, seven of the nine senior management positions of the OFR were filled and 10 of the 18 Associate Director positions were filled.

Office of Financial Research Organization Chart



Note: AD = Associate Director

^a Reports to the Department of Treasury Office of General Counsel.

^b Includes services through the Department of Treasury Departmental Offices.

Aligning Human Capital Planning to the OFR's Strategic Goals

The Data Center supports the OFR's first strategic goal – to support the Council through the secure provision of high-quality financial data and analysis needed to monitor threats to financial stability. Key competencies required to drive the Data Center's work include information technology, strategic data management and analysis, and analytic and support services. The Data Center also supports the OFR's second strategic goal – to develop and promote data-related standards and best practices - requiring specialized expertise in information standards.

The Research and Analysis Center also supports achievement of the first strategic goal to support the Council, as well as the OFR's third strategic goal – to establish a center of excellence for research and analysis on financial stability and promote best practices for financial risk management. To meet these goals, the Research and Analysis Center must recruit and retain

researchers and other staff with competencies that include macroeconomics, finance, statistics, risk management, and applied sciences.

To support the OFR's fourth strategic goal – to provide the public with key data and analysis, while protecting sensitive information – OFR staff responsible for relationship management, Congressional affairs and communications, and information technology require key skills in information security, law, public communications and relationship management, and legislative affairs.

Finally, to support the OFR's fifth strategic goal – to establish the OFR as an efficient organization and world-class workplace – the OFR must have staff with skills in program management, budgeting, human resources, strategic planning, and legal and regulatory policy.

OFR Strategic Goals		Data Center	Research and Analysis Center	Operations	Chief Counsel	External Affairs
1	Support the Council through the secure provision of high-quality financial data and analysis needed to monitor threats to financial stability.	P	S			
2	Develop and promote data-related standards and best practices.	P			S	
3	Establish a center of excellence for research and analysis on financial stability and promote best practices in risk management.		P			S
4	Provide the public with key data and analysis, while protecting sensitive information.	S	P		S	S
5	Establish the OFR as an efficient organization and world-class workplace.			P	S	

P = Primary responsibility S = Secondary responsibility

Workforce Plan

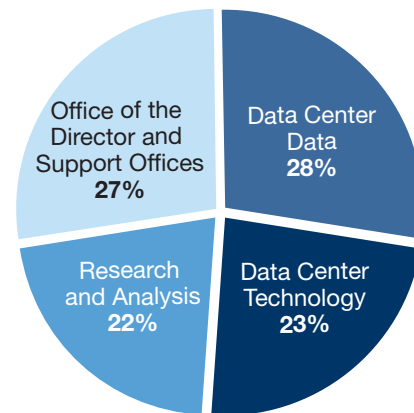
The OFR’s strategic plan drives our human capital planning efforts. The workforce plan links directly to the Office’s strategic and annual performance plans and is used to make decisions about structuring and deploying the workforce.

The OFR’s workforce plan identifies the human capital needs to realize the strategic goals of the Office. These needs include the scale of the staff, skill sets and competencies, and organizational structure. At the individual level, the objectives used for performance planning and measurement are aligned with achievement of one of the OFR’s strategic goals.

As specific needs of the OFR evolve and the organization matures, the steady-state staffing level has been refined to 282 employees projected in the FY 2015 budget process. Continued progress has been made in clarifying roles and responsibilities and defining needs for overall workforce planning. At full staffing, an estimated 51 percent of the OFR’s staff will be in the Data Center, split between the Data Center’s Data and Technology groups. The Research and Analysis Center will constitute roughly 22 percent of the OFR’s staff, but will leverage a broader network of resources through work arrangements with outside researchers, as well as collaboration with other Council members. The Office of the Director and support functions (Counsel, External Affairs, and Operations) make up the remaining 27 percent of the OFR’s staff.

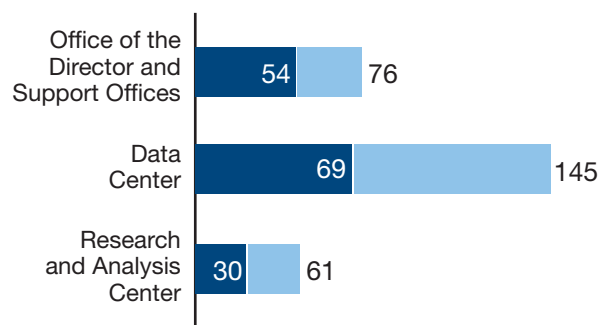
Most of our staff is located at our headquarters in Washington, D.C. The OFR also maintains a small presence in New York City to support research and data-related interactions with New York-based regulators, data providers, academics, and financial market participants. This staff will focus on topics where contact with the New York-based financial community (including the Federal Reserve Bank of New York, data providers, and financial institutions) is essential, such as risk management studies, where there is less public and academic dialogue.

Workforce Plan for Steady-State

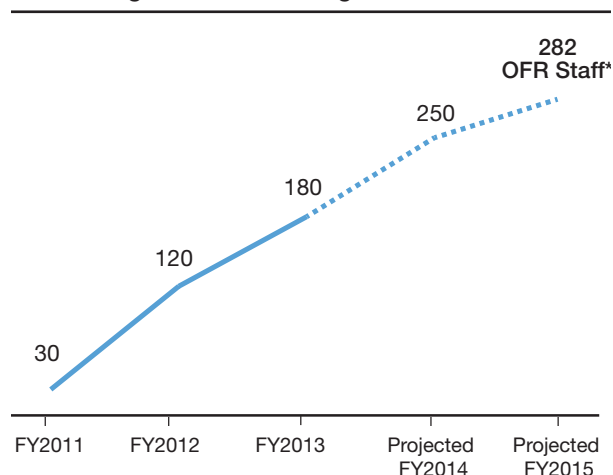


Workforce Onboard vs. Steady-State Target

(As of June 30, 2013)



OFR Hiring Plan Annual Targets



* Permanent, reimbursable, and detailed staff

The OFR will also have a small number of work arrangements with contributors outside Washington, D.C., and New York, including supporting research collaboration with academics. We expect such arrangements to be rare for direct OFR staff.

The OFR Hiring Plan is used to track hiring progress quarterly and annually. The OFR's staff increased from 30 in FY 2011 to 180 at the end of FY 2013. In FY 2014, OFR's target is 250, with a steady-state goal of 282 in FY 2015, including permanent staff, reimbursable staff, and detailed staff.

Recruitment and Retention

As an Office within Treasury, the OFR is able to use existing human capital resources, policies, and procedures, except where the Dodd-Frank Act establishes alternative requirements. The Office has established OFR-specific human capital policies and procedures to address these requirements, including administration of OFR compensation and benefits programs (see page 11) and a fellowship program.

The Office of Human Resources within Treasury's Office of the Assistant Secretary for Management continues to support the OFR on a reimbursable basis with a range of human resources management functions. The Office also uses the Bureau of Fiscal Service's Shared Services group to process human resources actions, including recruitment for OFR positions. In addition, the Office of the Comptroller of the Currency (OCC) administers certain benefit programs for us through reimbursable contracts.

The OFR continues to build an organization and culture of trust and urgency that attracts and retains individuals with the highly specialized skills needed to meet the OFR's strategic goals and objectives. To foster this culture, the OFR

has developed an on-boarding program for new employees, used team building and relationship-building activities, created an internal communication strategy, and focused on strategic efforts.

A key challenge facing the OFR is the strong competition from the public sector, private sector, and academic employers (often with significantly higher compensation including benefits) for individuals with these same specialized skills. To overcome these challenges the OFR's recruitment message highlights the:

- Office's ability to engage top academic and industry professionals through innovative research networks;
- chance to work on unique datasets and with Council staff; and
- historic opportunity for employees to build a new institution that will promote financial stability, data transparency, and market discipline.

Hiring Effectiveness

The OFR recruits through three key means:

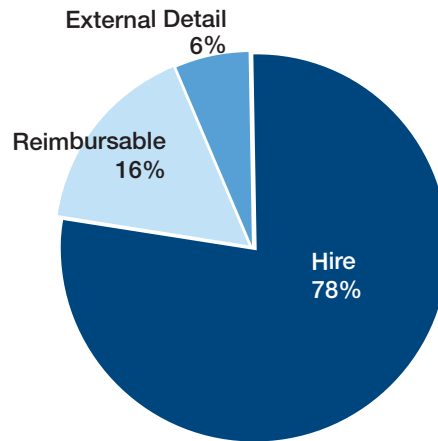
1. Direct hiring using competitive or excepted hiring authorities;
2. Staffing support from other Treasury offices, in particular Treasury's Office of the Assistant Secretary for Management, through reimbursable arrangements for core operational functions and information technology. Such arrangements, which currently account for 15 percent of the our workforce, are expected to account for approximately 10 percent of the Office's total staffing. The Office is able to fulfill some critical functions through these arrangements by using Treasury Departmental Offices' management infrastructure for effectiveness and cost efficiency;
3. Work detail arrangements of staff members from other agencies and external organizations to augment the OFR workforce with the appropriate mix of skills and experience. As anticipated in the statute, work details are expected to continue as a way to foster collaboration with other organizations with research and data-related missions, including other Council member agencies.

As of June 30, 2013, 78 percent of staff members were hired using competitive hiring, time-limited, and student hiring authorities. As the OFR continues to mature, we increasingly rely on competitive recruiting through USAJOBS as the main method for hiring staff.

Although the Dodd-Frank Act did not provide the Office with specific hiring flexibilities or streamlined application procedures, the Office benefits from broader Treasury authority provided by the Office of Personnel Management (OPM) to use Schedule A (excepted) hiring practices for positions that supplement permanent staff involved in the study and analysis of complex data and problems in domestic economic policy and financial policy.² Excepted hiring authority has allowed us to quickly recruit and hire individuals during the

² Following passage of the Act, OPM granted Treasury's request to increase the number of Schedule A slots allocated to Treasury for this purpose from 20 to 100.

Workforce by Hiring Authority
(As of June 30, 2013)



start-up phase with unique skill sets to fill critical positions. For example, the Research and Analysis Center used this authority to recruit candidates through targeted advertising, followed by an application and screening process and interviews by designated subject matter experts. In addition, we use existing government-wide Schedule A authority to recruit staff.

OFR incentives for recruitment, relocation, and retention are available for highly qualified individuals in hard-to-fill occupations or with rare, critical skills and competencies. These programs are based on existing Treasury Departmental Offices' policies, modified to take into account OFR organizational requirements. A student loan repayment program is also available to enhance recruitment and retention. In some cases, candidates are given credit for nonfederal service to offer a leave benefit comparable to the private sector to support recruitment.

Through Treasury Departmental Offices, we use OPM's applicant survey to assess candidates' satisfaction with the competitive process, as well as OPM's manager satisfaction survey to assess hiring managers' satisfaction with the hiring process and the quality of the applicants. As part of the competitive hiring process, applicants also receive updates on the status of their applications through Treasury's automated hiring system.

Outreach

We have taken a number of steps to communicate the importance of our mission, and target highly qualified applicant pools with diverse backgrounds as part of our hiring process. As would be expected in a growing organization, outreach and recruitment are a strong focus of OFR leadership. Outreach has included interaction with the news media and participation in public speaking events to help increase public awareness. In addition, the Office has increased output of research working papers posted on the Internet and has prepared conference materials and materials related to data standards.

In seeking qualified candidates, the OFR has reached out to a number of venues, including colleges, universities, professional associations, and other parts of the federal government. OFR staff and managers have attended job fairs and professional conferences, participated on panels, and conducted on-campus interviews. The OFR human resources team has attended recruitment events, including those focusing on hiring veterans and individuals with disabilities.

We have also provided flyers and letters to academic institutions and spread the word through contacts in relevant disciplines. In addition, we have recruited through job boards such as JobsInRisk.com; various forums such as the Social Science Research Network, a professional organization of social scientists; and through online professional networks, such as LinkedIn.

We are committed to cultivating a workplace environment that promotes and respects diversity and inclusion, and the Office demonstrates this commitment in our recruitment efforts. The Office is continuing to build relationships with the Treasury Departmental Offices' Office of Minority and Women Inclusion and Treasury's Office of Civil Rights and Diversity to support the recruitment of highly qualified applicants with diverse backgrounds, including through outreach efforts, student internship programs, and special hiring authorities targeting veterans, individuals with disabilities, and minority candidates.

Pathways Programs

During FY 2013, we began participating in the OPM's Pathways Programs for students to increase our access to talented people. Vacancy announcements for the Internship Program generated interest from many students and resulted in hiring several interns. We also used the Presidential Management Fellowship (PMF) Program to recruit outstanding candidates from a variety of academic disciplines and career paths who have a clear interest in, and commitment to, excellence in the leadership and management of public policies and programs. As part of the PMF Program, OFR managers mined the PMF Finalist database of recent graduates with advanced degrees and participated in multiple virtual career fair sessions sponsored by OPM.

Fellowship Program

Section 152(i) of the Dodd-Frank Act authorizes the OFR, in consultation with the Chairman of the Council, to "establish and maintain an academic and professional Fellowship program, under which qualified academics and professionals shall be invited to spend no longer than two years at the Office, to perform research and to provide advanced training for Office personnel."

The OFR Fellowship Program, established in April 2012, supports the OFR's staff by augmenting research and expertise on financial stability, risk management, financial data management, information technology, and information security, and by providing advanced training to OFR employees on these issues. This program helps the transfer and use of new technologies and approaches to identifying and analyzing threats to financial stability. Fellows may come from academia, state or local governments, the nonprofit sector, and other federal agencies. The OFR initiated recruitment for fellows in the fall of 2012 and will continue recruitment aligned with the academic calendar. In addition the Office uses the Treasury Departmental Offices' Fellowship program.

Workplace Flexibility

The OFR has a number of workforce flexibility programs to help recruit, retain, and develop a skilled workforce by encouraging employee productivity and wellness, continuity of operations, environmental benefits, and economic efficiencies. These programs build on existing Treasury Departmental Offices' policies.

Compensation

The Dodd-Frank Act requires the OFR “seek to maintain comparability regarding compensation and benefits” with other Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) agencies.³ After reviewing the compensation systems of FIRREA agencies and options for integrating with existing Treasury payroll and processing systems, the OFR adopted a compensation system based on that of the OCC in July 2011. We will continue to benchmark our salaries against other FIRREA organizations to assess continued comparability.

OFR-Specific Benefits

In addition to the benefits available to all Treasury Departmental Offices employees, the OFR provides supplemental benefits to align with other FIRREA organizations. These supplemental benefits include: business travel accident insurance, group life insurance, short- and long-term disability insurance, and enhanced dental and vision coverage.

In the second quarter of FY 2013, we adopted an agency-specific defined contribution retirement plan, based on that of the OCC, to strengthen comparability with other FIRREA organizations' retirement benefits and to improve the Office's ability to recruit and retain needed talent.

³ Section 152(d)(3)

Work Schedules

The OFR provides several flexibilities that allow employees to balance work and family needs and to cut commuting costs. The Office also offers employees, with the exception of employees in the executive (Band 80) positions, the ability to earn credit hours. By following Treasury policies on part-time work and job sharing, the OFR provides part-time work schedule options to help attract and accommodate an applicant pool of qualified candidates interested in part-time employment. Another work schedule flexibility program available to OFR staff is the Voluntary Leave Transfer Program allowing an eligible employee to donate annual leave to another employee with a personal or family medical emergency and who has exhausted his or her available paid leave.

The OFR also is using Treasury Departmental Offices' telework program in full compliance with the Telework Enhancement Act of 2010. Each position created in the OFR is designated as eligible or not based on the nature of the work and level of security of access to sensitive documents and financial information. Treasury's Departmental Offices Remote Access (DORA) system supports telework by offering fast and secure access to employees' desktops from outside locations. The ability to work remotely also plays an important part in the OFR's Continuity of Operations Plan.

Parental Leave Benefits and Child Care Assistance

The OFR follows federal leave guidance for parents, as outlined by the OPM, in accordance with Title 5 regulations. During FY 2013, the OFR established a lactation room to support nursing mothers returning to work. In addition, OFR employees have access to child care services through sponsored day care centers and emergency child care assistance administered by Treasury.

Reemployed Annuitants and Phased Retirement

The OFR uses Treasury programs for reemployed annuitants, based on specialized skill sets required by the Office, as part of its cohesive strategy for recruitment and retention. We will consider the phased retirement program enacted by Congress in our succession planning efforts and retention strategies after establishing related regulations.

Other Flexibilities

Consistent with Treasury Departmental Offices' policy on the Public Transit Incentive Program, a fare subsidy applied toward an employee's monthly transit costs is available to employees who commute by public transportation or authorized van pools.

Training and Workforce Development

The OFR is committed to providing support and encouraging continued training for its employees. Access to training creates a culture of learning within the organization and helps employees meet the OFR's business objectives. In addition, training enables the OFR to retain and motivate a diverse group of highly competent employees with the skills to accomplish the Office's mission and meet our goals.

Building on existing Treasury policies, the OFR has a Training and Tuition Assistance Reimbursement Procedure to meet the specialized training needs of employees. This procedure streamlines the approval of training requests, encouraging employees to seek training and development opportunities. An allocated training fund, which is replenished annually, is available to pay the training costs of all OFR employees. During FY 2013, the OFR carried out several programs and activities designed to advance training and workforce development.

The OFR relies on the Treasury Departmental Offices' Peer Program, a mentorship program to help new employees. The peer can check in with the new employee to ensure that administrative tasks and mandatory training are completed on time. Peers also have institutional knowledge and share their expertise in specific areas related to new employees' roles and responsibilities.

OFR employees also have access to the Employee Series, a Treasury Departmental Offices program to educate employees on maintaining a work/life balance, as well as human resources programs and services. Topics covered by the Employee Series in FY 2013 included stress management, interviewing skills, and effective public speaking.

The OFR launched an informal program, Lunch and Learn, as a cost-effective way to provide learning opportunities for staff and a forum for sharing ideas and collaborating. During FY 2013, topics discussed at Lunch and Learn sessions included benefits information and a legislative process overview. Future Lunch and Learn topics will include various functional areas of human resources, including compensation, benefits, recruitment, and employee relations as well as internal OFR roles and processes. In addition to OFR-specific Lunch and Learn sessions, employees may attend Treasury brown bag seminars and lectures, such as those presented by the Treasury Historical Association.

To help with the strategic planning process, the Office created a special training program for the OFR staff. Interaction and discussion among staff were encouraged during training sessions that outlined steps in the strategic planning process such as mission, vision, goals, strategies, capabilities, and measurements. After the training, employees met with management and employee focus groups to work together on an updated strategic plan.

Leadership Development and Succession Planning

OFR employees in managerial and senior professional levels (Bands 60-80) have access to Treasury Executive Institute programs, which help develop leadership skills. During FY 2013, OFR managers participated in various agency-wide leadership forums and training, including a two-day forum called Leading Others. The Office of Human Resources has also presented training sessions for OFR supervisors on topics including telework policies, benefits, employee relations, and mid-year performance reviews. As the Office continues to build the staff, we recognize the need to plan for developing future leaders and support the ongoing development of the staff.

During FY 2013, the OFR updated its succession management planning and developed a succession planning tool. The tool enables management to perform an assessment of competencies and to document measures to address critical gaps. Many OFR positions have career ladders for employees to advance in their current positions through increased job responsibilities. In addition, at the staff level, the Data Center continues to cross-train its staff so there are at least three employees, including one staff member in Washington, D.C., and in New York, who are capable of performing critical functions.

Technology

A key element of the Office's strategy to support our mission and staff development is using technology to facilitate cutting-edge research and to connect OFR employees with external researchers. Effective use of technology also contributes to flexibility and productivity in day-to-day activities.

To ensure that effective information security controls are in place, we have technologies, policies, and procedures that reinforce and supplement Treasury Departmental Offices' information security technologies, policies, procedures, and guidance. OFR information security policies and procedures protect the confidentiality, integrity,

and availability of information and systems OFR owns and manages.

We are developing sophisticated systems to support secure data-driven research and collaboration by our researchers. The Office has put in place a short-term secure analytical environment for the researchers that will also provide access for joint work with the Council staff members on certain OFR data sets and related analytical tools.

The Office has also developed a data transmission facility and a SharePoint collaboration environment for secure interagency exchange with other Council members. Finally, the OFR is building upon this foundational infrastructure to create a long-term secure analytical environment, which will contain additional tools for secure collaboration with outside researchers and others who are participating in the Office's community of innovation and development.

The OFR uses Treasury Departmental Offices' technology resources. Treasury online tools allow employees to access personnel actions and self-service tools. The Treasury Learning Management System, an online training system, offers specialized online courses, certification programs, leadership briefings, and interactive webinars with national experts.

OFR employees also are encouraged to use the Treasury library, which includes periodicals, legislative histories, e-books, interlibrary loans, and Rosetta Stone language-learning software. In addition, employees can receive electronic subscriptions to the *Wall Street Journal* and the *Financial Times*.

The OFR maintains an office-specific intranet site that serves as the central hub where important information and data can be documented, accessed, and modified. The site is part of Treasury's SharePoint shared-services environment and gives employees access to a wide range of information, including OFR-wide initiatives, policies, procedures, plans, trackers, libraries, and other working documents. Work is under way to

set up an OFR Library via SharePoint for extensive OFR-wide information sharing and knowledge management, which includes internal projects, news and industry developments, briefing memos, external speeches, and other OFR activities.

The SharePoint site also is being used to automate processes. The OFR Service Desk, which is a data and service request tool, is available via SharePoint and allows the Office to receive, triage, track, and monitor mission-critical requests for data and research services from our clients. The Service Desk is the central point of contact for resolving external (Council and member agencies) and internal (Research and Analysis Center) requests related to data and research.

The Office has adopted Treasury-wide procedures for employee performance planning and review, and links each employee's objectives to achieving the OFR's strategic goals. During FY 2013, the OFR automated the performance review process with an integrated talent management system, which all employees are required to use. The system has been rolled out in phases that correspond with the key elements of the performance cycle, including plan establishment, review, performance appraisal, and closeout. The system is configured to match the Treasury Departmental Offices' performance form and framework and is task-driven with predetermined work flows and e-mail reminders.

To address the communication challenges of having a field office in New York and staff in various locations across the country, the Office has installed a state-of-the-art video teleconferencing system for communication and collaboration between the offices and other organizations that have similar capabilities. The video system will also be used to conduct long-distance interviews with OFR job candidates and to collaborate with Council member agencies and other partners. The system will offer opportunities for employees to work together without the need for travel.

Fostering Innovation and Creativity

To foster innovation and creativity in meeting our mission, the Office is taking steps to increase employee empowerment and engagement. Senior managers are readily accessible to all employees, regularly communicate milestones and news to staff, recognize employee accomplishments, and hold a weekly all-hands meeting. Staff members are also invited to present in senior management meetings when appropriate.

Another way we are promoting innovation and creativity is by providing employees with ample collaboration opportunities with others in the public sector, private sector, and academia. For example, the Office's employees can work and collaborate with other regulatory agencies and international bodies through the Office's extensive involvement in the Regulatory Data Workshop where experts from federal regulatory agencies discuss financial data, management, and technologies and identify opportunities for collaboration. Employees also have the benefit of the interagency Regulatory Group that coordinates issues related to international financial policy.

The Office also continues to sponsor our Research Seminar Series, which brings researchers from across the regulatory community, financial industry, academia, and government to discuss topical issues about threats to financial stability. The series is a forum for internal and external researchers to present findings from current research and to receive feedback, which can lead to improvements in future research. The series welcomes the presentation of responsible and cutting-edge theories, findings, and discussion to enrich and influence the research agenda.

In addition to the Research Seminar Series, the Office publishes a Working Paper Series, which offers staff an opportunity to collaborate with external coauthors on papers and then disseminate their preliminary research findings in a format intended to generate discussion and critical comments. The Office uses blogs to highlight key activities, summarize posted research working

papers, and provide background information and insight on the topic.

The OFR also has partnered with the National Science Foundation (NSF) to identify and fund exploratory and potentially transformative research. The collaboration helps us further our mission by supporting independent research on potential threats to financial stability. Approved research within the scope of the partnership is funded through an NSF program EARly-concept Grants for Exploratory Research program, or EAGER.

We have also taken creative approaches to training and problem solving. Several areas within the Office have been participating in interagency collaboration and training opportunities with other agencies, such as the National Institute of Standards and Technology. In addition, Massive Open Online Courses have been used to provide distance education to staff through an easily accessible online platform. Crowdsourcing is planned for cleansing public data, and our staff has been participating in deep dive and mind map activities to tackle specific problems. The deep dive method assembles a team with diverse backgrounds to brainstorm ideas for a solution. The mind mapping process uses software to model problems and develop solutions.

Conclusion

The OFR uses many approaches and programs to align human capital strategies with the Office's mission, goals, and objectives. These strategies include compensation and benefits programs, the performance management program, training and workforce development programs, succession planning and the fellowship program, workforce flexibility planning, and recruitment and retention planning. Our human capital planning ensures we meet long-term goals and objectives of the strategic plan.

Over the past year, the Office has identified areas for refinement that include:

- conducting a workforce needs assessment;
- implementing a cross-organizational team-based approach; and
- encouraging greater use of programs that help staff balance work/life responsibilities.

OFR management has focused on defining the OFR culture by clarifying expectations and priorities, defining stakeholder needs, managing performance, and institutionalizing workforce planning.

During FY 2014, the Office will continue to review and expand the human capital strategy as part of our broader strategic planning framework. More work is underway to identify and document current and future workforce competencies and identify any gaps as we continue to design strategies to recruit, develop, and retain the talent needed to achieve our mission. In addition, we will continually analyze workforce attributes and trends and adjust our strategies for training, workforce development, and strategies for recruitment and retention.

Dodd–Frank Act Section 156(b) Reporting Requirement

- (1) In general – The Office shall submit an annual report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives that includes the plans described in paragraph (2).
- (2) Plans – The plans described in this paragraph are as follows:
 - (A) Training and Workforce Development Plan – The Office shall submit a training and workforce development plan that includes, to the extent practicable –
 - i. identification of skill and technical expertise needs and actions taken to meet those requirements;
 - ii. steps taken to foster innovation and creativity;
 - iii. leadership development and succession planning; and
 - iv. effective use of technology by employees.
 - (B) Workplace Flexibility Plan – The Office shall submit a workforce flexibility plan that includes, to the extent practicable –
 - i. telework;
 - ii. flexible work schedules;
 - iii. phased retirement;
 - iv. reemployed annuitants;
 - v. part–time work;
 - vi. job sharing;
 - vii. parental leave benefits and childcare assistance;
 - viii. domestic partner benefits;
 - ix. other workplace flexibilities; or
 - x. any combination of the items described in clauses (i) through (ix).
 - (C) Recruitment and Retention Plan – The Office shall submit a recruitment and retention plan that includes, to the extent practicable, provisions relating to –
 - i. the steps necessary to target highly qualified applicant pools with diverse backgrounds;
 - ii. streamlined employment application processes;
 - iii. the provision of timely notification of the status of employment applications to applicants; and
 - iv. the collection of information to measure indicators of hiring effectiveness.

