FY 24 Annual Evaluation Plan

Pursuant to the Foundations for Evidence-Based Policymaking Act of 2018, the Office of Personnel Management (OPM) developed its FY 2024 Annual Evaluation Plan, which describes significant evaluation activities that the agency will undertake. The FY 2024 Annual Evaluation Plan extends the work of significant evaluations included in the FY 2023 Annual Evaluation Plan. As OPM executes its Learning Agenda, the agency may plan additional FY 2024 evaluations to supplement the evaluations described here.

The evaluations included in the FY 2024 plan are: an evaluation of the effect of the Federal Employee Paid Leave Act on Federal employees' use of leave, retention, career advancement, and performance and an evaluation of a retirement readiness educational pilot on Federal employees' retirement knowledge and savings behaviors.

OPM Annual Evaluation Plan – Federal Employee Paid Leave Act

Program background

The Federal Employee Paid Leave Act (FEPLA) provides up to 12 weeks of paid parental leave (PPL) to eligible Federal employees in connection with the birth of an employee's child or placement of a child with an employee for adoption or foster care. On August 10, 2022, the U.S. Office of Personnel Management (OPM) issued interim regulations to implement the PPL law, which went into effect on October 1, 2020.

Anticipated benefits of the law include increased time for bonding between parent and child, improved health of the birth mother and child, preservation of annual and sick leave balances for future family needs, increased retention and engagement of the Federal workforce, and a positive impact to the U.S. economy by addressing women's declining labor force participation[1]. The Congressional Budget Office estimated that implementing FEPLA would cost $3.3 billion from 2021-2024[2].

OPM is partnering with the Department of Labor (DOL) to evaluate the anticipated benefits from PPL and to better understand how paid leave affects Federal employees and agencies.

Questions to be answered

OPM and DOL will collaborate to answer questions surrounding the effects of PPL. The focus of the evaluation for FY 2023 was short-term uptake of the law. The focus of the evaluation for FY 2024 will be on identifying short-term outcomes for Federal employees for which there is sufficient, good quality data. Future evaluation questions may be proposed in the ongoing partnership.

Potential key questions for the evaluation include:

- Do PPL leave taking patterns vary over time, and do those vary by employee demographics?

- What is the effect of PPL on the number of days of leave taken, by leave type (for example, leave taken under Family and Medical Leave Act, sick leave, annual leave)? Does this vary over time?

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[1] Paid Parental Leave, 85 Fed. Reg. 154 (August 10, 2020) (to be codified at 5 C.F.R. pt. 630)
[2] Congressional Budget Office Cost Estimate, H.R. 626

- What is the effect of taking PPL on short-term retention of employees following their leave?

- What is the effect of PPL on employees' career advancement, including promotions, salary, and performance awards?

Methods to be used

OPM and DOL will analyze secondary administrative personnel data that OPM maintains in its Enterprise Human Resources Integration (EHRI) and Electronic Official Personnel Folder (eOPF) databases, conducting descriptive analyses and comparisons of outcomes between those who take PPL and those who do not.

Information needed for the evaluation

OPM and DOL will leverage existing data including payroll data (use of leaves and use of PPL by type of qualifying event), employee personnel status data (for example, retention status and base pay), employee performance data (for example, award hours and award pay), and employee demographic data (for example, gender, race and ethnicity, age, work schedule, and agency).

Anticipated challenges

There are two main challenges for the FEPLA evaluation:

1. **Data quality and completeness.** At the time FEPLA was implemented, there were no existing payroll codes for those using PPL; agencies only started reporting this data with routine codes in April 2021. There are also data quality issues within the payroll data, as agencies use differing payroll systems and approaches that may or may not have accurate recording of leaves. To address this, OPM is proactively reviewing and cleaning PPL and other leave data, while also working to improve the overall quality of payroll data. OPM may also limit the evaluation to payroll systems with sufficient data quality and completeness or change the scope of the questions to respond to data issues.

2. **Selecting the appropriate comparison.** For comparisons of before and after implementation of FEPLA, there are complicating factors regarding time periods for comparison, including the lack of payroll codes and the COVID-19 pandemic, which is anticipated to affect childbearing and leave taking patterns. For comparisons of PPL leave takers and non-leave takers, it is not possible to

determine whether non-leave takers were eligible for leave. As such, OPM and DOL will carefully consider the appropriate comparison periods or groups and will interpret findings with caution.

Dissemination

OPM and DOL will share results with leadership at their respective agencies and other key stakeholders through reports and presentations. Findings will also be shared externally in OPM or DOL communications, publications, or websites.

Due to concerns related to employee privacy, OPM and DOL will not create a public use file.

OPM Annual Evaluation Plan – Retirement Readiness Initiatives

Program background

OPM's Retirement Services is responsible for the Government-wide administration of retirement benefits and services for Federal employees, retirees, and their families, serving approximately 2.7 million retirees and survivors. The Thrift Savings Plan (TSP) Open Elections Act of 2004 (Public Law 108-469) and 5 U.S.C. 8350 gave OPM the responsibility to work with agencies across Government to educate Federal employees on the need for retirement savings and provide information to help them meet their retirement goals.

Retirement Services implements the mandates described in 5 U.S.C. 8350 by working with benefits officers within each agency to encourage retirement readiness over a Federal employee's career. With the release of Executive Order 13985: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, Retirement Services has begun a new undertaking to look at how agency benefit officer programs can better meet the retirement readiness goals of employees in underserved communities.

While Federal employees have access to defined benefit and defined contribution programs and associated resources, Federal employees still face gaps in retirement readiness. OPM believes that there is an opportunity to identify and enact targeted retirement readiness programs through benefits officers across Government during key career milestones with the goal of improving Federal employee retirement readiness. Given the importance of EO 13985, OPM will focus a new and targeted emphasis on potential barriers that members of underserved communities face in achieving retirement readiness.

OPM will implement a formative evaluation of existing retirement readiness programs, working with agency benefits officers, key stakeholders, subject matter experts within Government, and external researchers. OPM and agency partners will use the findings of the formative evaluation to identify promising agency retirement readiness practices and to develop evidence-based education about retirement savings. OPM will then pilot and evaluate a retirement readiness educational program.

Questions to be answered

The focus of the evaluation for FY 2023 is to conduct a formative evaluation, reviewing current retirement readiness programs to assess the feasibility of implementing future retirement readiness efforts. In FY 2024, OPM will identify and begin the evaluation of a pilot program identified through the formative evaluation. The questions to be answered by the FY 2024 pilot evaluation include:

- What retirement readiness programs show promise in improving knowledge and behaviors around retirement readiness, particularly reducing equity gaps?

- Does a selected retirement readiness educational program result in changes in participant retirement readiness knowledge and behaviors, such as Thrift Savings Plan contribution rates?

Methods to be used

OPM will conduct literature reviews of retirement readiness programs, reviews of agency retirement readiness plans and evaluations, and analysis of retirement-related data. OPM will use this information to identify a program to pilot and evaluate within OPM. Depending on the educational program identified and the relevant outcomes to be measured, the evaluation may leverage surveys and administrative data to understand changes in employees' retirement readiness knowledge and behaviors.

Anticipated challenges

There are several challenges associated with this evaluation:

1. **Resource availability.** The implementation of this evaluation is dependent on funding and staff capacity.

2. **Data availability.** Some agencies may not have detailed retirement readiness plans or well-documented educational efforts. They may also not have conducted evaluations or maintained evaluation results. This may limit OPM's efforts to identify a promising program for a pilot.

3. **Capturing retirement readiness outcomes.** Literature suggests that retirement readiness intervention effect sizes can be small, which may make changes difficult to detect. Additionally, even a large-scale and successful intervention would take many years to yield significant effects on Federal employee

retirement readiness outcomes. The pilot evaluation may be limited in its ability to make determinations about program effectiveness.

Dissemination

Retirement Services will share results with agency leadership through reports, presentations, and external publications. OPM may also share results with participating agency benefits officers and the Federal community, as appropriate. OPM may also share findings in OPM communications or its website but will not create a public use file.