

**NEXTGEN FEDS:
RECRUITING THE NEXT GENERATION
OF PUBLIC SERVANTS**

HEARING

BEFORE THE
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
OF THE
COMMITTEE ON OVERSIGHT
AND REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTEENTH CONGRESS

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C O N T E N T S

Hearing held on September 25, 2019	Page 1
WITNESSES	
Panel 1	
The Honorable Carolyn B. Maloney, Member of Congress, 12th District of New York, U.S. House of Representatives	
Oral Statement	5
Panel 2	
Robert Goldenkoff, Director of Strategic Issues, Government Accountability Office	
Oral Statement	10
Margot Conrad, Director, Federal Workforce Programs, Partnership for Public Service	
Oral Statement	11
Anthony M. Reardon, National President, National Treasury Employees Union	
Oral Statement	13
Rachel Greszler, Research Fellow, The Heritage Foundation	
Oral Statement	15
<i>Written opening statements and the witnesses' written statements are available on the U.S. House of Representatives Repository at: https://docs.house.gov.</i>	

INDEX OF DOCUMENTS

*The documents entered into the record during this hearing are listed below,
and are available at: <https://docs.house.gov>.*

- * Letter from the Federal Postal Coalition; submitted by Rep. Maloney.
- * Letter from the National Partnership for Women and Families; submitted
by Rep. Maloney.

**NEXTGEN FEDS:
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OF PUBLIC SERVANTS**

Wednesday, September 25, 2019

HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
COMMITTEE ON OVERSIGHT AND REFORM
Washington, D.C.

The subcommittee met, pursuant to notice, at 2:14 p.m., in room 2154, Rayburn Office Building, Hon. Gerald E. Connolly (chairman of the subcommittee) presiding.

Present: Representatives Connolly, Norton, Sarbanes, Khanna, Raskin, Meadows, Massie, Grothman, Norman, and Steube.

Also present: Gomez.

Mr. CONNOLLY.

[Presiding.] The committee will come to order.

Without objection, the chair is authorized to declare a recess of the committee at any time.

The subcommittee is assessing how to build an effective Federal work force in the 21st century. I now recognize myself for an opening statement, and then I will recognize the ranking member. By the way, welcome to our colleague and member of the committee, Representative Maloney.

The need to build the next generation of Federal employees has never been greater. According to the Office of Personnel Management, in 2017, 69 percent of the Federal work force was over the age of 40. Only 54 percent—15 percent fewer—of the total civilian labor force fit that category. When it comes to recent graduates, the Federal work force is woefully behind. At the end of 2018, only six percent of the Federal work force was under the age of 30; in the private sector, 24 percent.

This means agencies across the Federal Government are at risk of losing institutional knowledge as older employees retire, and agencies find themselves unable to recruit new employees for the future generation of civil servants. It means the Federal Government will lack experienced leadership because agencies are currently failing to find and train people in their 20's and 30's who can and will fill leadership and management roles in the next 15 to 20 years. It means taxpayers will end up paying the price due to a widening skills gap in critical occupations across the Federal Government, hindering agencies' ability to fulfill their missions on behalf of the American people.

Today's hearing will focus on what the Federal Government can do to attract the next generation of Federal employees to public service, and discuss how the Federal Government as an employer can and should compete with the private sector for that talent.

In this Congress, the Committee of Oversight and Reform, and this subcommittee in particular, have conducted extensive oversight in programs that have gone awry, and have either endangered the safety and security of our Nation or have wasted taxpayer dollars. We have examined missteps related to the decennial Census, veterans' healthcare problems, the waste created by the Department of Defense's financial management, and agency failures in IT management and acquisitions. You will notice the "I" word appears in none of that work.

Each of these areas is on the Government Accountability Office's high-risk list, and GAO cites critical work force skills as gap factors that have led to the placement on that list. It is unsurprising that Strategic Human Capital Management has been on the GAO high-risk list since 2001. Post and pray—posting a job vacancy and praying it will get filled—is not a viable human capital strategy for long-term success.

Given the age distribution of the current Federal work force and the continuing changing nature of work, the Federal Government as a whole must do a better job of attracting and retaining top young talent in the Civil Service. Note, I didn't say keep them forever or make a permanent career of it. A lot of young people may not, and probably don't want, a 30-or 40-year career in one job or in one service. The Federal Government is going to have to adapt to that, that that is the new normal, and people are going to move in and out of Federal service during their careers.

The Federal Government should look to private sector practices when it comes to establishing a pipeline to public service, especially those companies that compete for the same talent that agencies are looking for to fill current skill gaps. For example, agencies could better use current internship programs to identify and recruit qualified individuals for jobs in the Civil Service, as does the private sector.

In 2011, I introduced the Federal Internship Improvement Act to generate awareness of Federal internships available to students, to provide data on the efficacy of the Federal Government's use of internships, and to provide a mechanism for agencies to systemize those programs, upgrade them, and use them to find qualified full-time employees as a recruiting tool. This is done routinely in the private sector. I know companies that if you are chosen as an intern, there is an 85 percent chance of a job offer, and almost an 85 percent chance you will say yes. That is not the case with the Federal Government. Not even close.

The same year the Obama Administration established the Pathways Program to boost recruitment of diverse, entry-level hires in the Federal Government through internships and recent graduate hiring in the Presidential Management Program for students with graduate degrees. However, participation in the Pathways Program and agency use of that program as pipeline to fill the skills gap remains disappointingly low. For Fiscal Year 2014, the last year in which OPM published data, only 15 percent of competitive Federal

Government hires were Pathways appointments who had the option to convert to permanent Federal positions.

The Federal Government must also do more to compete with the private sector in terms of benefits, and I know our colleague, Mrs. Maloney, will talk about this in detail in a few minutes. Those benefits and leave policies are essential if we are going to fill gaps in highly skilled positions in critical sectors, such as information technology, cybersecurity, financial management, and the like. In a Harris poll published earlier this year, the U.S. government's reputation ranked last in comparison to 100 top companies. Last.

Simply put, individuals graduating from top schools are not attracted to Federal service for a lot of reasons. This is partly due to the fact that the Federal Government has struggled to offer workplace flexibility and work-life balance in Federal service that are available in the private sector. In 2019, the Federal Government still does not offer paid family leave to its employees, including maternity and paternity leave. As of March of this year, 18 percent of private industry workers reported some access to paid family leave through the employer, and in some cases it is highly generous.

The availability of paid family leave is even more prevalent among professional and technical occupations and industries. Full-time workers and workers in large companies, many of them the Federal Government competes with for talent, such as, for example, the consulting firm, auditing firm Deloitte and Amazon. They each offer a minimum of 16 weeks of paid leave to male and female employees for childbirth, adoption, or other family medical care, versus the Federal Government, zero. Agencies are facing situations where employees leave their agencies to start a family only to startup again as an employee for a contractor or consultant hired by the agency to do similar work because they have got the benefit coverage. The Federal Government doesn't.

I am also concerned that the Federal Government continues to fall behind the private sector in terms of telework opportunities. Telework allows an employee to work from a remote or alternative location, thereby reducing commute time and allowing employees to work during weather events. We know continuity of operations is very important for a series of events here in the Nation's Capitol—underscore that—starting with 9/11.

The availability of telework we find is fundamental to the recruitment and retention of the next generation. OPM has found that compared to other generations, Millennials are almost certainly likely to prioritize telework when making employment decisions. Is it part of the offering? Yet instead of expanding its use, unfortunately some Administration agencies are rolling it back. In the past two years, for example, the Departments of Agriculture, Education, and Interior have changed their policies to limit the number of days employees are permitted to work as telework. USDA employees, for example, used to be able to telework up to four days a week. Since January 2018, employees at that agency have been limited to one day a week.

The Federal Government can do more to attract and develop the next generation of Federal employees. I look forward to discussing the issues we have highlighted here as well as other opportunities,

such as training, work-life balance, and other incentives agencies can offer our young and ambitious work force looking forward to serving our country in some capacity. With that, I am pleased to call on my partner in this enterprise, the distinguished ranking member, former chairman of this subcommittee, Mr. Meadows.

Mr. MEADOWS. Thank you, Mr. Chairman. Thank you for calling this hearing, and obviously the Federal work force plays a critical and important role in the functioning of our government. It is one of the areas that honestly we have been able to work in a bipartisan manner, and that is not normally the way that you would see this particular issue. But you and I both agree that the Federal work force and how we go about attracting new talent needs to be reformed.

For the past two decades almost, the GAO has warned us about the skills gap and what is going to happen. They have been sounding the alarm and saying, you know, you need to do something about it, and sadly, we have done nothing. By nothing, we still have a 40-year-old Civil Service act that needs reform. The way that we attract new talent is critical.

But it is not just on these critical fields that need to be addressed through STEM careers. It is really across the board. You know, in this new day of attracting young talent, the grayer I get, the more I realize the work force, the way that it was when I went to work is changing, and so we have to adapt to that. I have got a statistic here that says only 6.1 percent of Federal workers are under the age of 30. To me, when you are attracting talent, you want to go out and get the brightest and the best. I know that when my kids were going to college and on to law school, it was not necessarily saying you need to go to work for the Federal Government. In fact, the Federal Government didn't even make the top five in terms of priority. So we need to work together on that.

As we look at this, the National Commission on the Military, National and Public Service has warned that, "Many agencies at all levels of government lack effective systems to hire students and recent graduates." Sometimes it is just making sure that those students know that there is an opportunity, one, but they are wanted is the second part of that. We will lose out so many times because recruiters will go in. Especially in an environment when the unemployment is as low as it is, it is a very difficult and challenging time.

You know, it takes 106 days, an average of 106 days, to hire a Federal employee. I mean, listen, we have got to do better than that. And I can tell you, that is not just with the background checks. That is not with the security clearances, because what we do is a lot of times we will give them a temporary clearance so that they can come in. If we calculated that in until the point where they are at full steam, it would be even more problematic.

One of the areas has been a pet peeve for me on this committee, that the chairman and I have agreed on, is really looking at the Federal Employee Viewpoint Survey and using that as a benchmark in terms of what happens, how it should happen, and to deal effectively with underperforming employees. When you look at the demotivating factor of employees who feel like they are not getting recognized, their input doesn't matter, the promotions are not

based on merit, that it is all in who you know or who you happen to be associated with, we have got to change that. Now, it will require a leap of faith, and a bipartisan leap of faith, to do that because if you break anything that is 40 years old, they always say, well, I love the way that it was, but.

So I think that we are committed. I don't want to speak for the chairman, but I know in the privacy of our conversations, working hand in hand to actually make a difference to make sure that the Federal work force is not only the best, but the best recognized, the best financially rewarded, and ultimately where it becomes a path that makes the top 10 instead of the bottom 10 in terms of priority in going to work there. With that, Mr. Chairman, I yield back.

Mr. CONNOLLY. I thank my friend. Now, it gives us great pleasure to welcome our first witness. Our colleague from New York will speak about her legislation, which I am——

Mr. MEADOWS. Do we get time for rebuttal with her?

[Laughter.]

Mr. CONNOLLY. We, of course, will have lots of rebuttal time. But anyway, we are delighted Congresswoman Maloney, for your leadership on a very important issue. As I indicated in the opening statement, family leave, family priorities, a pro-family environment is going to be critical, frankly, if we want to recruit the Millennial generation, and we need to. So your legislation, it seems to me, is more timely than ever. I know we were able successfully to get it onto the defense bill, and we may have to take independent action again here.

But I look forward to your testimony. Welcome the committee, and thank you in advance for your leadership on such a critical issue that affects so many people potentially positively. Thank you.

STATEMENT OF HON. CAROLYN B. MALONEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mrs. MALONEY. Thank you so much, Chairman Connolly, and Ranking Member Meadows, and fellow members of the committee for the opportunity to testify about a bipartisan policy approach that positions the Federal Government to compete for the next generation of top talent that will serve the American people, H.R. 1534, the Federal Employee Paid Leave Act.

This is a bill that is critically important to me. As a mother, I know firsthand the challenges of balancing work and family. I vividly remember when I was pregnant with my first daughter going to the personnel office and asking them what their paid leave policies were, and their response was, we don't have any policy. We expect you to leave. I said, I don't want to leave. I need to work. I plan to come back. And this is what they said: "You'll be the first one. We expect you to leave." Well, I did come back.

But I would say that for a country that talks about family values, when you look at the policies that we have in place for flex time, for affordable and available childcare, for leave for the birth of a child, for sick leave, we are really far, far behind the rest of the world. According to a study by the United Nations, out of 187 countries, only two do not provide paid leave for the birth of a child, the great United States of America and Papua New Guinea. We do not want to be on that list. Believe me, 185 countries cannot

be wrong. We are far, far behind the world in the policies of providing for our people to balance work and family.

To your issue today about the Federal work force, it is aging, and our economy is changing. Women are working more and more because they have to because it takes two incomes to keep a family alive. In 2017, the average age of the U.S. Federal worker was 47 years, and at the end of 2018, only six percent of the Federal work force will be under the age of 30. More broadly, throughout our country women serve as the sole or primary breadwinners in 40 in of the households with children under the age of 18, and two out of three families now depend on the wages of working moms. These glaring statistics reveal a pressing need to recruit the next generation of talented civil servants to fill the coming retirement void, while also allowing the ability for aging workers to care for themselves and their loved ones.

The Federal Employee Paid Leave Act is an important and long-overdue step that will make our Federal work force better positioned to effectively serve the American people today and into the future. The act builds on the Family Medical Leave Act of 1994. Before that, women were fired when they became pregnant, but after 1994, 12 weeks of unpaid leave was afforded to families in America. President Clinton, who signed this bill into law, told me of all the things he did in his eight years of office, more people came up and thanked him for the Family and Medical Leave Act, which we are trying to enhance with pay, now today than any other thing he did while in office.

Our bill, the one that I have authored along with you and many others on the committee, would provide Federal employees with 12 weeks paid leave in a Calendar Year for the birth, fostering or adoption of a child, applying to both parents—both the father and mother are covered—the care of an ill spouse, child, or parent, a serious medical personal condition, or a qualifying circumstance due to a spouse, child, or parent assigned to active duty in the military. The Federal Government needs to lead from the front when it comes to family friendly workplace policies, and has a unique opportunity to do so with this bill that will provide a critical benefit to over 2 million Federal workers.

The research on the benefits of paid leave speak for themselves. Family friendly policies reduce turnover retention by 37 percent, and Federal agencies' turnover is expensive and costs between 16 and 200 percent of a worker's annual salary. Studies also indicate we could prevent the departure of well over 2,600 female employees per year, saving the government \$50 million per year in costs associated with employee turnover. Paid family leave improves productivity, reduces turnover, boosts morale, and attracts more talent. It also provides a benefit to families and the broader economy. Paid leave is associated with reduced infant mortality, improved child and maternal health, higher labor force participation for women, which equates to higher family incomes, and growth in the economy as a whole. It provides so much.

Federal employees have suffered years of pay freezes and government shutdowns. These are not the actions of a model employer. How can we expect to recruit and retain talent if we do not match the private sector in offering paid leave? As the chairman said, this

is one area where the private sector leads. They are far ahead of the public sector, which usually sets a model program and leads, so we have a lot of catching up to do. Job security, a respect for workplace, and adequate pay and benefits are the least we could provide to retain and to attract the top-tier individuals we need to run our government.

The U.S. Federal work force provides invaluable and essential services that keep our country safe and prosperous. Federal employees research the next medical breakthrough, protect our environment, secure our airports, our infrastructure, keep us safe, inspect our food, monitor banks, and so much more. Provide our mail. These men and women dedicate their lives and service to their country, and it is time our country does more to recognize all that they do.

Our legislation has 47 co-sponsors and was included in the House-passed Fiscal Year 2020 National Defense Authorization Act. The Senate version did not include paid family leave. It is now being worked through in the conference committee, and I am hopeful that Congress will retain this provision in the final bill. If not, I hope this committee will report out the bill and move it quickly through the House.

I have two letters in support of FEPLA, one by the Federal Postal Coalition, signed by 21 public service employees and unions. The other is led by the National Partnership for Women and Families, and it was co-signed by 94 leading organizations who represent Federal workers and advocate on behalf of family friendly and workplace policies. I'd like to enter both of these letters into the record.

Mr. CONNOLLY. Without objection, so ordered.

Mrs. MALONEY. In conclusion, policies that enable workers to care for themselves and their families without risking their jobs or economic security are good for workers, families, employers, and our Nation. It is well past time that our Nation truly honors families by offering this basic benefit for the Federal work force.

Thank you so much. It is a great honor to appear before your committee and address my colleagues in Congress. Thank you so much for your support, too, for the bill. I yield back.

Mr. CONNOLLY. Thank you. Thank you, Congresswoman, and thank you for your leadership. I just want to, if I may, ask two questions. I know you have got a schedule. Forgive me. But one is, what is your sense of how important this subject is to the Millennial generation we need to tap into for the future work force? Is this something nice to have, or is it something they view as kind of a sine qua non for employment?

Mrs. MALONEY. This is absolutely essential for young workers. Our society has changed. Both the man and the woman are working. The mother and the father are working, and both incomes are needed to make ends meet for most families. I must tell you that I get phone calls from Federal employees, and they literally ask me when is your bill going to pass because I want to plan my family around having a baby around when the bill is passed so that we can have paid leave. We cannot afford to take unpaid leave.

So many, many families are just living on a string, and this is a benefit that helps them balance work and family. It is absolutely

essential. Unlike other countries, most industrial countries have this benefit. We stand along with Papua New Guinea in terms of the birth of a child. But it is absolutely essential. The private sector is providing this. So, how are we going to compete and get those Federal workers when this basic benefit that is provided by most countries is not provided? I have worked on this bill, I am embarrassed to say, for 20 years. I got it out of the House twice. It never got through the Senate. To me, it is something that is absolutely pure. How often do we get to work on something absolutely pure?

This is good for society, good for individuals, good for the overall economy, good for the Federal Government and the wellbeing of our Nation. And it is long past due.

Mr. CONNOLLY. Thank you. The only other question I have got is, for the record, should this provision that is in the House version of the defense authorization bill not make it through conference committee—God knoweth why—obviously it would be your desire that the bill that has already passed the House come back to our committee, be reported out of our committee as a separate spending bill, and brought to the floor for action. Is that correct?

Mrs. MALONEY. That is absolutely what we need to do.

Mr. CONNOLLY. Thank you.

Mrs. MALONEY. Hopefully it passes, but if by some chance it doesn't get through the Senate—we have over 240 bills on the desk of the Senate waiting for action—so we have to start all over again and work very hard to get it thanks through.

Mr. CONNOLLY. Thank you.

Mrs. MALONEY. Personally, I think it is a scandal that we haven't acted on this basic support for families.

Mr. CONNOLLY. Mr. Norman, any questions on your side before we thank Congresswoman Maloney?

Mr. NORMAN. Thank you, Congresswoman Maloney. Thank you for your testimony. I am from the private sector. We have hired over the years a number of people. We have hired people from the Federal Government and the local government, and their main reason for leaving wasn't pay. It wasn't benefits. It was just we're tired of what Mr. Meadows said, the bureaucracy, the red tape, the promotions given fairly or unfairly. How does your bill rank with extended family leave with the fact that when CBO compares pay for Federal employees to the private sector, I think what they came up with was the government employees are generally better compensated than the private sector? They also did a study that the employment benefits are worth 52 percent more than similar employees in the private sector.

When you do the retirement benefits, private industry, private business generally is three to five percent of employees' salaries. The Federal Government's is equal 15 to 18 percent of their salaries. Now, tell me how you justify that in light of these facts.

Mr. MALONEY. Well, the fact that what I have worked on is balance between work and family because most women working have to. If you are going to have a family, you have to have some policies in place that help you manage that family. Even with the support of a supportive husband, having a baby is physically - it is a joyous event - but it is transformational. It is life changing. It is very, very challenging in every way, shape, and form. To be told that you

can't have any leave, you are going to lose your job, a lot of people do not want to face that particular choice. Families need two incomes to make ends meet.

Now, you gave some very good comparisons with the private sector, but in terms of paid leave for the birth of a child, the private sector always gives that, and they give paid family leave, which encompasses sick leave and taking care of sick spouse. You heard the story in the chairman's testimony that most Fortune 500 companies provide extensive paid leave for the birth of a child. I talked to a friend—

Mr. CONNOLLY. For both the man and the woman.

Mrs. MALONEY. Yes, exactly, for both the man and the woman. I have talked to some of my younger friends, and they were saying that they were being given three months' paid leave, two months' unpaid leave. That is much, much more than what my bill is, which is 12 weeks of paid leave, that just builds on the unpaid Family Medical Leave Act that this Congress jointly passed. So in terms of comparing paid family leave, the private sector is 10 times more ahead of the public sector on this particular benefit.

Mr. NORMAN. Yes, I guess my thing is there has got to be an offset, and the figures I cited, it was combined men and women. You could do all of them with 2 million people. It was higher than the private sector. So I guess my response was it may be they don't have the family leave now, but they are being overcompensated in other areas, and there's an offset on that. Thank you for your testimony.

Mrs. MALONEY. I want to thank you for your comments, too.

Mr. CONNOLLY. I want to thank our colleague, Congressman Maloney. Again, your leadership is so critical an issue that has got to be addressed for so many reasons—fairness, keeping families together, promoting family values in a real way—but also in the context of this hearing and this subcommittee. The future of our Federal work force is certainly going to impinge inter alia benefits such as this, recognizing the need of young families to be able to address compelling needs. So thank you for your leadership, Carolyn, and we wish you well today.

Mrs. MALONEY. Thank you for allowing me to speak to you.

Mr. CONNOLLY. Absolutely.

Mrs. MALONEY. It is a great honor. Thank you.

Mr. CONNOLLY. We will follow up on this with the full committee.

I want to welcome our second panel of witnesses, and if they could proceed to the witness table.

We have with us Robert Goldenkoff, director of strategic issues at the Government Accountability Office; Margot Conrad, director of Federal recruiting and hiring programs for the Partnership of Public Service; Anthony Reardon, the national president of the National Treasury Employees Union; Rachel Greszler, a research fellow at the Heritage Foundation. If all of you could stand and raise your right hands. It is the practice of our committee to swear in our witnesses, so thank you.

Do you swear or affirm that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[A chorus of ayes.]

Mr. CONNOLLY. Let the record show all four witnesses answered in the affirmative. Thank you. Please be seated.

The microphones are sensitive, so I would ask you to turn on the button when it is your turn or when you are asked a question, and speak into microphone like I am doing so that all of us can hear you. Now let us see. We are going to ask everybody to summarize their testimony within a five-minute framework. We will, without objection, enter your full statement into the record, as is our custom.

So, let's see. Mr. Goldenkoff, you are recognized for five minutes. Welcome to the Subcommittee on Government Operations.

STATEMENT OF MR. GOLDENKOFF, DIRECTOR OF STRATEGIC ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE

Mr. GOLDENKOFF. Chairman Connolly, Ranking Member Meadows, and members of the subcommittee, thank you for the opportunity this afternoon to discuss how agencies can recruit and retain the next generation of public servants, especially in a tight labor market.

Today's hearing is very timely because next month marks the 70th anniversary of the Classification Act of 1949. Although this law was passed when Harry Truman was President when the Federal work force consisted largely of clerks, it is still governs how Federal jobs are organized for pay and other purposes, and is one of several building blocks of the Federal personnel system that is outmoded and undermining agencies' efforts to build a high-performing work force.

As you mentioned earlier, GAO added Federal Strategic Human Capital Management to its list of high-risk of government programs in 2001. Although Congress, OPM, and individual agencies have made improvements since then, it still remains a high-risk area because mission critical skill gaps across a range of occupations continue to jeopardize agencies' vital missions.

My remarks today will focus, first, on some of the key drivers of the government's personnel challenges, and, second, talent management strategies that can help agencies overcome these challenges and build a top-notch work force to better meet their missions. The bottom line is that while agencies' efforts to recruit and retain needed staff face a number of hurdles, agencies are not helpless, and there are a number of actions they can and, in some cases, are already taking within their existing authorities and flexibilities to build a high-performing work force.

The government's human capital challenges can be traced to at least three causes. The first one is structural. Much of the current system of Federal employment policies was designed generations ago for a work force and types of work that no longer exist. Obsolete approaches to job classification, pay, and performance management are hampering the ability of agencies to recruit, retain, and develop employees. The last time the personal system was comprehensively overhauled was over 40 years ago with the Civil Service Reform Act of 1978.

A second reason is that employee demographics are not on the government's side. The Federal work force is becoming older and increasingly eligible for retirement. For example, nearly 32 percent

of permanent Federal employees who are on board as of September 30th, 2017, will be eligible to retire over the next five years. At some agencies, 40 percent or more of the Federal work force will become eligible to retire during that same time period, and they include Treasury, NASA, EPA, and HUD. Without proper succession planning, these agencies are at risk of gaps in leadership and institutional knowledge.

A third reason is that agency operations are being deeply affected by a set of evolving societal trends that include how work is done and the skills and competencies that employees need to accomplish agencies' missions. These trends include, for example, technological advances in such areas as robotics and artificial intelligence, an increased reliance on non-Federal partners to carry out Federal work, and fiscal constraints. Leveraging key talent management strategies could help agencies address these challenges. They include, for example, the following four activities.

First, agencies can better align their human capital strategies with current and future mission requirements by using work force analytics to identify the knowledge and skills necessary to respond to current and future demands. Second, agencies must also strengthen how they acquire and assign talent by using a range of available hiring authorities and flexibility, such as internships, to cultivate a diverse talent pipeline. Third, agencies must also incentivize and compensate employees with market-based and more performance-oriented pay, and although agencies may struggle to offer competitive salaries in certain labor markets, they can leverage telework and other robust work-life balance programs to meet workers needs for employment flexibility. Finally, by improving employee engagement with more effective supervisors, better performance management and staff development, as well as by involving staff in decisions that affect them, agencies can enhance employee retention.

So, Chairman Connolly, Ranking Member Meadows, members of the subcommittee, this completes my prepared statement, and I'll be pleased to answer any questions that you may have.

Mr. CONNOLLY. You are a pro. You had 10 seconds more to go. Good job. Ms. Conrad, you have five minutes. Thank you. Welcome.

STATEMENT OF MARGOT CONRAD, DIRECTOR, FEDERAL WORKFORCE PROGRAMS, PARTNERSHIP FOR PUBLIC SERVICE

Ms. CONRAD. Thank you very much, Chairman Connolly, Ranking Member Meadows, and members of the subcommittee. I am Margot Conrad, the director for Federal and recruiting hiring programs at the Partnership for Public Service, a nonpartisan, non-profit organization dedicated to effective government. In this role, I lead the Partnership's efforts to inspire young people to consider Federal service, work with agencies to improve talent acquisition, and pursue broader hiring systems reforms.

We are here today to discuss what can be done to help our Federal Government attract the next generation of great talent. In the private sector, 21 percent of the work force is in their 20's. In the Federal Government, that number is just six percent. Government

needs to be able to recruit the next generation of talent that can operate in a complex, automated, and interconnected world.

There are three primary barriers. No. 1, government has an image problem. Agencies don't do a good job branding themselves. I have been all around the country recently talking with students on campus, and they can't understand what kind of opportunities are in government or how to get in. They are frustrated with USAJobs. They find it hard to navigate. Eighty-two percent of people aged 18 to 34 say that they would apply for a job on a smartphone, but USAJobs doesn't have an app, and the website on a mobile device is cumbersome to use.

Hiring freezes and government shutdowns deter potential job seekers. Our report released earlier this week, called "Shutdown Letdown," tells the story of three Pathways interns at the Department of Homeland Security who wanted to stay on as full-time employees, but they didn't know when the shutdown would end, they couldn't wait, and they took private sector offers instead. Their jobs are still unfilled today.

No. 2, agencies don't build for the future. Instead they are focusing on immediate needs. Agency missions are evolving, and the nature of work is changing. More than 80 Federal occupations are expected to be impacted by technology and automation, but agencies haven't done the critical strategic planning to determine what needs to change and how to align their work force and recruitment plans accordingly. Agencies don't view internships as an important pipeline of future talent. The number of student interns hired fell from 35,000 in 2010 to 4,000 in 2018, according to the President's Fiscal Year 2020 budget.

And No. 3, hiring is complex. The Civil Service System hasn't been updated in 40 years. There more than 100 different hiring authorities. It takes 106 days on average to hire. Agencies compete against themselves and with the private sector for talent. Frankly, it is hard to compete for talent with a compensation system that dates back to the 1940's.

So what can Congress do? There are four [steps] we encourage Congress to take. No. 1, Congress can help the government improve its brand by avoiding shutdowns. Pass legislation to end shutdowns and crisis budgeting, and celebrate success. Recognize the innovative contributions of Federal employees in your districts. Visit agencies to learn about their work. Special kudos. I know, Chairman Connolly, you have done this and so has the ranking member. It is important, and it really makes a difference. Employees feel valued.

No. 2, make it easier for government to hire students and entry-level talent. Create one place that students can go to learn about Federal internships. And on the back end of USAJobs, create a data base with resumes for individuals who have completed internships and can be hired quickly by agencies. Enable agencies to hire students and recent graduates more quickly, directly, and empower agency heads with more authority to make hiring decisions with OPM oversight as appropriate.

No. 3, enable talent to flow in and out of government. Young people today are seeking continuous learning and expect to have many employers over the course of their career. Encourage and facilitate

innovative talent models. For example, the Partnership has teamed up with MasterCard, Microsoft, and Workday, and 12 Federal agencies on an innovative program to build the next generation of cyber leaders for our country called the Cyber security Talent Initiative. Young people will spend two years in a Federal agency with robust leadership training and development, and then they will be invited to apply for a position with a corporate partner. And they may receive loan assistance from the corporate partner if hired. Government should consider similar models for other occupations.

The Department of Defense has an authority to use a talent exchange approach, and that should be expanded across the Federal Government to other agencies. We need to make sure that people who leave government can return more easily. They bring back valuable knowledge.

Finally, we need to modernize the Civil Service System. Long term, you have got to streamline the hiring process, simplify job classification and compensation reform to have a market-sensitive compensation system. In the short term, Congress can examine and understand what works so that agencies can succeed. Invest in H.R. and evaluate the effectiveness of different hiring tools.

Thank you, and I look forward to your questions.

Mr. CONNOLLY. Thank you so much. Very thoughtful testimony. President Reardon. Mr. President.

**STATEMENT OF ANTHONY M. REARDON, NATIONAL
PRESIDENT, NATIONAL TREASURY EMPLOYEES UNION**

Mr. REARDON. Thank you. Chairman Connolly, Ranking Member Meadows, and members of the subcommittee, thank you for inviting me to testify on behalf of the 150,000 Federal employees represented by NTEU. I am pleased to be here to discuss how the government can build the most effective work force, attract skilled and talented individuals, and consistently engage Federal employees.

NTEU strongly supports the merit system principles, which ensure that individuals are hired to work for the Federal Government based on merit, without regard to their race, age, gender, political views, or relationship with the hiring official. We also support the application of veterans preference as part of our obligation to help those who have defended our Nation and our freedom.

While we recognize that the process used to hire new employees can be difficult, agencies rarely use more than a few of the multiple hiring flexibilities available to them, and we remain concerned with proposals to expand noncompetitive eligibility for various groups. History has shown that agencies have abused such flexibility, using these programs as a primary method of hiring, which undermines veterans preference and the principles that ensure a merit-based, nonpartisan Civil Service.

Despite the challenges and onboarding, changes to the hiring process will be of little help if the government cannot recruit and retain talented individuals. Government shutdowns, disparaging comments by government leaders, pay freezes and below-market raises, benefits cuts, and efforts to roll back workers' rights, all make it harder to recruit a new generation of civil servants, and have led many to leave Federal service. A recent Senate report noted that in the last five years, repeated government shutdowns

cost taxpayers nearly \$4 billion and had an impact on the ability to hire new employees. As Congress and the Administration work to finalize spending agreements for Fiscal Year 2020, we urge you to keep this in mind and do everything you can to prevent another shutdown.

I would also like to highlight a troubling trend we've seen at many agencies: the reduction in the availability of telework. Studies show that telework improves performance and morale and makes it more likely for employees to stay at their jobs. Given the reductions in telework at HHS, NTEU recently surveyed more than 1,600 employees there, and found that five out of six said reducing or eliminating telework would be a factor in deciding to leave the Department. Mr. Chairman, NTEU particularly appreciates your efforts to ensure telework is available to Federal employees.

One critical benefit missing from the current list of Federal benefits is paid family leave, a necessity for today's families that benefits both employees and employers. NTEU fully supports the Federal Employee Paid Leave Act, led by Representative Maloney, which was also included in the House-passed NDAA. Few employees can go weeks without pay, and no one should be forced to choose between a paycheck and caring for a loved one. We ask this committee's help in ensuring the enactment of this important benefit.

Treating employees fairly and making sure they have a voice in the workplace also significantly impacts recruitment and retention. Unfortunately, the current Administration has attempted to undermine employee rights and eliminate opportunities for employees to share their ideas and raise issues that could impact agency missions. This does not make employees feel valued and engaged. Just yesterday I was here at the Capitol as hundreds of Federal employees stood together to make their voices heard because they are fed up with their treatment in the workplace. They aren't asking for special treatment. They are simply asking for respect. If skilled workers continue to feel disrespected, they will leave Federal service, and it will be difficult to convince the next generation of workers to consider government service.

Mr. Chairman, you and many of your colleagues on this subcommittee have been great allies of Federal workers. You've been leading the charge to ensure fair pay, working hard to protect employee benefits, and standing up to ensure workers continue to have a voice in the workplace. We sincerely appreciate all that you do, but the mere fact that we have to fight so hard and so often for these basic things takes its toll on the workers that I represent. They are in a constant state of an uncertainty, and that has a significant impact on morale and on the government's ability to recruit and retain talented employees. Ensuring that the Federal Government can attract and retain the best and brightest benefits all Americans. To do that, we must ensure employees are provided fair pay, and benefits, and treatment in the workplace.

I look forward to continuing to work with the members of this subcommittee to do that. Thank you, and I'm happy to answer any questions that you may have.

Mr. CONNOLLY. Thank you, Mr. President. Again, we have three pros in a row within five seconds. God bless you. Our final witness on this panel is Rachel Greszler. Welcome.

STATEMENT OF RACHEL GRESZLER, RESEARCH FELLOW, THE HERITAGE FOUNDATION

Ms. GRESZLER. Thank you. I will try to match on the timing. In order to carry out their missions, Federal agencies must be able to recruit and retain the best and the brightest workers, so I would like to focus on three areas today to help achieve that. First is by providing competitive compensation, second is by improving workplace environments and opportunities, and third is using innovation and flexibility to meet the government's needs and to help workers grow.

So first is compensation. Federal employees receive significantly higher compensation than their private sector counterparts, but the premium is lopsided. The CBO estimates an average 17 percent premium for Federal employees, but that includes a 53 percent premium for Federal workers with less than a high school degree, a 21 percent premium for those with a bachelor's degree, and then an 18 percent penalty for Federal workers with a master's degree or a professional degree. So to help bring public sector pay into parity with the private sector, policymakers should reduce the pay differences between step increases, and slow the rate at which Federal employees receive step increases.

Moreover, with 99.9 percent of all Federal employees receiving pay raises, greater emphasis needs to be placed on truly performance-based raises. Policymakers should limit the appeals process for pay decisions to within-agency appeals, and they should remove the requirement that managers must create performance improvement plans for employees simply because they decided not to award them a pay raise. Some of the savings from these changes should go toward increasing pay for high-demand positions, including using existing options, such as special payments, signing bonuses, and superior quality appointments.

Aside from pay, benefits are an even bigger source of compensation differences. The Federal Government provides three to four times as much in retirement benefits as the private sector, and yet workers tend to undervalue pension benefits. The government could provide a more appealing and more competitive compensation package if pension benefits could instead go toward higher pay or toward higher 401(k) contributions.

Paid family leave is another important benefit for workers. Over recent years, we've seen tremendous growth in the private sector offering paid family leave benefits, and this is not just a race to the top among employers that have high-income employees, but also with newer access for lower-and middle-income workers. The 20 largest companies in the U.S.—these are companies like Target, Walmart, Starbucks, Lowe's—now all provide paid family leave. Since employer-provided policies are best for workers, it makes sense for the Federal Government to provide paid family leave to its workers. But such a policy should replace the current de facto paid leave policy that exists through the use of unlimited sick leave accumulation, as well as six weeks of advanced sick leave.

The second area for improvement is creating a positive culture in a merit-based workplace that attracts and retain good workers. The overwhelming majority of Federal workers are hard workers, but the system shelters and even advances obstinate employees and sometimes those who don't do their jobs. The burden on managers to discipline or remove these employees hurt the agency's mission and other employees who have to pick up the slack. Policy-makers should make it easier for managers to address poor performance by limiting the appeals process for Federal employees to just one forum instead of four, by lowering the burden of proof for dismissing Federal employees, by increasing the probationary period from one to three years, and expediting the dismissal process in particularly egregious cases. It's also important that Federal managers have the proper training to understand the tools and resources available to them to uphold a merit-based and accountable workplace.

Finally, greater innovation and flexibility can help the government meet its needs and also increase its appeal to workers. The government's primarily one-size-fits-all H.R. policies don't always work well across as many as 430 agencies and sub-agencies, 350 different occupations, and 2.1 million Federal workers. Moreover, as Millennials with different employment expectations replace retiring Baby Boomers, the Federal Government will have to create more flexibility in their compensation, better engage workers, and provide opportunities for growth.

Some potential avenues include targeted training programs, such as the new Federal Cyber-Reskilling Academy, aptitude tests similar to the military's, better use of special hiring incentives, more flexible compensation packages, and making it easier for Federal workers to move across agencies or back into the Civil Service. Thank you.

Mr. CONNOLLY. Again, a pro. Thank you. I want to call on my friend, our colleague from Maryland, to begin the questioning, Mr. Sarbanes. But before I do, Mr. Reardon, you were very kind in your remarks about telework, but I want to point out that the chief author of the bill we got on the books during the previous Administration was actually chiefly authored by Mr. Sarbanes, the Telework Enhancement Act. He was gracious enough to allow this freshman at the time to participate in that process because I was so committed to telework as a local and regional leader in metropolitan Washington. So I salute Mr. Sarbanes for his leadership. He and I are collaborating on a followup bill that we hope will become law in this Congress.

Thank you, Mr. Sarbanes, for your leadership, and you are recognized for your line of questioning.

Mr. SARBANES. Thank you, Mr. Chairman. Thank you for convening this. Thanks to the witnesses. I was still relatively new here myself, but I was smart enough to spot that you would be an incredible resource and asset on that topic. I am glad we have had the opportunity to work together over the years and most recently to try to strengthen telework within Federal agencies.

I did want to ask a question about that to Mr. Goldenkoff. The Federal Workplace Survey Report that was released in March found that 35 percent of employees—this is March 2018—currently

use telework, but 58 percent desire to telework or at least telework more often. You talked in your testimony about addressing barriers to telework, and that doing that is a key practice for managing current and future Federal employees. Can you just talk briefly about what some of those barriers are that you see that need to be addressed that you view as a challenge to step up to?

Mr. GOLDENKOFF. Sure. Well, one of the barriers is cultural within agencies. A solid notion that some managers have is that if I cannot see you, how do I know that you are working? So that needs to be overcome, and, you know, so long is that is pervasive, telework won't expand. There are also some startup costs. Agencies do have to invest in some startup technology. There is training. So those can be barriers as well. But overall, you know, it is something that is very doable. Agencies have successes with telework, and it does make good business sense. It helps, as you know, employees deal with work-life balance issues as well as various contingencies that occur in the local area, continuity of operations.

Mr. SARBANES. What is interesting is that I think the statistics demonstrate that in agencies where telework has been implemented in an aggressive and sustained way, sort of this notion of I cannot see you, are you working, goes out the window because they tend to be some of the most productive places to work. And when a culture of productivity takes hold, often spurred by the telework, it actually spreads to the entire work force, whether they are teleworking or not. So the benefits, the cultural benefits, of assimilating telework, I think, are there to be seen in the statistics, in the data. But we have got to make sure we are keeping track of what the barriers are so we can address them in a meaningful way.

I want to now completely switch gears over to you, Ms. Conrad, because I know in your testimony, certainly your written testimony, you talk about how student loans are a pretty significant barrier to public service, and that, in particular, the proper implementation of the Public Service Loan Forgiveness Act would help with recruiting younger workers into Federal service. That is something near and dear to my heart because I was an author of the original PLSLF Program, and I am anguished by the failure for that to be implemented in an effective way, and the impact it is having, frankly, on millions who could potentially benefit. Can you talk a little bit about that in the context of how Federal employees are accessing or could access a properly implemented student loan forgiveness program.

Ms. CONRAD. Well, thank you very much for asking the question.

Mr. SARBANES. I think your mic is not—

Mr. CONNOLLY. Yes, you have got—

Ms. CONRAD. Thank you very much for asking the question. I remember I actually worked with you, Mr. Sarbanes, many years ago on that legislation.

Mr. SARBANES. Yes.

Ms. CONRAD. I am very excited that it was enacted. You are right. I think this is an example of where Congress has given, you know agencies, the ability to use this tool, and it is not being implemented to the way that you all had envisioned when you set this up. Certainly student loan debt right now is a huge, huge issue

among young people in our country, and it is a real barrier for talent coming into public service if they don't have access to programs. So the Federal Government does offer a student loan repayment program, and then you have the public service loan forgiveness legislation that you had championed.

So I think through the oversight process here, there is a real role for Congress to play to really try to figure out how to fix this and add greater clarity for implementation because otherwise we are leaving, you know, many, many young Americans on the sidelines who thought they could access this benefit and it turns out they can't.

Mr. SARBANES. Thank you.

Just in closing, I am going to encourage our committee to look for opportunities to potentially bring some of these loan servicers in here and demand some accountability from them because they are not acting for the benefit of the borrowers. They are just protecting their own industry.

With that, I yield back. Thank you, Mr. Chairman.

Mr. CONNOLLY. I thank my friend and I look forward to working with him to make sure the committee marks up the followup telework legislation we have been collaborating on so we can set some metrics within the Federal Government and, hopefully, encourage telework where it is appropriate.

I thank the gentleman.

I now call upon my friend from Wisconsin, Mr. Grothman, for his five minutes.

Mr. GROTHMAN. Thank you. First of all, I would just like to make a point. I think Mr. Reardon kind of was a little bit critical of this administration, and I will point, having talked to a lot of state employees, particularly in Wisconsin, it is very difficult and sometimes intimidating if they feel that not being—or being a little more conservative they are viewed hostilely by their Federal employees.

You know, we need a lot of good Federal employees. We particularly need more people down on the border with the Border Patrol and I know the administration has been very supportive of them.

But when you say things like critical of this administration if I am a more conservative person for whatever reason I may be intimidated or be afraid to work for the Federal Government because I am afraid I am getting myself in an environment that is hostile to conservative people.

So I just—I just want to make that point.

Now, a general question. I don't know if anybody's got it.

Mr. CONNOLLY. Did you want to allow Mr. Reardon to respond?

Mr. GROTHMAN. Well, it wasn't a question but if he wants to respond.

Mr. CONNOLLY. Mr. Reardon?

Mr. REARDON. Yes. Congressman, thank you for saying that.

So it gives me the opportunity to respond and here is what I will tell you—that I represent a labor union that represents about 150,000 employees and I will tell you that the people that we represent I have a large number that are supportive of the Republican Party, supportive of the Democratic Party, Independents, and many others.

One of the things, if you are familiar with my public statements, I am very right down the middle. Here is what I—here is what I look to. I want as much support from everybody in this room for Federal employees as possible.

I am interested in people who support Federal employees. I represent—I represent employees at CBP. So the folks that are in the ports of entry down in Texas and in airports and seaports and so on and so forth, I represent those folks.

I can assure you that I am not interested in, you know, saying derogatory things about anything. But with regard to the administration, I want to be very clear about what it is that I was referring to.

We have had a 35-day government shutdown, and if we are looking at ways that we are going to entice people to come to the Federal Government, to Federal service, or to remain in Federal service, that is not a good way to do it.

We had—we have had an enacted pay freeze that was ultimately overturned. That doesn't help.

So there are a lot of things that are very personal and very important to Federal employees and that is—and other things that I could go into but that is why I made that statement.

It is not for me from a—from a political angle. For me, it is about the impact on my members and their families.

Mr. CONNOLLY. Thank you, Mr. Reardon.

In consideration to my colleague, I would ask that his full five minutes be restored because he was allowing Mr. Reardon to respond to an observation.

Mr. GROTHMAN. Thank you.

I just—I have to respond.

Mr. CONNOLLY. Just one second. Can we put back five minutes, whoever is—there we go. Got it.

Mr. GROTHMAN. Thank you much.

I just want to point out there was a shut down. I am not going to take sides on it. I will just point out it was a shut down over a wall.

You showed a little bit of partisan coloring there because some people, of course, blame President Trump and some people would blame my colleagues next door for not agreeing to fund the wall.

[The side] upon which side you are on [determines] who you blame for that. I would argue that they were both equally at fault, not one more than the other.

But okay, now I will give another question here. In general, and I guess this is for Ms. Conrad, when it comes to people leaving employment and get a lot of statistics comparing the private sector to the public sector, percentage wise, say, if you are in your 30's, your 40's and your 50's, are there statistics available as to who is more likely to switch jobs or leave employment—the Federal employee or the private sector employee?

Ms. CONRAD. Sure. So we could followup and get you that information. I am happy to do that. I don't have it in front of me right now.

But what I will say is that we do know that this next generation that is coming in to public service and actually just coming into the work force, more broadly, that they are really interested in having

mobile careers. They are likely to move around and be in multiple jobs rather than first—

Mr. GROTHMAN. Well, that is okay. You don't know the answer to that question. You don't—you don't know. Okay.

I will give a question to Ms. Greszler. According to a 2018 Federal employees viewpoint survey, only 28 percent of employees believe sufficient steps are being taken to deal with underperforming employees who cannot or will not improve.

Do you have any suggestions for Congress how we can—and I have heard this from people working in the government—what we can do to restore faith?

It is very difficult if you are a hardworking person doing everything right to see the guy next to you or gal next to you not doing as much, nothing happens. Do you have any suggestions?

Ms. GRESZLER. Yes. I am glad you brought that up because I have talked to a number of managers—Federal managers—that have explained how difficult it is for them when they have an employee who is kind of dragging down everybody else by not doing their job or refusing to follow the agency's mission.

The process takes so long. It is so burdensome. These managers come in and they say, I am going to do the right thing. I am going to try and get the right employees in here who are willing to fulfill the agency's mission.

They try to get rid of somebody. It takes a year and a half, on average. It takes hundreds of hours of their time and they simply give up because they can't do their own job because it takes so much time to comply with these lawsuit—not lawsuits but appeals processes.

So one of the easiest ways to fix that would be to require employees to choose just one venue for an appeal if they have been dismissed. Currently, they can pick three out of our different venues and they can go from one to the next to the next to drag on the process.

In the end, the decision almost always ends up being what it initially was, but it just takes the time and that deters managers from ever trying to dismiss a problematic employee.

Some other recommendations there were just lowering the burden of proof. Currently, it is a preponderance of evidence. You could reduce that to substantial evidence.

Also, increasing the probationary period just would give managers more than just one year to determine whether or not that employee is a good fit, but making it more than three years, and that could be better for the worker as well, kind of giving them an opportunity to test that out.

Then just expediting the dismissal process. If you have a particularly egregious case of a Federal employee who has posed a threat, who has intimidated other workers, that employee should have a quicker process to be dismissed.

Mr. GROTHMAN. Okay.

Next question, could you comment on, like, the average age of retirement or the number of people? I think we have a lot of people out there right now in their late 50's or 60's who still have a lot to give society.

Is the Federal Government doing anything to find a way to hire them or bring them in, or could you comment on that?

Actually, Ms. Conrad, I guess, is the one who should probably know.

Ms. CONRAD. Thank you. Yes.

So I do know that Congress has given authorities to agencies to use authorities such as phased retirement programs and there are great opportunities out there for those types of programs where then current Federal employees are going to be——

Mr. GROTHMAN. No, not current Federal employees. There are a lot of people out there looking for a job in their late 50's and 60's.

Ms. CONRAD. Who are interested in coming in and——

Mr. GROTHMAN. Can we use any? Is there any——

Ms. CONRAD. Yes. So there are different types of authorities that agencies can use to bring talent in for short term. So you can think about the U.S. Digital Service. They have a program. There is the ATNF program. So these are different authorities——

Mr. GROTHMAN. Okay.

Ms. CONRAD [continuing]. that could come, bring down and——

Mr. GROTHMAN. One more quick question. Do we have any statistics for average age of retirement private sector versus Federal Government?

Ms. CONRAD. Sure. We can followup with those specific points. I don't have them in front of me right now.

Mr. GROTHMAN. Thank you all for appearing and I would like to thank my chairman for giving me some extra time.

Mr. CONNOLLY. Thank you, Mr. Grothman.

The chair now—well, just one thing. Mr. Reardon, don't be afraid of being critical of the administration. There is nothing wrong with that, from this chairman's point of view.

Some may take that as partisan but I think all of us are subject to criticism and if you are in charge of the government you are going to take some hits and justifiably so.

So we don't want to discourage constructive criticism. Thank you.

The chair recognizes the distinguished gentlelady from the District of Columbia, my friend, Eleanor Holmes Norton.

Ms. NORTON. Thank you very much, Chairman Connolly.

First of all, I have to thank you for holding the hearing. This is the first hearing I can remember—it shows how long it has been—where we took a wide-eyed view of the Federal work force, which, in some ways, is collapsing before our very eyes.

I don't think the public would want that to happen. Before I ask my questions, and I could have asked for time to speak so I hope you will give me this time because I have chosen your hearing in order to introduce a bill to provide short-term disability insurance for Federal employees.

We know that they have long-term disability insurance. That is very important. But, amazingly, Federal employees do not have short-term disability insurance until they have been at least 18 months employed.

If they become pregnant, develop a pregnancy-related issue, have a short-term disability, it seems to me that one of the things we want to do is to keep with at least to where the Federal Govern-

ment often is, and my bill would say that an employee would have to pay for it.

The way I got this idea, frankly, was talking to Federal employees who were paying for it. There are some who are paying for short-term disability as I speak but without a group rate.

So I intend to work hard to try to get this bill passed and ask that the chairman give us some priority on that.

Mr. CONNOLLY. I thank the gentlelady and I would simply underscore it is in addition to the examples you gave. If you have an accident and you have to be out of work to have surgery and physical therapy, that is not a long-term chronic condition but it may require a few months and you do need short-term disability when you are out on a leave.

So there are lots of exigent circumstances, I think, where we need that kind of consideration. Thank you.

Ms. NORTON. I certainly appreciate that. I think you seldom find people buying insurance on their own and paying for it. It tells you everything about the need.

I am very troubled by this age gap. I think the Federal work force is withering away, and they are going to other occupations, particularly technical occupations, which provide no benefits.

Federal Government does at least provide that. I am concerned with what is maybe causing that, especially considering that there are some ways in which the Federal Government is superior as an employer.

So my figures show me that five times—there are five times as many people in the government's IT occupation over 60 than under 30. That is what I mean by dying out.

Perhaps you, Mr. Goldenkoff, could tell us what risks the Federal Government faces if we fail to recruit the young people for whom IT is almost a second language.

Mr. GOLDENKOFF. Sure. Well, thank you for that question.

I think I know the data that you are referring to and it makes a very interesting graphic if you look at it visually. If you look at the IT work force, it is getting older. But at the same time, the percentage of younger IT workers in the Federal Government is going down.

So there has been this increasing gap in the middle as these two lines separate from one another and I think you hit the nail right on the head.

One of the risks there is it is less effective more costly government. At the end of the day, the capacity of the Federal work force needs to equal the demands of the mission and when that equation goes out of whack, bad things happen.

The work needs to get done one way or the other. So it means that the Federal Government may need to bring in more contractors and that is going to cost money.

In some cases, the quality of the work goes down. Some cases the work—the timing of the work it gets slowed down. So—

Ms. NORTON. Well, Mr. Goldenkoff, let me—let me followup on that. We do have a lot of contractors and those contractors are on their own. They don't have any benefits. They don't have any sick leave.

So we are not only diminishing the Federal work force but we are giving them so few benefits why come at all?

One of the reasons that you wanted to come to be a civil servant is the benefits. So if you don't get that—and the pay isn't the equal to where it is in the private sector—why shouldn't people go elsewhere as, apparently, they are?

Mr. GOLDENKOFF. Okay.

Ms. NORTON. In other words, I am questioning whether contractors are a solution to this dilemma since we have so many contractors in the Federal Government always.

Mr. GOLDENKOFF. Yes. I mean, it depends on the nature of the work and, you know, and this is what Federal agencies need to think about and that is their total work force—what jobs are best suited to be performed by career Federal employees—what jobs are best performed by others.

So you don't want that to be your default strategy because you have no other alternatives and that is what could happen if we—because of a failure to get younger people into the civil service if that talent pipeline suddenly stops or turns into a trickle.

Ms. NORTON. Thank you very much.

Mr. Chairman, I would like to discuss with you after this hearing the possibility of more aggressive outreach by the Federal Government, perhaps a bill that would instruct OPM to report to us on an outreach program.

Maybe it won't say we are the best and brightest when it comes to benefits, but I don't believe the Federal Government is recruiting. I just think it says, okay, if you are here we will look at you and see whether we should hire you.

If they are going to compete with the private sector, it seems to me they got to be out there with the private sector trying to get the best workers.

Mr. CONNOLLY. Well said.

Mr. Reardon, you looked like you were—

Mr. REARDON. I was.

Mr. CONNOLLY [continuing]. thirsty to want to respond to that.

Mr. REARDON. I was. Thank you.

You know, on this issue, I think it is—I think it is important that we make certain that, you know, the folks that we want to bring in to Federal service—well, let me say it this way.

Our best recruiters should be and I think could be our current Federal employees, and let me give you an example. So at CBP NTEU I represent the employees I mentioned earlier in our ports of entry—land border, airport, seaports, so on and so forth.

We are short in this country 3,300 CBP officers across the country. I will tell you that I deal with those folks all the time and they love their mission and they love their country.

Most of them that I speak to, or at least many of them—let me say it that way—many of them will not go home and tell their sons or their—or their cousins or their best friends to come to work at CBP.

The reason they won't is because not—not because of pay. It is because we don't have enough of them so the staffing is short, and what they end up having to do is they end up being sent on 60-

day or 30-day TDYs to different parts of the country. They end up having to work 16-hour days day after day after day.

So my point is this. We have got to make sure that we are taking care of our current Federal employees because they are the ones who are, in large measure, going to be able to go out and tell people, you got to come work for the Federal Government—this is the place to be.

Mr. CONNOLLY. You have also underscored we do need to take care of our current Federal employees. But in the 16-hour workdays in the conditions you describe, the only ultimate answer to that is more of them to share the burden, and that comes back to the whole question of recruitment and retention. I think that gets more difficult, not easier, as we move out generationally.

A rule—a strict juridical rules-based Federal workplace is not going to work with the millennial generation.

We are going to have to reimagine how we do that while protecting people's rights that we worked so hard to build. But how do we build a work force and a workplace of the future that can compete for employees—talented employees, and I think that is really our big question.

I would be glad to work with you, Ms. Eleanor Holmes Norton, in trying to reimagine that.

I now call on my good friend from one of the Carolinas.

[Laughter.]

Mr. CONNOLLY. Which one am I calling on? All right.

Mr. Norman from South Carolina?

Mr. NORMAN. Thank you to each one of you for taking the time to come.

Ms. Greszler, I think I understood you right to say that in an effort to get pay up you would eliminate performance standards. Is that right?

Ms. GRESZLER. No. I think—so you would need to increase the performance-based pay increases. Instead of having it just be a de facto 99.9 percent of Federal employees get a pay raise simply because of their tenure, we need to be using true performance-based pay raises more frequently.

Mr. NORMAN. Okay. So the standards you are in favor of leaving, having performance standards like the private sector does—having that in place that would benefit?

Ms. GRESZLER. I think managers need more flexibility to be able to give true quality pay raises.

Mr. NORMAN. Now, I think you were—tell me if I am wrong—that you referred to a study by the CBO that said the pay for government employees was less than the private sector.

Is that right?

Ms. GRESZLER. That is for people with professional and master's degrees. Their overall compensation is 18 percent lower and their pay is also slightly lower. I believe it is three percent lower at that level.

Mr. NORMAN. But at all levels across the board, am I right—I mean, you agree with the study that overall it is higher than—

Ms. GRESZLER. Overall, it is higher. Both the compensation and the pay are, overall, higher on average.

Mr. NORMAN. Okay. How would you suggest on pay raises—what is it based on now? Because we—again, as I told you, we hire people a lot from government.

They are fed up with the hierarchy, people not getting—and, Mr. Reardon, to get back to your point, the—a lot of them were just upset with the bureaucracy of the interoffice play that they have to deal with.

That is why they get—a lot of them get out. It is not because of pay. It is not because of retirement benefits. It is really not because of the job, but it is this thing with elevating people who either don't deserve, in their mind, or for other reasons. How would you respond?

Ms. GRESZLER. Well, as I say, there is just this GS scale. A grade in your step and you just march up it based on the number of years that you have been there.

You come in at a certain position and so it is pretty clear on day one how long it will take you to get whatever level you want to get to, and I think that we should have some more flexibility. There are actually tools available to manager currently but they are just not used that frequently. Whether it is moving an employee up more quickly than is scheduled, which is currently anywhere between one and three years.

But they are not utilizing the tools and that might be because it is difficult. I don't know if there is pushback from unions that don't want to see certain employees moved up over other ones. I am not quite sure what the reason that we are not using true performance-based measures is.

Mr. NORMAN. Are internal surveys used?

Ms. GRESZLER. I don't know if they are used within the agencies. I just know of the overall government satisfaction survey.

Mr. NORMAN. Let me tell you one thing you may want to in your role look at. In the private sector, particularly banks, you want to weed out the weak performers, do a outside internal survey where it can't get back to the supervisor. It is from an outside agency.

They will tell you exactly who is not performing the job and they will tell you why. They will give you examples. A well-worded survey is worth gold in the private sector. I have never heard of it in the—in the government sector, and it should be.

Anybody else have any comments to that? Mr. Reardon?

Mr. REARDON. Yes, I do. Thank you.

The first thing that I wanted to touch on was the—this whole notion of the study that was done by the Congressional Budget Office, which, as I recall, says that Federal employees are paid 17 percent, on average across the board, more than those in the private sector.

I would just tell you that I think the methodology that is used in that Congressional Budget Office model is inaccurate or it is not really the right way to look at it.

Mr. NORMAN. How would you change it?

Mr. REARDON. Well, I think—I think the methodology that is used by the Department of Labor is actually the right one and here is why.

The CBO really looks at things like, you know, what is somebody's educational level that they have attained. You know, it looks at some other things pursuant to that individual.

What the—what the Department of Labor study looks at is a comparison from actual job duties in the Federal sector to actual job duties in the private sector. So it is kind of an apples to apples comparison.

So what the president's pay agent say—Department of Labor—what they said was that in fact Federal employees are paid 32.4 percent lower than their private sector counterparts.

So I think—I think that is important. In terms of the GS schedule—I just wanted to quickly touch on that and the whole issue of it being so difficult to get rid of Federal employees—I don't actually think it is all that difficult.

The tools are there. Here is the problem, from my perspective and talking to a lot of Federal employees. The problem is that managers are not trained to deal with those problem employees, and I just point to, for example, back in about 2013 or 1914, I think it was, if you look at one of the agencies where we represent employees is the Internal Revenue Service.

In that agency in one of those years—I don't remember the exact one so please don't quote me on it—but there was an 85 percent cut in training.

Well, these managers have to be trained. You don't just show up in the workplace knowing how to—knowing how to effectively manage people and lead people.

So I think it is important that we really look at managing folks. In terms of the GS schedule itself, managers have the ability to withhold a within grade increase or a career ladder increase. They can simply withhold it.

I think there are ways to, if you have a really—a really high performer you can certainly utilize a quality step increase to get them more money.

The problem is that in the Federal Government right now I think the last numbers I saw is that there are something on the order of three percent of Federal employees who are provided a quality step increase.

So I think there are some of those flexibilities that are—that are available. It takes money to actually utilize those.

Mr. CONNOLLY. Thank you, Mr. Reardon.

Did you want to comment, Mr. Goldenkoff?

Mr. GOLDENKOFF. Sure. Well, a couple of things.

I mean, GAO—

Mr. CONNOLLY. You don't have to.

Mr. GOLDENKOFF. Oh, well—

Mr. CONNOLLY. You look like you wanted to.

Mr. GOLDENKOFF. Well, just to maybe build on some points here. One is that we did look at six different pay studies that were done several years ago comparing private sector and Federal Government pay. They all said different things.

So our finding on that was not that any one study was wrong. It is just that they looked at—they used different methodologies, as was mentioned. They had different assumptions.

So you can't take one study and think of it in isolation and say that is the final word on which sector gets paid more.

But the other thing I just want to mention here because it kind of links the two thoughts here by Ms. Greszler and Mr. Reardon, which is that, you know, pay increases.

GAO would agree that pay should be more performance oriented and the way pay increases are done now a lot of it is not performance based.

So what happens is that in order to get—once you top out within a grade sometimes in order to get to higher salary levels and keep people agencies have no choice but to promote them into supervisory positions and that gets into the point that Mr. Reardon was making, which was that we don't have good supervisors, you know, because they are maybe good at their technical jobs but they don't have the skills to actually lead and inspire and engage people and they also don't know how to do proper performance management.

So a lot of this, my point is, is that it is all marbled together and so we just can't pull any one thing out and look at it separate and say, oh, that is the problem—let us just deal with that. It all needs to be considered comprehensively and holistically.

Mr. CONNOLLY. Thank you.

I will simply say intuitively we—I think any one of us who came from the private sector would say it is going to be hard to hire lawyers when the private sector or law firm can command X and we can only go up to Y—at least good lawyers.

I can tell you, you know, we have wonderful attorneys within the Federal Government but we also—you know, I can remember friends who would observe about, for example, Supreme Court cases where the people are being outgunned by incredibly educated smart well-off highly resourced private sector attorneys, and we do the best we can. Not to disparage the public but, I mean, we just—we can't compete with it.

When it comes to technology, Mr. Meadows and I have done a lot of work in that area on this committee and subcommittee, and I can tell you that the—you know, the generational thing really matters when we come to IT because, you know, certain age level and, you know, you were born to technology like fish are born to water.

And if we are not competing in that realm with that talent pool it affects everything we do, including—like Mr. Meadows and I have looked at the large RPs.

Even having the technical know-how to translate the terms of reference into the correct language to get the technology or the system or software we need is a challenge and we have to rely on the private sector to help us do that.

You can go down the list of professions, increasingly, that require high skills and our ability to compete both because of this juridical rules-based work environment the lack of cogent benefits that Ms. Norton and others have referenced and the pay scale.

So simply lumping everyone together, as Mr. Reardon says, is not all that helpful. It is let us disaggregate categories we know we are going to need—scientists and technologists and the like—and try to figure out how we—how we be competitive as we move forward.

I took more time than I should have but I was amplifying on what—I think your point is well taken. You can't just lump them together.

You really have to disaggregate and I think as we move forward we are going to have to prioritize, pending some comprehensive redo, restructure of the whole system.

Mr. Meadows?

Mr. MEADOWS. Mr. Chairman, thank you. I thank all of you for your testimony. So, I was interested in the back and forth between you, Mr. Reardon, and Ms. Greszler in terms of just your perspective.

So, Mr. Reardon, would you support something that truly reformed our GS scale where it says, all right, we are not going to just do these levels with this step increase—that we truly make it performance-based?

Because you were saying that a lot of times they don't actually get an extra amount of money based on performance. You know, they will get their normal step increases.

So, is that something that you think the unions could support? Because it would fundamentally change the way that we do things and it scares people.

So, I am asking a just—it is not an I gotcha question. It is, literally, one of those that is it worth pursuing.

Mr. REARDON. Well, so thank you for that question, Mr. Ranking Member.

You know, from my perspective, we have got a system in place and I think, if utilized properly, it would work. But we don't utilize it properly.

What I would like to see is that—for example, I mentioned the quality step increases, which puts right now extra money in people's pockets if a manager and the agency determines that that person is such a high performer that they deserve another step.

Mr. MEADOWS. But you have that in a way right now because you have bonuses that you can give that are exceptional bonuses that are allowed to be given and so there is maybe not an incentive there to do that.

But we have that ability. But what happens is if 70 percent of your work force knows that if I just show up and I am, you know, breathing then I am going to get this next step and it has nothing to do with performance, which Ms. Conrad's surveys would suggest that the majority of your—you know, I looked at actually the workers that you represent.

So the majority of the workers you represent believe that they are not getting increase based on performance. Did you realize that?

Mr. REARDON. Well, I certainly expect that there are some who—

Mr. MEADOWS. No. No. I am saying across the board the majority of your employees who—you know, if you look at it as an aggregate, they don't believe that they are getting paid according to their performance—the ones that you represent.

Mr. REARDON. Well, and I will tell you that I think in large measure what that comes down to, and I am going to use an actual

example so that, you know, we are talking about something specific.

If you look, for example, at the Internal Revenue Service, up until 2014, I believe it was, 14 percent—13 to 14 percent—of the bargaining unit employees, the people who can belong to NTEU—

Mr. MEADOWS. Right.

Mr. REARDON [continuing]. received a quality step increase.

Mr. MEADOWS. Right.

Mr. REARDON. Okay. So they—so instead of being a grade 12 step—a grade 12 step nine, they became a grade 12 step 10 or whatever. But they got an additional—

Mr. MEADOWS. Step increase. Yes, I got it.

Mr. REARDON. Okay. So and the only way that they get that is if the agency determines that they are a high performer and are deserving of that.

So 14—13 to 14 percent several years ago in the IRS got that. Right now, I believe the last numbers I saw is it is somewhere in the neighborhood of three to four percent.

So I don't believe that we are actually utilizing some of the tools that are already there.

Mr. MEADOWS. So I will give you that. So I go back to the previous surveys when you are at your 14 percent. When was that?

Mr. REARDON. I think it was 2013, 2014—in that neighborhood.

Mr. MEADOWS. Okay. So you are same employees were still saying at a very similar level to where they are now that they weren't getting recognized based on their performance.

So whether it is three percent, 12 percent—I guess what I am getting at is when you have these certain steps and they are not based on merit, it becomes a demotivator and I think you can see the surveys that we get that would suggest even within your covered employees they are demotivators.

So how do we fix that? If you are saying, listen, all I want is a little bit more money at the top—that would fix it for you—that is good. At least we know not to embark on it.

But if you fundamentally want to change, I am one of the few Republicans who are willing to say that I want you to be paid. I want to attract new workers. I am willing to invest dollars to reform it and make it work.

I am also willing to hold harmless to make sure that people are not getting penalized because we are going through a reorganization to do that. But if that is just barking up the wrong tree I need to know that.

Mr. REARDON. Right. Well, I mean, I appreciate—

Mr. MEADOWS. So is it barking up the wrong tree?

Mr. REARDON. It may be.

Mr. MEADOWS. Okay. I will yield back.

Mr. REARDON. So but here—but let me—no, but let me be clear. You know, I never say, without knowing all the facts—

Mr. MEADOWS. No, I get that. But—

Mr. REARDON. Hold on. I mean, I am willing to listen. I am absolutely willing to listen. But what I am telling—what I am, you know, passing along to you is that my members, and I personally

believe that there is a system in place that would work if it was properly utilized.

Mr. MEADOWS. Yes. See, and that is where probably fundamentally we disagree, but that is okay.

Mr. REARDON. Okay.

Mr. MEADOWS. I yield back.

Mr. CONNOLLY. I thank my friend.

As he knows, based on my own experience both in the public sector and private sector, you have got to have incentives and you also have to have disincentives. You have got to recognize performance from nonperformance.

Example—I worked for a company once in the private sector—because, believe me, not all is perfect in the private sector—and my experience has been most managers would rather put their head through a pencil sharpener than to have to actually evaluate performance and nonperformance.

They really hate it. Some managers relish it but most don't, because I got to—it is personal. You know, I got this little division or even big one and it is Harriet or Joe. It is not some nameless figure and I got to live with calling him or her out as a nonperformer or under performer.

And, all right, I can remember one year there was a bonus pool for one of our divisions or departments—we had four. I won't name it.

The head of that division, a very skilled, technically competent, highly educated man, just did not want to have to make decisions—qualitative decisions about who got a bonus and how much and who didn't.

So he took it out, divvied it up, and gave \$250 to every member of the department. Now, what was wrong with that? Well, it absolutely refuses to distinguish the star performers from the adequate or even subpar performers, and you can imagine the impact on morale and productivity when you do something like that.

So the person who comes in early and stays late, volunteers for everything, often comes in on the weekends on his or her own to finish a project or the one who comes up with new ideas, the one who is the team player and is always also building social events to just help glue people together, she gets the same \$250 as that clunker who literally is a clock watcher, doesn't care, hasn't had a new idea in 20 years, just does the job to the letter and no more.

I am not going to distinguish between those two. When I give you both the same bonus I am saying as a manager I see you both as the same. And writ large, at some point the Federal Government has got to look at, while protecting people, making sure their rights are protected which I think is what holds us back.

There has been a history of violation of people's rights and it makes it very difficult for anyone to want to change those rules until, as Mr. Reardon said, we see what comes next in advance.

But, on the other hand, we have to look at performance for the Federal work force of the future. By the way, that Millennial generation we want to recruit from expects us to do that.

I mean, that is going to be just a kind of given and I think that will put more pressure on us to adjust to the future.

I see you are shaking your head, Ms. Conrad, and then I am going to close the hearing.

Ms. CONRAD. I just wanted to respond to a couple things that you mentioned earlier.

So, first of all, you talked about the difficulty of attracting lawyers to government or IT specialists, and I wanted to share that, you know, we are supportive of a more market-sensitive approach to compensation and we hope that is something that we can have a conversation about because it is very difficult to compete for talent in some of those, you know, high-skill fields in government and it is something that is really important to address.

I also just wanted to mention that—

Mr. CONNOLLY. Can I just interpret?

Ms. CONRAD. Yes.

Mr. CONNOLLY. Those who assert this number that—I don't know, 34 percent better pay or 17 percent or whatever it is—if that were really true, we wouldn't have a recruitment problem at all. People would be flocking to want to work for the Federal Government.

Mr. Reardon's example of CPB wouldn't exist because, of course, those 3,300 positions would be filled because we are paying 17 or 34 percent more than the private sector. I mean, it is just—upon examination that can't be true on its face.

Maybe some positions, but certainly not the ones we are trying to fill. And I interrupted you. I am sorry.

Ms. CONRAD. No. No. No. I would just—thank you—I would just argue that we need to look at compensation. We need to look at performance management. But, ultimately, this all starts with hiring.

I mean, this is all about how do we make sure we are getting the right people in the door in the first place? How do we make sure that we are recruiting the right people and then how do we develop good leaders?

How do we make sure we have the manager training? How do we make sure that there are growth opportunities? And another issue we haven't talked about today is the probationary period, making sure that, you know, there are some proposals to lengthen it but it is also just about how you use it and making sure there is an affirmative decision at the end of the probationary period to keep that person on and move into the civil service.

So I just wanted to flag those issues as well.

Mr. CONNOLLY. Yes, that is a good one because in the previous Congress some of our colleagues looked at trying to extend the probationary period to two years.

I pointed out for those who say we want to run government like a company I am not aware of a single company that would have a two-year probationary period and if they did they wouldn't be able to hire anybody.

I worked in the private sector for 20 years for two major companies. It just—but that didn't stop some people from proposing it, which would make the job we are talking about today all the harder.

Did you want to comment, Mr. Goldenkoff? Okay.

Did you? Yes, Ms. Greszler?

Ms. GRESZLER. If I could just make one final comment, that something I see as kind of low-hanging fruit in the way that we can help recruit workers and that is there is—there are differences in compensation and pay.

But I think that part of the reason it is hard to attract workers is that a lot of the compensation is tied up in benefits, primarily retirement.

If workers just have the option to take what goes into their pension—there are studies that show workers value pensions at \$.19 on the dollar.

If you had an option—you are earning \$50,000 right out of college and you have \$5,000 going into a pension that you don't know if you are ever going to see because you might not work for five years. It is 30 years off—if you could take that in pay instead.

These are people who have student loans. They might be wanting to buy a home. They have childcare expenses. Just having that option to increase the pay. It is not just the Millennials who are job hopping and have these higher expenses. It is the lawyers.

If we are talking about a \$150,000 salary, that is \$15,000. It is the older workers who might be 55 and think, I am not going to be in there long enough to vest into the pension but if I could take that as cash instead. So this is something I think across the board would help recruit workers.

Mr. CONNOLLY. Good point. At least being flexible about it. I mean, I am always telling young people I know it seems like it is eternity, but you would be amazed at how quickly you approach retirement and you want to start early.

Mr. MEADOWS. Amen.

[Laughter.]

Mr. CONNOLLY. Right. You want to start early. So but staying flexible I think is the point you are making and I agree.

Can I make one final inquiry or invitation? And I also want to include my ranking member in this because he and I have collaborated on a lot of what we think are kind of good government things that never get any attention in terms of bipartisan cooperation. But we do it all the time and we want to do more of it.

One of the ones I want to put on the table is what I mentioned in my opening statement. It has struck me how inadequate the Federal Government uses internships, and I just look at—like, here is one statistic that just really leapt out at me my staff gave me.

So in 2010, new hires of interns—student interns—were, roughly, 35,000. Eight years later, that fell to 4,000. Now, I can tell you in good companies, you know, those numbers would be reversed. They are going up, and it is a very high percentage of people.

Now, they often have really robust screening programs. I know one company goes to universities. It is a status symbol to be able to say, they hired me as an intern, knowing that your future is also ahead of you and guaranteed if you want it.

If you are an intern with company X, you almost certainly, unless you mess up, you will be given a job offer and off you go to the races. We don't do that at the Federal Government.

When I looked at this a few years ago when I first got here, I mean, I was shocked there is no systematic mentorship. There is

no guaranteed rotation around an agency so you get exposed to the different missions and maybe pick one you like.

There is no debriefing or exit interview when you had your internship to make sure it went well. There are no criteria for what happens.

As a result, as you might expect, very low percentage of interns—Federal interns—end up joining the Federal work force.

Now, this is one right in front of us, right. We don't have to go to anywhere. They are interning and that is, it seems to me, our first resource and yet we are not using it.

That is something I would like to correct and I welcome all four of you to share in more depth, and Ms. Conrad, you did address it explicitly.

But it is—to me, it is at least something we could influence and to the positive and learn from—how the private sector does it and does it well.

I welcome all four of you giving us your thoughts on that as we think about maybe a legislative remedy to make it more effective.

Ms. CONRAD. Can I—

Mr. CONNOLLY. Yes.

Ms. CONRAD. I want to just quickly respond to that, Mr. Chairman, and share that I think one of the biggest challenges that agencies are facing are around work force planning and they are not making internships a key part of their work force planning. They are not setting aside the FTE slots for interns and for recent grads and so I think that is one of the key areas.

Then I would also say that we need to really be focusing on figuring out how government can compete with other sectors.

So the private sector is on campus in the fall and they are making internship offers in the fall for the next summer, and they can do them on the spot and government can't do that.

There are not that many agencies on campus in the fall. Many are recruiting in the spring when other offers have already been made and they are not able to do the on-the-spot offer.

So I think we need to look at how to open up this system to make it easier for interns to be able to come into government.

Mr. CONNOLLY. Yes, but let me tell you, when we have looked at—just anecdotally, not empirically because we don't really have such data—but I am barely exaggerating some of the reactions when they did do exit interviews, that the experience was so wretched. You know, I would rather spend time in a Taliban prison camp than return to Federal service.

That is how bad the experience was, and that is a signal failure. I mean, better you not have a program. But it is also just a waste of a resource in our command that we could use to help us a little bit.

It doesn't solve everything but it is ready at our command and we are not using it.

So did you want to comment?

Mr. GOLDENKOFF. Yes. No, these are all excellent points and agencies can and should be taking greater advantage of internships. It is an excellent way of building a pipeline into government.

An important factor, though, is that it would be more helpful if interns could be converted noncompetitively to permanent career employees. That is no longer the case in many instances.

GAO—we make extensive use of internships. As a matter of fact, myself and my whole team here—shout out to my team—we all started our service in the Federal Government as interns.

I started at GAO 30 years ago as an intern, then later became a Presidential management intern. We have a current intern with us, Tarenda—she is from Howard University—and my two other colleagues, Allison and Shelby, also came in as interns. The way—so GAO—we do it through effective campus recruiting.

We build that as a brand on college campuses and so may get to this in a separate discussion but we do actively recruit on campus not just as a one-time event.

We build relationships over time so that we just don't power shoot in when they are having a career fair. You are not going to get a good response that way.

But we do have at GAO the ability to convert people non competitively and a big proportion of our work force—of our entry level work force in any given year came in as interns. We also give them challenging work to do.

We treat them just like everybody else. We don't just throw them a copy machine.

Mr. CONNOLLY. I think—and no wonder you have success.

Let me just say, though, what I learned when I innocently came to this. Like, why aren't we using internships more creatively, was that there was some history?

And while you all may have used it creatively and well and to effect, I know Mr. Reardon would remember that in the Bush years there were some agencies that, under the guise of internship, back doored people they wanted to place who otherwise might not be qualified at the expense of people who were qualified and lost their opportunity to work.

So we have got to make sure it can't be abused if we are going to make this work. I want the flexibility you described.

But I also want to make sure we avoid sins of the past so that we can have full confidence, moving forward, that it is a creative tool we use, not a club we use to punish or favor certain categories of people by getting around the normal hiring process.

Mr. Reardon?

Mr. REARDON. I would also just add to that that, you know, I would hope that we would make sure we pay attention to veterans preference and not, you know, lose the importance of that as well.

Mr. CONNOLLY. That is right.

Listen, I want to thank all four of you. Thanks so much. I think this is an important discussion that may be—very well be one of a series we end up having because we have got to figure out the future and one hearing doesn't do it.

But I really thank you all for the thought you put into your testimony and I invite you, as I said, for followup in terms of plans of action.

The specific one I give you is internships—how can we better, more creatively, make it work for us in the recruitment challenge we face and in filling some of the ranks we have talked about that

go sort of begging and do a better job, or begin to look more like how the private sector succeeds than how we look right now.

I thank you all so much. This hearing is concluded.

[Whereupon, at 4:06 p.m., the subcommittee was adjourned.]

