

**IMPROVING PUBLIC SERVICE: A REVIEW OF  
RECOMMENDATIONS MADE BY THE NATIONAL  
COMMISSION ON MILITARY, NATIONAL, AND  
PUBLIC SERVICE**

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**HEARING**

BEFORE THE

SUBCOMMITTEE ON  
REGULATORY AFFAIRS AND FEDERAL  
MANAGEMENT

OF THE

COMMITTEE ON  
HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS  
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**TUESDAY, JUNE 23, 2020**

U.S. SENATE,  
SUBCOMMITTEE ON REGULATORY,  
AFFAIRS AND FEDERAL MANAGEMENT,  
OF THE COMMITTEE ON HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS,  
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 2:30 p.m., via video conference, Hon. James Lankford, Chairman of the Subcommittee, presiding.

Present: Senators Lankford, Romney, Scott, Sinema, Carper, and Rosen.

**OPENING STATEMENT OF SENATOR LANKFORD<sup>1</sup>**

Senator LANKFORD. Good afternoon. Welcome to today's Subcommittee hearing to examine the public service recommendations made by the National Commission on Military, National, and Public Service. The Commission has made several well-thought-out recommendations to reduce those barriers of entry through the efficiency of our Federal service, and I absolutely do look forward to walking through them in great detail today.

The Federal workforce is at a critical point. According to data compiled by the Office of Personnel Management (OPM), Partnership for Public Service, over 18 percent of the Federal workforce is eligible to retire, 45 percent of the Federal workforce is over age 50, while only 6 percent is under the age of 30. In order to serve the American people efficiently in the years ahead, agencies must take decisive steps to plan for the future. It begins with improving a very broken hiring process in the Federal Government, so agencies can attract highly qualified candidates.

It is universally acknowledged that the Federal hiring process takes too long. In 2018, the average hire took 98 days. That is uncompetitive with any private company. The best and brightest candidates will not wait around for 3½ months, and our strategy cannot be that we hope that they do. Even if the government reached the Office of Personnel Management's targets of 80 days to hire as a goal, that would still not be competitive over private companies.

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<sup>1</sup>The prepared statement of Senator Lankford appears in the Appendix on page 29.

There is a problem that it has continued year after year. It has improved but only in days. It needs to improve in weeks and months in length.

I have long been troubled by the number of hiring authorities that the Federal Government has, how seldom most of them are used. The Government Accountability Office (GAO) found there are 105 unique hiring authorities, but 20 of them are used 91 percent of the time. As the Commission noted, the short-term fixes added to the complexity of the Federal hiring system rather than actually fixes the Federal hiring system.

The hiring system is broken, so this Commission was asked to be able to make recommendations. They have made recommendations to improve veterans' preference, to improve hiring, to improve oversight, and I look forward to discussing any of those ideas and other things that they have brought to mind.

I want to know how we can improve this system, because obviously we need a great Federal workforce. I want us to move to discuss solutions and how we can actually resolve things in the days ahead.

Senator Sinema and I have been good partners in this, and we look forward to getting a chance to do whatever we can to be able to solve this in the days ahead.

With that I would recognize Senator Sinema for her opening statement.

#### **OPENING STATEMENT OF SENATOR SINEMA<sup>1</sup>**

Senator SINEMA. Thank you, Mr. Chairman. In the midst of the ongoing coronavirus crisis we can all clearly see the direct impact that Federal employees have had in helping our nation get through this challenging time. I know that is the case in Arizona. Federal employees take care of our veterans, coordinate medical supplies for our towns and counties, and provide assistance to keep our small businesses afloat. Many Federal employees, such as the men and women who work on our borders, and our postal employees, have continued their essential work throughout this crisis, working every day to keep our families safe and connected.

Last month, I was pleased to join with Chairman Lankford and lead this year's Public Service Recognition Week (PSRW) resolution that passed the Senate. In April, I participated in a virtual chat co-sponsored by the McCain Institute, the Commission, and Arizona State, on the next generation of service.

It is important to recognize the impact that Federal employees and all public servants have on our Nation. Every day, Americans count on Federal employees to deliver important services and information to them. These critical contributions are why today's hearing is important. The Commission's report offers a series of recommendations to make the Federal workforce more adaptable and able to provide the services that Americans need. Making smart investments in human resources (HR) will attract stronger candidates, improve the retention of our top employees, and ensure that Americans have a more responsive Federal Government.

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<sup>1</sup>The prepared statement of Senator Sinema appears in the Appendix on page 31.

Congress should always be looking for practical and common-sense opportunities to make the Federal Government more effective and efficient. That is what Arizona and our nation need and deserve.

I look forward to hearing from our witnesses today on how their recommendations will provide a push in that direction to help us create a more nimble and customer-focused Federal workforce.

Thank you, Mr. Chairman.

Senator LANKFORD. Thank you, Senator Sinema. Let me do a quick introduction of our two panelists today. The first is the Honorable Joseph Heck, which we will walk through everything in a moment on that—I will give you some more background on that—Chairman of the National Commission on Military, National, and Public Service. He served three terms in the U.S. House of Representatives from 2011 to 2017, representing the Third District of Nevada. During that time he was a member of the Armed Services Committee, where he chaired the Subcommittee on Military Personnel; Permanent Select Committee on Intelligence, where he chaired the Subcommittee on Technical and Tactical Intelligence; Committee on Education and the Workforce.

Dr. Heck is a board-certified emergency medicine physician. He is a brigadier general in the United States Army Reserves. As many folks have said, they do not know whether to call him General Heck, the Honorable Representative Heck, Dr. Heck. I get the benefit of just calling him Joe, from our time of getting the chance to be able to serve together.

Joe, thanks so much for your service in so many different ways to our country, and I look forward to getting a chance to be able to pick your brain on what you have found in the days ahead.

Ms. Shawn Skelly is Commissioner for the National Commission on Military, National, and Public Service. She previously served in the Obama Administration as the Director of the Office of the Executive Secretary to the U.S. Department of Transportation (USDOT). She also served as Special Assistant to the Under Secretary of Defense for Acquisition, Technology, and Logistics at the Department of Defense (DOD). Ms. Skelly served on active duty in the U.S. Navy for 20 years as a Naval Flight officer (NFO), retiring with the rank of commander. So we have Army and Navy here, and we will not discuss football today, thought I would assume both of you could discuss the Army-Navy game. I am quite confident Tom Carper already has a preference between the two, for which one we should hear more from, Army or Navy, and I will let him voice that in the time ahead.

But let me just say thank you, Commander, thank you, General. Thanks for your service. Thanks for your service to be able to do this.

While it is the tradition of this Committee that we do swear in witnesses, so I thought if I make you stand we will probably lose you off the screen. So for a rare moment I am going to have you just raise your right hand and go ahead and take this without having to stand.

Do you swear that the testimony you are going to give before this Subcommittee will be the truth, the whole truth, and nothing but the truth, so help you, God?

Dr. HECK. I do.

Ms. SKELLY. I do.

Senator LANKFORD. Thank you. Let the record reflect both of them answered in the affirmative.

We are using a timing system which we will be able to track, but we are very interested in your testimony. Dr. Heck, Representative Heck, General Heck, Joe, you are first up on this. If you would give us your testimony initially for about 5 minutes and then we will move to Commander Skelly.

**TESTIMONY OF THE HONORABLE JOSEPH HECK, D.O.,<sup>1</sup> CHAIRMAN, NATIONAL COMMISSION ON MILITARY, NATIONAL, AND PUBLIC SERVICE**

Dr. HECK. Right. Thank you, Chairman Lankford, Ranking Member Sinema, Members of the Subcommittee, and if I may, a point of personal privilege in offering a specific greeting to my Senator, U.S. Senator Jacky Rosen. Thank you for the opportunity to appear before you today on behalf of the National Commission on Military, National, and Public Service to discuss our findings and recommendations. As you mentioned, I am joined by Commissioner Shawn Skelly.

In 2017, Congress charged the Commission with the first-ever holistic review of the military Selective Service process and with identifying ways to increase Americans' participation in military, national, and public service.

In March, we were honored to submit our final report, *Inspired to Serve*, to Congress, to the President, and the American people. *Inspired to Serve* is the culmination of 2½ years of research, public hearings, and conversations with Americans from across the country. The Commission visited 22 States, engaging with hundreds of organizations and thousands of Americans.

In this time of a nationwide crisis, we bring a good-news story. America's extraordinary and longstanding spirit of service continues to shape the Nation. It is a spirit that we must harness to meet critical security and domestic needs, invigorate civil society, strengthen our democracy, and create a more resilient nation that is better prepared to meet the next national emergency.

Our report includes 164 distinct recommendations to strengthen all forms of service, but today we will focus on the Commission's public service recommendations. In our conversations with Federal agency hiring managers, Federal employees, and their professional associations, and individuals who have tried to enter Federal service, we have heard a common refrain: basic Federal hiring processes need a major overhaul to make them competitive with other employers and to ensure agencies can hire highly qualified employees.

In response, we propose a set of transformative reforms, to include revising job descriptions, to use a clear, accessible language; accepting standard one-page resumes; and improving interoperability between USAJobs and popular third-party job boards as important first steps.

<sup>1</sup>The joint prepared statement of Dr. Heck and Ms. Skelly appears in the Appendix on page 32.



We must also revamp the complex system of hiring preferences and noncompetitive hiring. This system no longer meets the needs of agencies and many applicants. We recommend a comprehensive approach to improve veterans' preference that would include making it a tiebreaker between equally qualified candidates and refocusing the preference on recently discharged veterans transitioning to civilian employment. In addition, we propose a major expansion of the Veterans Recruitment Appointment (VRA), a powerful but underutilized noncompetitive hiring authority.

To bring more skilled, mission-driven employees into public service and increase the return on the investment of Federal training and support dollars, we recommend extending Non-Competitive Eligibility (NCE) to all who have completed a term of national service or a federally sponsored internship, a scholarship, or fellowship program.

We must do more to recruit students and recent graduates into government service. As the Chairman mentioned, with more than a third of Federal employees assumed to be eligible to retire and a very small number of employees of the Federal workforce under the age of 30, now is the time to expand the aperture. New hires of student interns fell nearly 90 percent in 2018. We recommend putting the Pathways Programs into statute and expanding its use, increasing the cap on direct hiring authorities for students and recent graduates, and setting a statutory governmentwide goal for hiring recent grads and paying all Federal interns.

We also recommend a public service corps, similar to Reserve Officers Training Corps (ROTC), in which agencies would offer scholarships to university students in exchange for a 4-year public service commitment at an agency. And we recommend a new Federal fellowship and scholarship center, to serve as a one-stop shop for all taxpayer-funded developmental fellowship and scholarship programs.

Next we must provide Federal agencies with better tools to hire critically skilled workers, such as cyber and health care professionals. For example, Congress could create a civilian cybersecurity reserve at agencies like the Department of Homeland Security (DHS) and the National Security Agency (NSA), enabling these agencies to quickly expand their cybersecurity workforces during emergencies with skilled, vetted, and cleared experts who have prior government experience.

Additionally, we propose a revamping of the Veterans Health Administration's (VHA) personnel system, as the Department struggles to fill a roughly 49,000 vacancies, with personnel policies that are not competitive with the private sector.

To meet the needs and desires of a changing demographic, namely the millennials and Gen Z'ers, benefits for Federal employees, which are currently well suited for career public servants, need to change for those who prefer career flexibility. Cafeteria plans and more portable benefit packages would allow employees flexibility in how to allocate agency contributions to supplemental benefits and help attract younger workers with critical skills while decreasing the barrier between public and private service.

Finally, policymakers must take steps to build a modern talent management system. Our report outlines several proposals that would help the Federal Government realize this vision.

In closing, we call on the Congress and the President to invest in the American people and the security of the Nation by taking action. In challenging times, Americans have always answered the call to serve. To overcome current and future challenges, we must ensure that every American has a clear and supported path to serve, and, in so doing, strengthen our nation and democracy.

Thank you for the ability to appear before you in this virtual form today, and we look forward to answering your questions.

Senator LANKFORD. Thank you. Ms. Skelly.

Ms. SKELLY. Thank you, Mr. Chairman. I believe it was our agreement that Chairman Heck's statement would satisfy for the both of us today.

Senator LANKFORD. That would be terrific. Thank you very much for that as well.

I appreciate the both of you being a part of this very much. I am going to defer my questions to the very end, to allow more time for others to be able to jump in. Let me recognize first Senator Sinema.

Senator SINEMA. Thank you so much, Mr. Chairman. I am going to direct each of my questions to our entire panel today, so whichever witness has the most experience on that specific topic could answer.

First I want to welcome my former colleague and friend, Joe Heck. Good to see you and I am glad you are with us today.

Our shared goal is ensuring the Federal Government can deliver timely and responsive services for Americans. To do that we need good people in public service and good organizational cultures at these agencies.

Unfortunately, over the last decade, the Federal workforce has experienced significant instability—repeated shutdowns, hiring and pay freezes, and attack on civil servants. All of this makes it very difficult for people to see the value of becoming or remaining a Federal employee, which puts the delivery of high-quality services to the American public at risk.

Your report includes recommendations to improve agency culture, including better workforce planning and training, but as we know, legislating a better culture is always going to be difficult.

So my first question is, what can Congress do to help the administration strike the right balance in developing a culture that prioritizes, recognizes, and shows the value that our Federal employees provide?

Dr. HECK. I will take the first stab at it, and then I will offer Ms. Skelly an opportunity to add. You are exactly right, Senator Sinema. It was not lost on us, as a commission, that when we issued our interim report last January it was in the midst of the longest government shutdown in our nation's history. As we issued our final report it was during the midst of the coronavirus pandemic when Federal Government workers and government workers across all levels of public service were putting themselves on the line in order to keep our nation safe.

I guess the good news is we have no more reports coming out—not that there is a cause-effect relationship—but hopefully there will be no more national catastrophes surrounding any report that we issue.

You are right. We cannot legislate culture change. And so it starts, as we all know, that leadership begins at the top, and it is changing the culture within the organizations that continue to denigrate Federal workforce. We all know, as we have seen across time, when the Congress wants to balance the budget, one of the first places they go is the Federal Employee Retirement System (FERS) program, and how can we change the retirement program to save a few dollars?

Some look at Federal Government workers as bureaucrats, with a job that they can never lose, sitting behind a desk, whose only purpose is to put up obstacles to whatever it is that the general public wants.

I believe that we need to take the onus upon ourselves, as elected officials, to embrace and support those who commit themselves to public service, in order to provide services to the American people. Actually, this was an area that Ms. Skelly really concentrated on, and I will turn it over to her for further remarks.

Ms. SKELLY. Thank you, Chairman Heck, and thank you for the question, Senator. To follow up on what my colleague just offered for you, I have to completely agree. It is really, at the end of the day, a question of leadership. But what I think our tools, our recommendations are—are a set of tools and a framework that leadership can make use of in order to turn the ship of government in that positive direction long-term, with respect to the relationship and the appreciation of the American people.

Not just the personnel aspects, but one of the recommendations that we do make with regard to providing an authorization and appropriation, very modest ones—we do not offer a number but we do say it should be modest—to allow agencies to do that public service announcement (PSA) education and outreach type messaging that really needs to help move the needle in terms of people understanding what their various departments do for them. That will help set the conditions for people to see themselves as contributing to those missions and knowing what to expect from our Federal departments in that way.

But, at the same time, one of the things that we learned in our journey across the country, which I have to say was a journey of discovery for me and one I am grateful for, to talk to so many people about these matters, was that firsthand information and experience with the government, as you said, Senator, that responsive government, firsthand words go a long way and often have a disproportionate impact when there is not other messaging out there for people to incorporate in their formulation of opinion.

And that also occurs with how we conduct hiring. As the Chairman has said in his opening statement, as you have alluded to, we need to do much better with how we hire and staff our Federal Government. That also impacts the reputation of the Federal Government.

I do not think we can offer anything that, in and of itself, is a switch to flip. I believe that some of our recommendations are un-

doubtedly tools to help achieve the effects that you would like to see.

Senator SINEMA. Thank you so much. I appreciate it. I am going to move on to hiring authorities. I have a couple of questions regarding your recommendations for expanded use of noncompetitive eligibility and direct hiring authority. So first, what are the mistakes that agencies are most often making when using noncompetitive eligibility and direct hiring authority?

Ms. SKELLY. That is an excellent question, Senator. Thank you. I do not know if we called out specific competitive hiring problems, but we do know the results of the competitive hiring process, in that it is only responsible for 20 to 25 percent of hires and approximately 50 percent of those hiring attempts—of all competitive hiring attempts; excuse me—result in the final list being turned back by the hiring authority within a department. So it is not only ineffective, it is also highly inefficient, leading to the use of noncompetitive means and/or term hiring to get people in to do jobs.

I do not think we looked especially closely. We know that there are things that are not competitive with the private sector, in how people are evaluated. I think that could be considered things to be improved within our governmental noncompetitive—excuse me, competitive hiring process, such as we use keyword, we use self-evaluation, to a degree, the private sector just does not do. I think I am the greatest at anything if you give me the chance. However, that does not help a person who wants to hire me that needs to evaluate my skills.

We know that USA Hire is a tool that could be more widely applied and made available throughout the government. At the same time, we do have explicit and successful examples of experts being in a cooperative roll with their human capital professionals, such as in the digital services that exist now at the DHS, in their cyber talent management system, in there. If we can take those principles and practices and make them more widely available and routine across the government, we could probably improve the competitive hiring process.

Senator SINEMA. Thank you. Thank you, Mr. Chairman.

Senator LANKFORD. Thank you, Senator Sinema. Let me give the order of questioning coming up. Next will be Senator Rosen, then after that will be Senator Carper, Senator Romney, then Senator Scott.

So I want to recognize Senator Rosen.

#### **OPENING STATEMENT OF SENATOR ROSEN**

Senator ROSEN. Thank you, Senator Lankford and Senator Sinema, for putting this together. I want to thank both of the witnesses for being here today. I especially want to thank my fellow Nevadan, Congressman Dr. Joe Heck, for your service. I was honored to serve the third congressional district just like you. It is a wonderful district in our home State, and I am thankful for your service on this area today too.

I am going to direct my questions to both of you, and you can decide which one, or both of you, the best way to answer.

Of course, we are talking about the Federal cyber workforce, and I was really pleased to see this report focus so much on developing

the Federal Government's cybersecurity workforce, both military and civilian. One of our first hearings in this Committee last year was on the GAO's high risk report, which made it clear that investing in cybersecurity personnel is critical for us as a matter of national security.

So your report recommends expanding junior ROTC (JROTC) programs as one way to grow the number of individuals entering military service. I could not agree more. I think it is a great way to expose young people, so, of course, they have lots of opportunities. In Nevada, as Dr. Heck knows, we have programs at 35 high schools, with over 3,000 student members. And just for that reason, I introduced the Junior ROTC Cyber Training Act last year. It is a bipartisan bill with Senator Blackburn, Ranking Member Peters, and Senator Scott on it, and now that has become even part of a more expansive bill. It's a bipartisan bill called the Providing Resources and Organization to Maximize Opportunities for Training and Education in science, technology, engineering, and mathematics (STEM) Act of 2020 (PROMOTES) Act. This bill creates a program to prepare junior ROTC students for careers in computer science and cybersecurity and other STEM fields.

So for both of the commissioners, could you give us an overview of your recommendations for creating those pipelines, to develop those Federal cyber workforce personnel, specifically how we can use the junior ROTC program with bills and programs like I have introduced, and any other suggestions you might have, please.

Dr. HECK. I will take the first stab at it. So certainly I think the most overarching recommendation is the creation of a civilian cybersecurity reserve force, specifically at agencies that have high demand for talented cybersecurity professionals, primarily being DHS and National Security Agency. And here we talk about looking at former cybersecurity professionals within the Federal Government who have left, who are willing to be part of a reserve force to come back when needed, in times of crisis.

So here we know that they know the Federal Government, they have been vetted, they have been trained, and they have the appropriate clearance to be able to work in these agencies.

Another area to look at is the reskilling of Federal employees. We have many talented individuals in the Federal workforce who are looking to transition to other forms of employment but stay within the Federal Government, and there should be opportunities for them to be able to be reskilled in the cybersecurity, the STEM area.

And last, we would recommend that we authorize that all agencies are able to use the DHS cyber talent management system, which allows more flexibility in being able to bring on cyber professionals. Certainly as you mentioned, Senator, the emphasis on STEM skills in the K-12 education program, and using JROTC as an opportunity to introduce individuals to potential service in military, although JROTC is intended as more of a civics leadership program than a recruitment tool, it is one way to increase high school students' awareness of opportunities within the Federal Government writ large, and certainly within the STEM fields.

I will offer Commissioner Skelly an opportunity to follow up.

Ms. SKELLY. Thank you, Chairman Heck. Senator, what I would add to my colleague's response so far is that two of our recommendations with regard to public service pipelines and next generation entrance into the civil service writ large are public service academies, through grants to institutes of higher education, as well as a public service corps, I believed was mentioned in Chairman Heck's opening statement, with regard to using the ROTC model for individual scholarships with a resulting commitment to public service after graduation.

I believe it is immediately available to get some of those folks targeted and tailored into cyber skills in that way, so that you are growing people from that high school level all the way through. Especially where many individuals are truly passionate about their skills and their desire to work in certain fields, that could be a powerful tool for one discrete method of assuring a flow of young, next generation talent by getting them with scholarships and academy-like programs.

Senator ROSEN. I would like to actually build on that, because I think that there might be another way to engage individuals in a cybercorps, if you will. Someone who might be ineligible to serve in the military or some of our other programs because of health reasons or other kinds of physical disabilities, but of course, they can sit at a computer and do a lot of work.

I think that we might have to think a little bit outside the box and pull in some of those folks to do that. It could be a great enhancement to what we have.

The next thing, I have a little bit of time left, I just want to talk a little bit about disaster relief national service, because, of course, every State has its issues. In Nevada we have the wildfires, unfortunately we have had a few earthquakes lately, but other parts of the country have other issues as well.

Your report contained a number of interesting recommendations for increasing participation in the AmeriCorps program. I also serve on the Health Committee, and we have jurisdiction over AmeriCorps. I look forward to reviewing your proposals on that.

But earlier this month I joined Senator Coons' Pandemic Response and Opportunity Through National Service Act, that is going to increase members, increase their stipends and education benefits. So how do you think AmeriCorps, that expansion, would fit in with your recommendations for what we would call a skilled, mobile disaster relief service corps during pandemics or other disasters, like I said, wildfires, hurricanes, or floods?

Dr. HECK. Thank you for that question, Senator Rosen, and that is a big portion of actually what is contained in the national service recommendations of our report. It is the growth of national service positions over the course of 10 years, what we call Vision 2031, getting to 2031, that year, that we have a million new entrants into national service programs on an annual basis. And we picked 2031 because it will be the 70th anniversary of President Kennedy's inaugural speech in which he asked not what your country can do for you but what you can do for your country.

And in keeping with Senator Coons' bill and looking at utilizing this expansion in that bill to help with contact tracing and pandemic response is certainly something that we could see, and would

wholly support within the recommendations that we have under the national service section of Inspired to Serve.

Senator ROSEN. Thank you. I think I have about 20 seconds left, if you would like to add something.

Ms. SKELLY. Senator, what I would add is the type of programs that you have described, and Chairman Heck just spoke about, where that connects to public service is with the noncompetitive eligibility award after a full term of national service. If those people are doing service in a cyber-type role of some sort, that means they had to be screened, get into that program, they are evaluated over the course of that program, and if they complete it, with that noncompetitive eligibility, they will probably get an education grant as a result of their service, they then would become prime targets for—candidates for public service in that way, and will have been exposed to using their talents for the public good.

So we think that becomes a doubling effect of not just what they did in national service but their availability to public service afterwards.

Senator ROSEN. Thank you so much. I appreciate both of your service and look forward to working on some of these ideas in the report. Thank you.

Senator LANKFORD. Senator Carper.

#### **OPENING STATEMENT OF SENATOR CARPER**

Senator CARPER. Thanks, Mr. Chairman. Our thanks to you and Senator Sinema today, and we welcome General Heck and we welcome Commander Skelly. Do I understand that you are a retired naval flight officer?

Ms. SKELLY. Yes, sir.

Senator CARPER. What kind of aircraft did you serve on?

Ms. SKELLY. Sir, the S-3 Viking, the Mighty War Hoover. May it rest in peace.

Senator CARPER. There you go. What ships were you on?

Ms. SKELLY. I am sorry, sir?

Senator CARPER. Did you serve on several ships?

Ms. SKELLY. Yes, sir. I did my deployments on Kitty Hawk and Carl Vinson.

Senator CARPER. Thank you. How did you get your commission?

Ms. SKELLY. I was a 4-year Navy ROTC scholarship.

Senator CARPER. Where?

Ms. SKELLY. The University of South Carolina, sir.

Senator CARPER. Very good. I was Navy ROTC at Ohio State and I came very close to going to South Carolina. So we could have been contemporaries there. Well, maybe not.

General Heck, I am glad we have Army here, and we have the Navy here, and I would like to say we are on the same team, and this is a mission about which we need a lot of teamwork. We appreciate the service that you provided in uniform and certainly in this regard to this undertaking.

When I was in the Navy I was a P-3 Naval Flight officer, and I just loved it. I think back on the people who have had some success in my life and I always say that my sister and I picked the right parents, a coal mining town in West Virginia. Not much money, hard work, good values. I have always surrounded myself

with people smarter than me, including in the Navy in a 13 person crew, tried to find the best of personnel, the best officers that I could find to serve. At every step of my life, When I say that I always try to explain myself people smarter than me, and my wife says it is not hard to find them. But that is a story for another day.

I want to talk a little bit about best practices. I just want to share with my colleagues and with you, some of what we are doing. Dover Air Force Base, the first time I ever stepped foot in Delaware, was traveling with the Air Force across the country, hitching rides with the Air Force and the Navy, trying to get from Corpus Christi, Texas, to Baltimore. We landed at Dover Air Force Base and it always felt like a welcome introduction. That was many years ago.

Five years later I stepped down from my active duty to take a reserve commission. But my Transition Assistance Program (TAP), when I stepped down from active duty, was about a 5-minute chat with my commanding officers as I prepared to head out. They thanked me for my service and that was pretty much it.

I visited Dover Air Force Base a year or two ago to meet with departing, separating Air Force personnel, officers and enlisted. They spent a whole week together, and it was really impressive, impressive for them. It included Veterans Administration (VA) benefits, the GI Bill, employment services opportunities to work and to serve in the Federal Government. I must say that I was really impressed. Compared to what I experienced it was night and day.

I do not know if that is representative of the Transitions Assistance Program transition system in other commands, plus the Navy and Air Force. One of the things we do, and I do not know if this is particularly in Delaware, every year, right around February, close to the actual Academy Awards ceremony, I host Academy Night at a community college in Dover, Delaware. And we invite hundreds of young people. They are usually in high school but also in middle school, and the parents to come. We invite the Army, Navy, and Air Force to be there for the service academies, Coast Guard Academies. All of the ROTCs are there. The National Guard is there. And Civil Air Patrol is there. But it is an opportunity for us to do breakout sessions and welcomes, and just give everyone, the young men and women the opportunity to be exposed to the military, the service opportunity, ROTCs, the academies. You name it National Guard. In meeting with the National Guard we have the opportunity to provide a stipend, tuition assistance to be in the Guard and going to college at the same time.

The other thing I would mention, in terms of best practice, one of my colleagues, maybe it was Senator Rosen mentioned, Junior ROTC. One of the things, when I was governor, we started adopting in charter schools, charter public schools, and we only have three counties in my State [inaudible] charter public schools, high schools, that are affiliated with the military, the northern part of the State, Delaware Military Academy is affiliated with the Navy. Every day, 5 days a week, the students there male and female—wear their Navy uniforms to school. And in the central part of the State, near Dover, just north of Dover, have First State Military Academy, which is affiliated with the Marine Corps. And we are working to establish a third in our third county, Southern Dela-



ware, a charter high school that is affiliated with the Army. The one that is the oldest, Delaware Military Academy, in the northern part of the State was recently selected as a Blue Ribbon School, one of the finest high schools of the high schools in America. And not everybody who goes to Delaware Military Academy or First State Military Academy ends up going to the military. A lot of them do. And with that I would put out there that military academies are one way to recruit people for the opportunity to serve in the military, and encourage them to do that.

I do have a [inaudible] that I would like to mention as well, and one of the things that surprised me with the work you all have done was the relatively few student interns that we have in the Federal Government. I think, if I am not mistaken, specifically in 2014, the government hired over 35,000 student interns, compared to [inaudible] like 2018, 4,000. That is pretty amazing—35,000 student interns hired by the government in 2014, and that number was at 4,000 in 2018.

For us, we are not playing much baseball and unfortunately, at least not yet. We have a farm club in Wilmington, Delaware affiliated with the Kansas City Royals. I described the intern programs we have in our offices in Dover and in Wilmington and Georgetown, Delaware, and in D.C., I describe it as our farm system. That is the way we find good talent, we can find good talent. They have some idea of what we are looking for, what we do, see if it would be something they would be interested in. I mean, we hired all the former interns and it usually works out well for us, and it works out well for them.

But my question to you is—

Senator ROMNEY. Time is up, Tom.

Senator CARPER. OK. If those numbers are correct, I would turn this around.

Dr. HECK. So those numbers are correct, Senator Carper, and quickly, some of our recommendations go directly to answer that question, which is why we recommend offering a period of non-competitive eligibility to all Federal student interns who complete an internship. Part of the problem is that they get caught up in the same hiring process as everybody else who is having a hard time navigating USAJobs, and going through the competitive hiring process.

And so if we offered them NCE as an opportunity to keep them in the Federal Government, we think that that is one way that we can help boost those numbers. And I will ask Commissioner Skelly if she has any other recommendations.

Ms. SKELLY. Thank you, Chairman Heck. Senator, one thing I would add to that is one of our specific recommendations is to establish within OPM a Federal Fellowship and Scholarship Center to oversee the implementation of all those programs and monitor their effectiveness, not just overall, with regard to the numbers that you referenced, but within the individual agencies. How are they converting those people? We need to be doing exit interviews and developing metrics as to the effectiveness of those programs with the individuals who pass through them. If they meet the standard to get in, and they complete it, they should probably be

worth hiring in there, and we need to figure out what happens in between that.

Thank you, sir.

Senator CARPER. Mr. Chairman, thank you for letting me run over. I have taped over the area where it has the clock, and I cannot see it. Well, not really.

Senator LANKFORD. Yes.

Senator CARPER. Thanks so much, everybody. Great to see you.

Senator LANKFORD. Thank you. Senator Romney.

#### **OPENING STATEMENT OF SENATOR ROMNEY**

Senator ROMNEY. Thank you, Mr. Chairman, and Ranking Member Sinema. I appreciate the chance to learn a bit about our process. This is a topic with which I do not have great familiarity, at least with regards to the government recruiting and hiring process, and I am learning as I have been listening to you.

It is good to see Joe Heck, an old friend from the campaign trail, who helped me, and I tried to help him. I do not know whether my help was of any effectiveness but his certainly was and I appreciate that long-term friendship. And Commander Skelly, good to meet you at least in this remote way.

I am interested in understanding your sense of how well we are doing in our various agencies. My perspective, as someone outside of the government realm for most of my career, is that the Army, the Navy, the Air Force, our armed services generally, have a very effective recruiting effort, everything from the ROTC programs that have been discussed as well as recruitment centers, advertising on various public service announcements, service academies. I mean, a very effective effort to recruit the best and brightest to come into our military.

But I see almost no presence from our other Federal agencies. Could you give me a sense of how effective the various agencies are outside of our military in recruiting some of the very best and brightest students from the best institutions of higher learning that we have, and from other places?

Dr. HECK. That is a great question, Senator, and likewise good to see you again as well. So, without singling out any particular agency, as an enterprise, the Federal Government, as a whole, is not doing very well in any of those areas that you just outlined. Part of it is, as you mentioned, awareness, right? Somebody cannot be what they do not know. So if you do not know of opportunities of employment and jobs, careers, professions within the Federal Government, you are not even going to pursue them.

Part of it is logistics. If anybody on the Committee has ever tried to navigate USAJobs you would quickly become disenfranchised with the process by which you try to enter Federal hire, especially when you talk to millennials and Gen Z'ers. Once you are past five or six mouse clicks, you start to lose interest, and it takes hundreds of mouse clicks to navigate USAJobs. You have to put in a long-winded resume, which again is not what the standard is in the private sector, where everybody is using one-page, LinkedIn type resumes to search for jobs.

So we are out of step with what the up-and-coming, best and brightest are used to doing when they are seeking outside employ-

ment. As the Chairman mentioned in his opening comments, up to 4 months waiting to even hear back if your application is made it into the queue. We heard from individuals that were 2 years out from putting their application into USAJobs, that still had not heard whether or not their application was even accepted. Then we heard from individuals that 18 months after they put in the application they were called back for an interview, after they had already gone on to find another job.

So we are not doing well at all, and that is why, of all the 164 discrete recommendations that we make in our report, the single largest group is in public service and how to fix Federal hiring problems that we face.

Commissioner Skelly.

Ms. SKELLY. Thank you, Chairman Heck, and thank you, Senator Romney, for the question. I will refer back to Chairman Lankford's opening statement as well with regard to out of over 100—I think 105 discrete hiring authorities, only 20 of them result in 91 percent of the hires. So there are hiring authorities that are effective, and are out there, and as Chairman Heck mentioned, it is an enterprise-wide problem. We have effective solutions in places. Some of them work in small places and they work for subsections of agencies or departments that are out there. They need to be more widely understood, applied, and monitored from within a place like OPM.

Also, with regard to your question, Senator Romney, with regard to the effectiveness of military recruitment, it is also very expensive recruitment. It does get high-quality people. It takes a lot of effort to identify those people over the course of years and months, the public and the age cohort.

We met in Denver in a high school in a section of town where folks were not especially of high economic status, and spoke with students of all high school grades, and we asked them what their expectations were and their knowledge was of Federal Government, any kind of public career—State, local, Federal Government, military service, and national service. They said the ones they knew were the military. We said, “Why?” “Well, that person stands outside our lunchroom once a month.” They never see any input from the Federal Government as to what is out there for them, or their State government, for that matter.

So the thing that is in their imagination is military service, and they do consider it, to whatever degree. But we are not getting that opportunity. As Chairman Heck said earlier, you cannot be what you do not see or understand that is out there, and I think that is the largest challenge that we have is setting those conditions early with people who are then more propensed to receive and understand the opportunities in Federal service.

Senator ROMNEY. Thank you very much. That is very helpful. My own perspective, I used to be in charge of hiring, recruiting for a substantial consulting firm, and I note that we recognized that our success as a firm was a function of the quality of people we were able to hire. And so a very substantial portion of our budget and of our personnel, even at the highest level, was devoted to the recruitment of top talent. Hopefully we can develop that type of approach in the agencies of our government, not just in the military.

I know their recruiting process is expensive, but I think it is a smart way to go.

With that, Mr. Chairman, I will turn the clock back to you. Thank you for the chance to ask those questions and to hear from people so knowledgeable and capable.

Senator LANKFORD. Senator Romney, thank you very much. OK, let me do the lightning round here because I am going to have a bunch of questions that I want to try to run through on this. Let me go to one of the most controversial portions of your recommendation, and that is dealing with veterans' preference. You made some pretty extensive recommendations on veterans' preference, both of you being veterans in this process. I know you interviewed a lot of veterans in this. I know you also talked to a lot of Chief Human Capital Officers (CHCOs) and people in HR, in government. This has come before this Committee numerous times, the issue of veterans' preference, and some of the challenges around it to try to make it work well.

So you made several specific recommendations on this, which I appreciate very much on it. I want to be able to drill down on some of those.

Let me begin with the most basic, that some people watching this may not know. Do all veterans get veterans' preference?

Dr. HECK. No.

Senator LANKFORD. I think that is a big shift in this, that a lot of people do not know already that many veterans do not get veterans' preference. Were you able to determine how many veterans do not get access to veterans' preference, that is, they did not have a service disability or were not in certain military overseas campaigns?

Dr. HECK. No. Unfortunately, we are unable to pull that data, as hard as we tried, from OPM.

Senator LANKFORD. OK. It is a significant number, though, that we know out there.

So your recommendation was to be able to change veterans' preference to a tiebreaker and also to give 2 years on it, that you could use it for up to 10 years on a time limit, but your first two is really get it. So walk me through briefly that, and I want to ask you some specific questions why those numbers.

Dr. HECK. Yes, great. Thanks, Senator. I note your lead-in was that it is a controversial recommendation. Changing veterans' preference has been deemed to be controversial in the past. Certainly the last major attempt was when the late Senator John McCain tried to make a change, which did not go far.

So our approach was you cannot nibble around the edges. You have got to make comprehensive, holistic changes as a package, right? So this is really not trying to change one piece, but coming in and redesigning veterans' preference so that it is more in tune with the younger veteran leaving service and being used to help that veteran transition to the Federal workforce.

So as you all probably know a veteran who comes in and tries to utilize his veterans' preference, or her veterans' preference, even if judged as minimally qualified can float to the top of the most highly qualified list and be hired over other better-qualified candidates.

Now why is that a problem? One is that you are probably putting a veteran into a job for which they are not qualified—they are only getting it based on the preference—so they cannot perform. They become disenfranchised as a Federal Government employee and decide to leave Federal service. Or you have a supervisor who has an employee that cannot do the job that they were required to take, and they then say, “You know what? This is no working. We have to go find some other type of hiring authority to get around this list.” And so you get the direct hire authorities, right, and that is how you get to 105 different hiring authorities when you are trying to circumvent one that is already there. Or third, they send the list back without taking anybody off the list, which then just further delays their ability to hire the best and brightest.

When veterans’ preference was first envisioned it was meant to be a tiebreaker between two similarly qualified individuals, that the veteran should get the leg up into the position. So we say return it to what it was envisioned, the tiebreaker between two similarly situated and qualified individuals.

We then take it to say you can only use it for the first 10 years post separation, and then we give you one chance to reuse it within the first 2 years. So you come in and take a job. It may not be the right job for you, right, but we do not want you to have exhausted your veterans’ preference on a bad choice. So if, within the first 2 years, which is when most people will recognize that they are in a job that is not meant for them, you can get to use it again to move to another position within the Federal workforce.

What we have found is that many individuals, once they get in, who have used veterans’ preference, continue to use it over and over again through their 20-and 30-year career, to move to other positions within the Federal workforce, which really is not the purpose behind the veterans’ preference.

The other piece which I think is just as important is an expansion of the Veterans’ Recruitment Appointment. The issue here right now is that you only get 3 years to use VRA post separation. If a veteran is going to take advantage of their very generous GI Bill and go for a 4-year college degree, they have lost the opportunity to use VRA by the time they graduate. So we say expand VRA out for 10 years as well, so that individuals have the opportunity to fully utilize their GI Bill, get a degree, get a certificate, get whatever education they need, because that will make them a better-qualified Federal employee and not take away from them a benefit to which they are entitled.

Now we have talked to most of the Veterans Service Organization (VSOs) about this, and as we have explained it, most of them have said, “What you are offering makes perfect sense.” So we would hope that this time around it is not as controversial as it has been in the past.

Senator LANKFORD. Good. So let me ask you, the 10-year time period. I have heard some of the veterans’ groups have come back and said, “You are a veteran for life. Why can’t you be a veteran for life in this program as well?” Why 10 years rather than a lifetime?

Dr. HECK. For the veterans’ preference, or the—

Senator LANKFORD. Yes. For the veterans’ preference.

Dr. HECK. For veterans' preference. Because again, we feel, as we talked to numerous veterans that have been 10 or 15 years post service and those just separated, as we traveled the country, the goal is to provide an opportunity for younger veterans that are recently separated to get their first entry into the Federal Government, and that they should be the ones that are able to utilize their veterans' preference to get that job.

If you have already utilized your veterans' preference and you are coming in, you should not, in our opinion, have the opportunity to use it again to bounce around the Federal service. And the question is if you have been out for 10 years and you have tried it on the private sector and now you decide that you want to come into the Federal sector, it does not coincide with what we believe it should be used for, which is trying to get that newly separated veteran into the Federal Government as quickly as possible.

Senator LANKFORD. OK. Commissioner Skelly, do you want to add anything to that?

Ms. SKELLY. No, sir. I do not. Chairman Heck has covered it completely.

Senator LANKFORD. OK. Thank you. This is a very interesting proposal. There has been a lot of conversation about veterans' preference, trying to be able to make sure that we continue to honor our veterans and to be able to give them every opportunity to be able to come into the Federal workforce. There is a very high percentage of veterans across the Federal workforce, and we are very grateful for their engagement and their continued public service. But it has been a challenge to try to be able to deal with what you appropriately called floating in the process for someone who may be minimally qualified ends up rising to the top as best qualified and skips over some other folks that may be better qualified. So we are not trying to block someone from it but they may be just in the wrong position. As has been noted, want to be on the bus, just a different seat on the bus, and to be able to figure out what is the best place to be able to put them in leadership in the different agencies. So we appreciate that very much.

Let me move to Senator Sinema for a second round of questions.

Senator SINEMA. Thank you. Mr. Chairman.

Senator LANKFORD. Yes.

Senator SINEMA. Sorry about that. I had trouble hearing you for a second. I do have more questions, and thank you for giving me an opportunity to do a second round.

I wanted to go back to some of the questions I was asking before about hiring authorities. So one of the concerns regarding the use of direct and noncompetitive hiring authorities is that it undermines our nation's longstanding commitment to merit-based hiring. So I would like to know what your counter argument is to that concern.

Ms. SKELLY. Thank you, Senator. We have near-term consequences at risk with regard to the performance of the Federal Government in staying staff, as has been multiple statements thus far in this hearing, I believe in the Chairman's opening remarks, with regard to the top-end age of the Federal workforce, the underrepresentation in the lowest-age cohort below 30. We need people

in the workforce. We need to be growing the next generation talent and acquiring it.

So we have to do some things now while fixing the overall Federal talent management system, and our Commission makes recommendations on that, with regard to asking several organizations to take on projects to make recommendations for that, of course. But in the near term, near to midterm over the next several years, we have to effectively hire people.

With regard to competitive hiring, we believe that there are some outdated practices embedded in the system that need to be changed, when it comes to the use of keywords and self-assessments, and not involving expert hiring managers alongside the human capital professionals as soon as possible in a cooperative manner as has been demonstrated elsewhere and currently used in very small examples within the Federal workforce when it comes to cyber talent. Those things need to be undertaken as soon as possible in the near term, and incorporated in a long-term plan in that way.

I think we are looking at exigencies, if I could, Senator, with regard to maintaining the operation while setting it up for future success.

Dr. HECK. If I may follow up, Senator, look, what we know is that the merit-based system is now being used for the minority of hires within the Federal workforce. And so the Commission has proposed targeted expansions of noncompetitive eligibility for individuals who have already succeeded in competitive selection processes and demonstrated capabilities relative to our public service, right. So just completing Federal fellowships, scholarships, internships, or national service programs.

Regarding the direct hire authority, the Commission has recommended targeted limited expansions for students and recent grads to kickstart the workforce pipeline that Commissioner Skelly had referred to, because we have immediate short-term needs that we need to fulfill as we work toward the better human talent management program that we have also referenced, to help continue hiring into the out years.

And last, we seek to modify the existing rules that direct hire authority has granted in case of a severe shortage of highly qualified candidates.

But most importantly, I think, the Commission has proposed many ways to improve the competitive hiring process in order to reduce the need for the workarounds like direct hire authority. So this is kind of a short-term expansion to meet critical, quick needs, as we then hopefully adopt the recommendations to make a better human talent management program.

Senator SINEMA. Thank you. I want to go back to, building off of the Chairman's comments and questions regarding veterans' preference. Your report recommends modernizing the veterans' preference through changes to the application eligibility criteria. The Arizona veterans community supports the idea that the preference is meant to identify qualified veterans for Federal positions. They are concerned that the ongoing challenges with preference revolve around a lack of understanding on how to apply the preference, and, of course, I share those concerns.

So what did you learn about how the current preference policy is applied and whether challenges in application contributes to any of these challenges?

Dr. HECK. Yes, that is a great point, Senator, and I think it also ties into what Senator Carper had talked about regarding the transition assistance program that you go through as you are leaving the service. Those programs need to have a more robust segment that talks about the full set of benefits that a separating veteran is entitled to, not just focus on the GI Bill but talk about things like veterans' preference hiring, about the Veterans Recruitment Appointment and how it works. Because that is where we find, in talking to, again, veterans as well as service members that are currently going through the transition that these areas are barely mentioned or glossed over, and, therefore, they do not know that this benefit is available to them.

Senator SINEMA. I appreciate that. Thank you. Commissioner Skelly, did you have a response as well, or should I move on to the next question?

Ms. SKELLY. I think we have covered it from our end, Senator.

Senator SINEMA. Thank you. I would like to ask, in the time that I have remaining, a little bit about VA hiring. The Department of Veterans Affairs has experienced problems filling its open positions for health care professionals, and the Commission recognized this challenge and recommended streamlining the hiring process by implementing a single personnel system for all health care providers and support staff at the VA. Stakeholders have expressed concern regarding moving away from the competitive service system of Title 5.

So with that in mind, can you expand on the challenges and benefits of this recommendation for the VA?

Ms. SKELLY. Thank you, Senator. I think one of the challenges, and I believe Chairman Heck made mention of it in his opening remarks with regard to the sheer number of open positions in the Veterans Administration with regard to health positions, they are not competitive, when it comes to compensation, when it comes to elements of licensure and portability across the United States. It is not an attractive position for too many people who can fill those needs.

We feel that addressing Veterans Health Administration's challenges under Title 38 to streamline things down so that folks are not confused, and that the administration itself has the ability to apply one set of authorities across all of their health care-related employment needs, whether it be the providers, whether it be the support staff of all types in that way. They are not competitive.

I apologize for beating on that drum as we have throughout the hearings thus far, but it is just too unwieldy compared to other places that they could be employed, and with regard to other places in the Federal Government itself.

Senator SINEMA. Thank you. With that, Mr. Chairman, my time is nearly expired so I will yield back. Thank you.

Senator LANKFORD. Senator Sinema, thank you. Senator Carper, do you have questions for round two?

[No response.]

I am going to take that as a no.



Let me bounce through some questions because I do have several more questions still to go.

You both mentioned, at different points, direct hire, and the problems that are around in so many different areas and so agencies pursue direct hire. You are not trying to abolish direct hire. You did make some recommendations on direct hire. When do you find that needed and who makes the decision on when it is needed, based on the Commission's recommendations?

Ms. SKELLY. Thank you, Mr. Chairman. We believe that it is the responsibility of leadership, and I think that comports with some of the recommendations we have made with regard to the human capital function and the talent management within human capital itself, empowering the Chief Human Capital Officers Council (CHCOC) that already exists, in conjunction with OPM, getting them more involved with setting the standards for their workforce, and then making individual leaders at all Federal departments, from the appointed and confirmed leaders to the senior career civil servant leaders to be evaluated on their performance with regard to their workforces, so that they are directly involved in what tools are used for what problems with the direct aid of their human capital talent managers themselves.

Senator LANKFORD. Let me ask again. You are recommending that the agencies and the CHCOs for that agency make the decision and have the empowerment to be able to decide if they need direct hire authority on something, on a certain top area.

Ms. SKELLY. In conjunction with the overall agency leadership or a subcomponent of those agencies. Those need to be the types of regular leadership management decisions that go on and are not just below the surface and left to those hiring professionals alone.

Senator LANKFORD. OK. That is helpful.

Moving from temporary to permanent, there are several things that you all also placed there on that transition, recommendations that you would have on temp-to-perm type transitions?

Ms. SKELLY. Senator, with regard to the conversation we previously had with Senator Sinema, I believe, there is an expediency required in a lot of hiring in the Federal Government today, and we think that adjusting the number of term appointments and short-term hires should be used to get people in to do the work that needs to be done while adjustments are made to the longer-term processes.

The conversion of those people is something. Any time that the Federal Government—this is akin to our reserve recommendation, cyber reserve recommendations, our noncompetitive eligibility recommendations—any time someone is within the Federal Government's oversight and observation and we have to see them as a talent and as a work producer, we should be loathe to lose them if we do not have to, and conversion of people that we employ should be another metric.

Senator LANKFORD. Right. So the challenge becomes that some would say someone was hired temporarily, whatever task that that was, and then they get transitioned over to being permanent, they did not go through the competitive process like everyone else. How do you respond to them?

Ms. SKELLY. Senator, I apologize. I do not believe we have a specific recommendation with conversion of term to full term, but I think that can be a powerful tool if it is put in there. Whether or not someone would be in a public service job long enough to convert, or to receive noncompetitive eligibility, that might be a bridge too far. But giving someone entrance into the competitive process, with some mention of their prior performance, could be useful to the government writ large.

Senator LANKFORD. That is helpful. I am going to read a sentence about the modern benefits proposal from your recommendations, to both of you. I would be just interested to be able to get your feedback. It says, "The private sector is increasingly providing flexible benefit packages that are attractive for both short-term and longer-term employees. When employees are allowed to select benefits that are most useful to them instead of a one-size-fits-all package, then government dollars are not wasted on unused benefits."

Help me understand how you see, what I think you described in your opening statement, Dr. Heck, a cafeteria plan type of approach there, what that would look like, how that would function day to day for a set of options for individuals.

Dr. HECK. Right. Thank you, Senator. So again—and I think it is important to point out that this recommendation would be revenue neutral. So we are not asking for additional funding to grow a benefits package. What we are saying is that of the agency contribution that already goes to the employee's benefits, that that employee should have the opportunity to direct where that money goes to build a benefit package that suits them for where they are in their career, in their life, and for the needs that they have at home.

And that kind of the one-size-fits-all, again, when we talk about trying to recruit and retain the best and the brightest coming out of the millennial and Gen Z'er generation, we, the Federal Government are being compared to what the private sector is offering. And when they see that they can get a day care benefit that might be more important to them than dental insurance, at one place, but they do not have that option for the job they are seeking in the Federal Government, they are going to say, "That job doesn't work for me."

And so, again, it is coming up with whatever the menu would be of available benefits, and just giving the employee the opportunity to say, "Here is your dollar amount. Pick and choose what works for you," and that can change from when you have a newborn to when you have a high schooler to when you are mid-career."

Senator LANKFORD. Right. But you did not make any set recommendations saying, "Here is a list of 15 different benefits that are out there." You just said there needs to be a set that is created and then give people the option to choose.

Dr. HECK. That is correct. We did not delve into what benefits specifically should be offered, and we think that if you are to do a review of what is commonly offered across Fortune 500 companies it would be very easy to see what is being used to attract new employees.

Senator LANKFORD. One of the things that was placed into the Federal Government benefits package long ago was obviously re-

tirement and structure of what it would be post-employment with the Federal Government. That was created as an incentive to be able to keep good talent, so they did not get stolen away by other private sector or other entities as such.

Was there any discussion on the Commission to say if we give more flexibility to short-term issues we may lose the best talent later because they did not end up selecting the retirement benefit that would help retain them?

Dr. HECK. Yes, another great question. As we talked to, again, the younger generation and those interested in Federal service, they are not looking to the 20-, 30-year career. They are looking for the ability to have a job for 2 to 3 years and then going off and doing something different, and then maybe coming back for other 5-year stint. It is all about flexibility and giving today's generation the opportunity to pursue whatever avenue of employment, profession, career that suits their needs at a given point in time.

And this is an evolving process. So when you ask them, "Where do you see yourself in 20 or 30 years?" they have not thought—it is not that they have neglected it, but that is not their horizon. No one enters Federal service now with the idea of retiring at 20 with a pension. And so we need to give them the benefit package that is the recruitment tool to get them in the door now. And then maybe they become enamored with Federal service, and say, "Hey, there is a 20-year pension here and I will stay." But we need the hook to get them in the front door, and that is the flexible benefits package.

Senator LANKFORD. OK. That is very helpful. So let me talk through something else that has been a nuisance to everybody. You mentioned the very long resume process, the keyword searches. As we know, for Senior Executive Service (SES) selection, many of the resumes that are done and the writing samples that are done are not even done by the candidate. They hire somebody to be able to do their writing sample and then to be able to turn it in.

So there are lots of problems that are here not connected with things like LinkedIn and third-party sites on it. What are your fastest recommendations that you would say, if we can make a recommendation, or we can make a change in the hiring process of USAJobs, here are the three or four things that would be key? I already heard one of them—shorter resumes, not doing keyword, allowing third-party access into that, so that would obviously change, where CHCOs and HR professionals can go to get applications. It would not just be USAJobs. It could be other sites as well. What else would that be?

Dr. HECK. I will offer one and then give Commissioner Skelly an opportunity, because she really was the point person for a lot of our public service work.

But it is kind of the creation of a database or job board of all the resumes that are sent in. Right now, when you put in a resume, you are doing it for a specific position that is available. But hiring managers should have the ability, when they have an opening, to go in and query the data bank of resumes to say, hey, there is already somebody that has posted in here that I can reach out and grab, without necessarily having to go through the entire process of posting something on USAJobs.

Ms. SKELLY. Thank you, Chairman Heck. Chairman Lankford, I do not believe I have anything. Since you were so comprehensive in your setting up of the question I do not think I have anything substantive to add to this right now.

Senator LANKFORD. I was just repeating back some of the things that you all have already said. So those were very interesting proposals. There has been a lot of conversation about some of those things, about how to be able to get to it. Obviously the status quo pulls pretty hard back to be able to say, well, we are making this work. Let us just keep it working. If we change it something else that is going to be even harder. Let us just keep doing what we are doing and make it work. But it has been a very significant challenge on the hiring side.

Let me add insight, because obviously, as you mentioned, your final report was put out during the pandemic. There was not a major piece here about telework that was in it, but telework is the big conversation at this point. Through your conversations and your travels and listening sessions, did you pick up something from telework that would be helpful for us to be able to gain from this hearing?

Dr. HECK. I would say that during our initial travels and public conversations we did not, because we had already finished that phase of our report process prior to the pandemic.

However, I can say, from recent personal experience, specifically in the Reserve component, where, as you know, DOD has gone to very liberal telework policies, I have seen, anecdotally, an uptick in productivity of individuals that have actually been teleworking within my command.

And so we think that there is an opportunity here for further study and—or I should not say “we.” This is Joe Heck’s personal opinion, but it was not part of the Commission’s report. I think there is an opportunity before us for further review and study on how telework can actually help make the Federal Government more efficient.

Senator LANKFORD. Commissioner Skelly, do you want to add anything to that, that you have heard?

Ms. SKELLY. Thank you, Mr. Chairman. Yes, I would. Actually, I had the opportunity, on behalf of our Commission, to participate in a forum with the GovExec publication about working from home and its implications for public service.

To add on to what Chairman Heck said, I believe that the current situation and what has been demonstrated in work from home is both an opportunity and a challenge, if not a threat to the Federal Government’s future of public service hiring. It is an opportunity because, as Chairman Heck mentioned, the government has proven itself to be, when pushed, highly resourceful and adaptive, to the credit of all involved.

The public is going to be watching and it is going to go down to the reputation of public service if some of the lessons have been learned, and there are a lot of things going on in the press right now about the considerations of some expediencies have been used, some risks taken, both procedural as well as security risk taken in extending all these work activities. But as we return to some kind of longer status quo, the question will be how does the government

remain competitive with the private sector in how it adapts to a new normal over the long term, and then what does it do to the reputation if individual agencies retract more quickly and prove themselves perhaps inflexible, or they are perceived to be inflexible, thereby making private sector employment all the more attractive because of the delta that arises in the way they handle a situation?

So it is an opportunity as well as a challenge.

Senator LANKFORD. It is not new to us. As you know, there has been some long-term experiments on how we are going to handle telework. The Patent Office has been doing a pilot program on this for quite a while and it has proved to be exceptionally successful in that area. The workers' comp offices for Federal workers' comp experimented with telework for certain days of the week for quite a while and has had some success on that. But the difficulties have been very strong on oversight in that particular area.

On the flip side of that, State Department struggled mightily with passports, and just determined they were just going to shut down all the passport offices and just not do passports for months, because they could not figure out how to be able to do a remote access for those kinds of documents that would be required. So there is going to need to be some follow-up for State Department to try to figure out how do we do this if we happen to get to the situation again, or is there a way to be able to manage this, that we just do not shut down passport delivery and processing for months and months? So I appreciate that very much.

One other statement, you talk about hiring professionals and setting competency standards. Some agencies have done that, but there is not a set of competency standards for HR professionals across the Federal Government. Is there anything prohibiting from OPM or the CHCO Council from establishing those competency standards now? Did you determine they need a change in statute, or do you think they could do that right now, if they chose to do that?

Ms. SKELLY. Thank you, Mr. Chairman. It is our recommendation, it is our understanding that that could be done now, through OPM. And our recommendation is that the Human Capital Officers Council is intimately involved in that, in the continual monitoring and evaluation and adaptation and refinement of that, as it goes on. Because they are best seated, situated to have knowledge of the state-of-the-art practices out in the private sector and ensure that those folks—we need that talent as much as we need cyber talent, frankly.

Senator LANKFORD. Good. All right. I am going to close this hearing up in a moment, and I want to make sure that both of you are able to get on the record anything else that we did not talk about from your report that you want to make sure that we spend a little more time with. You have spent so much time and so many years pulling these things together, I want to make sure as much as possible of not only your commission report but certain areas of key passion actually get on the record.

So, Chairman Heck, anything that you want to add into this?

Dr. HECK. I would just also like to call to the Subcommittee's attention what we have called as the cross-cutting recommendations,

which really are designed to elevate all forms of service, and, in fact, goes back to one of the statements made by Senator Rosen about the cyber professional who does not necessarily meet the military standards, how do we get them to go into Federal service?

One of the things that we talked about is a no-wrong-door mentality, that if you walk into a military recruiter officer and the recruiter feels, "You are just not going to make it," based on whatever reason, do not say goodbye. Say, "But have you ever thought about—," and "Here are some national service opportunities." "Here are some Federal service opportunities." When we talked to the recruiting command and to recruiters, they are not adverse. They said, "Don't make us experts in that field, but if you give us a pamphlet or some direction that we are going to hand somebody, we are all in." Because they know that if they get, if they turn somebody away but get them into Federal service in some other way, shape, or form, we still become a stronger nation.

And so there are several cross-cutting recommendations that will also help build the Federal workforce, and while we were a congressionally chartered commission and focused on the Federal workforce primarily, there are a lot of our recommendations that can be extrapolated to local, State, and Tribal governments as well, and a series of best practices and conversations that we have had with the National Governors Association (NGA), in hoping that they can also glean something of worth from this report.

Senator LANKFORD. OK. Commission Skelly.

Ms. SKELLY. Thank you, Mr. Chairman. The only thing I would add is to reflect back on our civic education and service learning recommendations. They were not included in our mandate and we made a well-thought-out decision, as a Commission, to include recommendations on those subjects, because they were commended to us by people we spoke to across the country, literally of all ages. Even school kids made mention of the lack of the focus in their studies on civic education and their government.

So we took it upon ourselves to include that in our report, because it is the basis of everything that we have talked about and what Chairman Heck just spoke about, about no wrong door. We should be loathe that anybody that crosses that type of threshold, passes through that barrier, we should be loath to lose them, because we do create those people in our country really well, and we should capture their talent and their passion, because we can do so much good with it.

And thank you very much, sir.

Senator LANKFORD. No, that is great. Thank you to both of you. You have done a tremendous amount of work. I appreciate you appearing. I wish we could get a chance to sit across the desk from each other. There will be a time that hopefully we will have the opportunity to be able to do that in the days ahead, and be able to talk all of these areas through.

Each of these pieces, we are going to try to go through and try to figure out which is the best route to be able to do this. A letter and a recommendation to the administration to be able to figure out how to be able to implement. They have the authority on that already. Working with the CHCO group to try to figure out what

part they can take of this, and then what legislatively needs to be done as we have the opportunity to work through this.

This Committee has a long history of bipartisan and nonpartisan work on the Federal workforce, to try to figure out what we can do to be able to support public servants that are in that space, and we want to be able to continue that. Many of these recommendations should not be controversial. And they good common sense, to be able to help us improve the process of hiring and in oversight in the Federal workforce, to make it better, to have younger folks be able to enter into the process, and see what we can do to be able to establish a long-term set of relationships as we will continue to need great folks serving our country.

So to both of you, in your long terms of public service, thanks for doing that, and for your continued engagement in this.

I am going to wrap this hearing up. The hearing testimony will be open for 15 days, until the July 8. If folks want to be able to add additional comments or add things into the record they are welcome to be able to do that, or any additional questions to either of you. They can submit those up until July the 8 as well.

So thanks again for your service, and this concludes this Subcommittee hearing.

Dr. HECK. Thank you.

Ms. SKELLY. Thank you.

[Whereupon, at 3:50 p.m., the Subcommittee was adjourned.]





# A P P E N D I X

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## Opening Statement

**Hearing before the Regulatory Affairs  
And Federal Management Subcommittee,  
Tuesday, June 23rd at 2:30 PM**

**“Improving Public Service:  
A Review of Recommendations Made by the National  
Commission on Military, National, and Public Service”**

Good afternoon and welcome to today’s Subcommittee hearing to examine the Public Service Recommendations made by the National Commission on Military, National, and Public Service.

The Commission made several well thought out recommendations to reduce those barriers to entry and improve the efficiency of our federal public service system and I look forward to discussing them in detail today.

The Federal workforce is at a critical point. According to data compiled by OPM and the Partnership for Public Service, over 18 percent of the federal workforce is eligible to retire. 45 percent is over the age of 50 while only 6 percent is under the age of 30.

In order to serve the American people efficiently in the years ahead, agencies must take decisive steps to plan for the future.

This begins with improving the very broken hiring process among the federal government, so that agencies can attract highly qualified candidates.

It is universally acknowledged that the federal hiring process takes too long. In 2018, the average hire took over 98 days. That is uncompetitive with any private company.

The best and the brightest candidates will not wait around for three and a half months and our strategy cannot rely on hoping that they do.

Even if the government reached OPM’s target of 80 days to hire as a goal, that would still not be competitive with private companies

There is a problem and yet it continues year after year. It has improved, but only in days, it needs to improve in weeks or months in length.

I've long been troubled by the number of hiring authorities the federal government has. How seldom most of them are used. GAO found there are 105 unique hiring authorities, but 20 of them are used 91% percent of the time.

As the Commission noted, these short-term fixes add to the complexity of the federal hiring system, rather than actually fixing the federal hiring system.

It shows our hiring system is broken so this commission was asked to be able to make recommendations.

The Commission made recommendations to improve Veterans Preference, to improve hiring, to improve oversight and I look forward to discussing any of those ideas and anything else brought to mind. I want to know how to improve this system because I want us to have a great federal workforce.

I want to move on to discussing solutions, Senator Sinema and I have been good partners in this and we look forward to doing whatever we can to be able to solve this in the days ahead. With that, I recognize Ranking Member Sinema for her opening remarks.

Opening Statement  
Senate Homeland Security and Governmental Affairs  
“Improving Public Service: A Review of Recommendations Made by the National Commission  
on Military, National, and Public Service”  
Tuesday June 23, 2020  
Senator Kyrsten Sinema

Thank you, Mr. Chairman.

In the midst of the ongoing coronavirus crisis, we can all clearly see the direct impact federal employees have had in helping our nation get through this challenging time. I know that is the case in Arizona.

Federal employees take care of our veterans, coordinate medical supplies for our towns and counties, and provide assistance to keep our small businesses afloat. Many federal employees, such as the men and women who work on our borders and our postal employees, have continued their essential work throughout the crisis, working every day to keep our families safe and connected.

Last month, I was pleased to join with Chairman Lankford and lead this year’s Public Service Recognition Week resolution that passed the Senate. In April, I participated in a virtual chat co-sponsored by the McCain Institute, the Commission, and Arizona State on The Next Generation of Service.

It is important to recognize the impact federal employees, and all public servants, have on our nation. Every day, Americans count on federal employees to deliver important services and information to them.

These critical contributions are why today’s hearing is important.

The Commission’s report offers a series of recommendations to make the federal workforce more adaptable and able to provide the services that Americans need. Making smart investments in human resources will attract stronger candidates, improve the retention of our top employees, and ensure Americans have a more responsive federal government.

Congress should always be looking for practical and common sense opportunities to make the federal government more effective and efficient. That is what Arizona, and our nation, need and deserve.

I look forward to hearing from our witnesses on how their recommendations will provide a push in that direction to help us create a more nimble and customer-focused federal workforce.

Thank you.

NOT FOR PUBLICATION  
UNTIL RELEASED BY THE  
SENATE HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS COMMITTEE

STATEMENT OF  
THE HONORABLE JOSEPH J. HECK, CHAIRMAN  
NATIONAL COMMISSION ON MILITARY, NATIONAL, AND PUBLIC SERVICE  
BEFORE THE  
SENATE HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS COMMITTEE  
SUBCOMMITTEE ON REGULATORY AFFAIRS AND FEDERAL MANAGEMENT  
ON  
IMPROVING PUBLIC SERVICE: A REVIEW OF RECOMMENDATIONS MADE BY THE  
NATIONAL COMMISSION ON MILITARY, NATIONAL, AND PUBLIC SERVICE  
JUNE 23, 2020

Chairman Lankford, Ranking Member Sinema, and Members of the Subcommittee, I thank you for the opportunity to appear before you today on behalf of the National Commission on Military, National, and Public Service (the Commission) to discuss the findings and recommendations contained in the Commission’s final report, *Inspired to Serve*.<sup>1</sup> I am joined today by Commissioner Shawn Skelly.

### **Background**

Congress created the Commission in the National Defense Authorization Act for Fiscal Year 2017 as a bipartisan, deliberative body comprised of members chosen by congressional leadership and the President. Congress entrusted the Commission to “conduct a review of the military selective service process” and “consider methods to increase participation in military, national, and public service in order to address national security and other public service needs of the Nation.” Since beginning work in September 2017, we have embraced and fulfilled both parts of this mandate.

On March 25, we were honored to submit to Congress, the President, and the American people the culmination of our work—*Inspired to Serve*—along with legislative proposals designed to implement many of the recommendations. The release of the report corresponded with lockdown orders and other measures taken to combat the ongoing public health crisis—a global pandemic that has disrupted nearly every aspect of life and the effects of which will remain with us for years to come. It is the Commission’s ardent belief that service will be integral to responding to COVID-19, and that many of the recommendations included in *Inspired to Serve*, if acted on, will create a more resilient nation, better prepared to meet the next national emergency, regardless of what form it takes. With 164 recommendations, *Inspired to Serve*

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<sup>1</sup> *Inspired to Serve* and the Commission’s legislative proposals are accessible at <https://www.inspire2serve.gov/reports>.

contains a bold vision and comprehensive plan for to strengthen all forms of service to address critical national security and domestic needs, invigorate civil society, and strengthen our democracy. The Commission is united behind this report as a consensus product, and every recommendation has the support of a bipartisan supermajority of the Commission.

The recommendations we propose are based on extensive research and an equally extensive effort to learn from experts, stakeholders, and a wide spectrum of the American public. We traveled across the nation to learn firsthand about Americans' views on and experience with service, visiting 22 states across all nine census districts. The Commission conducted interviews with individuals from over 530 organizations, held 11 public meetings and forums, analyzed more than 4,300 public comments, leveraged multiple surveys with partner organizations, and convened 14 open hearings with 68 policy experts to discuss and analyze a wide variety of policy proposals.

We found that, as was the case 200 years ago during the earliest days of the republic, America's extraordinary and longstanding spirit of service continues to shape the life of our nation. However, in a country of 329 million Americans, the full potential for service remains largely untapped. *Inspired to Serve* offers a bold and inclusive vision to create a culture of service in our nation, beginning with comprehensive civic education and service learning starting in kindergarten, service opportunities so ubiquitous that service becomes a rite of passage for millions of young adults, and new and revitalized service options for adults of any age, background, or experience. By the year 2031—the 70th anniversary of President Kennedy's call for Americans to serve their nation—we envision five million Americans will begin to serve in military, national, or public service each year. Our long-term goal is to cultivate a *culture* in which service is a common expectation and experience of all Americans—when it is the norm,

rather than the exception—when every American is inspired and eager to serve. By igniting the extraordinary potential for service, our recommendations will address critical national security and domestic needs, expand economic and educational opportunities, and strengthen the civic fabric of the nation.

Given this Subcommittee’s jurisdiction and the focus of today’s hearing, my testimony focuses on the Commission’s public service recommendations, covering six major areas: federal agency hiring processes, attracting new generations of Americans to public service, the personnel culture within agencies, critical-skill challenges, the competitiveness of federal employee benefits, and a long-term approach to realizing a modern talent-management system. The Commission’s final report also addresses military service, national service, emergency national mobilization, expansion of registration for the Selective Service System, civic education, service learning, and coordination among all forms of service.

Regarding the last item, I would call your attention to a cross-service recommendation that is especially important to public service. The Commission proposes to create an interagency Council on Military, National, and Public Service within the Executive Office of the President (EOP) to advance and coordinate service initiatives across the federal government. The absence of a locus of responsibility within the EOP for public service has contributed to the workforce challenges of federal agencies. Such an interagency council could help to elevate public service and address the problems the Commission and others have identified.

#### **The Need for Public Service Reform**

As the members of this Committee know well, public servants are vital to the well-being of the nation. With integrity and impartiality, civil servants at all levels of government implement the decisions of elected officials and administer programs that fundamentally enhance

our national security and improve the lives of Americans in countless ways. Since the Commission was created by Congress, it focused especially on the challenges of attracting new generations—and Americans with critical skills—to public service employment within the federal government. The Commission found that many Americans seek civil service careers but are prevented from serving by antiquated personnel systems and practices, overly long hiring and clearance timelines, uncompetitive compensation and benefits, and lack of career flexibility.

The challenges facing government hiring are so severe that the Government Accountability Office (GAO) has identified strategic human capital management as an area of “high risk.”<sup>2</sup> In particular, lack of adequate talent management has led to “mission-critical skills gaps” that significantly contribute to 16 of the 34 other “high-risk” areas identified in GAO’s latest report.<sup>3</sup> Americans who aspire to public service find many obstacles to gaining employment in a federal agency. Competitive examining, the standard hiring process for federal agencies, is too slow—with an average time-to-hire nearly triple that of private industry<sup>4</sup>—and often fails to advance and hire highly qualified candidates.

The inability of the competitive process to reach qualified candidates has directly contributed to the proliferation of special hiring authorities for agencies seeking exemptions from Congress and the Office of Personnel Management (OPM). Despite the Pendleton Act’s original intent to make competitive examining the federal government’s primary hiring mechanism, in

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<sup>2</sup> GAO, *High-Risk Series*, 75–77. GAO’s high-risk program “identifies government operations with vulnerabilities to fraud, waste, abuse, and mismanagement, or in need of transformation to address economy, efficiency, or effectiveness challenges,” especially those involving “public health or safety, service delivery, national security, national defense, economic growth, privacy and citizen rights, or could result in significantly impaired service, program failure, injury or loss of life, or significantly reduced economy, efficiency, or effectiveness.” GAO, “Why GAO Did This Study,” in *High-Risk Series*, 2.

<sup>3</sup> GAO, *High-Risk Series*, 75.

<sup>4</sup> Max Stier, President and CEO, Partnership for Public Service, “Improving Basic Hiring Processes,” Statement to the National Commission on Military, National, and Public Service, May 15, 2019, 3, [https://www.inspire2serve.gov/\\_api/files/258](https://www.inspire2serve.gov/_api/files/258).



Fiscal Year (FY) 2014 it accounted for less than one-quarter of new hires.<sup>5</sup> Instead, policymakers have dispersed more than 105 separate hiring authorities unevenly across the government to fill gaps in the personnel system and to help agencies meet critical hiring needs.<sup>6</sup> While these policies produced short-term fixes, they also added to the complexity of administering federal hiring. Yet for agencies without such hiring authorities and for individuals who lack the specialized qualifications that the exemptions target, the competitive process remains the only way for agencies to meet hiring needs and would-be employees to join the government. Though the federal government has longstanding separate hiring systems for students and recent graduates, recent changes to these programs have made them almost indistinguishable from the standard competitive process—with all of its attendant problems—further undermining the ability of agencies to attract new generations to public service employment.

These hiring challenges are intensified by several additional factors, such as the lack of a strong talent-management culture within agencies. While some agencies aggressively use all available hiring authorities, others do not, whether due to lack of training, lack of support from management, or risk aversion. Attracting and retaining in-demand workers with critical skills will always be more challenging and less forgiving of long hiring timelines and uncompetitive compensation and benefits. And when policymakers have acted, it has typically involved quick fixes to meet immediate needs, rather than proactive, sustainable solutions.

The Commission's public service recommendations address both near-term, urgent problems and long-term, structural issues. The Commission believes that policymakers should take steps to improve existing personnel processes so that agencies can function better now. At

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<sup>5</sup> GAO, *Federal Hiring: OPM Needs to Improve Management and Oversight of Hiring Authorities* (Washington, DC: GAO, August 2016), 9, <https://www.gao.gov/products/GAO-16-521>.

<sup>6</sup> GAO, *Federal Hiring: OPM Needs to Improve Management*, 8.

the same time, the Government needs a realistic approach to replacing those core aspects of the federal personnel system that are fundamentally flawed so that it can become a competitive employer for any talent that agencies need. Ultimately, the Commission's proposals will assist Congress and the President in realizing a modern talent-management system that attracts and retains a highly qualified public service workforce so that the government can fulfill its critical mission for the American people.

### **Reform Federal Hiring**

The Commission focused on two sets of problems with federal hiring. First, basic hiring processes used in competitive examining—and often repeated in excepted service hiring—are frequently ineffective. Second, the government's system of hiring preferences and noncompetitive hiring no longer meets the needs of agencies and many applicants.

#### *Basic competitive hiring processes*

Basic federal agency hiring processes need a major overhaul to make them competitive with other employers and to ensure agencies can reliably hire highly qualified employees. The Commission proposes a multitude of steps to fix hiring. Revising job descriptions to use clear, accessible language; accepting standard, one-page resumes; and improving interoperability between USAJOBS and popular third-party job boards would be a good start. Agencies also must transform the way they assess candidates for employment. The widely used self-assessments—in which job applicants are asked to rate their own qualifications—are ineffective and easily gamed by candidates; they, along with keyword-based resume reviews, should be eliminated. Hiring managers and subject-matter experts—not HR generalists—should review resumes and assess candidates. For example, the U.S. Digital Service found several instances in which federal agencies determined that dentists were qualified for software engineering jobs

because they knew how to use spreadsheet software. This absurd result is a direct consequence of failure to involve actual software engineers in assessing candidates. To efficiently evaluate a large volume of applicants for entry-level jobs, OPM has developed validated online assessment tools, but these are underused. Making them available to agencies at no charge could spur adoption. Modernizing recruitment and ensuring thorough and accurate candidate assessment would help to advance highly qualified candidates through the competitive hiring process. Greater flexibility for agencies in candidate selection, temporary and term appointments, and interagency transfers would also help the personnel system to better meet agency workforce needs—especially in rapidly responding to meet unexpected demands, such as a nationwide public health crisis.

*Preferences and noncompetitive hiring options*

Hiring preferences and special hiring options, such as the Veterans Recruitment Appointment (VRA) and noncompetitive eligibility, also need modernization. Veterans' preference within competitive examining is not working well for many veterans or for agencies that need to hire highly qualified talent. The preference has become inequitable—not all veterans are preference eligible, and even those eligible for preference are treated differently so that many veterans receive little or no practical benefit. And, at some agencies and in some career fields, it virtually excludes nonveteran talent, no matter how qualified, from civil service employment. Some preference-eligible veterans who are assessed as minimally qualified for the job are automatically moved to the top of the best-qualified list. Advancing poorly qualified candidates does no favors to anyone—it sets up some veterans for failure and prevents agencies from obtaining the talent they need to meet their critical missions for the American people. As a result, more than half of all competitive examining certificates are returned without a hire being made, a

tremendous waste of time and resources.<sup>7</sup> Consequently, frustrated agencies ask Congress and OPM for more direct-hire authority, special personnel systems, and other exemptions so they can avoid veterans' preference—adding complexity to the personnel system and undermining the preference's utility to veterans. At the same time, noncompetitive options to hire qualified veterans—like VRA—are underused by agencies.

The Commission proposes a comprehensive approach that would improve veteran hiring while enabling agencies to hire the highly qualified talent they need. This proposal would make veterans' preference a tiebreaker between equally qualified candidates—eligible veterans would still receive preference over others assessed to the same category but would not be automatically upgraded to a higher category—and refocus the preference on recently discharged veterans who are transitioning to civilian employment. Preference-eligible veterans would have 10 years from discharge to use the preference. Additionally, federal employees who have worked more than two years in the competitive service would not be eligible for preference—allowing time for new employees to change jobs if the initial position is not a good fit but not conferring a permanent preference for every subsequent job change.

Concurrently, the Commission proposes a major expansion of VRA, extending eligibility for noncompetitive hiring of qualified veterans to 10 years after discharge, up from 3 years. In addition, every discharging veteran would receive training on how to seek federal employment using the preference and VRA, and USAJOBS would include a hiring roster to more easily connect recently discharged veterans and other candidates with noncompetitive eligibility to the agencies that want to hire them. To encourage continued service and leverage existing taxpayer

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<sup>7</sup> Margaret M. Weichert, Acting Director, Office of Personnel Management, "Memorandum for Heads of Executive Departments and Agencies: Improving Federal Hiring through the Use of Effective Assessment Strategies to Advance Mission Outcomes," September 13, 2019, <https://chcoc.gov/content/improving-federal-hiring-through-use-effective-assessment-strategies-advance-mission>.

investments, the Commission recommends offering 36 months of noncompetitive eligibility (NCE) to full-time AmeriCorps alumni and Returned Peace Corps Volunteers and 12 months of NCE for successful completion of federally sponsored internship, scholarship, and fellowship programs.

#### **Revamp Hiring Systems for Students and Recent Graduates**

The statistics are grim: only six percent of federal employees under the age of 30, more than one-third of federal employees will soon be eligible to retire. New hires of student interns fell from 35,000 in 2010 to 4,000 in 2018.<sup>8</sup> Clearly, the trend is moving in the wrong direction. Policymakers and agencies must take bold action to bring new generations into the civil service.<sup>9</sup> To start, the federal government needs functional internship and recent-graduate hiring programs. The Commission proposes to reform these programs and place them into statute so they become a permanent responsibility of OPM and agencies, increasing the cap on direct-hire authority for students and recent graduates, and setting a statutory, governmentwide goal of hiring 30,000 recent graduates per year by 2026, rising to 50,000 by 2031.

But to truly transform the ability of federal agencies to attract younger workers, new and innovative approaches are necessary. The Commission identified an estimated 20,000 federally sponsored internships, fellowships, and scholarship positions. Many of these are unpublicized and less than half permit agencies to hire participants on a noncompetitive basis. The

<sup>8</sup> Partnership for Public Service and Booz Allen Hamilton, *Building the Enterprise: A New Civil Service Framework* (Washington, DC: Partnership for Public Service, April 2014), 4–8, [https://ourpublicservice.org/wp-content/uploads/2019/06/Building\\_the\\_Enterprise\\_A\\_New\\_Civil\\_Service\\_Framework-2014.04.01.pdf](https://ourpublicservice.org/wp-content/uploads/2019/06/Building_the_Enterprise_A_New_Civil_Service_Framework-2014.04.01.pdf); GAO, *High-Risk Series*, 75–77; and Executive Office of the President, *Fiscal Year 2020 Budget of the U.S. Government: Analytical Perspectives* (Washington, DC: EOP, 2019), 77, <https://www.govinfo.gov/content/pkg/BUDGET-2020-PER/pdf/BUDGET-2020-PER.pdf>.

<sup>9</sup> Partnership for Public Service and Booz Allen Hamilton, *Building the Enterprise: A New Civil Service Framework* (Washington, DC: Partnership for Public Service, April 2014), 4–8, [https://ourpublicservice.org/wp-content/uploads/2019/06/Building\\_the\\_Enterprise\\_A\\_New\\_Civil\\_Service\\_Framework-2014.04.01.pdf](https://ourpublicservice.org/wp-content/uploads/2019/06/Building_the_Enterprise_A_New_Civil_Service_Framework-2014.04.01.pdf); and GAO, *High-Risk Series*, 75–77.

Commission proposes a new Federal Fellowship and Scholarship Center, within OPM, which would administer, streamline, and expand federal fellowship and scholarship programs that develop people with critical skills and leadership ability for government service. The Center would make available, in one place, information about all federal fellowship and scholarship programs, enable agencies to adjust programs to meet their workforce needs, and grant noncompetitive eligibility to successful participants to enable agencies to capitalize on these taxpayer-funded developmental programs.

The Commission also proposes that Congress create new pipelines from postsecondary education to public service, starting with a new Public Service Corps, similar to ROTC, in which agencies would offer scholarships to university students in exchange for a 4-year public service commitment met through employment at the agency. A separate proposal would establish a new Public Service Academy grant program that would support efforts by institutions of higher education—such as Arizona State University, which has already established a similar program—to prepare students for public service careers, as well as an expansion of the military service academies to include a cohort of public service cadets and midshipmen, who would complete their 5-year service commitment through civilian employment for a federal agency.

Finally, the Commission recommends revitalizing the Presidential Management Fellows Program, the federal government’s premier leadership development opportunity for post-grads, by devolving more authority to agencies and increasing accountability; piloting a new approach to hiring recent graduates with critical skills; and paying federal interns, which would increase access to such opportunities to Americans who cannot afford to take an unpaid internship.

**Promote a High-Performing Personnel Culture**

Many of the Commission’s recommendations address issues of policy that would require changes to law. But the Commission also found challenges with the culture surrounding personnel—for example, whether agencies make full use of existing authorities, whether HR staff work closely with subject-matter experts and hiring managers at all stages of hiring, and whether strategic workforce planning is a priority for agency executives.

Improving the personnel culture within agencies first and foremost requires strong agency leadership, but policymakers can help. First, agencies need to increase their HR capabilities. The Commission proposes to establish competency standards for HR professionals, including technical knowledge, analytics, and collaborative skills, as well as invest in training for HR staff. Additionally, every agency should identify a senior executive to be responsible for development of a workforce plan—covering hiring, retention, and reskilling—and every supervisor should be evaluated in part based on human capital responsibilities.

Also, agencies should communicate with the public about their important missions and to inspire new generations of Americans to serve. The Commission learned that longstanding appropriations riders have deterred agencies from this important communication. The Commission proposes a statutory change to address this unintended consequence.

**Address Critical-Skill Challenges**

Federal agencies struggle to hire workers with critical skills using existing personnel systems. The impact of outdated occupational classification (for example, the federal government still does not have a job series for data scientists), uncompetitive salaries, and long hiring and clearance timelines compound the challenges in attracting workers who are in high

demand. The Commission focused on two areas of heightened concern: cybersecurity and health care.

Policymakers have made efforts to address challenges associated with hiring cybersecurity personnel—such as expanding direct-hire authority and offering some agencies exceptions from Title 5 personnel policies—but all agencies need cybersecurity personnel, and many have not benefited from these changes. The Commission proposes to allow all agencies to adopt the Cyber Talent Management System, the special personnel system for cybersecurity professionals, currently limited to the Department of Homeland Security (DHS). The Commission also proposes to pilot a Civilian Cybersecurity Reserve at DHS and the National Security Agency (NSA), enabling these agencies to quickly expand their cybersecurity workforces by temporarily hiring experts with prior government experience who have the necessary technical skills, platform knowledge, and clearance to enable DHS and NSA to surge on an as-needed basis, including in response to emergencies. Finally, reskilling is a promising approach to meet workforce needs through investment in the skills of current federal employees, but Title 5 was not designed to accommodate transfers in this context. The Commission proposes adding flexibility to appoint reskilled employees to new roles without loss of salary or grade.

The Veterans Health Administration (VHA) has a critical mission to deliver quality health care to millions of veterans and bolster the private-sector health care system during national emergencies. The VHA's personnel policies are not competitive with private-sector health care delivery systems. Compounding this, the VHA uses three personnel systems—one for physicians, another for other health professionals, and yet another for administrative and operational support personnel. This complex and unwieldy system is uncompetitive across all skill levels. For example, the Commission learned from VHA managers about their difficulties



retaining housekeeping personnel—critical for cleaning and disinfecting hospital spaces and promoting patient and healthcare-provider safety —because salaries are not competitive. The Commission proposes to develop one personnel system, with competitive, market-based pay, for all VHA employees. The Commission also proposes to expand licensure portability—currently available to DoD and Coast Guard employees—to all federal employees delivering care within the scope of their federal duties. Such actions would help VHA fill its roughly 49,000 vacancies and provide much-needed flexibility as outbreaks of COVID-19 surge in different localities at various times.

#### **Increase Competitiveness of Benefits**

Benefits for federal employees are well suited for workers who intend to remain employed at a federal agency for decades, but they are uncompetitive for workers who prefer career flexibility. And while the new paid parental leave benefit improves competitiveness, other aspects, such as the lack of short-term disability coverage, have not kept up.

The Commission's recommendations on benefits would accommodate career mobility and offer employees more choices. The Commission proposes that Congress establish a cafeteria plan that would allow federal employees flexibility in how to allocate agency contributions to supplemental benefits, such as life insurance, dental and vision coverage, and flexible spending arrangements. Under current policy, agencies contribute to life insurance, but not the other benefits. For example, for some employees, dental coverage would be more valuable than life insurance—this new cafeteria plan would allow the employee to apply the agency contribution to dental instead.

The Commission also proposes that Congress authorize a pilot program for a new benefit option at three agencies. New and recent hires could select between the existing benefit package

and a new option—of equivalent value—featuring fully portable retirement benefits, agency-paid disability-income insurance, flexible time off, and paid parental leave. This option would be more attractive to younger workers, especially those with critical skills, who are interested in public service employment but not careerlong federal employment. Notably, it would remove a disincentive for federal employees to pursue new experiences outside of government and potentially return later to public service.

#### **Develop a New Personnel System**

The federal government’s fragmented, outdated, and rigid personnel system—which has not fundamentally changed since the General Schedule was established 70 years ago—hinders its ability to adequately meet workforce needs. While most of the Commission’s recommendations are focused on addressing immediate problems, the Commission believes policymakers must build towards a long-term vision of a modern talent-management system that would allow federal agencies to become and remain competitive for talent.

To start, the Commission proposes revamping and expanding OPM’s demonstration-project authority, which is flawed and underutilized. Pilots should be used to test innovative new approaches and develop evidence to inform governmentwide policy. OPM should have greater flexibility to conduct larger demonstration projects while requiring rigorous, third-party evaluation and offering an administrative pathway to expanding successful pilots.

Next, the Commission recommends piloting a comprehensive new personnel system—covering hiring, classification, compensation, transfer, and promotion—at agencies with a significant number of STEM employees. Such agencies are well-suited to test comprehensive new approaches because so many aspects of the current personnel system are problematic for swiftly evolving technical skillsets, ranging from classification to compensation and promotion

paths. For example, in FY 2018, more than 85 percent of National Aeronautics and Space Administration (NASA) vacancies for scientists and mathematicians received fewer than three qualified—not best qualified—applicants. A comprehensive personnel pilot could help agencies like NASA to become competitive for highly sought talent while developing evidence for future modernization of public service personnel systems.

Finally, the Commission recommends engaging GAO, the Office of Management and Budget, and the National Academy of Public Administration for two tasks: first, by 2026, to evaluate any changes made to federal personnel systems in response to the Commission’s report; and second, by 2031, to recommend a comprehensive proposal for a modern talent-management system to meet agency workforce needs.

### **Conclusion**

Two and a half years ago, Congress charged our Commission with something never done before: to conduct a comprehensive and holistic review of all forms of service to the nation. In doing so, we saw firsthand how service is a fundamental part of who we are as Americans, and how we meet our challenges. COVID-19 represents one of the most all-encompassing and unprecedented challenges in the history of the United States. Yet the potential for service is currently untapped. Public service is inhibited by outdated personnel systems and a broken federal hiring process. By surmounting these barriers and igniting the extraordinary potential for service, our recommendations will address critical national security and domestic needs, expand economic and educational opportunities, strengthen the civic fabric of the nation, and establish a robust culture of service. Bold action is needed. Incremental changes and small improvements are not enough.

We call on Congress and the President to invest in the American people and the security of the nation by taking action. Now is the time—and *Inspired to Serve* is the plan—to strengthen service and achieve the vision of every American, inspired and eager to serve.


**AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO**

**Eric Bunn Sr.**  
*National Secretary-Treasurer*

**Dr. Everett B. Kelley**  
*National President*

**Jeremy A. Lannan**  
*NVP for Women & Fair Practices*

June 23, 2020

The Honorable James Lankford  
Chairman  
Senate Homeland Security and  
Governmental Affairs Committee  
Subcommittee on Regulatory Affairs and  
Federal Management  
340 Dirksen Senate Office Building  
United States Senate  
Washington, D.C. 20510

The Honorable Kyrsten Sinema  
Ranking Member  
Senate Homeland Security and Government  
Affairs Committee  
Subcommittee on Regulatory Affairs and  
Federal Management  
340 Dirksen Senate Office Building  
United States Senate  
Washington, D.C. 20510

Dear Chairman Lankford and Ranking Member Sinema:

On behalf of the American Federation of Government Employees, AFL-CIO, (AFGE) which represents more than 700,000 federal and District of Columbia government employees who serve the American people in 70 different agencies, we appreciate your support of federal workers and a professional, apolitical civil service. This letter summarizes our opposition to certain legislative proposals of the report entitled "Inspired to Serve: The Final Report of the National Commission on Military, National, and Public Service" (hereinafter the "Commission").

AFGE appreciates the Commission's efforts to promote the value of all forms of public service. However, some of its proposals are not appropriate or relevant to the problems they claim to address. In some cases, the Commission's proposals would create unintended consequences that are counter to the goals we all share. This is particularly the case with regard to the Commission's recommendations that undermine the merit system principals of the federal hiring process through the expansion of the Excepted Service and direct hiring authorities, as well as increasing the use of term and temporary hires.

AFGE believes that hiring should be done under the merit-system principles, with veterans' preference and public notice to guard against cronyism or a federal workforce comprised of only political appointees. Direct hiring and Excepted Service appointments raise concerns about fundamental fairness for both internal and external candidates. It is no secret that both direct hire and Excepted Service appointments are often used to bypass veterans' preference and merit promotion consideration of current agency employees. Overuse of these appointment authorities unfairly limits competition and dishonors the promises we have made to veterans of military service.

Direct hiring authority can also have a negative effect on diversity in federal hiring and threatens the merit system principle of open competition for federal jobs and thereby undermines the apolitical, professional civil service. We urge the Subcommittee to reject the Commission's



recommendations that expand the use of non-competitive hiring practices and guard against the overuse of direct hiring authority.

Additionally, the FY 2020 National Defense Authorization Act (NDAA) required a study on the use of direct hiring authority, and the hiring process more generally, to be completed by February 2021. As such, no action should be taken regarding the Commission's federal hiring recommendations until Congress and stakeholders have had an opportunity to review the findings of the study.

AFGE urges the Subcommittee to reject the Commission's legislative proposals involving increased flexibility for temporary and term appointments until the Government Accountability Office (GAO) audit on misuse of term and temporary hiring authorities requested in the FY 2020 NDAA is complete and there is an opportunity to evaluate its results. OPM rules provide agencies with enormous flexibilities for both term and temporary appointments and include provisions to protect against the abuse of this authority.

AFGE strongly opposes the Commission's recommendations for demonstration projects involving federal hiring and personnel policies. Almost every federal personnel demonstration project generated since "pilot" projects began in the 1980s has ended up distributing pay adjustments in a discriminatory manner, has been administratively burdensome, and has produced outcomes counter to stated goals. One exception at the National Institute of Standards and Technology beat the demonstration project at its own game by voting to distribute pay adjustments exactly as they would have been under the regular GS system. The most recent iteration of an unsuccessful "pilot" is the discredited National Security Personnel System (NSPS), which Congress wisely chose to terminate. Under NSPS, per-capita costs increased (primarily because pay was severely reallocated to higher compensated employees) and certain demographic groups benefited disproportionately. There is no reason to expect that future demonstration projects would not produce similar outcomes, especially as the Commission report promotes the same kinds of projects that have produced unfavorable outcomes in the past.

AFGE strongly urges the Subcommittee to reject the Commission's recommendations that undermine the Federal Employees Retirement System (FERS) through the establishment of a cafeteria plan requiring federal employees to trade off one essential benefit for another. The existence of a retirement system with a defined benefit component is perhaps the government's best recruitment tool. As the current pandemic-induced economic crisis demonstrates, having a defined benefit annuity that protects one's retirement income from the vicissitudes of private equity markets is extremely valuable. The federal government should provide a defined benefit retirement component as well as paid dental and disability insurance, as is the practice of better employers in the private sector, and some state and local governments.

There is no class of employees that is not vulnerable to a disability that interferes with the ability to work; there is no one who does not need regular dental care; and there is no one who does not need secure income in retirement. No employee should be asked to forfeit one of these benefits for another. Indeed, the addition of new employer-paid benefits would do far more to improve recruitment and retention of employees than any of the proposals the Commission advanced. Recently, Congress wisely added a paid parental leave benefit for all federal

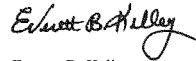
employees. Fortunately, there was no attempt to force employees to forfeit another valuable benefit in order to obtain this new benefit. That should be the model for any future consideration of paid dental benefits and paid disability insurance.

Lastly, AFGE strongly opposes development of a legislative proposal that would place all employees of the Veterans Health Administration (VHA) under a Title 38 personnel system. Such a change is unnecessary and misguided. It would result in the elimination of critical rights and requirements afforded by the Title 5 personnel system including veterans' preference in hiring and nondiscrimination based on race, gender, disability, and other covered groups. Elimination of title 5 rights would also severely weaken the collective bargaining rights and voice of VHA employees. VHA physicians, registered nurses and other Title 38 health professionals already lacking Title 5 rights are subject to constant harassment by management and the likelihood of severe repercussions for exercising professional judgment. They have little or no recourse when management imposes policies that pose a risk to safety or their medical licenses.

To the extent that this proposal aims to improve flexibility in VA hiring, the fact that VHA was able to quickly hire over 10,000 new employees during the current pandemic clearly indicates that when the agency is willing to apply the available hiring tools that Congress has already provided they can meet and address agency hiring needs. Therefore, AFGE opposes any proposals to the VA personnel system that weaken or eliminate Title 5 rights.

Thank you for consideration of our views on the Commission's report. AFGE looks forward to working with the Subcommittee to improve federal recruitment, hiring and retention, and to uphold the tenants of an apolitical civil service. For additional information or questions, please contact Alethea Predeoux at [alethea.predeoux@afge.org](mailto:alethea.predeoux@afge.org).

Sincerely,



Everett B. Kelley  
National President



**WRITTEN TESTIMONY BY  
JESSICA KLEMENT  
STAFF VICE PRESIDENT FOR ADVOCACY  
NATIONAL ACTIVE AND RETIRED FEDERAL  
EMPLOYEES ASSOCIATION**

**BEFORE  
THE NATIONAL COMMISSION ON MILITARY, NATIONAL  
AND PUBLIC SERVICE**

**PUBLIC SERVICE HEARING –  
“CRITICAL SKILLS AND BENEFITS”**

**MAY 15, 2019**



First, thank you to Chairman Heck and the members of the National Commission on Military, National and Public Service for the invitation to testify during the public service hearing on May 15, 2019. I write and will testify on behalf of the National Active and Retired Federal Employees Association (NARFE), its 200,000 dues-paying members and the interests of the more than five million federal employees and annuitants who have chosen to dedicate their careers, in whole or in part, to public service. I appreciate the opportunity to express NARFE's views.

#### **Background on NARFE**

Since NARFE's founding in 1921, the association's mission has been to defend and advance the earned pay and benefits of America's civil servants. Today, NARFE's team of professional lobbyists continues to work tirelessly on behalf of the federal community. Supported by grassroots activists, NARFE is a leading voice in Washington and across the country.

Federal benefits and retirement plans are unique, complex and subject to change. NARFE provides federal workers and retirees with the clear, reliable and accessible counsel they need to make critical decisions and gain confidence in a secure financial future.

NARFE's 200,000 members live in every congressional district across the country and include both retired and current federal workers from all branches and levels of the federal government. These proud public servants form a grassroots network of activists who fight on behalf of the more than 5.2 million federal employees, retirees and their survivors who make up the federal community.

Federal workers dedicate their working lives to the betterment of our country, and in return they ask that Congress hold up their end of the bargain – the promises made when they were hired, including their compensation package. NARFE is here to honor their service and ensure they have a secure future.

#### **Testimony Preview**

This testimony will begin by identifying two challenges to ensuring that public service continues to contribute to the common good of the American people: the public perception of public service, and the mission-critical skills gap in federal agencies. It will then discuss a framework for meeting these challenges and attracting and retaining individuals with critical skills to public service, explain the role of federal benefits in federal compensation and recruitment efforts, and provide views on policy options outlined in the staff memorandum to the Commission.

#### **Public Perception of Public Service**

This hearing comes on the heels of the 35<sup>th</sup> annual Public Service Recognition Week (PSRW), a time set aside each year to celebrate, honor and thank those who often go unnoticed as they carry out the work necessary to keep our nation safe, secure and running smoothly. NARFE is a proud sponsor of PSRW through our membership in the Public Employees Roundtable, which organizes PSRW. Such a time is necessary because, unfortunately, the American people, and even many of our elected leaders, are unaware of the crucial work federal employees carry out

on behalf of our country. While we spent last week highlighting the often overlooked role government plays in our everyday lives, wouldn't it be nice if such a week was unnecessary?

As such, this Commission's charge could hardly come at a more important time. The American people's trust in the federal government to handle the nation's domestic and international problems recently hit its lowest point in more than two decades, with only 35 percent of Americans trusting our government to handle domestic problems, and 41 percent trusting it to handle international problems.<sup>1</sup> Regardless of whether these perceptions arise due to political dysfunction and growing partisanship, dissatisfaction with actual government operations, a lack of awareness and respect for the federal government and its public servants, or some combination of these and other reasons, they represent a challenge to the value of public service, its role in our society and the federal government's recruitment and retention efforts.

We are only a few months removed from a 35-day partial government shutdown, the longest in our nation's history. While 58 percent of Americans viewed the shutdown as a very serious problem for the country, 22 percent found it only somewhat serious, and another 20 percent found it not too serious (13 percent) or not at all serious (7 percent).<sup>2</sup> Given the negative impacts of the shutdown, I not only find these numbers alarming, but am even more alarmed that political leaders attempted to use it as leverage in negotiations for 35 long days. Unfortunately for public servants and the Americans they serve, this was not the first shutdown-for-political-leverage game, nor will it likely be the last.

This shutdown cost \$11 billion in lost economic activity, \$3 billion of which will never be made up.<sup>3</sup> More than 420,000 federal employees worked for a month without pay, while another 380,000 were furloughed without pay.<sup>4</sup> While they all received delayed back pay, the costs of delayed pay were real and damaging – rationed medical care,<sup>5</sup> interest charges and late fees, and damaged credit, to say nothing of the unnecessary economic anxiety forced upon these individuals and their families. But even as these public servants' pay was delayed for a month, an untold number of contractors were not granted any back pay at all despite being forced off the job due to political dysfunction.<sup>6</sup> Government operations were obviously hampered, harming the American public and countless businesses that relied on federal operations, the examples of

<sup>1</sup> Brennan, Megan. "Americans' Trust in Government to Handle Problems at New Lows." *Gallup*, January 31, 2019, <https://news.gallup.com/poll/246371/americans-trust-government-handle-problems-new-low.aspx>.

<sup>2</sup> Pew Research Center, January 16, 2019, <https://www.people-press.org/2019/01/16/most-border-wall-opponents-supporters-say-shutdown-concessions-are-unacceptable/>.

<sup>3</sup> Congressional Budget Office, January 2019, "The Effects of the Partial Government Shutdown," <https://www.cbo.gov/system/files/2019-01/54937-PartialShutdownEffects.pdf>.

<sup>4</sup> United States Senate Committee on Appropriations, Staff for Vice Chairman Leahy, December 12, 2018.

<sup>5</sup> "Projected Impact of a Trump Shutdown," <https://www.appropriations.senate.gov/news/minority/projected-impacts-of-a-trump-shutdown>.

<sup>6</sup> McCausland, Phil and Suzanne Ciecchalski. "Federal worker forced to ration insulin due to government shutdown." *NBC News*, January 13, 2019, <https://www.nbcnews.com/news/us-news/federal-worker-forced-ration-insulin-because-government-shutdown-n958066>.

<sup>7</sup> Gregorian, Darch. "Back pay for federal contractors missing from federal funding bill." *NBC News*, February 15, 2019, <https://www.nbcnews.com/politics/politics-news/back-pay-federal-contractors-missing-government-funding-bill-n971886>.

which are seemingly endless.<sup>7</sup> The willingness to accept these consequences allowed the shutdown to occur and continue through 35 days, and that willingness represents a threat to our democracy's ability to function. None of us should be surprised that our government is facing a recruitment problem, and NARFE appreciates this Commission's work in identifying and working to correct this problem.

While the public perception of the federal government as an abstract entity may not fully reflect it, the reality is that Americans rely greatly on the work of federal employees every day. Our citizens depend on civilian defense employees to support and equip our military, doctors and nurses to care for veterans returning home from war, cybersecurity professionals to protect critical infrastructure and respond to emerging threats, scientists and researchers to develop new cures for cancers and disease, federal law enforcement and intelligence officers to protect us from foreign and domestic threats to our physical security, prosecutors and judges to uphold the laws, prison guards to keep violent criminals off our streets, postal workers to keep our communities connected and our economy churning, revenue agents to ensure we have the funds to carry out these missions, and much more. While Americans will continue to disagree on the proper scope of government as they always have, we call for unity where it comes to ensuring that the work of the federal government is done well.

#### **Mission-Critical Skills**

Unfortunately, the diminishing value Americans and some of its political leaders are placing on public service is not the only challenge to the role of public service in our country. Since 2001, the United States Government Accountability Office (GAO) included Strategic Human Capital Management on its high-risk list, explaining in its 2019 High-Risk Report, "mission-critical skills gaps both within federal agencies and across the federal workforce pose a high risk to the nation because they impede the government from cost-effectively serving the public and achieving results."<sup>8</sup> Worse yet, the age demographics of the federal workforce and trends in federal retirement threaten to aggravate this problem. Nearly one-third (606,000) of employees are older than 55, while only 8 percent (173,000) of employees are younger than 30. By comparison, in the private sector, 23 percent of the workforce is younger than 30.<sup>9</sup> With more than 31 percent of federal employees on board by the end of fiscal year 2017 eligible to retire in the next five years,<sup>10</sup> the lack of younger employees to meet critical needs is troubling. At a time when the value our nation places on public service seems to be at an all-time low, our need for a major influx of talent into public service appears to be near an all-time high.

<sup>7</sup> See, e.g. Kaur, Harmit and Christina Kline, "How the government shutdown is affecting Americans." CNN, January 9, 2019, [https://www.cnn.com/us/live-news/government-shutdown-personal-stories/h\\_945a308f6c9214c6b5d7792cc36366b6?fbclid=IwAR2CVCKN7sLUqK2IsPvrvTtkXV5GTDmfASQ9bNXPlIr3K1sJziz-x4lO15c](https://www.cnn.com/us/live-news/government-shutdown-personal-stories/h_945a308f6c9214c6b5d7792cc36366b6?fbclid=IwAR2CVCKN7sLUqK2IsPvrvTtkXV5GTDmfASQ9bNXPlIr3K1sJziz-x4lO15c).

<sup>8</sup> U.S. Government Accountability Office, March 6, 2019, "HIGH RISK SERIES: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas," (GAO-19-157SP), <https://www.gao.gov/assets/700/697245.pdf>, p. 75.

<sup>9</sup> Office of Management and Budget, March 2019, "Analytical Perspectives, Fiscal Year 2020 Budget of the United States of America," [https://www.whitehouse.gov/wp-content/uploads/2019/03/ap\\_7\\_strengthening-fy2020.pdf](https://www.whitehouse.gov/wp-content/uploads/2019/03/ap_7_strengthening-fy2020.pdf), p. 68.

<sup>10</sup> U.S. Government Accountability Office, "Strategic Management of Human Capital – High Risk Issue; Issue Summary," [https://www.gao.gov/key\\_issues/strategic\\_human\\_capital\\_management/issue\\_summary#t=0](https://www.gao.gov/key_issues/strategic_human_capital_management/issue_summary#t=0).

## Addressing Challenges for Public Service

### *Public Perception of Public Service*

I am testifying before you because hundreds of thousands of current and former NARFE members chose a career in federal service and wanted to further that service in their workplace or retired life on behalf of the entire federal community by joining NARFE. The NARFE members are wonderfully patriotic, choosing to serve their country through federal service, and feel strongly, rightfully so, that the value of the work they do or did is not felt by the greater public. Even in retired life, they are taking steps to overcome the negative perception of public service.

Countering negative public perceptions of the federal government presents a substantial challenge, but not an insurmountable one. It also may be primarily the responsibility of non-governmental organizations, such as NARFE and those represented among my fellow panelists, to do so, as there are (and should be) limits on the federal government engaging in propaganda and overzealous self-promotion for political ends.<sup>11</sup> But federal agencies should inform the public about what they do, promoting service with the agency and recruiting aspiring public servants into their fold. I urge the Commission to consider providing recommendations to Congress to allow federal agencies to expand their role in doing so.

Even as the sources of negative public perceptions of public service – to the extent they are even fully identified – remain beyond the scope of the federal government to address directly, the Commission should recognize that perceptions are a problem, that federal agencies are not powerless to change them, and that improving perceptions could help address challenges in filling mission-critical skills gaps. Doing so could improve the ability of government to handle the nation's problems and help improve the public's perception of that ability.

We also cannot ignore that negative public perception could, in part, be driven by a lack of understanding or even ignorance of who federal employees are and what they do. Certainly, it's incumbent upon NARFE members and all federal employees to speak of what they do or did with their friends and neighbors with pride and distinction. However, that's not where the education campaign should begin and end.

Currently, only eight states require students to pass a year-long civics/government course to graduate, only 19 states require students to pass any civics/government course and only 36 states require a civics/government course at all.<sup>12</sup> While more states require courses and exams in U.S. history,<sup>13</sup> these courses may not include the civics education necessary to equip individuals to

<sup>11</sup> U.S. Government Accountability Office, March 2015, "Principles of Federal Appropriations Law: Annual Update of the Third Edition," (GAO-15-303SP), <https://www.gao.gov/assets/670/668991.pdf>, p.4-24 ("Since 1951, appropriation acts have included provisions precluding the use of the appropriations for 'publicity or propaganda.' While Congress has never defined the meaning of publicity or propaganda, GAO has recognized three types of activities that violate the publicity or propaganda prohibitions: self-aggrandizement, covert propaganda, and materials that are purely partisan in nature.")

<sup>12</sup> Education Week, October 2018, "Date: Most States Require History, But Not Civics," <https://www.edweek.org/ew/section/multimedia/data-most-states-require-history-but-not.html>

<sup>13</sup> *Id.*

participate fully and effectively in our democratic system.<sup>14</sup> How can we expect to attract the next generation of public servants if they are unaware of even the basic tenets of our government and how it serves its people? We must not wait until one is preparing to graduate college to discuss a career in government.

As such, I commend the Commission for its focus on reinvigorating civic education, and encourage its efforts in that regard. These efforts will be an important part of the solution to negative public perception of government.

#### *Mission-Critical Skills*

The Commission's interim report and its staff recommendations focus on directly addressing the mission-critical skills gaps and government operation by: (i) improving basic hiring processes at government agencies; and (ii) attracting and retaining public service employees. We fully support these goals, even as we know we must all do more to recognize and promote the value of public service. I provide detailed views on specific recommendations below. Attaining these goals would ensure that the federal government has the well-qualified, high-performing workforce that the American people deserve. Any organization is only as strong as the people who compose it. Given that the GAO has identified the mission-critical skills gap as posing a high risk to our nation, focusing on effective and efficient federal hiring processes and ensuring federal agencies are doing everything possible to attract and retain individuals into public service with critical skills is the appropriate course for this Commission, and we are grateful to have an opportunity to express NARFE's views.

#### **The Role of Federal Employee Benefits**

Benefits constitute an important part of any compensation package, including the federal employee compensation package. The federal government must recognize that benefits are provided through taxpayer dollars, and therefore, we must be responsible in how we spend those dollars. However, for the government to be an employer of choice to meet the needs of our country and not an employer of last resort, the overall benefits package must be competitive with larger private-sector companies vying for the same candidates. With an ever-changing workforce demographic, finding such a balance will be tricky, but possible.

#### *Retirement and Health Benefits*

Retirement and health benefits are a major part of the mix of compensation used to recruit and retain employees. A Towers Watson survey<sup>15</sup> regarding what employees value when deciding whether to take or stay at a job found the following:

<sup>14</sup> See Hansen, Michael, et. al. "The 2018 Brown Center Report on American Education: How Well Are American Students Learning?" *Brown Center on Education Policy at Brookings*. June 2018. [https://www.brookings.edu/wp-content/uploads/2018/06/2018-Brown-Center-Report-on-American-Education\\_FINAL.1.pdf](https://www.brookings.edu/wp-content/uploads/2018/06/2018-Brown-Center-Report-on-American-Education_FINAL.1.pdf), pp. 16-26.

<sup>15</sup> Nyce, Steve. "Attraction and Retention – What Employee Value Most." *Towers Watson*, March 2012. <https://www.towerswatson.com/en-US/Insights/Newsletters/Americas/insider/2012/Attraction-and-Retention-What-Employees-Value-Most-March-2012>.

- **Retirement benefits.** 35 percent of respondents said retirement benefits were an important reason to work for an employer, while 47 percent said it was important reason to stay. Further, more than three-quarters of new hires at companies sponsoring defined benefit (DB) plans say the retirement program gives them a compelling reason to stay on the job, and 85 percent hope to work with their employer until they retire.
- **Health benefits.** 46 percent of respondents said health benefits were an important reason to work for an employer, while 55 percent said it was important reason to stay. A different survey found that 88 percent of respondents said the quality and options of health benefits was important.<sup>16</sup>
- **Retiree health benefits.** 45 percent of respondents said retiree medical benefits were an important reason to work for an employer, while 61 percent said it was important reason to stay.

As you know, federal employment benefits include all three of these, all of which contribute to the overall federal compensation package.

Federal and postal employees who began their service on or after January 1, 1984, are covered by the Federal Employees Retirement System (FERS). Signed into law by President Ronald Reagan, the creation of FERS was motivated by changes in law that placed new federal hires under Social Security, and it was designed to provide retirement benefits roughly equivalent to the previous system – the Civil Service Retirement System (CSRS) – but with greater job mobility. FERS provides a three-legged stool of benefits: (i) a basic defined benefit, equal to only 1 to 1.1 percent of the highest three years of salary times years of service for most employees, and significantly lower than the CSRS benefit; (ii) Social Security coverage; and (iii) the Thrift Savings Plan (TSP). Social Security and the TSP are portable. With regard to the importance of federal retirement benefits to retention, the Congressional Budget Office found that “the pension plan boosts retention among workers who are nearing the point in their service at which they become eligible for a pension immediately upon separation and reduces retention among workers who have passed that point.”<sup>17</sup>

Federal employees and retirees receive employer-sponsored health insurance benefits through the Federal Employees Health Benefits (FEHB) program. The FEHB program provides health insurance coverage to more than 2.1 million federal employees, 1.9 million federal annuitants and 4.1 million of their dependents, covering more than 8.1 million individuals in total.<sup>18</sup> It offers a choice of more than 250 different health plans to choose from, but as a practical matter, enrollees generally have a choice of about 15 different private insurance plans. The government

<sup>16</sup> JustWorks, October 8, 2018, “6 Surprising Statistics About Benefits Employees Want.” <https://justworks.com/blog/6-surprising-statistics-benefits-employees-want-infographics>.

<sup>17</sup> Congressional Budget Office, August 2017, “Options for Changing the Retirement System for Federal Civilian Workers,” [https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53003-federalretirement\\_1.pdf](https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/53003-federalretirement_1.pdf), p. 18. (hereinafter “CBO Options”)

<sup>18</sup> Office of Personnel Management, January 2018, “Statistical Abstracts for Fiscal Year 2017,” Federal Employee Benefits Programs, Exhibit H2.

provides a contribution of 72 percent of the weighted average of all plan premiums, but no more than 75 percent of any individual plan premium.

Federal employee and retiree satisfaction with FEHB is high. When surveyed, more than 98 percent of federal annuitants rated their FEHB coverage as important (10.3 percent) or extremely important (88.5 percent).<sup>19</sup> More than 90 percent of federal employees rated their FEHB coverage as important (11.8 percent) or extremely important (78.3 percent).<sup>20</sup>

Survey results also suggest that FEHB benefits play an important role in both recruitment and retention. The 2017 Federal Employee Benefits Survey (FEBS)<sup>21</sup> asked, “To what extent did the availability of health insurance through FEHB influence your decision to take a job with the Federal Government?” The responses were telling: 45 percent of respondents reported “great extent” while another 26 percent reported “moderate extent.” But the responses to the following question – “To what extent did the availability of health insurance through FEHB influence your decision to remain in a job with the Federal Government?” – were even more telling. Only 12 percent responded “not at all” while 61 percent said a “great extent” and 20 percent answered a “moderate extent.” Succinctly, more than 80 percent of those responding to the FEBS reported that their health insurance coverage through the federal government is a reason to stay. But we must first get them in the door.

Federal retirement and health benefits make up, in part, for the fact that private-sector workers are paid 31.98 percent more than federal workers engaged in substantially equal work, according to the Federal Salary Council (FSC).<sup>22</sup> The FSC, an advisory board to the executive branch, compares federal and private-sector pay for similar jobs based on Bureau of Labor Statistics survey data. The FSC findings account for the fact that the federal jobs tilt heavily toward higher paying occupations. In fact, 57.1 percent of the federal workforce consists of the highest paid occupations, such as lawyers, doctors, engineers and managers, compared to just 36.2 percent of the private sector.<sup>23</sup> Even as a declining percent of private-sector companies offer any retirement benefits to their workers, let alone defined benefit plans<sup>24</sup> or retiree health care,<sup>25</sup> what the

<sup>19</sup> Office of Personnel Management, March 2017, “2016 Federal Annuitants Benefits Survey Report,” <https://www.opm.gov/policy-data-oversight/data-analysis-documentation/employee-surveys/federal-annuitant-benefits-survey-results-summary.pdf>, p. 11.

<sup>20</sup> *Id.*

<sup>21</sup> Office of Personnel Management, April 2018, “2017 Federal Employee Benefits Survey Report,” <https://www.opm.gov/policy-data-oversight/data-analysis-documentation/employee-surveys/2017-federal-employee-benefits-survey-results.pdf>, p. 9. (hereinafter “FEBS”)

<sup>22</sup> Federal Salary Council, July 10, 2018, “Level of Comparability Payments for January 2019 and Other Matters Pertaining to the Locality Pay Program,” <https://www.opm.gov/policy-data-oversight/pay-leave/pay-systems/general-schedule/federal-salary-council/recommendation17.pdf>, p. 2.

<sup>23</sup> FY19 White House Budget, Analytical Perspectives, “Strengthening the Federal Workforce,” p. 67, available at: [https://www.whitehouse.gov/wp-content/uploads/2018/02/ap\\_7\\_strengthening-fy2019.pdf](https://www.whitehouse.gov/wp-content/uploads/2018/02/ap_7_strengthening-fy2019.pdf).

<sup>24</sup> “In March 2018, 51 percent of private industry workers had access to only defined contribution retirement plans through their employer. An additional 13 percent had access to both defined benefit and defined contribution retirement plans at their workplace, while 4 percent of private industry workers had access to only defined benefit retirement plans.” Bureau of Labor Statistics, October, 2, 2018, “51 percent of private industry workers had access to only defined contribution retirement plans,” <https://www.bls.gov/opub/ted/2018/51-percent-of-private-industry-workers-had-access-to-only-defined-contribution-retirement-plans-march-2018.htm>.

private sector lacks in benefits, it often makes up for in pay, profit-sharing and the prospect of substantial financial reward, all benefits the federal government does not and often cannot offer.

#### *Paid Parental Leave*

While federal employees largely feel positively with regard to their health and retirement benefits, there are some benefits where the federal government lags behind the private sector, notably in paid parental leave. As of 2018, the 20 largest private-sector employers in the United States offered some form of paid parental leave to at least some of their employees.<sup>26</sup> Starbucks offers 18 weeks for the birth mother and 12 for the other parent for salaried employees. Walmart provides 16 weeks for primary parents and six for the other parent for both salaried and hourly employees. Amazon allows 14 weeks for birth mothers and six weeks for the other parent. Netflix allows up to a year of time off. Even our uniformed military personnel, both men and women, are provided time off following the birth of a child. Yet, the United States government, the largest employer in the United States, offers nothing to its civilian employees.

Paid parental leave reflects the value we place on family and parenting. Families should not be forced to make difficult trade-offs between spending invaluable time to care for and bond with their new child and being able to pay their bills and save for their child's future.

But this policy is not only about our values. It's also just smart human resource management practice. Existing federal sick and annual leave benefits do not meet the needs of existing parents. A paid parental leave policy would bridge this gap. According to the Institute for Women's Policy Research, accruing 12 weeks of paid leave for use under the Family and Medical Leave Act would take more than four years from an employee's date of hire.<sup>27</sup> This calculation does not, however, account for any use of sick leave for personal or family illness beyond the average use of three days or the use of sick leave to address complications that may occur after birth, adoption or foster placement.

Second, paid parental leave has been shown to improve the recruitment and retention of young workers. When deciding to accept a job offer, 66 percent of respondents said the employer's paid parental leave policy is important, and 20 percent said it was the most important benefit.<sup>28</sup> Two-thirds of college students say that balancing work and family is a priority for them.<sup>29</sup> Work-family balance is valued by both men and women, especially those with children. In a 2014 study of highly educated professional fathers in the U.S., nine out of 10 reported that it would be

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<sup>25</sup> "In 2018, 18% of large firms that offer health benefits to their workers offer retiree coverage, a significantly lower percentage than in recent years." Kaiser Family Foundation, October 2018, "2018 Employer Health Benefits Survey, <https://www.kff.org/report-section/2018-employer-health-benefits-survey-section-11-retiree-health-benefits/>

<sup>26</sup> Miller, Claire Cain. "Lowe's Joins Other Big Employers in Offering Paid Parental Leave." *NY Times*, February 1, 2018. <https://www.nytimes.com/2018/02/01/upshot/lowes-joins-other-big-employers-in-offering-paid-parental-leave.html>.

<sup>27</sup> Miller, Kevin, Allison Suppan Helmuth and Robin Farabee-Siers. "The Need for Paid Parental Leave for Federal Employees: Adapting to a Changing Workforce," *Institute for Women's Policy Research*, <https://iwpr.org/wp-content/uploads/wpallimport/files/iwpr-export/publications/A141.pdf>, p. 6-7.

<sup>28</sup> JustWorks, October 8, 2018, "6 Surprising Statistics About Benefits Employees Want," <https://justworks.com/blog/6-surprising-statistics-benefits-employees-want-infographics>.

<sup>29</sup> Miller, p. 5.



important when looking for a new job that the employer offered paid parental leave, and six out of 10 considered it very or extremely important. These numbers were even higher for millennial workers.<sup>30</sup>

This tells us that younger workers may value paid parental leave and work-family balance greater than the job security offered by the federal government. While federal government employment has traditionally been viewed as reliable, a factor that is important to older generations of workers, younger workers have other priorities and values that mean more to them in the workplace. Surveys have shown that people of all generations, especially the youngest workers, are far less likely to endorse traditional gender roles relating to work and family responsibilities.<sup>31</sup> As mentioned, the federal government is facing challenges recruiting young workers, so adding paid parental leave could help fill a glaring need.

Finally, paid parental leave policies have been shown to reduce turnover costs significantly. In 2009, the Institute for Women's Policy Research estimated that the federal government could prevent 2,650 departures per year among female employees by offering paid parental leave, preventing \$50 million per year in turnover costs.<sup>32</sup> In addition to saving money through reduced turnover costs, the Congressional Budget Office (CBO) estimates that implementing paid parental leave policies across the federal government would not increase mandatory spending. Simply, that means that allowing Feds to take leave following the birth or adoption of a child would not cost the government, or taxpayers, any money.

#### *Private-Public Compensation Comparisons*

Given the size of the federal workforce it is difficult to take a wholesale approach to comparing benefits with the private sector. There is no one private-sector American company that comes to close employing 2 million individuals. Adding to this challenge, even the largest businesses offer benefits that differ from one another.

Rather than compare one to the other, we implore the Commission and Congress to take a step back and ask, what can the federal government offer to attract and retain highly skilled, mission-critical individuals to public service? A call to serve the mission will attract some, with a benefits package taking a back seat to one's desire to serve our country. But we will continue to have a difficult time promoting the call to mission if we fail to promote service affirmatively and continue to hear many of our elected leaders denigrate it.

We must also recognize that not every applicant will feel a call to the mission of an agency, but rather possess a skill set that the federal government desperately needs. How can we meet the needs of job seekers while acknowledging that everyone wants different things? For some, as the evidence suggests, health benefits may take top priority, while for others it will be work-life balance or flexibility. For some, it may simply be pay. Once we can successfully encourage one

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<sup>30</sup> U.S. Department of Labor, "[Paternity Leave: Why Parental Leave for Fathers is So Important for Working Families](#)."

<sup>31</sup> Miller, p. 4.

<sup>32</sup> *Id.*, p. 10.

to apply to serve and then wade through the hiring process (more on that below), we must recognize that there may not be a one-size-fits-all benefits package.

*Principles to Guide Changes to Federal Employee Benefits*

Given the federal government's mission-critical skills gap, it is natural to assess every aspect of federal employee hiring, recruiting and retention efforts, including how the federal government compensates its workforce. NARFE welcomes continual conversation on this topic.

But as the Commission considers changes to federal employee benefits, I urge it to abide by the following principles:

**1. Only apply changes prospectively to future hires.**

Current employees and retirees earned their retirement and health benefits in exchange for their past and continuing employment with the federal government. Changing benefits for employees who accepted jobs through an offer that included not only pay, but the promise of certain benefits, would renege on that promise. Changing benefits retroactively for those who have already earned them through their past work fails to honor the commitments made to millions of retirees and their surviving spouses in exchange for their public service. That said, if each individual current employee is offered a choice between their existing package and a new one, any change in their benefits packages would need to be mutually agreed upon and acceptable.

**2. Maintain overall compensation at an equivalent (or greater) value.**

Benefit changes should not be a guise for overall compensation cuts. As noted above, federal retirement and health benefits make up for the fact that federal employees receive lower pay than their private-sector counterparts and forego the prospect of substantial financial gain. Diminishing overall federal employee compensation is not going to help with recruitment and retention. Rather, it will only make the recruitment and retention of a new generation of public servants necessary to meet mission-critical skills gaps more difficult.

**3. Preserve income and health security for public servants in retirement.**

Current federal retirement and health benefits provide public servants with both income and health security in retirement. FERS provides a balance of guaranteed income through Social Security benefits and a FERS annuity, but in addition, it has the ability to grow a larger retirement nest egg through the TSP comparable with large private-sector 401(k) plans. As noted, more than 90 percent of federal employees and more than 98 percent of retirees report that they find their health benefits through FEHB to be extremely important or important, despite their alternative, often cheaper, options through Medicare and supplemental plans.

Even though federal retirement benefits compare favorably to private-sector benefits, there is a growing recognition<sup>33</sup> that a retirement security crisis exists in America – that private-sector

<sup>33</sup> See, e.g.: PBS News Hour, June 13, 2018, "The numbers you need to know about the retirement crisis," <https://www.pbs.org/newshour/economy/making-sense/the-numbers-you-need-to-know-about-the-retirement-crisis>.

benefits and private savings are not meeting individual needs. A report from the National Institute on Retirement Security the paints a grim picture of private-sector retirement preparation, finding the following:

- “The typical working American has no retirement savings. When all working age individuals are included – not just individuals with retirement accounts – the median retirement account balance is \$0 among all working individuals. Even among workers who have accumulated savings in retirement accounts, the typical worker had a modest account balance of \$40,000. Furthermore, 68.3 percent of individuals age 55 to 64 have retirement savings equal to less than one times their annual income, which is far below what they will need to maintain their standard of living over their expected years in retirement,”<sup>34</sup> and
- “Even after counting an individual’s entire net worth – a generous measure of retirement savings – three-fourths (76.7 percent) of Americans fall short of conservative retirement savings targets for their age and income based on working until age 67.”<sup>35</sup>

It is no surprise that public sentiment matches this financial reality, as “three-fourths of Americans say the nation faces a retirement crisis.”<sup>36</sup> Moreover, “70 percent say the average worker cannot save enough on their own to guarantee a secure retirement,” and “65 percent say it’s likely they will have to work past retirement age to have enough money to retire.”<sup>37</sup> Furthermore, 76 percent of Americans say “all American workers should have a pension plan in order to be self-reliant and independent in retirement.”<sup>38</sup> This retirement crisis could not be more apparent.

In response, public policymakers are attempting to address the challenge. In April, the House Committee on Ways and Means advanced bipartisan legislation to increase retirement savings.<sup>39</sup> The committee also held a hearing on expanding Social Security in March,<sup>40</sup> even though

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Holmes, Frank. “The Retirement Crisis is Much Worse Than You Think.” *Forbes*, March 20, 2019, <https://www.forbes.com/sites/greatspeculations/2019/03/20/the-retirement-crisis-is-much-worse-than-you-think/#656f26e73949>.

<sup>34</sup> Brown, Jennifer Erin, Joelle Saad-Lessler and Diane Oakley. “Retirement in America: Out of Reach for Working Americans?” *National Institute on Retirement Security*, September 2018, [https://www.nirsonline.org/wp-content/uploads/2018/09/SavingsCrisis\\_Final.pdf](https://www.nirsonline.org/wp-content/uploads/2018/09/SavingsCrisis_Final.pdf), p. 1.

<sup>35</sup> *Id.*

<sup>36</sup> Oakley, Diane and Kelly Kenneally. “Retirement Insecurity 2019: Americans’ Views on the Retirement Crisis.” *National Institute on Retirement Security*, March 2019, [https://www.nirsonline.org/wp-content/uploads/2019/02/OpinionResearch\\_final-1.pdf](https://www.nirsonline.org/wp-content/uploads/2019/02/OpinionResearch_final-1.pdf), p. 2.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.* at 17.

<sup>39</sup> United States House of Representatives, Committee on Ways & Means, April 2, 2019, “Ways & Means Committee Passes Landmark Retirement Legislation,” <https://waysandmeans.house.gov/media-center/press-releases/ways-means-committee-passes-landmark-retirement-legislation>; See also United States House of Representatives, Committee on Ways & Means, March 29, 2019, “Bipartisan Group of Ways & Means Members Announce Introduction of Landmark Retirement Legislation,” <https://waysandmeans.house.gov/media-center/press-releases/bipartisan-group-ways-means-members-announce-introduction-landmark>.

<sup>40</sup> United States House of Representatives, Committee on Ways & Means, March 13, 2019, “Protecting and Improving Social Security: Benefit Enhancements.”

bipartisan action on Social Security remains elusive. Meanwhile, 43 states have either implemented state-based retirement savings programs for private-sector workers who lack coverage through their employer (11 states), undertaken studies of program options or considered legislation to establish state-facilitated retirement savings programs.<sup>41</sup>

None of this precludes changes to federal retirement benefits. But changes to federal retirement benefits ought not to exacerbate the nation's larger retirement crisis. As current public policy aims to improve retirement security, this Commission should not recommend policies that undermine it for our nation's public servants.

*Policy Options Under Consideration*

The Commission's staff memorandum includes two policy proposals related to federal employee benefits. I will comment on each.

1. ***Staff Recommendation: "Offer newly hired, non-public safety, federal civil service employees the option to select a new, modernized benefit package with fully portable retirement benefits, flexible time off, paid parental leave, and comprehensive disability-income insurance.*** Allow new hires to choose between the current benefits and a new package, of equivalent value, that includes a larger agency contribution to the Thrift Savings Plan, disability-income insurance, paid parental leave, and flexible time off but would not include eligibility for the Federal Employees Retirement System annuity or retiree health care."

This proposal certainly has the potential to improve recruitment and somewhat complies with our suggested principles, but a couple of aspects go too far in risking the income and health security for some federal retirees and could undermine the integrity of the FEHB.

First, the fact that the proposal would only apply prospectively, and as an option to new hires, ensures that the federal government is not breaking promises to its current and past employees. NARFE appreciates the Commission's acknowledgement in this regard.

Second, the fact that the proposal stipulates that the benefits package will be "of equivalent value" ensures that it's not a guise to undermine overall compensation, and instead is a good-faith effort to improve the attractiveness of the compensation package to new hires.

Third, as mentioned above, providing paid parental leave reflects good human resource management. The federal government is behind leading private-sector practice on this benefit, and should catch up as soon as possible.

However, NARFE cannot support eliminating the FERS annuity or retiree health care completely, even as an option. First, new federal hires would be put in the position of making a major decision about their future benefits with limited time and without a full appreciation for

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<https://waysandmeans.house.gov/legislation/hearings/protecting-and-improving-social-security-benefit-enhancements>

<sup>41</sup> Oakley, p. 14.

the value of the competing options. While NARFE promotes choice for federal employees and retirees, this puts too great a burden on young employees to make a major, irreversible decision at the onset of their employment. Second, eliminating federal retiree health benefits for some could undermine the integrity of the FEHB program, as it would change the demographics of the risk pool. An unbalanced risk pool could force premiums up, to the detriment of those remaining in the program.

To the extent the Commission seeks to offer a different retirement benefit to offset the cost of improved benefits in other areas and/or to increase portability, I suggest, at a minimum, it consider maintaining the FERS annuity coverage on a certain amount of salary/pay, such as up to the average federal salary. This would ensure a degree of income security in retirement for all federal employees, while allowing higher paid federal employees – presumably those in the most difficult-to-fill occupations – the flexibility to choose a plan with a greater portable value.

2. ***Staff Recommendation: “Implement a cafeteria plan for certain federal employee benefits.*** Under this approach, grant each employee a fixed agency contribution to divide among certain benefits, such as flexible spending and health savings accounts, and life, dental, vision and disability-income insurance.”

To the extent that this plan is limited to certain benefits, and employees retain benefits of equivalent value, it is worth considering this recommendation. But NARFE would need additional details to fully assess any proposal that would implement this recommendation.

#### *Additional Recommendations and Considerations for Federal Benefits*

##### ***1. Improve Education and Communication Regarding Federal Benefits***

Even as federal retirement benefits play an important role in the recruitment and retention of federal employees, there is an opportunity to amplify that role through better education and communication regarding those benefits. The 2017 Federal Employees Benefits Survey<sup>42</sup> found the following:

- Less than half (48.8 percent) of respondents agreed with the statement: “I understand what benefits are available to me in retirement.” 30 percent either disagreed (23 percent) or strongly disagreed (7 percent), while 21 percent neither agreed nor disagreed.
- Less than half (46.7 percent) of respondents agreed with the statement: “I understand how my retirement benefits will be calculated.” 32 percent either disagreed (24 percent) or strongly disagreed (8 percent), while the remainder neither agreed nor disagreed (21 percent).
- Less than half (46 percent) of respondents agreed with the statement: “I know who to contact if I have questions about my retirement.” 35 percent either disagreed (25 percent)

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<sup>42</sup> FEBS, pp. 20-22.

or strongly disagreed (10 percent), while the remainder neither agreed nor disagreed (19 percent).

These survey results suggest that an improving federal benefits education and communication in both the onboarding process and throughout the career of federal employees could improve their understanding of the federal benefits they are earning. In turn, a better appreciation of those benefits could increase their role in retention. Likewise, agencies could do a better job of communicating the federal benefits they offer to prospective job applicants, which could help recruitment efforts. I encourage the Commission to consider recommendations that would allow agencies to do so.

### ***2. Reduce Employee Contributions***

Today, newly hired federal employees pay 4.4 percent of their salary towards their FERS annuity. Those hired prior to 2013 pay 0.8 percent, and those hired in 2013 pay 3.1 percent. For those who leave service mid-career, the value of their future pension is eroded by inflation and may not even make up for the cost of their contributions if they do not serve at least 20 years.<sup>43</sup> This is especially true for those paying 4.4 percent. The Commission should consider supporting lowering the employee contribution towards FERS annuities, especially if it includes a FERS annuity component in its recommendation for an alternative benefit package.

### ***3. Provide Appropriate Inflation Protection***

Under current law, the cost-of-living adjustment (COLA) to FERS annuities is limited to 2 percent when consumer prices (as measured by the CPI-W) increase between 2 and 3 percent, and reduced by 1 percent when consumer prices increase by 3 percent or more. Without adequate COLAs, FERS retirees will continue to see inflation erode the value of their earned retirement income year after year; yet, that is exactly what COLAs are designed to prevent.

Both CSRS and FERS retirees (and Social Security recipients) already receive COLAs that fail to represent how seniors spend their money. COLAs are currently based on the CPI-W, which measures how urban wage earners and clerical workers under the age of 62 spend their money. Yet, since 1982, the Bureau of Labor Statistics (BLS) has been calculating a consumer price index measuring prices experienced by those 62 years of age or older, called the CPI-E. The CPI-E has shown that prices increase for seniors by 0.2 percent more, on average, than for the population measured by the CPI-W. In other words, seniors' COLAs aren't keeping up with their rising cost of living, in spite of that being what they are designed to do.

The Commission should consider a recommendation to provide a full COLA to FERS annuities based on the CPI-E, especially if it includes a FERS annuity component in its recommendation for an alternative benefit package. It should also consider a recommendation to use the CPI-E to calculate COLAs for all federal retirement options.

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<sup>43</sup> CBO Options, pp.16-17 (see Figure 3).

#### 4. *Closing Thoughts*

The Commission has been debating changes to employee compensation as a means to attract more people to public service. Benefit changes are necessary to attract the kind of talent the federal government needs in the coming years. However, we caution that even an unparalleled benefits package will not drive individuals to serve if we as a nation do not place a value in public service. Why would a recent college graduate even consider entering the ranks of public service knowing that at any given a moment a politician is likely to say on TV that he or she is nothing more than an overpaid, lazy bureaucrat? Or knowing that s/he could be faced with going without a paycheck for weeks at a time while the government remains shut down over partisan bickering? Until we change the narrative surrounding federal service and show our commitment to our public servants, we will never attract top talent.

#### **Recommendations on Attracting and Retaining Public Service Employees**

##### *Increasing Competitiveness of Federal Agencies for Workers with Critical Skills*

The Commission staff memorandum includes a number of proposals to “increase the competitiveness of federal agencies for workers with critical skills.” These proposals aim to directly address the mission-critical skills gap identified by GAO. As the federal government competes with private-sector employers for workers with critical skills in high-demand occupations, such as health care, cybersecurity, IT and STEM fields, it must find ways to attract and train candidates into its fold. Ensuring it can do so should be among the Commission’s highest public service priorities. Each of the staff recommendations are worthy of further consideration by the Commission.

##### *Establishing a New Civil Service Personnel System for Federal Agencies*

The Commission staff recommends to “begin a long-term effort to design and implement a new, government-wide personnel system.” It suggests engaging the “Government Accountability Office, the Office of Management and Budget, and external parties to evaluate incremental changes and demonstration projects and publish recommendations for a new personnel system for federal-agency civil servants.” While there may be political risks in this process, NARFE supports re-evaluating and updating the federal personnel system.

Those entering the civil service in most occupations today enter the same pay and classification system as the generation before them, despite the fact that the federal civil service looks vastly different now. In the 1950s, most federal employees performed clerical or low-level administrative work. Today, most federal employees work in professional and administrative positions, often in highly technical and specialized fields. The General Schedule has not had a major overhaul since it was created in 1949. It is past time to bring the federal service pay system up to speed with its modern workforce and provide an occupation-specific and market-sensitive pay system.

However, this is no easy task, and NARFE implores the Commission to involve all stakeholders before moving forward with any single plan. While the federal personnel system must attract

new employees, it must also retain the employees we have today, ensuring their financial security. Large scale efforts in the past, such as the National Security Personnel System at the Defense Department, have failed for a variety of reasons, but chief among them was lack of buy-in from affected employees and the groups that represent them. Smaller efforts have led to a fragmented civil service where nearly half of employees are no longer covered by the General Schedule, limiting mobility among agencies. NARFE looks forward to continuing this dialogue with the Commission.

*Additional Considerations for Attracting and Retaining Public Service Employees*

In addition to the specific policy options laid out in the staff recommendations, the Commission should consider the following recommendations and principles:

- ***Dedicate Funds to Employee Training.*** The Commission should consider recommending the use of training funds for federal employees and/or agencies, whether individual pots of money per employee (part of an alternative benefit package) or dedicated training funds for each agency. In-service training would not only improve the human capital of the existing workforce, but it could as a recruitment tool for new candidates.
- ***Flexibility.*** Agencies should be given the flexibility to meet their human capital demands. While the Commission should avoid recommendations that would create additional, unnecessary complexity, and uniformity is preferred, the rigidity of a one-size-fits-all approach should not be the cause of a continuing mission-critical skills gap.
- ***Mission Focus and Work-Life Balance.*** While federal agencies may be more limited than their private-sector counterparts in offering the highest salaries and the prospect of substantial financial reward through entrepreneurship, profit-sharing, etc., they may be able to compensate through offering a better work-life balance and mission-focused work. Of course, to attract individuals to the mission of the federal government, we need to do a better job of promoting and valuing public service and ensuring that federal agencies are operating effectively to meet their goals. To promote their mission focus, federal agencies should be provided the funds necessary to do so with a focus on the recruitment of new applicants.
- ***Focus on What Feds Want.*** Prior to altering federal benefits, it would be helpful to gain additional data on what additional benefits are offered by individual agencies (student loan repayment, telework, e.g.), and to what extent they are utilized, which current federal benefits are valued most, and what additional benefits employees would find valuable. OPM could request information from agencies for the first part, and include questions on its FEBS for the second two parts. Having this information could help tailor any changes to federal benefits.

**Recommendations on Improving Hiring**

While this hearing is focused on “Critical Skills and Benefits,” improving the federal hiring process is part of the solution for meeting the mission-critical skills gap and bringing in the next



generation of public servants. For that reason, I will share our general views on the Commission's staff recommendations.

Hiring should be merit-based to prevent the politicization of the civil service. But it should not be as difficult, lengthy and burdensome as to provide a barrier to highly qualified individuals who would otherwise seek federal employment.

As such, the recommendations to (i) improve competitive and noncompetitive hiring processes, (ii) modernize federal civil service hiring preferences, and (iii) build a workforce pipeline from higher education to public service, should all be given adequate consideration. With that said, we are wary of limits on veterans' preferences that would hinder the federal government's leadership in hiring veterans, or fail to recognize of the valuable skills veterans obtaining through their military service.

In addition to our general views on the staff recommendations, NARFE supports the following:

- ***Simplification of civil service laws and regulations.*** We hear consistent criticism of the complexity of the rules and regulations governing the civil service, which makes them time-consuming and difficult to follow and navigate. Basic consolidation and simplification of civil service rules and regulations could go a long way towards improving hiring and other civil service actions.
- ***Increased training for managers and Human Resource (HR) professionals within the federal government, including the development of certification programs.*** Ensuring that the HR offices of the various federal agencies are staffed with professionals who are properly trained with regard to civil service rules and regulations goes hand-in-hand with simplification of those rules and regulations. The goal is to ensure that those tasked with navigating and adhering to the rules and regulations are aware of and able to use the various authorities and tools made available to them. Providing funds for training would help meet this goal.

The staff recommendation to "establish core, required competencies for all HR employees that could be met through a combination of education, experience and training," could be part of this. But NARFE also suggests that the Commission specifically recommend the development of certification programs, whether government-wide or starting with a pilot program, for various HR functions, from hiring processes to performance management and federal benefits expertise demonstrating the ability to fulfill these core competencies.

- ***Organizational and leadership commitment to strategic human capital management.*** While the technical policy options suggested in the staff recommendations could help eliminate regulatory barriers to improvements, a larger organizational commitment to strategic human capital management, starting with agency leadership, would go a long way toward overcoming any remaining barriers and pushing through the ones that exist. The staff recommendation to "base at least 35 percent of Senior Executive Service (SES) and General Schedule (GS) supervisors' performance evaluation upon personnel

management, recruiting, and human capital responsibilities” could help ensure that agency leadership focuses on a commitment to its important strategic human capital responsibilities. Organizational improvement needs to be a valued goal along with the specific mission of the agency. Making this a priority requires a culture change, starting at the top.

### **Conclusion**

There are many challenges facing how our government recruits and retains the next generation of public servants, but they are not insurmountable. These challenges start with the public perception of public service, but also include the ability of our federal government to compete with private-sector employers for individuals with critical skills, and the unique challenges of balancing the value of our merit-based civil service with the cost – in time and opportunity – of the procedures needed to maintain it.

Public perception of public service is not static. Even if the prospect of changing it appears daunting, it is unacceptable to continue allowing public service to be denigrated, disrespected and undervalued. Federal agencies should do what they can to properly address this challenge, and this Commission should promote and encourage it. Those of us who work in this space – in support of public service – must also come together to promote positive messages about public service and challenge misleading characterizations of the dedicated men and women who serve our nation.

Even as the federal government faces the challenge of outdated systems and procedures, the solutions to the problems of attracting, hiring and retaining the best and brightest into the next generation of civil servants are within reach. They will require the commitment of both political leaders and leadership within the civil service. But this Commission has drafted many specific recommendations that will equip federal agencies with the tools and flexibility they need to address the mission-critical skills gap within the government, and NARFE has added its own through this testimony. You have done the important work of identifying solutions and are now doing the equally necessary work of vetting them. Thank you for taking these steps.

I hope the Commission will take into account NARFE’s views, particularly with regard to federal benefits, as it considers the recommendations it will make to Congress. The adoption of the Commission’s recommendations will require both commitment and consensus. From our interactions with the Commission thus far, you have worked towards both of these. I urge you to continue to do so.

Thank you very much for the opportunity to discuss NARFE’s views. I look forward to our future discussions.



**Statement of Anthony M. Reardon, National President  
National Treasury Employees Union**

**Before the  
Subcommittee on Regulatory Affairs and Federal Management  
Senate Committee on Homeland Security and Governmental Affairs**

**On  
“Improving Public Service: A Review of Recommendations Made by the National  
Commission on Military, National, and Public Service”**

**June 23, 2020**

Chairman Lankford and Ranking Member Sinema, thank you for the opportunity to submit this statement to comment on the recommendations of the National Commission on Military, National, and Public Service and discuss how the government can build the most effective workforce, attract skilled and talented individuals, and engage federal employees throughout their careers. As National President of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents 150,000 federal employees across 33 federal agencies.

NTEU very much appreciates the time and effort that the Commission members put into the listening and assessments that resulted in this report. Now, more than ever, our country needs to embrace a “culture of service,” as the Commission states. Unfortunately, the current climate has made government service less appealing to many. Government shutdowns, unnecessary forced relocations and proposed agency closures, disparagement by government leaders who refer to federal employees as bureaucrats or swamp creatures, pay freezes, threatened cuts to employee benefits, elimination of key work-life balance benefits such as telework, and ongoing efforts to roll back employee collective bargaining and due process rights and protections all make it harder to recruit a new generation of civil servants and have led talented federal employees to leave federal service.

With an increasing number of federal employees eligible to retire, agencies must act to improve the recruitment and retention of federal employees. NTEU supports efforts to strengthen the Human Resources (HR) abilities in agencies and to promote their missions and federal service in general. However, we do have some concerns with a number of the recommendations from the commission related to changes to the hiring rules and benefits provided to the federal employees.

**Reform Federal Hiring and Hiring Systems**

NTEU believes in and 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. At the same time, NTEU recognizes that the process used to hire new employees can be onerous. However, in our experience, some of the things that make the process arduous are the complicated extra steps that agencies include in their hiring process due to long-standing practice or fear of future litigation rather than requirements directly tied to the statute. For example, over the years NTEU has had significant concerns about the slow pace of hiring Customs and Border Protection Officers (CBPOs), some of which was due to concerns over how the polygraph test was being administered. While CBP has been making progress in reducing CBPO vacancies, they still struggle with a lack of funding to address staffing shortfalls of approximately 2,200 as identified in their Workload Staffing Model.

Furthermore, despite ongoing congressional efforts to provide additional flexibilities to agencies to improve the hiring process and the time it takes to hire a new employee, agencies rarely use more than a few of the multiple tools available to them. That is why it is critical that any effort to improve the hiring process include sustained and comprehensive training for all agency Human Resources (HR) professionals and opportunities for HR professionals in various agencies, not just the Chief Human Capital Officers, to meet with each other and experts at the Office of Personnel Management (OPM) and share best practices and challenges they are facing.

NTEU also supports the Commission's proposals for agencies to provide clearer job descriptions and applications and the use of advanced assessment tools and proactive recruitment. The federal government must do more to improve recruitment and decrease the time to hire. Focusing on ways to make the process easier to hire prospective candidates and ensure that human resources professionals are trained, work closely with hiring managers, and have access to improved assessment tools is essential. While the recommendation for OPM to provide advanced assessment technology free of charge to other agencies would be popular to many, it is dependent on adequate congressional funding, which is one of the reasons OPM currently charges a fee to agencies for such assistance.

Regarding the proposals to establish and revitalize existing programs to build a pipeline for recent graduates to enter public service, NTEU has concerns about how such programs would be funded. While there is a serious lack of young people entering the federal government, given that federal employees have endured hiring freezes, pay freezes, and cuts to agency budgets for years, it is unclear how the Commission's pipeline programs could sustain funding in this current fiscal climate.

However, NTEU strongly opposes proposals to bypass the competitive hiring process and expand non-competitive selection which risks undermining hiring based on merit. We have strong concerns about the Commission's proposals that would allow agencies to hire former employees without competition who have only served in a limited role, without requiring enhanced skills or limitations on what grade/step the individual could be placed in. Doing so risks violation of merit principles. NTEU also opposes broadening direct hire authority in

situations when there is no shortage of qualified candidates. History has shown agencies to have abused such flexibility and using those programs as the only method of hiring, which undermined veterans' preference and civil service protections. For instance, previous versions of efforts to expand hiring for students and recent graduates (FCIP) were abolished after agencies 1) were found to use it as the almost exclusive means to hire employees due to the ability to avoid veterans' preference rules, 2) so narrowly targeted recruitment that vacancies were hard to find, and 3) used poor evaluation methods for selecting applicants. We fear similar problems with these proposals.

In addition, NTEU opposes provisions allowing agencies to extend term and temporary appointments for substantially longer than allowed under current regulations (2-year temps and 4-year terms respectively). This proposal heightens the risk that agencies will rely even more heavily on these short-term appointments, resulting in a reduction of full-time employees with institutional knowledge. These appointments deprive individuals of any type of job security and the benefits that they deserve. As an employer, the federal government should not be expanding its use of these type of limited employment opportunities that provide no benefits, limited career advancement possibilities, and no standing when an individual in one of these appointments applies for a full-time position. Many agencies have blatantly abused the current term and temp hiring authorities, with some individuals serving for years and years rotating from one temporary position to another without job security and without proper access to benefit programs. The recommendation from the Commission would also allow agency heads to noncompetitively fill a position in the competitive service, without public notice, for no more than 18 months when there is a "critical hiring need." We are concerned that as written, this term is undefined, and the provision does not require implementing regulations. This could result in the term being broadly interpreted by agencies and lead to hiring abuses and lack of uniformity across government. Moreover, disregarding public notice requirements will risk the application of merit-based hiring decisions.

#### **Modernize veteran's preference**

NTEU fully supports the application of veteran's preference in hiring decisions as part of our obligation to help those who have worked so hard to defend our nation and our freedom. However, we are concerned that the Commission's recommendation to give OPM responsibility to determine who qualifies as a veteran's preference eligible may vastly expand who is eligible which would diminish the benefit or severely restrict who is eligible, making it harder for veterans to get hired. In addition, changing the law so that a veteran's preference status can only be used as a tiebreaker or mandating that the preference expires over time would further diminish the protections given to those who have risked their lives for our nation.

#### **Changing Federal Benefits**

NTEU strongly opposes the Commission's recommendation to create a pilot program that would offer a cafeteria plan for certain benefits whereby employees could elect to be covered by the new benefits package instead of the current retirement and health benefit plans. While this may sound like a fair option to provide to federal employees, federal benefits have been under attack for the last ten years and we fear this will lead to an erosion of benefits for employees.

Pensions – a guaranteed income not dependent on the stock market—may not be as popular a benefit for employers in the private sector, but its fall from use is one of the leading contributors to the retirement insecurity in this country. The Federal Employee Retirement System (FERS) was developed in response to calls for more portability and options for investing retirement savings and provides employees with both a smaller annuity and investment in the Thrift Savings Plan (TSP).

Given this is a very popular benefit, NTEU is concerned that proposals to change FERS could impact recruitment and retention. According to the 2017 OPM Federal Benefits Survey, employees expressed that their TSP and FERS/CSRS benefits were extremely important to them (96.1% and 94.2% of respondents respectively). In fact, not only is the availability of a retirement annuity important to employees, the benefit has been shown to play a key role in recruiting and retaining them. In the 2017 survey, 78.3 percent of participants indicated that the availability of a retirement annuity through the FERS or CSRS influenced their decision to take a job with the federal government to a “great” or “moderate” extent, which is more than a six-point increase from the 2015 survey (72.2%). The trend is the same when looking at how FERS/CSRS impact retaining employees, with 87.9 percent of participants indicating that FERS/CSRS influenced their decision to remain with the federal government to a “great” or “moderate” extent, a three-point increase from 2015 (84.5%).

Efforts should be made to protect current benefits rather than reduce them, and to provide additional benefits that will help the federal government be more competitive, such as paid family leave. Continuous efforts to undermine or reduce employee benefits make it harder to recruit and retain talented employees who are committed to federal service.

#### **Develop and Implement a New Personnel System**

NTEU also strongly opposes the Commission’s recommendation to expand demonstration project authority for OPM and test a new personnel system. While we appreciate that it is tempting to throw out the current system and begin anew, overall, we believe that the General Schedule still works well. It provides a merit-based system and transparent policies and protections. It provides greater parity in pay between men and women than the private sector and takes into account the numerous locations where federal employees work and the unique jobs that they perform. While we agree that there are some problems with implementing the current authorities granted to federal agencies to recruit and hire skilled workers, Title 5 does not need to be overhauled to reach those goals. Furthermore, OPM was recently granted the ability to implement additional demonstration projects and it is unclear if they have been used or if others are needed. Given this administration’s efforts to eliminate employee rights and protections and cut employee pay and benefits, NTEU opposes efforts to grant the administration additional broad authority.

Thank you again for the opportunity to share with you our views on the Commission’s recommendations. Although we disagree on several proposals, we all share the same goal of ensuring that the federal government can recruit and retain skilled employees to serve the American people both now and in the future.



*The voice of career federal executives since 1980*

7945 MacArthur Blvd., Suite 201 • Cabin John, MD 20818 • 202.971.3300 • seniorexecs.org

June 22, 2020

The Honorable James Lankford  
Chairman  
Subcommittee on Regulatory Affairs  
& Federal Management  
Washington, DC 20510

The Honorable Kyrsten Sinema  
Ranking Member  
Subcommittee on Regulatory Affairs  
& Federal Management  
Washington, DC 20510

Dear Chairman Lankford, Ranking Member Sinema, and Members of the Subcommittee:

On behalf of the Senior Executives Association (SEA) – which represents the interests of career federal executives in the Senior Executive Service (SES), those in Senior Level (SL), Scientific and Professional (ST) and equivalent positions and other senior career federal leaders – I write to share SEA’s emphatic endorsement of the National Commission on Military, National, and Public Service’s recommendations and an urgent call to action to Congress to act.

In 2019, SEA and a group of university researchers released a report entitled, [Are Declines in U.S. Federal Workforce Capabilities Putting Our Government at Risk of Failing?](#) The report detailed how long-neglected governing institutions faced with multiple crises could fail the American people when they need it most. The COVID-19 pandemic has proved these fears true. The capacity and capabilities of agencies across the federal government – indeed at all levels of government – are a national security concern. Our nation’s public service infrastructure needs a top to bottom overhaul, and we cannot wait for another pandemic, or even a second wave of this one, to make that any more apparent.

SEA collaborated closely with the National Commission on Military, National, and Public Service through its entire process and [wholeheartedly endorses its recommendations](#). We joined other federal managers and good government advocates in an April letter to [Congress and the President](#) to include policies recommended by the National Commission in the National Defense Authorization Act (NDAA) this year. As the Senate brings the NDAA to the floor, SEA reiterates that call to action.

We believe that Congress has all of the evidence it needs about the challenges the public service faces, including the federal workforce. For example, last summer [SEA wrote this committee](#) regarding the need to improve federal hiring and pathways to progress, but none was made. Four years ago, this subcommittee held a [hearing on empowering federal managers](#). The time, and more importantly the need, for more review has long passed. The COVID-19 pandemic has made clear that if we as Americans want our federal government to be responsive to public needs and succeed in the future, Congress must take action now, during the 116<sup>th</sup> Congress, to lay that foundation for success.

Fortunately, the National Commission’s report and recommendations provide a powerful and integrated set of recommendations to revitalize a spirit and culture of service across the nation. While some recommendations require further inquiry by Congress, there are several that SEA believes can have an immediate impact and represent basic best practices which stakeholders have spent years pressuring Congress to consider. The following recommendations should be prioritized by Congress:

- Expand national service programs targeting diverse populations – Recommendation 17A
- Reduce hardship in provision of wraparound services – Recommendation 17B
- Remote participation in Peace Corps volunteer programs – Recommendation 20A
- Increase the use of term and temporary appointments – Recommendation 21F
- Expand use of direct-hire authority – Recommendation 22C
- Standardize and extend noncompetitive eligibility – Recommendation 23B
- Improve the Pathways Internship and Recent Graduate hiring programs – Recommendation 24A
- Pilot new hiring programs for critical skills – Recommendation 24B
- Implement technical correction for direct-hire authority for students and recent graduates – Recommendation 24D
- Streamline and expand fellowship and scholarship programs – Recommendation 24E
- Streamline federal healthcare professional hiring; credential portability – Recommendation 26

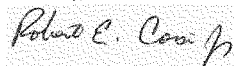
Congress must also take action to spur administrative and agency improvement. Aggressive oversight of agencies will drive continued progress. The National Commission offers many recommendations here, and the following would provide immediate improvements in mission delivery:

- Streamline interagency transfers – Recommendation 21E
- Increase agency use of noncompetitive hiring systems – Recommendation 22A
- Improve communication on use of noncompetitive eligibility (NCE) – Recommendation 22B

Congress this year also received the reports and recommendations from two additional congressionally-chartered Commissions, the National Security Commission on Artificial Intelligence (NSCAI) and the Cyberspace Solarium Commission (CSC). On May 7, these commissions joined the National Commission in a [joint letter to the Armed Services Committees](#) encouraging the committees to advance each of their respective sets of federal and national security workforce recommendations. Disappointingly, too few did, and SEA encourages Senators on this committee to push for their inclusion in the NDAA or other critical legislation. SEA remains hopeful that [bipartisan support](#) for important related proposals such as the Cultivating Opportunity and Response to the Pandemic through Service (CORPS) Act can reach the President's desk.

Congress consistently delays action on civil service modernization, but as our nation's recent challenges lament, the American people need a federal government that functions receptively to their needs. Congress must take steps now to improve public service and strengthen the federal workforce. The war for talent grows more competitive every day, and every year Congress fails to take substantial and comprehensive action, the government loses ground. SEA stands ready to assist in this shared effort. Please contact Jason Briefel ([Jason.Briefel@seniorexecs.org](mailto:Jason.Briefel@seniorexecs.org); 202-971-3300) if the association can provide any further assistance.

Sincerely,



Robert E. Corsi, Jr.  
Interim President





August 3, 2020

The Honorable James Lankford  
Chairman, Subcommittee on Regulatory  
Affairs and Federal Management  
Committee on Homeland Security and  
Governmental Affairs  
United States Senate  
Washington, DC 20510

The Honorable Kyrsten Sinema  
Ranking Member, Subcommittee on  
Regulatory Affairs and Federal Management  
Committee on Homeland Security and  
Governmental Affairs  
United States Senate  
Washington, DC 20510

Dear Chairman Lankford and Ranking Member Sinema:

On behalf of the National Commission on Military, National, and Public Service (the "Commission"), please find enclosed responses to questions for the record submitted to us by Ranking Member Sinema following our testimony at the Subcommittee hearing, "Improving Public Service: A Review of Recommendations Made by the National Commission on Military, National, and Public Service," held on June 23, 2020.

Commissioner Shawn Skelly and I were honored to provide testimony to the Subcommittee hearing focused on public service. Public servants perform a critical role in the functioning of American democracy, but there exist significant barriers to entering public service due to a lack of awareness, aspiration, and access. To address these challenges, broad civil service modernization should be a legislative priority and there need to be changes in the organizational culture of agencies.

We would welcome further opportunity to address any questions the Subcommittee may have. If we can be of further assistance, please have your staff contact our General Counsel, Mr. Paul Lekas, at [Paul.N.Lekas@inspire2serve.gov](mailto:Paul.N.Lekas@inspire2serve.gov). The Commission's last day is September 18, 2020 and we will ensure you have contact information to reach us after that date.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph J. Heck".

Joseph J. Heck  
Chairman  
National Commission on Military, National, and Public Service

**Responses to July 9, 2020 Questions for the Record Submitted by Ranking Member Sinema**

Throughout our responses to the questions for the record (QFR), we make reference to the Commission's final report, *Inspire to Serve*. The report, issued on March 25, 2020 to Congress and the President, is available at [www.inspire2serve.gov/reports](http://www.inspire2serve.gov/reports).

**QFR1.** The Chief Human Capital Officer (CHCO) Council is an important voice to ensure that agency challenges regarding federal hiring, retention, and employee productivity are heard and understood by policymakers in Congress and the Administration. However, there is concern that the CHCO Council and its ideas get hidden behind bureaucracy. What steps should Congress take to ensure the voice of the CHCO Council is heard?

**Response to QFR1.** The Commission recognizes the importance of the existing CHCO Council structure and recommends that the Council play an even stronger role in guiding human capital efforts across the Federal government. Specifically, the Commission recommends that Congress direct the CHCO Council to establish competency standards for HR specialists, including technical knowledge, analytics, and collaborative skills. Although the Commission has not made any recommendations related to the internal structure of the CHCO Council or the reporting lines between the Council and Congress, augmenting the responsibilities of the CHCO Council in the concrete ways we have recommended could serve to amplify its role in human capital oversight within the executive branch.

**QFR2.** The commission report recommends a number of improvements to USA Jobs and the resume process, such as allowing applicants to use shorter resumes. What changes need to be implemented in Human Resource (H.R.) Departments so the use of traditional and shorter resumes could be successfully used in the federal hiring process? Would agencies have to move away from the use of the computer algorithms that currently do an initial review of resumes submitted on USA Jobs and rely more heavily on an initial review by an agency's H.R. department?

**Response to QFR2.** The Commission recommends that Congress appropriate additional funds to each agency to support the adoption and use of advanced assessment tools from OPM or other sources that have been validated by occupational psychologists. These tools do not rely upon keyword searches or self-assessments but do allow for some automation in screening candidates. The Commission is aware of several OPM efforts to provide advanced assessment tools, including USA Hire, but defers to OPM concerning the technical details and recommendation of a specific test.

**QFR3.** The report recommends the need for increased involvement of subject matter experts (SMEs) in hiring. Do you see the role of SMEs in hiring more as a liaison between the hiring office and human resources or as a completely different structure? Can you further outline what you envision? Are there privacy or other concerns that could arise from this overlap and how could those be addressed?

**Response to QFR3.** As noted, the Commission recommends that the President direct agencies to avoid keyword-based resume reviews and self-assessments and instruct the Director of OPM to issue guidance to require agencies to involve hiring managers and subject-matter experts in recruitment, qualification, and assessment. This recommendation reflects the Commission’s belief that the candidate qualification and assessment processes in many Federal agencies are fundamentally flawed and often allow poorly qualified candidates to advance through the hiring process. As we note in our final report, one option that could improve this initial assessment is to include hiring managers and SMEs earlier in the candidate assessment stage (i.e., resume reviews). The Commission believes, as reflected in our final report, that HR generalists currently are left to identify potential candidates using unreliable tools, to include keyword searches, software scoring of résumés, and the answers to self-assessment questions – a tool which many applicants have learned to “game” by marking “expert” on every item, regardless of their actual qualifications, in order to advance in the assessment process. As noted in our final report, these approaches miss applicants with relevant skills and experience that do not lend themselves to an exact keyword match; they also advantage applicants familiar with the process who craft resumes that closely mirror job descriptions. The Implementation Guide contained in Annex B of our final report goes into more detail on the role of hiring managers and SMEs, calling on HR specialists (through OPM guidance) “to collaborate with subject-matter experts to ensure that job descriptions and job announcements use current terminology commonly used within the occupational field, instead of technical terms rooted in classification standards that are not meaningful to applicants.” We do envision SMEs being liaisons and believe that their involvement in the process will improve hiring decisions. We do not foresee any concerns with this approach once agencies adapt to the new procedures.

**QFR4.** In considering the current functions of USA Jobs and future needs to provide more flexibility, were you able to assess the current efforts to update USA Jobs? If yes, do you feel the current activity to modernize USA Jobs will support some of these recommendations? Please provide specific examples of what you feel will contribute to improving hiring and what you feel may hinder or delay efforts to improve hiring.

**Response to QFR4.** The Commission’s recommendations concerning USAJobs broadly fit within three categories: improving connectivity with third-party hiring sites commonly used by America’s best talent; improving the user experience and design of USAJobs; and increasing connectivity between USAJobs and hiring managers. Some Commission recommendations, such as improving connectivity with third-party hiring sites, may require technology changes, though it should be noted, many Federal agencies make use of third-party hiring sites for open positions.

Other “user experience” recommendations simply require Federal agencies to change the way they do business. For example, OPM requiring Federal agencies to draft more straightforward job announcements that are more intelligible for those unfamiliar with Federal personnel systems. As highlighted in the Implementation Guidance contained in Annex B to the final report, the Commission also proposes that OPM issue guidance to agencies indicating best practices for limiting job applications to a resume of no more than two pages, with an optional one-page cover letter, unless a different approach that is competitive with other employers is required for a specific business need. The Commission also proposes that OPM issue guidance

requiring agencies to promptly notify applicants of key milestones during the application process, such as qualification, assessment, and referral to the hiring manager. Agency HR offices would be responsible for the notifications, which should generally occur within one business day of major actions in the hiring process.

Although the Commission is aware of pilot efforts to shorten vacancy announcements and cross-post vacancy announcements on third-party sites, these efforts have not yet fully delivered. Understanding that lack of training on any proposed changes to hiring could lead to delays, the Commission encourages OPM to establish a temporary resource center to train and support agency staff throughout the transition to new job descriptions.

**QFR5.** On the technology front, your report focused on USA Jobs but didn't focus as much as agency internal personnel technology infrastructure broadly. What improvements are needed for that infrastructure to successfully hire and retain a stronger federal workforce?

**Response to QFR5.** Because the Commission's mandate called for legislative and administrative recommendations to increase participation in public service, the Commission endeavored to produce actionable policy recommendations which Congress or agency heads could act upon. Our recommendations purposely focused on the policy level with additional detail outlined in the Implementation Guidance contained in Annex B to the final report. The Commission did not explore or make recommendations regarding specific technology used by agencies for personnel functions.

**QFR6.** The report also mentioned the expanded use of OPM's USA Hire tool. Are there any agencies you reviewed as part of this process that are using this tool well? How can the government use these successes to set a standard for other agencies?

**Response to QFR6.** The Commission would defer to OPM for a more comprehensive answer to this question but will note that OPM cites a number of "success stories" in its online explanation of the USA Hire toolset. These include the Defense Finance and Accounting Service (DFAS), which began using USA Hire standard assessments to quickly assess whether applicants had the necessary technical skills, allowing interviews to focus on soft skills like problem solving, decision making, mathematical reasoning that are difficult to assess using a technical assessment. OPM also cites their work with Customs and Border Protection to transition their agency-developed, high stakes, paper-based testing process to an online proctored process for two of their mission-critical law enforcement occupations: Customs and Border Protection Officer (CBPO) GS-1895 and Border Patrol Agent (BPA) GS-1896.

**QFR7.** Department of Homeland Security (DHS) hiring is a big issue in Arizona. How could better use of the USA Hire tool help improve DHS hiring specifically? And what pitfalls do you see in applying this tool to DHS agencies?

**Response to QFR7.** As mentioned above, OPM has previously worked with DHS agencies to improve hiring processes. We would defer to OPM to comment specifically on any potential pitfalls based on their experience. As a general note, the Commission proposes that OPM issue guidance to advise agencies on how to adopt valid, relevant, advanced assessment tools in the

qualification and assessment processes for positions expected to attract a large volume of applicants, and to establish passing grades for these assessments to help identify a qualified pool of candidates for further assessment and selection. This guidance would apply to DHS as well as other agencies.

**QFR8.** The Commission makes an observation that the General Schedule is a rigid classification and compensation system that constrains the capacity to recruit and retain emerging specialties. How do you suggest approaching the enormous task of updating the General Schedule to reflect the workforce of today? Did the commission consider what type of system should replace the General Schedule. If so, can you share those findings?

**Response to QFR8.** The Commission agrees that updating the General Schedule to reflect the workforce of today is, as you state in the question, an “enormous task.” Recognizing that our Commission could not design a new system given our mandate, time, and resource constraints, the Commission’s final report did provide several near-term recommendations to help guide this effort while also proposing a longer-term solution. In the near-term, the Commission calls on Congress to expand OPM’s demonstration authority to test changes to personnel systems, loosening the time and personnel restrictions as well as enabling OPM to expand demonstrated successes without statutory changes. This would include increasing the time period for demonstration projects from five years to ten years, eliminating the cap on the number of covered employees, and requiring all demonstration projects to be evaluated independently by GAO, OMB, and NAPA every five years. In addition, the Commission recommends that Congress authorize OPM to pilot a new personnel system, covering hiring, classification, compensation, transfer, and promotion, at agencies with a significant number of STEM employees, where the hiring needs are most urgent. For a longer-term fix, the Commission proposes legislation requiring GAO, OMB, and NAPA to publish separate, comprehensive proposals for a new civil service personnel system that would cover classification, hiring, compensation, evaluation, promotion, and any other personnel-related topics the authors deem relevant.

**QFR9.** The report recommended significant changes to federal employee benefits, including consideration of cafeteria-style benefit plans and a pilot program where new employees could pick between traditional benefits and a more portable package. One concern about this approach is that such benefit changes will make federal jobs less attractive over the long-term. How will such benefit changes protect our nation’s ability to attract a qualified federal workforce? Also, some stakeholders worry that a cafeteria-style benefit program inevitably leads to an erosion of federal employee benefits. What is your take on that concern?

**Response to QFR9.** The Commission was specifically tasked with finding ways to encourage more young Americans to enter public service. As we discovered, attracting younger workers into Federal service is challenging for a number of reasons. Americans under the age of 35 constitute about 18 percent of the Federal civilian workforce, compared with 36 percent of the broader economy. As we discuss in our final report, a 2013 survey of college students found that 5.7 percent of respondents identified the Federal Government as their ideal career, while 4.8 percent indicated State or local government—compared to 21.8 percent who chose nonprofit or teaching fields and 36.8 percent who preferred the for-profit sector. This disparity may be due,

at least in part, to the Federal Government's compensation and benefits packages, which are uncompetitive in many occupational fields and unattractive to employees who value career mobility. The existing Federal benefits plan emphasizes deferred compensation and is most valuable for workers who spend most or all of their careers as Federal employees. It is less competitive for workers who seek career mobility, since a substantial portion of retirement benefits are not portable and may have limited value for workers who do not intend to commit their entire careers to Federal employment. The Commission believes that benefit packages must provide flexibility and be better tailored to the needs of the modern workforce, particularly as the Federal Government seeks to attract individuals with skills critical to our nation's defense and welfare.

The Commission has not taken a position on forecasting long-term erosion of federal employee benefits as a result of modernizing the federal benefits program. Our recommendations do, however, include a number of steps to help ensure the competitiveness of any benefits package. These include:

- Creating an advisory committee, with representatives from various stakeholders, that would review and develop recommendations on how to improve and update benefits for Federal civilian employees to meet the needs of the future workforce.
- Proposing legislation to authorize OPM to establish a benefit demonstration project. Up to three agencies could participate in the pilot. Newly hired employees would have the opportunity to choose between the current benefit package and a new option.
- Proposing that OMB, GAO, and the National Academy of Public Administration (NAPA) publish a report to OPM and Congress evaluating the demonstration project and then offering recommendations on a way ahead.

**QFR10.** Critics of direct hire authorities worry that their use leads to less diversity in the workforce. As you developed this report and its recommendations particularly around the Federal workforce and direct hire authorities, did you consider such concerns and whether these recommendations would support a diverse federal work force? If so, what recommendations does the Commission have to improve diversity when using direct hire authorities?

**Response to QFR10.** The Commission recognizes that the competitive hiring system is currently failing to deliver. More than half of all certificates are returned without a hire being made. Agencies now turn to one of a hundred separate hiring authorities dispersed around the government. As a result, in FY2014, less than one-quarter of new hires were brought in through competitive examining. Modernization of the federal personnel system to a modern talent-management system would allow for the uniform application of procedures designed to promote diversity across the government. Although the Commission did not recommend specific mechanisms of promoting direct hire diversity, the Commission recognizes the prevalence of practices such as removing names, photos, and other personal information that have not taken hold across the federal hiring system.

**QFR11.** Arizona has a significant amount of rural lands. As you reviewed and developed recommendations to improve Federal hiring efforts, how did you consider issues of attracting a geographically diverse workforce? Do you feel the commission's recommendations apply to

urban, suburban, and rural areas, or do we need different strategies for different types of communities?

**Response to QFR11.** The Commission's review considered the needs of American communities and forms of service across urban, suburban, and rural areas, and the Commission made its recommendations with the entire country in mind.

**QFR12.** To follow-up on the conversation and recommendations regarding veterans preference, to what degree was the Commission able to look across agencies at how veterans preference is applied now and consider whether inconsistencies in application across the agencies might contribute to some of the concerns we've heard from agencies regarding veterans' preference resulting in unqualified applicants being prioritized for hire? If so, what are the commission's recommendations to overcome these challenges?

**Response to QFR12.** The Commission's research examined hiring processes and trends at multiple Federal agencies as well as discussions with human resources officials who have worked at multiple agencies. With respect to the challenges deriving from application of the current veterans' preference, our research indicates that problems are perceived across the Federal government. The Commission's recommendations do call for additional training for HR officials in general, but we believe that the core problems with how veterans' preference is currently utilized are a result of the existing law rather than inconsistencies in how the laws are applied. As a result, we recommend changes to existing law that our outlined in our Implementation Guidance, including:

- Amending 5 U.S.C. §§ 3313 and 3319 to specify the application of veterans' preference in ranked list and alternative selection (category rating) procedures as a tiebreaker between equally qualified candidates. This would mean that preference-eligible candidates would receive preference within the quality category to which they were originally assessed and would no longer be moved to a higher quality category on the basis of preference.
- Amending 5 U.S.C. § 2108 to provide veterans' preference only to applicants who have not obtained a permanent competitive service position, and to Federal employees who are within two years of their first use of veterans' preference.