

II. FEDERAL WORKFORCE MANAGEMENT - 2010

We are facing a pivotal time in American history when the need for the federal government to provide services that assist and protect the American public could not be more present. The budget deficit continues to grow at record levels as federal managers are asked to do more with less. While they still perform admirably, there are many changes that could strengthen their ability to offer the best services to the American people.

In order for federal managers to be fully successful in their efforts to lead the civil service forward in the 21st century, Congress and the Administration must afford managers and supervisors the tools and resources to recruit, retain and train a talented and knowledgeable federal workforce. With more than half of the government's workers eligible for retirement within the next few years, bold steps must be taken to ensure the civil service contains the proper mix of managers, rank-and-file employees and senior executives to fulfill each agency's mission. Arbitrary downsizing and outsourcing without proper mission analysis only hurts front-line supervisors' ability to manage at all, much less manage effectively.

FMA makes the following recommendations based on our belief that providing talented managers with fair benefits and compensation, as well as the authority and flexibility to make tough decisions, is the key to managing a successful and strong civil service.

SUMMARY OF FMA LEGISLATIVE RECOMMENDATIONS

- 1. Congress should pass legislation, S. 674, to establish initial and ongoing mandatory training requirements for all supervisors across the federal government.**
- 2. Congress should not allow continuing resolutions to become standard by which it operates, and all appropriations bills should be passed in a timely manner.**
- 3. Congress should pass legislation to provide tax-free student loan repayments to federal employees in an effort to recruit and retain a highly skilled civil service workforce.**
- 4. Congress should act to reform the current General Schedule (GS) pay system to prevent federal employees from continuing to hit the pay cap.**
- 5. Congress should continue to oversee agencies' usage of new management tools and should approve legislation to facilitate the recruitment and retention of talented employees, including the Telework Enhancement Act, S. 707.**
- 6. Congress should pass legislation that permanently ends the Federal Prison Industries' (FPI) mandatory-sourcing status across the federal government.**



MANDATE AND PROPERLY FUND INITIAL AND ONGOING TRAINING FOR MANAGERS

Congress should support S. 674, legislation which would establish initial and ongoing mandatory training requirements for all supervisors across the federal government.

Current law requires agencies to establish training programs for managers and supervisors focusing on how to address poor performing employees, enhance mentoring skills and conduct accurate performance appraisals. However, there is no obligation for managers to participate, and when budgets are tight these discretionary programs are often the first to have their funding cut.

Supervisory training can no longer be viewed as an expendable program. The President emphasized the need for enhanced supervisory training in his *Fiscal Year 2011 Budget of the U.S. Government*, and the Office of Personnel Management has reinforced its commitment to advancing managerial training through recently released regulations.¹ For federal agencies to remain competitive, effective and efficient, these programs need to be made mandatory. By establishing a mandatory initial training program and ongoing training series every three years, the entire workforce benefits from enhanced supervision and improved leadership. Funding these programs in the appropriations process is essential to preventing training dollars from being cut when budgets are tight.

FMA supports legislation, S. 674, introduced by Senator Daniel Akaka (D-Haw.), which would require agencies to provide supervisors with training on various management topics, including mentorship, career development, prohibited personnel practices and collective bargaining rights, among others. Similar legislation introduced in the 110th Congress passed the Senate Homeland Security and Governmental Affairs Committee in June 2007. FMA urges Congress to continue working on this important legislation.

PREVENT CONTINUING RESOLUTIONS FROM BECOMING STANDARD OPERATION

Congress must end its reliance on continuing resolutions which cripple managers' ability to effectively administer the programs lawmakers create and on which the American public depends.

The President and Congress have tasked managers, supervisors and employees of the federal government with greater responsibility than ever before, yet agencies are unable to provide these civil servants with the resources necessary to achieve their missions due to inaction during the appropriations process. Enormous stress is placed on federal programs across government when Congress relies on continuing resolutions as agencies are financially handcuffed, unable to hire and train the staff required to handle the rising workloads.

Continuing resolutions force managers and supervisors to focus more on short-term operations and less on their core missions, impeding efficiency and ultimately costing the government, and by extension American taxpayers, more money in the long run. Additionally, the continued reliance on continuing resolutions inhibits agencies' abilities to anticipate funding levels and allocate resources in an appropriate fashion to boost productivity and the delivery of services. Providing agencies with timely and adequate budgets is the only course of action to avoid such challenges.

This is of particular concern in an election year as Members of Congress direct greater attention on campaigns in their home states. FMA urges Congress to identify agency needs early in the appropriations process to ensure swift passage of all funding measures.

¹ Office of Personnel Management, *Training; Supervisory, Management, and Executive Development*, Federal Register Vol. 74, No. 236



SUPPORT A TAX-FREE STUDENT LOAN REPAYMENT PROGRAM

Congress should pass legislation to provide tax-free student loan repayments to federal employees in an effort to recruit and retain a highly skilled civil service workforce.

Human capital loss will continue to plague the federal workforce for the foreseeable future, but agency officials have identified student loan repayment as an effective recruitment and retention tool that would help attract high-performing employees. A recent survey documenting calendar year 2008 revealed that less than half of the 80 agencies reporting participated in the student loan repayment program; however, nearly \$51 million in student loan repayment benefits were paid out to over 6,800 employees, an average of \$7,511 per recipient.² However, this benefit is considered income for tax purposes.

According to a recent survey of third-year law school students by the Partnership for Public Service, Equal Justice Works, and the National Association for Law Placement, law school debt prevented two-thirds of student respondents from considering a public interest or government job.³ An average of 66 percent of undergraduates and 69 percent of graduate students leave school with student loans, totaling over \$23,000 and \$40,000, respectively.⁴

Authorizing the federal government to offer potential new members of the workforce a way to pay down their student loans would attract more highly talented employees to federal service. FMA supports legislation introduced in the 110th Congress, S. 1047/H.R. 2363, which would amend the tax code to allow federal student loan reimbursements to be excluded as income, and urges the 111th Congress to support similar measures.

REFORM THE GS SYSTEM TO PROTECT THOSE SUBJECT TO THE PAY CAP

Congress should act to reform the current General Schedule (GS) pay system to prevent federal employees from continuing to hit the pay cap.

The GS pay system is divided into 15 grades based on the complexity of work, with each grade divided into 10 steps. Annual pay adjustments for GS employees are governed by the Federal Employees Pay Comparability Act (FEPCA), P.L. 101-509. In addition to the annual pay raise approved by Congress, GS employees also receive any applicable locality pay in areas where federal pay rates lag far behind private sector salaries. There are currently 31 such areas. By law, GS employees' base pay cannot exceed the Executive Level V pay and base pay plus locality pay cannot exceed Executive Level IV.

Since 2007, GS employees in high locality pay areas such as San Francisco and Washington, D.C. have reached the Executive Level IV pay cap. Roughly 9,150 federal employees in at least eleven geographic areas hit the pay cap in 2009. Since GS pay raises are by law equal to or larger than the Executive Level raises, combined with the fact that Executive Level employees do not receive locality pay, this problem will continue to grow exponentially in the coming years, affecting more GS employees in lower grades as time passes. Additionally, non-GS employees in agencies with alternative personnel systems are subject to the GS pay scale caps despite the fact they do not operate under the General Schedule.

We at FMA recognize that simply removing the cap would de-link federal employee salaries from that of the Executive Level and would also be detrimental to the recruitment efforts of the Senior Executive Service. We are committed to working with Members of Congress to remedy this situation and reach a beneficial solution for all.

² Office of Personnel Management, *Federal Student Loan Repayment Program Report to Congress Calendar Year 2008*

³ Partnership For Public Service Web site: www.ourpublicservice.org

⁴ FinAid, www.finaid.org



MONITOR FEDERAL AGENCY IMPLEMENTATION AND USAGE OF AUTHORIZED MANAGEMENT FLEXIBILITIES

Congress should continue to oversee agencies' usage of management tools and approve legislation to facilitate the recruitment and retention of talented employees.

As the federal government faces a human capital crisis created by decades of poor succession planning and inadequate leadership development, Congress authorized new flexibilities for managers to aid them in carrying out the missions of federal agencies as well as to overcome the retirement wave they are currently confronting. However, more needs to be done to address workforce concerns facing the civil service.

FMA applauds ratification of the Federal Workforce Flexibility Act, P.L. 108-411, in the 108th Congress which seeks to increase managerial flexibilities by providing managers with several tools to recruit and retain the best and the brightest. The Office of Personnel Management recently released regulations enforcing these flexibilities.⁵

Congress should continue to monitor and improve federal agency participation in telework programs in order to promote a dynamic and flexible federal workforce. Managers across the board view balance of work and life, as well as the impact on employee recruitment and retention, as the major motivational factors in enrolling in a telecommuting program. Utilization of telework programs is necessary for the federal government to compete with the private sector for talented employees.

FMA applauds introduction of the Telework Enhancement Act, S. 707, introduced by Senator Daniel Akaka (D-Haw.), which would expand telework opportunities within federal agencies. We urge Congress to play a stronger role in ensuring these flexibilities are used by federal agencies and that OPM is providing the proper tools for agencies to implement them.

CODIFY THE ELIMINATION OF FPI'S MANDATORY-SOURCING STATUS

Congress should pass legislation that permanently ends the Federal Prison Industries' (FPI) mandatory-sourcing status across the federal government.

For too long, federal managers and supervisors responsible for the purchasing of goods and services have been forced to spend taxpayer dollars on products provided by the Federal Prison Industries (FPI), regardless of whether the transaction represents the best return on public dollars. In the 109th Congress, the House of Representatives approved H.R. 2965 to end the mandatory-sourcing status of FPI and allow government agencies to acquire procurement goods and services through a competitive sourcing process. No action was taken in the Senate.

Additionally, in the fiscal year 2005 appropriations process, Congress approved a provision in the Consolidated Appropriations Bill (P.L. 108-447) to end the mandatory-sourcing status of FPI and allow government agencies to acquire goods and services through a competitive sourcing process. This allowed the federal government to make the best use of taxpayer dollars in receiving quality procurement products in a timely manner. However, as this was agreed to within an appropriations measure, it was not codified into public law. As of 2002, Congress ended the practice of mandatory sourcing in the Department of Defense, but the rest of the government is still required to procure goods and services from an unreliable FPI. FMA supports the passage of a similar authorization measure in the 111th Congress.

⁵ Office of Personnel Management, *Training; Supervisory, Management, and Executive Development*, Federal Register Vol. 74, No. 236