I. FEDERAL WORKFORCE MANAGEMENT - 2016

In 2015, the Partnership for Public Service analyzed the Office of Personnel Management's annual Federal Employee Viewpoint Survey and found that overall satisfaction among the federal workforce increased by just over one percent. While this seems minimal, this is the first time in four years the survey showed any increase in employee satisfaction. The Partnership accounts this increase due to greater employee engagement and improved labor and front line management relations throughout federal departments and agencies. Though the federal government continues to struggle to meet the demands of the American public while facing restricted resources to meet congressionally-mandated missions and goals, it is imperative that managers and supervisors are given the necessary tools to empower themselves and their employees to create a more efficient and effective federal government. The Federal Managers Association (FMA) calls upon Members of Congress to work to provide a viable and sustainable federal workforce.

As the oldest and largest organization representing the men and women of the civil service charged with managing federal agency and department efforts, FMA assists our elected leaders in meeting the challenges facing not only the federal government, but our nation as a whole. Federal managers, supervisors, and executives understand the demands placed on federal agencies continue to be great, while the allocation of resources to realize missions is limited. Because of this, it is critical lawmakers equip federal workforce leaders with tools and flexibilities that will enable agencies to operate in the most efficient and effective manner possible. FMA is committed to working with Members of Congress from both sides of the aisle to promote these commonsense initiatives and deliver on the promise to provide American taxpayers with unparalleled service.

SUMMARY OF FMA LEGISLATIVE RECOMMENDATIONS

1. **To ensure the American public receives the services upon which they rely on a daily basis, Congress must end sequestration and grant federal agencies and departments flexibility to meet budgetary constraints.**

2. **Congress should pass all appropriations funding bills in a timely manner.**

3. **Congress should pass legislation to allow federal agencies the flexibility to start the one-year probationary period after initial training is completed.**

4. **Congress should pass legislation to establish and fund initial and ongoing mandatory training requirements for all managers and supervisors across the federal government.**

5. **Congress should reform the current Federal Employees' Compensation Act (FECA) benefits structure to reduce the burden on agency budgets.**

6. **Congress and the Office of Personnel Management (OPM) should require all federal agencies to integrate succession planning into their strategic plans.**

ELIMINATE SEQUESTRATION AND PROVIDE AGENCIES BUDGETARY FLEXIBILITY

To maintain the level of service the American people expect and deserve, Congress must end sequestration and provide funding to allow agencies to execute their missions, and the staffing necessary to carry out those missions effectively.

Members of Congress from both sides of the aisle have vocally denounced the poor policy of sequestration and the blind, draconian budget cuts it requires. However, no action was taken within Congress, and sequestration took effect in 2013, forcing several federal departments and agencies to furlough members of the workforce due to financial restraints. As a result, federal employees strained not only to meet congressionally-mandated missions and goals on limited budgets, but also to meet personal financial demands caused by furloughs. These effects will continue to negatively impact the federal government if Congress continues to fail to act.

While the Bipartisan Budget Plan (P.L. 114-74) delayed sequestration, Members of Congress cannot depend on deferring these cuts as it causes instability throughout the federal government. It is imperative lawmakers understand that continuing across-the-board discretionary spending and workforce cuts will impede managers' ability to properly meet budgetary needs. Sequestration does nothing but prevent federal agencies from fulfilling congressionally-mandated missions and goals and delay the services American taxpayers have demonstrated an increasing reliance upon in the current economic environment. Continuing sequestration will further hamper job satisfaction, federal employees' ability to meet goals, and potentially create a hollow workforce.

FMA urges lawmakers to eliminate sequestration, noted publicly as flawed policy that severely jeopardizes the federal government's ability to respond to the needs of the American public. FMA recommends Congress evaluate federal agencies' missions on a case-by-case basis and determine which individual objectives will be continued. Agency heads should then be charged to determine the types of critical skills required to fulfill these objectives and the number of employees needed.

PROVIDE AGENCY FUNDING REFLECTIVE OF MISSION IN A TIMELY FASHION

Congress should provide adequate funding in a timely manner to allow agencies to procure the resources and staffing levels necessary to execute their assignments.

If Congress is sincere in its commitment to provide American taxpayers with federal services in an efficient and cost-effective manner, lawmakers must navigate the annual appropriations process in a timely fashion. Federal agencies are unable to provide managers and supervisors the resources necessary to achieve their missions when Congress delays passage of comprehensive spending bills.

Enormous stress is placed on federal programs when continuing resolutions, instead of traditional appropriations measures, are used to fund operations. Agencies are handcuffed from obtaining the necessary resources required to handle rising workloads. Budget uncertainty forces managers and supervisors to focus more on short-term operations and less on their core missions, impeding efficiency and ultimately costing the government and American taxpayers more money in the long run. The recent reliance on continuing resolutions, including the omnibus funding bill passed in December

2015 to fund the remainder of Fiscal Year 2016, inhibits agencies' abilities to anticipate funding levels and allocate resources in an effective fashion to boost productivity and the delivery of services. Providing agencies with timely and adequate budgets is the only course of action to prevent these avoidable challenges.

In the event that Congress does not pass appropriations measures prior to the beginning of the new fiscal year, Congress should ensure that services are provided to the public and that federal employees are paid for work performed or missed due to shutdown or furlough.

ALLOW AGENCIES TO EXTEND THE PROBATIONARY PERIOD

Congress should provide federal agencies the flexibility to start the one-year probationary period after initial training is completed.

Many federal agencies employ labor forces requiring specialized, technical skills to carry out their duties. New employees must often master broad and complex procedures and policies to meet their agencies' missions, necessitating several months of formal training followed by long periods of on-the-job instruction. To ensure each manager and supervisor oversees a workforce that exhibits the abilities required to execute its objectives, lawmakers must afford federal agencies the latitude to extend the probationary period beyond the current length of only one year.

In occupations where training takes substantial time, supervisors may only have a few months of work to judge employees' performance. By providing a probationary period that begins after initial training is complete, supervisors will be able to fully assess employees' abilities. The current economic environment requires agencies to take on greater responsibility while receiving fewer resources, and it is critical that members of the federal workforce prove they are up to the challenge of serving the interests of the American public.

Members of Congress saw fit to extend the probationary period to two years for Department of Defense employees as part of the 2016 National Defense Authorization Act. In January 2016, the House Oversight and Government Reform Committee approved legislation, H.R. 3023, that would extend the probationary period to two years following completion of training. While FMA sees these reform efforts as steps in the right direction, FMA will work with Members of Congress to develop a probationary period that recognizes the complexities of federal agencies' training periods.

MANDATE AND FUND FEDERAL SUPERVISORY TRAINING PROGRAMS

Congress should pass legislation establishing initial and ongoing mandatory training requirements for all managers and 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 requirement for managers to participate in these training programs, and when budgets are tight these discretionary programs are often the first to see their funding cut.

Studies have shown that agencies often promote individuals to managerial status based on technical prowess, but then fail to develop their supervisory and leadership skills. In doing so, agencies severely jeopardize their capability to achieve their missions. The development of managerial skills is one of the greatest investments an agency can make, both in terms of productivity gains and the retention of valuable employees. Following the scandal within the Department of Veterans Affairs (VA) that brought to light falsified patient wait times and improper care, it was noted that if managers better knew how to address poor performers and encourage efficiency and effectiveness throughout the VA, many of these problems could have been avoided.

An agency's ability to meet its mission directly correlates to the quality of workforce management. There is a clear need for training if a manager is to be fully successful. If an agency promotes an individual to managerial status based on technical prowess but then fails to develop the individual's supervisory skills, that agency severely jeopardizes its capability to deliver the level of service the American public expects and does a disservice to both the manager and to the employees supervised by that inadequately developed manager.

FMA endorsed legislation introduced in the 112th Congress, H.R. 1492/S. 790, requiring agencies to provide supervisors with training on various management topics, including mentorship, career development, prohibited personnel practices, and collective bargaining rights. FMA has worked with a bipartisan group of Senators on a draft of similar legislation and testified on its importance before the Senate Homeland Security and Governmental Affairs Subcommittee on Regulatory Affairs and Federal Management in 2015. FMA urges Congress to introduce and approve it in the second session of the 114th Congress.

REFORM THE FEDERAL EMPLOYEES' COMPENSATION ACT BENEFITS STRUCTURE

Congress should reform the current Federal Employees' Compensation Act (FECA) structure to ensure payments are made in a responsible manner without placing an undue burden on federal agencies.

Costs associated with the current Federal Employees' Compensation Act (FECA) are a significant concern to federal agencies. In 2010, program costs exceeded \$2.7 billion, according to the Department of Labor (DOL). Although FECA is administered by the DOL's Office of Workers' Compensation, disbursements for an injured or disabled employee are charged back to an agency's salary and expense account. This charge-back provision, instituted to make agencies accountable for safety, has led many managers to see their rapidly downsizing budgets further tapped to pay for long-term disability cases.

Employees under FECA receive 75 percent of their salary (66 2/3 percent for those who have no dependents) tax-free. As such, FECA income can exceed the injured employee's previous salary, reducing the incentive to return to work. FECA benefits continue after the employee would have otherwise been eligible for retirement, at a continuing cost to the agency, and these benefits frequently exceed retirement pensions. In 2011, more than 65 percent of FECA recipients were at least 55 years old. Because of these costs, in Fiscal Years 2012-2014, the President's budget proposals included reforms to FECA, lowering the rate of compensation and reducing benefits at retirement age to encourage switching to a federal retirement plan.

In the 114th Congress, FMA calls upon elected leaders to reduce the FECA benefit from 75 percent to 66 2/3 percent of income for all beneficiaries, as well as establish a FECA retirement program. Senator Tom Carper (D-DE) included several important FECA reform provisions in the Improving Postal Operations, Service, and Transparency (iPOST) Act (S. 2051) introduced in 2015. Meanwhile, the House Education and Workforce Committee held a hearing on commonsense FECA reforms in May 2015 and in the 113th Congress the House of Representatives unanimously passed the changes with the Federal Workers' Compensation Modernization and Improvement Act (H.R. 2465). FMA urges Members of Congress to continue to push for these reforms in the 114th Congress.

INTEGRATE SUCCESSION PLANNING INTO STRATEGIC PLANS

Congress and the Office of Personnel Management should require all federal agencies to integrate succession planning into their strategic plans.

Retirement applications will continue to increase over the next several years, as a recent Government Accountability Office report projected more than a third of career federal employees will be eligible to collect their end-of-career benefits by September 2017. However, at departments such as Commerce, Housing and Urban Development, Labor, and Treasury, more than 30 percent of employees are eligible for retirement while 58 percent of Senior Executives Service and 45 percent of GS-15s will be eligible, putting the federal government at a leadership deficit. Given this forecast, preparation for the mass exodus of talent is critical to the stability of human capital operations in the public sector. There is a large gap of mid-career federal employees prepared for senior leadership roles. It is necessary for all federal agencies and departments to fully address strategic human capital management in order to defend against the loss of institutional knowledge and the failure to identify and prepare mid-career federal employees to assume senior leadership positions.

Failing to prepare with succession planning will have a negative impact on the continuity of operations within federal departments and intelligence communities; hinder counterterrorism efforts; cause a deterioration of service to the public; increase overall federal workforce costs; and, compromise national security. Agencies largely turn to contractors to fill knowledge gaps when key federal personnel leave an agency. However, studies report that it costs on average 1.83 times more to employ a contractor than a federal employee, and inhibits transfer of knowledge to federal employees who will take on management roles.

To ensure that agencies effectively meet their missions, FMA encourages agencies to follow a two-prong approach to integrate succession planning into its strategic plan. First, agencies should develop replacement strategies and identify staffing needs to project and plan for key losses. Secondly, agencies should invest in critical leadership training earlier in a high performer's career, at the GS-9 level. A commitment and focus on succession planning will reduce end costs for agencies while increasing the efficiency of the federal government.