

Richard G. Thissen
National President



Jon Dowie
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U.S. Senate Committee on Homeland Security and Governmental Affairs
Subcommittee on Regulatory Affairs and Federal Management (RAFM)
601 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Lankford and Ranking Member Heitkamp,

As the Homeland Security and Governmental Affairs Subcommittee on Regulatory Affairs and Federal Management debates modernizing the federal civil service system, the National Active and Retired Federal Employees Association (NARFE) wishes to share its views and concerns with you. Thank you for providing us an opportunity to do so, and for holding this important hearing.

Those entering the civil service today in most occupations enter the same pay and classification system as the generation before us, despite the fact that the federal civil service looks vastly different today. In the 1950s, 70 percent of federal employees performed clerical or low-level administrative work.¹ Today, nearly two-thirds of federal employees work in professional and administrative positions, often in highly technical and specialized fields. There hasn't been a major overhaul of the General Schedule since it was created in 1949. It is past time to bring the federal service pay system up to speed with its modern workforce.

The need for modernization manifests itself in one key statistic – less than 7 percent of today's professional federal workforce is under age 30. Federal service is unattractive to many younger workers for a variety of reasons, which are examined below. However, for those who do find public service appealing, the lengthy and complicated hiring process, which is focused on key words instead of human qualities, often discourages, and sometimes prevents, them from joining the federal workforce.

There is another element to this, and that is the treatment federal employees receive from their "Board of Directors" – Congress. The Federal Employee Viewpoint Survey has revealed a drop in employee morale over the past several years. As you know, federal employees had their pay frozen for three years and have received very small pay raises (1 percent) the past two years. Given this reality, the morale decline is not surprising. But the pay issue doesn't tell the full story. Federal employees are unjustifiably treated as Congress' punching bag and piggy bank. For the past four years, federal employees have faced unprecedented threats to their pay and benefits, resulting in a loss of \$120 billion as they paid for deficit reduction, sequestration and

¹ *Building the Enterprise: A New Civil Service Framework*, Partnership for Public Service, available at: <http://ourpublicservice.org/publications/viewcontentdetails.php?id=18>.

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other congressional priorities. Most recently, the House fiscal year 2016 budget resolution included \$318 billion in cuts to the pay and benefits of the federal community. If you were a job seeker fresh out of college, would you enter the civil service, knowing how little regard Congress has for its workforce?

The time for change is now, but it will not be easy. Varying viewpoints in Congress about the role of government in our country, as well as the perpetual debate over federal compensation, could easily derail meaningful reform. But you are in a unique position to help shape the discussion and keep Congress on track. Thank you for taking on this enormous responsibility.

For your consideration, NARFE offers the following principles that the Association considers important to move the federal civil service into the 21st Century:

- **Occupation-specific and market-sensitive pay system for professional and administrative jobs.** The adequacy of federal employee compensation has been the subject of several studies and lengthy debate. While we could continue that debate here, we do not believe this is the place, as it would blur a key element of reform: determining federal pay based on market pay for specific occupations rather than generalized and inaccurate averages for an occupationally diverse workforce. Doctors, lawyers, engineers and other highly specialized employees within the federal government are compensated at a rate far lower than their private-sector counterparts. Their desire to serve their country should not be a trade-off with their paychecks.
- **Performance-based pay adjustments.** Compensation must match job performance. Where is the incentive to go above and beyond when pay raises are tied to the will of Congress? Pay-for-performance has been attempted before and failed, for a variety of reasons. However, managers and supervisors should be held accountable for drawing meaningful distinctions in performance among employees and be given the authority to reward them accordingly.
- **Mandatory and properly funded managerial training.** Regardless of the federal civil service system that is in place, employees need to operate and work within its structure. Managerial training would improve the operation of any personnel system, including the current one. First, without training, managers may not be familiar with the rules and procedures they should follow to perform their jobs effectively. Second, personnel management requires skills and tasks unfamiliar to non-managers promoted to supervisory roles. Proper training should improve their ability to become proficient in their new roles. Effective managers create a harmonious environment, and happy employees typically are more productive. NARFE echoes the call for legislation that requires agencies to invest in meaningful managerial training.
- **Greater opportunities for promotion and advancement without attaching managerial responsibilities.** As noted above, personnel management requires its own

skill set. Yet the current system often promotes individuals into supervisory roles based on superior technical abilities. For example, some highly skilled doctors, lawyers or engineers may not be the best suited for managerial responsibilities; but their only path to promotion and higher pay is by taking on those responsibilities. There should be room for promotion and pay raises based on superior technical and subject-matter expertise, regardless of level of managerial responsibility. NARFE supports the Partnership for Public Service's proposal to allow experts in their field to advance without taking on supervisory skills for which they are not capable or in which they are not interested.

- **A simplified and streamlined hiring process that expands the role of federal managers.** The complexity and length of the federal hiring process are impediments to recruiting the best and brightest applicants. Qualified prospects may not even bother applying, or often are hired elsewhere before the federal application process runs its course. Furthermore, while preserving merit-based hiring is crucial to maintaining a merit-based system, federal managers ought to have a greater role in choosing the right person to fit the job and should be held accountable for their hiring decisions. The current system relies too often on imprecise key words and rating systems that may provide a better indication of a candidate's knowledge of the federal hiring process than their qualifications for the job.
- **Limiting the number of political appointees, and preserving the merit-based civil service.** Political appointees are hired, at least in part, based on political considerations, rather than entirely on their ability to perform the job proficiently. Recent attempts to limit merit-system due process protections, or remove them entirely, seem to ignore this country's troubled history of corruption and political favoritism that resulted from nonexistent or inadequate procedural protections. Merit-based hiring and firing, and the due process that accompanies these actions, exist primarily to preserve the integrity of a merit-based civil service, even as they protect individual employees as well. We need fewer political appointees, not more. Similarly, at-will employment for federal employees would simply mean a more politicized civil service, with all the predictable and unsavory consequences that would result.
- **Adequate succession planning across government.** For too long, federal agencies have remained unprepared for the retirement wave that is taking shape. More than 50 percent of senior leaders and lower-level managers are eligible, or soon will be eligible, to retire at several federal agencies. Hiring freezes, or near-hiring freezes, will make replacing these individuals much more difficult, from the standpoint of both the internal and external pools from which to choose. NARFE is concerned that agencies are unprepared for the mass exodus that eventually will take place within every agency in the federal government. We encourage Congress to hold agencies more accountable for succession planning to ensure continuity of operations and reduce costs, whether it be through proper onboarding procedures or ensuring contractors are not hired simply to fill gaps.

Finally, the country needs a fundamental change in the way Congress treats federal budgets. Across-the-board cuts only serve to require employees to have to do more with less. Workloads remain the same. You cannot have an effective civil service without first asking one essential question: What do we want from our federal government? Without examining this, even the best designed civil service will fail, particularly in this era of arbitrary budget cuts.

Thank you for your consideration of our views. Should you have any questions or would like to discuss this further, please contact NARFE's Legislative Director Jessica Klement at jklement@narfe.org or 703-838-7760.

Sincerely,

A handwritten signature in cursive script that reads "Richard Thissen".

Richard G. Thissen
National President

CC: Members of the Subcommittee on Regulatory Affairs and Federal Management (RAFM)