



Testimony of

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**House Committee on Oversight and Reform
Subcommittee on Government Operations**

“NextGen Feds: Recruiting the Next Generation of Public Servants”

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Chairman Connolly, Ranking Member Meadows and members of the Subcommittee, thank you for allowing NTEU to share its thoughts on 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 NTEU, I represent 150,000 federal employees in 33 agencies and I appreciate the opportunity to discuss these important issues before the Subcommittee.

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. NTEU also 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. 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 onerous 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 3,300 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. 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 and share best practices and challenges they are facing.

Proposals to ensure that hiring managers and subject-matter experts are part of the hiring process from the beginning and requiring part of a supervisor's performance evaluation to be based on personnel management, recruiting, hiring, and human capital responsibilities also have merit and can help in reducing the time to hire.

However, NTEU remains concerned with proposals to expand noncompetitive eligibility for groups of individuals. History has shown that agencies have abused such flexibility; using these programs as the only method of hiring, which undermined veterans' preference and civil service protections. Sweeping exemptions to hiring rules and regulations are extremely concerning as it could undermine the very principles that ensures that the civil service is non-partisan, based on merit, and reflects the citizenry it serves.

IMPACTS ON RECRUITMENT AND RETENTION

Despite the challenges in onboarding, changes to the hiring process will be of little help if the government cannot recruit and retain talented individuals. 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.

For example, a recent report by the Permanent Subcommittee on Investigations of the Senate Homeland Security and Governmental Affairs Committee noted that in the last five years, repeated government shutdowns cost taxpayers nearly \$4 billion. However, the cost is not simply based on the denial of government services -- some agencies reported an impact on their ability to hire new employees due to the shutdown. According to media reports, students, including those with critical science and technical skills who were considering jobs at federal agencies, were rethinking their career paths after the shutdown. And in January, according to a survey of 1,940 government workers affected by the shutdown who were using ZipRecruiter to look for work, 67 percent said the shutdown made them consider leaving government employment to seek work in the private sector and 89 percent of those looking for work said the shutdown was causing them a significant financial hardship. As Congress and the administration work to finalize spending agreements for Fiscal Year (FY) 2020, we urge them to keep this in mind and prevent another government shutdown.

Furthermore, the most recent Employee Viewpoint Survey results show a drop in employee engagement scores, nearly 15 points below that of the private sector. Importantly, employee engagement is an outcome that depends on the actions of an organization, particularly the actions

driven by leadership, managers, and those responsible for recruitment, onboarding, and other human resources functions. The extent to which employees feel passionate about their jobs and are committed to the organization has a direct link to the ability of agencies to recruit and retain skilled employees, improve performance, and meet their missions. When the Acting White House Chief of Staff talks about forced relocations as a measure to “drain the swamp” and remove employees, employees do not feel that their agency leaders and the administration support them. This is no way to effectively recruit and retain skilled employees.

PAY

Federal employee pay also plays a role in the government’s ability to attract top talent. Unfortunately, according to the President’s Pay Agent, years of below-market pay raises and pay freezes have increased the pay disparity between the federal government and the private sector to 32.71 percent, despite a 1990 federal law aimed at reducing the pay gap to 5 percent. This has a significant impact. While many federal employees believe in government service and agency mission is often listed as the number one reason they work for the federal government, massive pay disparities with the private sector undermine efforts to recruit and retain skilled individuals who are drawn to public service.

While the President’s FY 2020 Budget Request called for another pay freeze, NTEU is pleased that the President has reversed course and has now proposed a 2.6 percent pay increase for federal workers in 2020. This amount is equal to that called for under the Federal Employee Pay Comparability Act prior to any amount being provided for locality pay rates. However, by failing to provide an additional amount for locality pay, high-cost areas, where the pay disparity is greatest, will have more difficulty in recruiting and retaining skilled workers. Federal employees, like all other Americans, face rising food, utility, college, and health care costs. NTEU supports the FAIR Act (S. 426 and H.R. 1073), introduced by Chairman Connolly and Senator Brian Schatz (D-HI), providing employees a 3.6 percent pay increase for 2020 as well as section 747 of the House-passed Financial Services and General Government Appropriations Act for Fiscal Year 2020, H.R. 3351, which would provide an average 3.1 percent increase comprised of a 2.6 percent across-the-board raise with 0.5 percent for locality pay, that would provide parity with the amount to be provided to the military. It is critical that federal employees, and their families, receive a fair pay raise in 2020.

Adding to employees’ concerns over pay are the Administration’s proposals to slow the frequency of within grade step increases and limit the distribution of awards. In its Fiscal Year 2020 Budget Request, the Administration announced plans to issue guidance to agencies to change the way they allocate performance awards so that they are given to their most critical employees with the best performance instead of to all employees, regardless of occupation, that perform outstanding work. By focusing on the “most critical employees” for pay increases, we fear that agencies will focus on high demand skill sets, but ignore critical jobs needed to make agencies work. Employees in all jobs, at every level, are critical to an agency’s success and by denying opportunities for awards and pay increases, agencies risk an increase in the number of career federal employees who leave the government and take their institutional knowledge with them. A pay system that limits compensation to randomly-selected occupations will prohibit

agencies from executing a whole-of-government approach to operations and will threaten agency performance and adversely impact recruiting and retention.

BENEFITS

The Administration's budget proposal includes a number of proposals to cut federal employee and retiree benefits that, if adopted, would exacerbate the existing hiring and retention challenges. Once again, federal employees are being asked to pay for unrelated funding decisions by paying more for their benefits while simultaneously reducing the value of those benefits. NTEU opposes proposals that would negatively impact federal employee retirement benefits, including proposals to: (1) significantly increase Federal Employee Retirement System (FERS) employee contributions by about 1 percentage point each year until they equal the agency contribution rate, resulting in a 6 percent pay cut for most employees (2) base future Civil Service Retirement System (CSRS) and FERS retirement benefits on the average of the high five years of salary instead of the current high three, thereby lowering the value of the benefit (3) eliminate the FERS supplement which approximates the value of Social Security benefits for those who retire before age 62, including for those who must retire early due to their law enforcement work (4) eliminate the annual cost of living adjustments (COLA) for the pensions of current and future FERS retirees and significantly reducing the COLA for the pensions of current and future CSRS retirees by about 0.5 percent annually, and (5) reduce the G Fund interest rate under the Thrift Savings Plan (TSP), thereby lowering the value of this TSP option.

The average federal employee cannot absorb the six to seven percent pay cut most would receive with the increased retirement contributions and annuitants need their COLA to keep up with the cost of living when on a fixed income. Federal employees are predominantly middleclass workers who cannot afford a retirement benefit that fails to keep up with inflation and will require them to work long into their senior years.

NTEU also opposes the Administration's proposal to change the Federal Employees Health Benefits Program (FEHBP) by significantly modifying the government contribution rate by tying it to each plan's performance rating. For many FEHBP enrollees, this will mean that the government's overall contribution rate will be lower than it is now, requiring enrollees to pay significantly higher premiums. Such a change will force employees to drop coverage or move to cheaper plans that provide less coverage and fail to meet the health care needs of their families.

According to the 2017 OPM Federal Benefits Survey, employees expressed that their TSP, FERS/CSRS and FEHBP benefits were extremely important to them (96.1%,94.2% and 90.6% 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%).

The FEHBP also has a significant impact on recruitment and retention. In 2017, 71.2 percent of survey respondents reported that the availability of health insurance through the FEHBP influenced their decision to take a federal job to a “moderate” or “great” extent, while 80.9 percent of respondents reported that the availability of health insurance through the FEHBP influences their decision to stay with their job to a “moderate” or “great extent.”

Another important tool to recruit and retain federal employees is the promise of a student loan forgiveness program. The Public Service Loan Forgiveness Program (PSLF), established in 2007 to attract talented people into government service, forgives federal student loans for borrowers who are employed full-time (more than 30 hours per week) in an eligible federal, state or local public service or 501(c)(3) non-profit job who make 120 eligible on-time payments over ten years. The program was developed to provide an incentive for people to work in the public sector where salaries are lower and the demand is greater. If workers do not have such an incentive to take a lower-paying job, some experts worry that the gap between the rural and urban communities and other low-income areas will continue to increase. In addition, the federal government will lose its ability to attract lawyers and scientists and other professionals who may want to join the civil service but can’t afford to because of student debt.

Federal employees, among other public-sector employees, were supposed to have benefitted from this program, which has attracted many individuals in recent years with the hope of affording higher-education while choosing a career with a federal agency. In fact, nearly 750,000 borrowers have completed an employee certification form for the program. However, recent reports show that many federal workers who tried to have their loans forgiven at the end of the program were denied by the Department of Education due to misinformation. And at the same time the President’s Budget Request for FY 2020 once again proposes to completely eliminate the program. Congress already acted once to try to help ensure eligible employees receive this important benefit and NTEU asks that you once again step in and require the Education Department to properly administer the program and ensure the promised benefits are given to these employees.

Given the popularity of these critical benefits, efforts to reduce them will have a significant impact on the ability of the federal government to recruit and retain skilled workers and NTEU urges Congress to oppose such efforts.

LEAVE AND WORK-LIFE BALANCE

A robust paid leave program helps to attract top talent and reduce turnover. Paid leave programs impact engagement because the benefit helps employees feel they’re being supported and valued by the employer. That engagement is expressed through hard work, which improves productivity. That is one of the many reasons NTEU opposes the Administration’s proposal to convert paid federal holidays, earned sick and annual leave days into general ‘paid time off’ and reduce the total number of leave days.

Last year, the Office of Personnel Management (OPM) produced a report touting the benefits of work-life programs, including telework and work schedule flexibilities. It found that 83 percent of federal employees report their job and personal life and/or family life interfere with each other to some extent. Also, approximately 1 out of every 3 employees report having little to no flexibility to take time off during the workday to handle personal or family matters (28%); manage their work schedule to manage personal needs (24%); and use alternative work schedules to manage personal/family responsibility (32%). At the same time nearly all employees expressed the desire to use one or more work-life programs.

One of the key flexibilities currently available to federal workers is telework. According to OPM's findings in a 2018 work-life survey, employees that telework are more likely to exceed performance standards. In addition, the two most important reasons employees choose to telework are to minimize distractions (67%) and improve productivity (64%), resulting in improved morale (83%), better stress management (77%), increased desire to stay at current agency (76%), and other outcomes that benefit both employees and agencies. That is why the increase in the number of agencies looking to cut telework programs is so troubling and counter-productive.

NTEU recently surveyed more than 1,600 bargaining unit employees across the Department of Health and Human Services (HHS) about the recent cuts to telework. Of those surveyed five out of six said reducing or eliminating telework would be a factor in deciding to leave HHS and more than half said that reducing or eliminating telework would result in increased time and cost of commuting, reduced productivity and an insufficient number of work stations. According to OPM, managers recognize the benefits of telework, but lack the competencies to effectively manage the performance of teleworkers. If this is the reason for the increased reduction in telework, agencies should invest in more training for managers in this area instead of cutting back on this critical program.

Mr. Chairman, the bill you introduced last Congress, the Telework Metrics and Cost Savings Act, H.R. 6551, would go a long way to help reverse this troubling trend. The bill would improve agency efforts to establish and achieve goals for telework participation, improve the achievement, tracking, and reporting of telework cost savings, prevent changes to telework policies that reduce agency telework participation, and prevent backtracking on the progress the government has made in increasing telework participation. The bill would prohibit actions like those taken at the Department of Education, the Department of Agriculture, and HHS. NTEU appreciates your efforts on this legislation and your help in keeping this important flexibility available to federal workers.

Even with telework and flexible work schedules, a critical component missing from the current list of workplace flexibilities is paid family leave. There is a growing consensus across the country that paid leave is a necessity for today's families. Most of the top corporations in the U.S. offer paid family leave, and even the military has realized the benefits of such a policy. Paid family leave is a win-win for employees and employers. Employees are allowed time to bond with their new child or address care-giving issues, while agencies get an employee who returns to the workplace instead of having the expense of hiring and training a new employee. In

addition, a paid leave program would allow the federal government to operate and compete as a modern-day employer instead of losing talent to other employers offering this important benefit.

NTEU fully supports expanding federal employee leave benefits and supports the Federal Employee Paid Leave Act, H.R. 1534 and S. 1174, led by Representative Carolyn Maloney (D-NY) and Senator Schatz, which would provide 12 weeks of paid Family Medical Leave Act leave to care for a new child or a critically ill family member. This summer, the House passed this bill as sections 1121-1126 of the National Defense Authorization Act, H.R. 2500. Few employees can go weeks without pay and no one should be forced to choose between caring for a loved one and a paycheck. We ask this Committee's help in ensuring that the paid leave provision for federal employees is in the final version of the NDAA.

RIGHTS AND PROTECTIONS

Federal law clearly states that the right of employees to organize, bargain collectively, and participate through labor organizations in decisions which affect them safeguards the public interest and contributes to the effective conduct of public business. Front-line employees and their union representatives have ideas and information that are essential to improving the delivery of quality government services to the public and through the collective bargaining process and the use of pre-decisional involvement, employees can have meaningful input resulting in better quality decision-making, more support for decisions, timelier implementation, and better results for the American people. It is important that these rights are maintained and employees continue to have a voice in their workplace.

However, the Administration has engaged in an all-out assault on employee rights and protections—ignoring requirements to bargain in good faith, gutting collective bargaining agreements, imposing one-sided contracts, undermining employees' rights in the grievance process, giving greater deference to agency management in disputes, and eliminating opportunities for employees to have a voice in their places of work. NTEU also opposes all efforts to roll back the limited rights provided to federal labor unions, including limits on our ability to represent employees to ensure they are treated fairly and have a voice in the workplace. Such changes eliminate opportunities for employees to feel engaged and comfortable working with their agency leaders, thereby impacting retention.

Moreover, we oppose changes to employee due process rights, such as shortening the length of certain notice and response periods, limiting the ability of the Merit Systems Protection Board to mitigate penalties, and providing agencies with additional flexibility to use longer probationary periods, making those employees essentially at-will. These efforts can be used to intimidate workers into silence out of fear of retaliation for disclosing waste, fraud, and abuse.

Imposing anti-worker policies that eliminate fair and equitable treatment and instead creates a culture of fear and mistrust is no way to attract and retain talented workers. That is why NTEU is supporting the Federal Labor-Management Partnership Act, H.R. 1316 and S. 530, introduced by Chairman Elijah Cummings (D-MD) and Senator Schatz, which would reinstate the National Labor Relations Council and agency-level forums disbanded by Executive Order 13812, issued by the President in September 2017. The Council and agency forums allow frontline employees

to share their perspective and the reality on the ground with agency leadership and be more engaged in their workplaces. NTEU is also strongly supporting section 749 of the House-passed Financial Services and General Government Appropriations Act for 2020, H.R. 3351, that would ensure that collective bargaining agreements are mutually agreed to by both parties. We deeply appreciate the leadership of Representative Jamie Raskin (D-MD) who, along with 217 other members of the House, including many on this committee, recently sent a letter to House leadership in support of workers' rights and these important provisions.

CONCLUSION

Thank you again for the opportunity to share my views with you. Ensuring that the federal government is able to recruit and retain the best and brightest is essential for all Americans. However, recent proposals by this administration will only frustrate efforts to reach this goal and make the government less competitive for the critical talent it needs. If the federal government wants to compete with the private sector for skilled employees, I urge this Subcommittee to reject these anti-worker proposals and ensure employees are provided fair pay and benefits and fair treatment in their workplaces.