

## **I. FEDERAL WORKFORCE MANAGEMENT - 2011**

In his 2011 State of the Union address, the President declared that the federal government must embark on a significant reorganization effort in order to align agency services with the evolving needs of the American public. To achieve this objective, the Administration and Congress must strike a delicate balance between ensuring that the nation's taxpayers receive the support and programs they require and providing those services in a cost-effective manner.

As the leading organization representing the men and women of the civil service charged with managing federal agency and department efforts, the Federal Managers Association (FMA) is prepared to assist our elected leaders in addressing this challenge head on. Federal managers, supervisors and executives understand that, given the current economic climate, the demands placed on federal agencies will be great while the allocation of resources to realize missions will be limited. In this fiscally-focused environment, 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.

Below are FMA's legislative recommendations aimed at providing managers and supervisors the necessary resources to maintain a strong civil service and improve the nation's welfare. We are 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. Congress should pass legislation to establish initial and ongoing mandatory training requirements for all supervisors across the federal government.**
- 2. Congress should provide adequate funding to allow agencies to procure the resources and staffing levels necessary to serve the American public based on each agency's established mission.**
- 3. Congress should pass all appropriations bills in a timely manner, enabling federal agencies to provide the American public consistent service throughout the year.**
- 4. Congress should pass legislation allowing federal agencies to extend the probationary period for employees entering the civil service to two years.**
- 5. Congress should reform the current Federal Employees' Compensation Act (FECA) benefits structure to reduce the burden on agency budgets.**
- 6. Congress should permanently end the Federal Prison Industries' (FPI) mandatory-sourcing status across the federal government.**
- 7. To recruit and retain a highly skilled civil service workforce, Congress should pass legislation to provide tax-free student loan repayments to federal employees.**



## **MANDATE AND FUND INITIAL AND ONGOING SUPERVISORY TRAINING PROGRAMS**

***Congress should support legislation which would establish 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 obligation for managers to participate, and when budgets are tight these discretionary programs are often the first to see their funding cut.

An agency's ability to meet its mission directly correlates to the quality of workforce management. 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. 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 deliver the level of service the American public expects. By establishing a mandatory initial training program and ongoing training series, the entire workforce benefits from enhanced supervision and improved leadership.

FMA endorsed legislation introduced in the 111<sup>th</sup> Congress by Representative Jim Moran (D-Va.) and Senator Daniel Akaka (D-Haw.), H.R. 5522/S. 674, respectively, which would require agencies to provide supervisors with training on various management topics, including mentorship, career development, prohibited personnel practices and collective bargaining rights. FMA supports reintroduction of managerial training legislation and urges Congress to approve the measure during the 112<sup>th</sup> Congress.

## **PROVIDE AGENCY FUNDING REFLECTIVE OF DETERMINED MISSION**

***To improve the federal government's effectiveness, Congress should determine each federal agency's ongoing mission and provide adequate funding to allow agencies to procure the resources and staffing levels necessary to execute their assignments.***

Both the Administration and Members of Congress have made clear they intend to reduce discretionary spending, reduce the number of civil servants, and/or enforce federal furloughs in the near term to help combat the nation's ballooning federal deficit. Throughout this effort, it is imperative lawmakers understand that enacting across the board discretionary spending cuts will prevent federal agencies from delivering the services American taxpayers have demonstrated an increasing reliance upon in the current economic environment. Maintaining the present level of service under the "do more with less" directive is unsustainable.

FMA urges lawmakers to oppose toxic proposals such as federal furloughs or broad arbitrary workforce cuts which, on top of spending reduction efforts, constitute flawed policy that will severely jeopardize the federal government's ability to respond to the needs of the American public. History has demonstrated the disastrous consequences of pursuing these strategies, yet lawmakers have once again introduced legislation to furlough civil servants (H.R. 270) and enact government-wide cuts (H.R. 235, H.R. 408/S. 178, H.R. 657). FMA recommends Congress evaluate federal agencies' missions on a case-by-case basis to determine individual objectives, then appropriate funds that will allow managers and supervisors to implement appointed tasks.

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**ENSURE TIMELY PASSAGE OF APPROPRIATIONS TO SUPPORT MISSION EXECUTION**

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

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 fund operations, as agencies are financially handcuffed from obtaining the necessary resources required to handle 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 ongoing reliance on continuing resolutions 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 avoid such challenges.

**ALLOW AGENCIES TO EXTEND THE PROBATIONARY PERIOD FOR NEW EMPLOYEES**

***Congress should provide federal agencies the flexibility to extend employees' probationary periods to two years, allowing managers and supervisors to thoroughly evaluate their workers' skills and abilities.***

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 only have a few months of work on which to judge employees' performance. Extending the probationary period to two years improves supervisors' assessments and allows employees more time to display capabilities. 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. FMA is committed to working with Members of Congress to craft legislation that would allow for an extension of the probationary period.

**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.***

FECA costs 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 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 2006, over 60 percent of FECA recipients were at least 55 years old.

FMA makes the following suggestions for legislative FECA reform:

- Reduce the FECA benefit from 75 percent to 66 2/3 percent of income for all beneficiaries;
- Establish a FECA retirement program; and,
- Base benefit increases on employee pay adjustments, not the Consumer Price Index (CPI).

### **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 purchasing 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. For all contracts exceeding \$2500, federal agencies must purchase procurement goods from FPI. In the 109<sup>th</sup> 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; however, the measure has yet to advance further.

Additionally, Congress approved a provision in the fiscal year 2005 Consolidated Appropriations Bill (P.L. 108-447) to end FPI's mandatory-sourcing status, which 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 from the unreliable and expensive FPI. FMA encourages the 112<sup>th</sup> Congress to permanently end this practice.

### **SUPPORT A TAX-FREE STUDENT LOAN REPAYMENT PROGRAM**

*To recruit and retain a highly-skilled federal workforce, Congress should pass legislation to provide tax-free student loan repayments to civil servants.*

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, but nearly \$51 million in student loan repayment benefits were paid out to over 6,800 employees, an average of \$7,511 per recipient. Unfortunately for recipients, this benefit is considered income for tax purposes. 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.

Authorizing the federal government to offer new members of the workforce a way to pay down their student loans would attract more highly-talented employees to federal service. Legislation to this end was introduced in previous congresses (H.R. 2363/S. 1047 in the 110<sup>th</sup> Congress), and FMA supports action in the 112<sup>th</sup> Congress to allow federal student loan reimbursements to be excluded as income.