

## *Advocating Excellence in Public Service*

1. Congress should preserve due process for all federal employees.
2. Congress should prevent a pay freeze in 2019 and protect federal employees' health and retirement benefits.
3. Congress should pass all appropriations bills in a timely manner.
4. Congress should pass legislation to allow federal agencies the flexibility to extend the probationary period for employees entering the civil service to two years from date of hire.
5. Congress should pass legislation to establish and fund initial and ongoing mandatory training requirements for all managers and supervisors across the federal government.
6. Congress should allow Federal Employees Retirement System (FERS) employees to make deposits for non-deduction federal service performed, in the same manner as Civil Service Retirement System (CSRS) employees and former military personnel.
7. Congress should take affirmative steps to protect seniors from undue increases to Medicare Part B premiums and deductibles.
8. Congress should reinstate pre-November 2014 funding levels for Department of Defense per diem allowances and lodging stipends for those on temporary duty assignments longer than thirty days.
9. Congress should allow federal employees who serve in the Reserves the ability to enroll in Tricare Select.
10. Congress should support combat zone tax parity for federal employees.
11. Congress should conduct constructive, bipartisan oversight of OMB's agency reorganization plans and ensure agencies have the resources and workforce to accomplish their missions.
12. Congress should authorize capital investments across the federal government to restore and modernize facilities to meet their operational needs.
13. Congress should pass meaningful hiring and restructuring reforms to allow agencies to better compete with the private sector.
14. Congress should invest in mitigating cybersecurity vulnerabilities stemming from the 2015 OPM data breach.

## **1. PROTECT DUE PROCESS FOR ALL FEDERAL EMPLOYEES**

*To prevent a return to the spoils system, Congress must not eliminate or erode due process for federal employees.*

- **Any infringement, limitation or elimination of due process puts employees in the unjust position of being able to lose their job without proper cause, creates a strained relationship between labor and management, and makes federal positions less competitive.**
- **FMA opposes legislation that would eliminate or erode the right to due process.**

A federal employee's right to due process is fundamental and constitutional, and Congress must not take steps to eliminate or erode this right. In *Cleveland Board of Education v. Loudermill*, 470 U.S. 532 (1985), the Supreme Court held that the Constitution guarantees that if there must be a cause to remove a public employee from his or her job, then there is automatically a due process requirement to establish that the cause has been met.

Regrettably, the Department of Veterans Affairs Accountability and Whistleblower Protection Act of 2017 (P.L. 115-41), signed into law in June 2017, has significantly eroded due process and appeals rights for all federal employees in that department. The legislation dramatically reduces an employee's ability to appeal a decision that would deprive that employee of their job and salary. Preventing an employee from understanding charges against them or preparing a meaningful defense undermines an employee's due process and is wrong. At the same time, limiting the number of days to process an action may result in findings of legal insufficiency and no action being taken, rather than taking the necessary time to resolve any documentary issues. Many in Congress are working to extend the same attacks on due process across the federal government, and President Trump called for it in his State of the Union address on January 30, 2018. Further, legislation introduced in the 115<sup>th</sup> Congress would make all new federal employees at-will employees, essentially returning public service to a spoils system where the civil service becomes politicized.

This does not mean every employee should be retained. As with any population, there may be good and bad employees, and employees who are not suited for the position they occupy. Managers have an obligation to ensure that employees are terminated for the right reasons: unacceptable conduct or performance that cannot be corrected in another way.

The current system, as written in statute, is not broken. However, it is not always being used as it was intended. Current statute only requires a minimum 30-day notice period from the date the proposal to remove or demote is issued to the employee until the effective date of action. This is not an unreasonable period of time to decide whether or not to terminate an individual's employment. According to the Merit Systems Protection Board, more than 77,000 full-time, permanent, federal employees were terminated as a result of performance or conduct issues between Fiscal Year 2000 and FY 2014. FMA opposes legislative efforts to arbitrarily reduce or eliminate due process for federal employees across the government.

## **2. RETURN TO ANNUAL CALCULATION OF CIVIL SERVICE PAY ADJUSTMENTS AND PROTECT BENEFITS**

*To attract and retain the best and brightest to public service, Congress must stabilize the pay and benefits structure of federal employees.*

- **Congress must prevent an across-the-board pay freeze in 2019.**
- **Rising salaries and budgets of the public sector are not the cause of economic hardships in this country, rather, federal employees contribute more than their fair share of taxes paid despite making up less than two percent of the country's workforce.**
- **FMA is against any arbitrary cut by Congress to the federal pay and benefits structure, which would greatly affect feds morale and competitiveness with the private sector.**

In its Fiscal Year 2019 budget request, the Trump Administration is seeking a pay freeze for all federal employees in 2019. FMA staunchly opposes this and ardently supports legislation introduced by Rep. Gerry Connolly (D-VA) and Sen. Brian Schatz (D-HI), the Federal Adjustment of Income Rates (FAIR) Act (H.R. 4775 / S. 2295), which would provide a 3.0 percent pay raise in 2019. While we note the President has proposed an interagency fund in an effort to advance pay-for-performance, until we see greater detail FMA will continue to call for a judicious pay raise for federal employees.

While acknowledging the economic challenges facing American families in all walks of life across the country, FMA firmly believes that any discussion concerning federal employee pay and compensation should center on the formulaic process employed by the Bureau of Labor Statistics to determine annual salary adjustment recommendations. In 1990, Congress created the Federal Employees Pay Comparability Act (FEPCA), providing a modest, annual across-the-board pay increase and locality pay adjustment. Utilizing FEPCA, the pay raise is determined by the change in the Employment Cost Index minus 0.5 percent. FMA understands the demands placed on our economy, however, the nation's record debt is not the result of rising or exorbitant federal employee salaries, and claims to the contrary are false. According to an October 2016 Federal Salary Council report, federal workers on average earn more than 34 percent less than private-sector counterparts.

Since 2011, federal employees contributed more than \$185 billion to deficit reduction, despite making up less than one percent of the nation's population. In recent years, Congress targeted the pensions of new hires as a means to rein in spending, increasing employees' contributions without improving upon pension benefits or increasing the government's contribution. More troubling are proposals to change retirement benefits for existing employees and retirees, as included in President Trump's budget request. This would amount to nothing more than a broken promise, and a tax on federal employees and annuitants and must not be considered.

Decreases to take-home pay negatively impacts recruitment and retention of dedicated men and women in public service and further deteriorates morale. FMA members will continue to do their part to help our country restore its financial standing, but steps to reduce spending should not be unduly carried by civil servants.

### **3. 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 missions.*

- **Too often, Congress passes continuing resolutions rather than full funding through regular order.**
- **These continuing resolutions force agencies to focus on short-term operations rather than long-term goals because they are unable to obtain the resources and staffing required that only comes through traditional appropriations.**
- **FMA implores Congress to stop using the appropriations process and government shutdowns as a political tool, stop passing continuing resolutions and pass appropriations in a timely, steady fashion.**

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 inhibits agencies' abilities to anticipate funding levels and allocate resources in an effective fashion to boost productivity and the delivery of services. Fiscal Year 2018 funding relied on a continuing resolution deep into the second quarter, and even saw two lapses resulting in brief government shutdowns. Providing agencies with timely and adequate budgets is the only course of action to prevent these avoidable challenges.

Further, FMA reminds Congress that delaying appropriations and flirting with government shutdowns results in egregious costs and waste. It takes significant time and resources for agencies to prepare for a potential shutdown, when they should be fulfilling agency missions.

Finally, 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.

#### 4. ALLOW AGENCIES TO EXTEND THE PROBATIONARY PERIOD

*Congress should pass legislation to allow federal agencies the flexibility to extend the probationary period for employees entering the civil service to two years from date of hire.*

- **Many of the jobs that exist within the federal workforce require specialized, technical training that continues past the current one-year probationary period.**
- **This puts federal managers in a tenuous position of assessing employees' abilities often when they have only been in the position for a few weeks or have not started in the position at all.**
- **FMA urges Congress to extend the probationary period to two years from date of hire to empower managers to make a decision on their employees with more information at their disposal.**

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. A longer probationary period allows supervisors 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.

FMA applauded Congress' action to extend the probationary period to two years from date of hire for Department of Defense (DOD) employees as part of the 2016 National Defense Authorization Act. In November 2017, the House of Representatives approved the EQUALS Act (H.R. 4182), which would extend the probationary period to two years following completion of training. FMA supported H.R. 4182 and welcomed its passage in the House, but prefers extending the DOD model across the rest of the federal government. Some in the U.S. Senate have signaled support for that effort, as well. FMA urges Congress to bring other agencies in line with the Department of Defense, the largest employer in the country, and develop a probationary period that recognizes the complexities of federal agencies' training periods.

## **5. 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 allows managerial training throughout the federal workforce to be among the first to be eliminated when facing a lean budget.**
- **Studies show that many federal employees are promoted to managerial positions based on their technical performance and lack the soft, managerial skills needed for their expanded positions.**
- **FMA calls for legislation establishing mandatory training programs across the federal workforce focusing on certain aspects such as management topics, including mentorship, career development, prohibited personnel practices, and collective bargaining rights.**

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 those 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. Too often, 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 then 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 112<sup>th</sup> 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. More recently, FMA endorsed the Federal Supervisor Training Act of 2016 (S. 3528), offered by Sen. Heidi Heitkamp in the 114<sup>th</sup> Congress. FMA urges Congress to introduce and approve similar legislation in the 115<sup>th</sup> Congress.

## **6. ALLOW ALL FEDS TO MAKE DEPOSITS FOR NON-DEDUCTION SERVICE**

*Congress should allow Federal Employees Retirement System (FERS) employees to make deposits for non-deduction service performed, in the same manner as Civil Service Retirement System (CSRS) employees and former military personnel.*

- **Currently, a Federal Employee Retirement System (FERS) employee can make a deposit for non-deduction service performed before January 1, 1989, and receive credit toward his or her annuity computation, yet non-deduction service performed on or after January 1, 1989, generally is not creditable under FERS for any purpose.**
- **FMA encourages legislation to correct this inequality and allow FERS, FERS-Revised Annuity Employee (RAE), and FERS-Further Reduced Annuity Employee (FRAE) employees to make deposits for non-deduction service performed in the same manner as CSRS employees.**

Under the Civil Service Retirement System (CSRS), non-deduction civilian service performed after September 30, 1982, is creditable for retirement annuity computation purposes, other than average salary, only if the employee pays a deposit for that service. Service on or before September 30, 1982, is creditable for annuity computation without a deposit; however, 10 percent of the deposit owed will be permanently deducted from the annual annuity.

Currently, a Federal Employee Retirement System (FERS) employee may make a deposit for non-deduction service performed before January 1, 1989, and receive credit toward his or her annuity computation; however, non-deduction service performed on or after January 1, 1989, generally is not creditable under FERS for any purpose.

Rep. Derek Kilmer (D-WA) has draft legislation that would allow current employees to buy back years served as temporary employees to credit toward their retirement. If passed, the legislation would require the employee to cover the employee contribution of 1.3 percent of base pay for each year, plus interest, and the government's contribution (over 15 percent of base pay). Further, the bill will require OPM to notify HR professionals to promulgate regulations and to notify eligible employees. The bill is currently being reviewed by the Congressional Budget Office to determine its score. FMA urges support for this legislation.

## 7. PROTECT MEDICARE PART B PREMIUMS AND DEDUCTIBLES

*Congress should take steps to protect seniors, people with disabilities and their families from increases to Medicare Part B premiums and deductibles.*

- **In November 2016, Medicare Part B premiums rose by more than \$12 per month for 30 percent of beneficiaries due to a 0.3 percent cost-of-living adjustment for 2017 that triggers the hold harmless provision in the Social Security Act.**
- **FMA calls on lawmakers to protect beneficiaries and extend the protections of the SSA “hold harmless” provision to all beneficiaries.**

The Centers for Medicare and Medicaid Services (CMS) announced in November 2016 that Medicare Part B premiums would rise by more than \$12 per month for 30 percent of beneficiaries. FMA joined AARP and more than 75 other organizations in calling for Congress to mitigate these projected increases and take steps to prevent this from being an ongoing issue in future years.

Congress worked together to craft a solution to significant increases as part of the Bipartisan Budget Act of 2015 (2015 BBA). Had there been no cost-of-living adjustment (COLA) for 2017, that solution would have prevented the issue. However, a low COLA, or no COLA triggers the “hold harmless” provision in the Social Security Act, resulting in significant increases for an enormous population of Medicare Part B beneficiaries. No beneficiary should be required to pay more because other beneficiaries are held harmless. In years of low or no COLAs, projected increases can be stifling for an older population that can least afford them.

FMA urges Congress to work together – as it did with the 2015 BBA – to provide a permanent fix to protect the beneficiaries who are impacted when there is a low or zero COLA, as well as extend the protections of the SSA hold harmless provision to all beneficiaries.



## **8. RESTORE PER DIEM LEVELS AT THE DEPARTMENT OF DEFENSE**

*Congress should reinstate pre-November 2014 funding levels for Department of Defense per diem allowances and lodging stipends for those on temporary duty assignments longer than thirty days.*

- **Since the cuts to per diem allowances for civilian employees on temporary duty assignments by 25-45 percent in November 2014, it has become much more of a challenge to find quality employees for TDY service since it is not mandatory and any cost differences over per diem must be made out of pocket.**
- **FMA will continue to support a full repeal of the cuts to restore the funding levels to pre-November 2014 levels in the 115<sup>th</sup> Congress.**

In November 2014, the Department of Defense (DOD) instituted cuts to per diem allowances for civilian employees on temporary duty assignments (TDY). Those on TDY between 30 and 180 days face a reduction by 25 percent, while those over 180 days face a 45 percent reduction. These extreme cuts create undue financial burdens on these dedicated employees who struggle to meet these per diem requirements or are forced to make up any cost differences out of their own pockets due to the fact that these new rates price them out of markets.

As TDY is not mandatory, FMA members have found it difficult to find qualified employees willing to take up this burden. FMA, along with other federal workforce advocacy groups and Members of Congress, have worked to reverse these cuts. A May 2017 Government Accountability Office report<sup>1</sup> found DOD did not follow its own process, or those of the Office of Management and Budget, before approving the policy. The report found there is no evidence that it saves money, and it is hurting the morale of the workforce.

For the past three years, we have successfully included full repeal language in the House-passed version of the National Defense Authorization Act. Unfortunately, the Senate has not concurred, and the language has not been included in the final conference report. Instead of a full repeal, the language currently in place allows each Service Secretary within DOD to waive the cuts within his or her own service. While this is a step forward and an improvement on current policy, FMA continues to support a full repeal and will continue to work with congressional allies in the 115th Congress toward that end. In order to ensure a civilian military workforce that is fully capable of meeting its duties, it is imperative that this funding is restored.

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<sup>1</sup> <https://www.gao.gov/assets/690/684582.pdf>

## **9. HEALTH PREMIUMS FOR FEDERAL EMPLOYEES SERVING IN THE RESERVES**

*Congress should allow federal employees who serve in the Reserves the ability to enroll in Tricare*

- **At the moment, federal employees who serve in the reserves must enroll in the Federal Employee Health Benefits Program (FEHBP) and are not eligible to enroll in Tricare Reserve Select with a low rate of premiums.**
- **FMA urges Congress to enact legislation (S. 1084 / H.R. 5121) which gives federal employees the option of enrolling in Tricare Reserve select if they serve in the reserves, the Army National Guard or Air National Guard.**

Currently, if a member of the U.S. military reserves is working in a non-federal employee job, they can opt to enroll in Tricare Reserve Select at a low rate of premiums. However, a federal employee who serves in the reserves is not eligible to enroll in Tricare Select and is required to enroll in the Federal Employee Health Benefits Program (FEHBP).

Reserve service members are penalized for serving their country if they work as both a federal employee and a reservist, and many feel they should have the ability to enroll in Tricare Select if they choose. Table 1 illustrates the difference in the 2018 monthly premium costs for the most popular FEHB plan, Blue Cross / Blue Shield Standard, versus Tricare Reserve Select.

To correct this inequity, Sen. Orrin Hatch (R-UT) and Rep. Trent Kelly (R-MS) have introduced legislation (S. 1086 / H.R. 5121), which would allow federal employees who are also members of the Army National Guard, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, or U.S. Coast Guard Reserve, the option to elect Tricare Reserve Select for their health benefits. FMA urges Congress to pass this helpful legislation.

**Table 1**

<b>Program</b>	<b>2018 Monthly Premium</b>		<b>Source</b>
	<b>Self</b>	<b>Self + Family</b>	
<b>Tricare Reserve Select</b>	<b>\$46.09</b>	<b>\$221.38</b>	<a href="http://www.tricare.mil">www.tricare.mil</a> <sup>2</sup>
<b>Blue Cross / Blue Shield (National)</b>	<b>\$245.18</b>	<b>\$589.23</b>	<a href="http://www.opm.gov">www.opm.gov</a> <sup>3</sup>

<sup>2</sup> <https://tricare.mil/Costs/HealthPlanCosts/TRS>

<sup>3</sup> <https://www.opm.gov/healthcare-insurance/healthcare/plan-information/premiums/2018/non-postal-rates-ffs.pdf>

## **10. SUPPORT TAX PARITY FOR CIVILIANS WORKING IN COMBAT ZONES**

*Congress should pass legislation that provides the same tax benefits to federal civilian employees serving in combat zones as those given to military personnel and contractors*

- **Federal employees should receive similar tax breaks to the military personnel and federal contractors who feds work alongside in combat zones.**
- **With up to 5,000 feds working in combat zones at any one time, FMA urges members of Congress to pass the Federal Employee Combat Zone Tax Parity Act (H.R. 2929), a bipartisan measure granting civilian federal employees similar tax benefits as their uniformed and contracted counterparts.**

Currently, military personnel and federal contractors serving in combat zones such as Afghanistan receive tax exemptions on their base pay. The moment service members step into a combat zone, they no longer pay federal taxes. Federal contractors also receive substantial tax breaks through the foreign earned income tax exclusion.

While FMA applauds and agrees with the policy for military personnel, it is important to create parity for federal civilian employees so they are eligible for these tax exemptions when voluntarily serving in a danger zone. Reports have stated that approximately 5,000 civilians are working in combat zones around the world at any given time. Thousands of them are serving alongside members of the Armed Forces as firefighters, depot maintenance and repair workers, and in other support positions on the ground abroad.

Civilian employees do not receive any kind of tax benefit while serving in combat zones. Rather, they are sometimes provided “post differential” and “danger” pay, but this is not guaranteed. In June 2017, Congressman Rob Wittman (R-VA) introduced the Federal Employee Combat Zone Tax Parity Act (H.R. 2929), bipartisan legislation to afford civilians the same tax benefits as their military and contracted counterparts. We at FMA urge Congress to consider and pass H.R. 2929.

## 11. AGENCY REORGANIZATION OVERSIGHT

*Congress should conduct constructive, bipartisan oversight of OMB's agency reorganization plans and ensure agencies have the resources and workforce to accomplish their missions*

- **FMA urges Congress to exercise bipartisan oversight of agency reorganization plans.**
- **FMA supports policies that promote good and efficient government practices, but must ensure that agencies have a seat at the table, with clear communication about making government more effective.**

On April 12, 2017, Office of Management and Budget (OMB) Director Mick Mulvaney released a memo, M-17-22, titled “Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce.” The memo required all agencies to submit reorganization plans, which were due in late September 2017, and are incorporated in President Trump’s Fiscal Year 2019 budget request.

Several agencies, notably the Environmental Protection Agency, took immediate near-term action to increase buyouts and early retirements to shed personnel. Uncertainty abounded about potential workforce cuts across the government. However, the administration was vague about what was included in the agency reorganization plans, prompting legislators in both the House and the Senate to be critical of the reorganization process, while others submitted FOIA requests, and even a lawsuit, to find out what reform ideas were considered. Sen. Heidi Heitkamp (D-ND), voiced concerns about transparency. Similarly, Rep. Elijah Cummings (D-MD) wrote a letter to Director Mulvaney in late 2017, urging information on what may or may not be included in the plans to cut both the federal workforce and agency expenditures.

With a motto of *advocating excellence in public service*, FMA fully supports the notion of making the federal government as efficient and effective as possible. Change can be necessary and good, including when it comes to civil service reform. There are certainly areas ripe for reform, including reducing redundancies, consolidating data centers and expanding shared services. The General Schedule is nearly 70 years old and the Civil Service Reform Act is nearly 40 years old. At the same time, any book on leadership stresses leaders must be open, honest and transparent to help promote a healthy workplace culture, build trust, and better employee engagement. Some agencies were more up front than others. For example, the Department of Veterans Affairs openly announced in September 2017 its plans to reduce its human resources function by half in the coming years, moving employees to other positions around the department.

In order for any reorganization to be successful, especially on such a broad magnitude as the federal workforce, OMB and the administration must cooperate and work together with legislators toward a mutual goal. Congress, particularly the House Oversight and Government Reform Committee and the Senate Homeland Security and Governmental Affairs Committee, has jurisdiction over the federal workforce and the proposed agency reorganization plans offered by the administration. FMA urges Congress to exercise bipartisan oversight of all reorganization plans, particularly as they impact current employees, recruitment and retention, and how reorganization may impact agency missions and services Americans rely on.

## **12. PROVIDE CAPITAL INVESTMENTS TO RESTORE AND MODERNIZE FACILITIES**

*Congress should authorize capital investments across the federal government to restore and modernize facilities to meet operational needs*

- **Facilities and infrastructure across the government are in dire need of significant restoration and modernization, and many are not meeting operational needs.**
- **FMA urges Congress to appropriate the necessary resources and funds to facilities and infrastructure across the country.**

The four public shipyards perform prodigious work to maintain the fleet that helps keep our country safe. But all four of them are in “poor condition,” and are not meeting the Navy’s operational needs. GAO Report GAO-17-548<sup>4</sup>, released in September 2017, details many of the infrastructure issues, and it is certainly not only the shipyards that face challenges. For example, Fleet Readiness Center (FRC) East in Cherry Point, North Carolina had a burst water main under a hangar which caused a floor bulge preventing aircraft from being maintained there.

While the costs of upgrading, restoring and modernizing facilities and infrastructure run in the billions – the Navy currently estimates nearly \$5 billion for the shipyards – the costs of not making these investments will undoubtedly be much greater, including higher labor and materials costs for re-work. We applaud the work of the House Armed Services Committee for directing a comprehensive report on shipyard shortfalls and how they impact military readiness. However, restoration and modernization, including information technology, are issues that apply to agencies across the federal government, including the Social Security Administration, the Internal Revenue Service, and others.

As the frontline managers who work in these aging facilities and strive every day to complete our agencies’ missions, FMA urges Congress to make necessary investments in facilities and infrastructure across the government.

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<sup>4</sup> <https://www.gao.gov/products/GAO-17-548>

### **13. HIRING AND RESTRUCTURING REFORM**

*Congress should pass meaningful hiring reforms to restructure the workforce and address its needs in order to attract the best and brightest to public service*

- **Hiring for the federal workforce is too lengthy and cumbersome compared to the private sector, and FMA supports measures to enhance the talent pipeline in the federal workforce.**
- **FMA urges Congress to pass the Voluntary Separation and Incentive Payment Adjustment Act of 2017 (S.1888) to boost the VSIP across the government to \$40,000, which is in-line with DOD.**
- **FMA also supports the Direct Hire of Students and Recent Graduates Act (S.1887), which would be another tool managers could use to expand their hiring options.**

The subject of hiring reform is one of the most frequently discussed topics related to federal managers and federal employees on Capitol Hill. Senator James Lankford (R-OK), Chairman of the Senate Homeland Security and Governmental Affairs Subcommittee on Regulatory Affairs and Federal Management, has discussed the issue in several hearings in recent years, calling the hiring process, “lengthy” and “cumbersome.” According to the Government Accountability Office, it took, on average, 100 days to fill an open position in 2016. In her confirmation hearing, Margaret Weichert, Deputy Director for Management at the Office of Management and Budget, called hiring “one of the biggest impediments to making progress on the management agenda.”

FMA agrees with this sentiment and supports commonsense hiring reforms and giving managers other tools to enhance the talent pipeline in the federal workforce. In the 114<sup>th</sup> Congress, FMA endorsed and helped usher the Competitive Service Act (P.L. 114-137) into law, allowing federal agencies to streamline the hiring process by cutting duplicative services and saving taxpayer money. FMA also supported language included in the National Defense Authorization Act to boost the maximum Voluntary Separation Incentive Payments at the Department of Defense from \$25,000 to \$40,000.

In the 115<sup>th</sup> Congress, FMA urges Congress to consider and pass the Voluntary Separation and Incentive Payment Adjustment Act of 2017 (S. 1888), which would boost the VSIP across the government to \$40,000, bringing all agencies in line with DOD. FMA also supports efforts to provide expedited hiring authority to agency heads to bring on individuals in colleges or graduate schools. We at FMA often hear about how swiftly the private sector can hire, while the federal sector’s process lags far behind. The Direct Hire of Students and Recent Graduates Act (S. 1887), also sponsored by Chairman Lankford, would help managers expand the options available to agencies when hiring. FMA supports efforts to allow for more direct hire authority across the federal government and will work with Congress to enact legislation that helps attract young, talented workers.

## 14. FOCUS ON NECESSARY CYBERSECURITY INVESTMENT

*Congress should continue to mitigate government-wide cybersecurity vulnerabilities*

- **In the wake of 21.5 million people having their personal identifying information (PII) exposed from the Office Personnel Management (OPM) cyber data breach, FMA urges Congress to continue to assist agencies and invest in cybersecurity throughout the federal government.**
- **FMA endorsed the Modernizing Government Technology Act as an important step towards boosting cybersecurity.**

On June 4, 2015, the Office of Personnel Management announced that over four million current and retired federal employees' personally identifying information (PII) was compromised by a cyber data breach. In the following weeks, it was discovered that 21.5 million more people were affected by a background investigation breach of security clearance forms SF 86, SF-85, and SF-85P. This included data not only on current and retired federal employees, but also separated and prospective employees as well as their family members.

In the wake of these breaches, OPM undertook a successful thirty day "cyber sprint," enacting new security protocols to scan for threat indicators, immediately patch critical vulnerabilities and implement two-factor authorization, among others. Modernizing and investing in information technology (IT) remains a vital issue for our national cybersecurity. In 2016, fully 75 percent of federal IT budgets was spent on using and sustaining legacy IT systems, which often cannot be updated with the latest security protections. Many of these antiquated systems remain vulnerable to further cyberattack.

FMA supported and applauds Congress' effort in the first session of the 115<sup>th</sup> Congress to pass the bipartisan Modernizing Government Technology (MGT) Act (H.R. 2227), which was included in the Fiscal Year 2018 National Defense Authorization Act (P.L. 115-91). This important measure will help agencies replace outdated and vulnerable systems.

However, more work is necessary to address known vulnerabilities across the government. OPM's Inspector General reported in its annual Federal Information Security Modernization Act Audit<sup>5</sup>, released in October 2017, that OPM still suffers from cyber weaknesses. Further, in the most recent Federal IT Acquisition Reform Act report<sup>6</sup>, only one agency, US AID, received an A. Seven agencies received Bs, 10 Cs, five Ds, and the Department of Defense received an F.

FMA urges Congress to assist agencies to enhance their cybersecurity posture, protect against known vulnerabilities, and take steps to ensure enhanced security in the 115<sup>th</sup> Congress.

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<sup>5</sup> <https://www.opm.gov/our-inspector-general/reports/2017/opms-compliance-with-federal-information-security-modernization-act-fisma-fy-2017.pdf>

<sup>6</sup> <https://1yxsm73j7aop3guc9y5ifaw3-wpengine.netdna-ssl.com/wp-content/uploads/2017/06/fitara-scorecard-6-12-17.pdf>