

**STATEMENT OF**

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**BEFORE THE**

**THE SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT  
MANAGEMENT, THE FEDERAL WORKFORCE, AND THE  
DISTRICT OF COLUMBIA**

**SENATE COMMITTEE ON HOMELAND SECURITY AND  
GOVERNMENTAL AFFAIRS**

**ON**

**FROM CANDIDATES TO CHANGE MAKERS: RECRUITING  
AND HIRING THE NEXT GENERATION OF FEDERAL EMPLOYEES**

**MAY 8, 2008**

Thank you for the opportunity to testify here today on the question of overcoming obstacles to the hiring of the next generation of federal employees. My name is John Gage and I am the National President of the American Federation of Government Employees, AFL-CIO (AFGE). Our union represents more than 600,000 federal employees across the country and around the world, and our members work in almost every agency of the federal government.

One of the myths that has haunted discussions of hiring over the past decade has been the false belief that in contrast to the federal government, hiring in the private sector is virtually instantaneous and trouble-free. To listen to proponents of direct hiring, the mighty private sector descends upon college campuses, conducts rapid and enjoyable interviews of the multitudes of highly qualified and eager young people who are to join them, and hires them on the spot. These “best and brightest” start their fabulous private sector careers the next morning, and they all live happily ever after. Meanwhile, the federal agency representatives can barely find their way to campus, burdened as they are by the heavy load of red tape they carry around, and scare off most prospective hires with their boring sounding jobs and thick application materials. Then they offend the courageous few who express an initial interest by forcing them to fill out numerous forms listing their qualifications and then tell them they will have to wait, sometimes months, while the information they provide is validated, and while candidates who might have a higher status by virtue of their military service to our country edge them out of the competition.

Neither of these caricatures is accurate, of course, but they do reflect what many seem to believe is a vast gulf in hiring methods between the private sector, which we’re told to emulate, and past practice in the federal sector, which is condemned as a matter of course. AFGE strongly supports hiring policies that facilitate recruitment of talented new employees; after all, they are our future members as well. However, we believe that the problems with federal hiring are in no way a result of a scrupulous adherence to the merit system and veterans’ preference. As such, we will continue to oppose any and all proposals that evade these standards, no matter how compelling the arguments for expediency may sound.

Contracting out to the private sector for “hiring services” should also be off the table. Recall the debacle at the Transportation Security Administration (TSA) when it contracted with NCS Pearson to hire airport screeners, and auditors ended up challenging \$300 million of the \$741 million that Pearson charged for its services. In a report on recent contracting abuses in various federal agencies, Representative Henry Waxman, Chairman of the House Committee on Government Reform reported that the audit showed that the private contractor billed the government for \$48 per hour for temporary workers it paid \$20 per hour, allowed subcontractors to take out \$5,000 at a time in petty cash without requiring any supporting documentation, spent more than \$377,000 on unsubstantiated long distance phone calls, spent more than \$500,000 on tents

that didn't hold up in a rainstorm, and charged \$4.4 million for "no show" fees for job candidates who never appeared to take their tests. The coup de grace was a Pearson subcontractor who paid herself \$5.4 million for nine months "work," along with a \$270,000 pension.<sup>1</sup> The decision to contract out for hiring would have been just as wrong if the Bush Administration had not been following its customary practice of handing private contractors blank checks; no contractor should ever have been hired at any price, because the core function of selecting the people who will make up the federal workforce must be performed by federal agency personnel who know the agency's mission, and who can assess candidates' ability to carry out that mission.

Hiring the next generation of federal employees is a serious undertaking. Those charged with the task have both a legal and social responsibility to conduct federal hiring in the most open and fair way possible, and the plain fact is that openness and fairness take time. Federal agencies have a legal and moral responsibility to honor veterans' preference. Internal candidates who were selected into career ladder positions must be given the opportunities they have been promised. Background checks and in some cases, security clearances, have to be conducted. Information regarding education and prior employment must be verified. Working for a federal agency is not the same as working at a pizza joint, and it takes time to make sure an applicant meets the standards and requirements our society expects the federal government to uphold.

One of the many complaints one hears about federal hiring is that it is slow. One explanation for the slowness, apart from the requirement for being thorough I have described above, is the fact that in the indiscriminate downsizing of the 1990s, and the indiscriminate privatization conducted by the Bush Administration, agency personnel offices have been sometimes decimated. There are too few personnel to handle the duties related to hiring in the most expeditious way. Hiring more federal employees to work in agency human resources offices would be an enormously important step in speeding up the hiring process, to the delight of both the agencies and prospective employees.

The application process could also be streamlined without sacrificing the high standards that the merit system imposes on federal agencies. Many prospective employees point to the lengthy sections of employment applications that require them to describe in great detail their "knowledge, skills, and abilities." It has been suggested that only those who pass an initial level of scrutiny be invited to fill out those forms. If that procedural reform were adopted, those asked to reveal their "knowledge, skills, and abilities" would at least know that they had successfully navigated the first hurdle in their quest for federal employment, and may perhaps be somewhat less resentful of the task. In any case, there is reason to believe that improvements in the applications job

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<sup>1</sup> Contracting Abuses Under the Bush Administration, Rep. Henry A. Waxman, Ranking Minority Member, Committee on Government Reform, U.S. House of Representatives, September 20, 2005, page 2.

candidates are required to fill out would increase both the quality and quantity of applicants.

*The Washington Post* reported last week that Defense Secretary Robert M. Gates had agreed to change the Department's rules regarding answers to "Question 21" in the Questionnaire for National Security Positions, which asks candidates whether they have sought care for mental illness at any time over the past seven years. The new rules allow an applicant to say "no" to that question as long as the care has not been ordered by a court and was "strictly related to adjustments from service in a military combat environment."<sup>2</sup> This change is intended not only to encourage military veterans to seek care for various "psychological" wounds of war, but also to encourage them to seek federal civilian employment in the Defense Department and elsewhere in the federal government. AFGE applauds this change, as we do not believe that seeking medical care for post-traumatic stress disorder, depression, anxiety, or other conditions should disqualify anyone from federal employment.

The federal government has sent mixed messages over the past several years that may have consequences for hiring in the indefinite future. On the one hand, there is evidence of a sincere desire to hire a new generation of employees to replace the retiring baby-boomers, the most important of which was the passage of the Federal Workplace Flexibilities Act of 2006. This law enabled agencies to entice both internal job candidates, and candidates who were not yet federal employees, with large bonuses equal to as much as 100% of salary for recruitment, retention, and relocation and promises of help with student loan repayment. But not only has there been no funding so that those flexibilities could be used, the Bush Administration has been at war with its own workforce on issues ranging from pay raises and pay systems to outsourcing to union recognition to politicizing what should be absolutely apolitical government work to refusing to engage in constructive negotiations with employee representatives.

Of all the issues in that long list where this Administration has been at odds with its workforce, its pay policies have been the most self-defeating with respect to the government's hiring goals. The Bush Administration's pay policies have hurt both recruitment and retention. For the General Schedule (GS) and the Federal Wage System (FWS), the administration has continued to refuse to follow the law and has proposed insultingly low pay adjustments in each year that it has been in office. These adjustments have been so low that absent the improvements insisted upon by Congress, the real inflation-adjusted value of a federal paycheck would have fallen considerably over the course of the George W. Bush presidency. These low raises were accompanied by a constant drumbeat of Administration complaint that the employees who received them did nothing to deserve a salary adjustment beyond surviving the "passage of time" and that a new system based upon a supervisor's opinion of each employee's performance was needed. In the two agencies where the Bush Administration

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<sup>2</sup> "Military Stressing Veterans' Counseling," by Ann Scott Tyson, *The Washington Post*, May 2, 2008.

obtained authority to base pay and pay raises at least nominally on these supervisors' opinions, the impact has been even worse. In addition to low morale in numerous large agencies documented by the Office of Personnel Management's biennial Human Capital Survey,<sup>3</sup> the prospect of a corrupt and highly politicized pay for performance system has prompted many to announce plans to retire or transfer as soon as pay for performance is imposed upon them.

In the past three years, the size of the measured pay gap between federal and non-federal salaries has actually grown according to the Federal Salary Council and the President's Pay Agent. The reason for its growth is not because private sector salaries have grown so much faster than federal salaries over the period. Instead it is because the Salary Council has adopted a more detailed and accurate measure of the gap, one that includes far more actual job matches between the private and federal sectors. The new measurement includes jobs at various supervisory levels, and far more professional and technical jobs. Thus it provides a truer, richer and even more relevant picture of how much federal salaries lag behind those in the private sector. The pay gap cannot be ignored in any discussion over the obstacles to federal hiring.

Although much emphasis is placed upon external candidates for federal jobs, the retention of current employees should also be a priority. Current employees often make the best candidates for federal job openings. The federal government's policies should encourage the employees in whom it has already invested to look for career development possibilities within the government rather than outside it. The hostile federal workforce policies of the Bush Administration have had their most deleterious impact on this group. Far too many federal employees have reacted to the harshness of the Administration's contracting out and union-busting agenda by stating that they will leave as soon as they gain enough experience or skill to move to a similar or higher position outside – not inside—the federal government. I always encourage them to stay and fight to make things better, but this bitterness is a legacy of the Bush Administration that will be felt for years, especially in the area of hiring.

Every time I see or hear an advertisement on radio or television for the military, I wonder why federal agencies are not permitted to do the same thing for civilian federal employment. The commercials for the Army, Navy, and Marines are so compelling, so professionally produced and placed on the air at times when they are likely to have the greatest impact. I have no doubt that these advertisements have contributed greatly to the military's ability to recruit even in a time of war. In contrast, federal agencies are limited to using relatively inexpensive media and placing their on-air advertisements at inauspicious times, with predictable results.

One common theme to almost all of the obstacles to hiring that I have discussed is money. Hiring adequate numbers of federal employees to handle

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<sup>3</sup> Federal Human Capital Survey for 2006, Office of Personnel Management, February 2007.

job applications expeditiously costs money. Improving and streamlining the application process itself, with more upfront interviewing, costs money. Funding recruitment and retention bonuses, and student loan repayment programs costs money. Paying federal employees salaries that are comparable to those paid in the private sector costs money. Training current employees so that they will have the skills necessary to move up to the next job being vacated by a retiring federal employee costs money. Producing good advertisements and showing them on television or radio when people are watching and listening costs money.

Fortunately, ending the relentless push to outsource and privatize federal jobs saves money – lots of money. Eschewing hostility toward unions and engaging in constructive negotiations with us saves money. Perhaps these two things alone could save enough to fund many of the policies that would facilitate hiring.

That concludes my statement. I will be happy to respond to any questions.