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SENATE HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS COMMITTEE

STATEMENT OF  
THE HONORABLE JOSEPH J. HECK, CHAIRMAN  
NATIONAL COMMISSION ON MILITARY, NATIONAL, AND PUBLIC SERVICE  
BEFORE THE  
SENATE HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS COMMITTEE  
SUBCOMMITTEE ON REGULATORY AFFAIRS AND FEDERAL MANAGEMENT  
ON  
IMPROVING PUBLIC SERVICE: A REVIEW OF RECOMMENDATIONS MADE BY THE  
NATIONAL COMMISSION ON MILITARY, NATIONAL, AND PUBLIC SERVICE  
JUNE 23, 2020

Chairman Lankford, Ranking Member Sinema, and Members of the Subcommittee, I thank you for the opportunity to appear before you today on behalf of the National Commission on Military, National, and Public Service (the Commission) to discuss the findings and recommendations contained in the Commission’s final report, *Inspired to Serve*.<sup>1</sup> I am joined today by Commissioner Shawn Skelly.

## **Background**

Congress created the Commission in the National Defense Authorization Act for Fiscal Year 2017 as a bipartisan, deliberative body comprised of members chosen by congressional leadership and the President. Congress entrusted the Commission to “conduct a review of the military selective service process” and “consider methods to increase participation in military, national, and public service in order to address national security and other public service needs of the Nation.” Since beginning work in September 2017, we have embraced and fulfilled both parts of this mandate.

On March 25, we were honored to submit to Congress, the President, and the American people the culmination of our work—*Inspired to Serve*—along with legislative proposals designed to implement many of the recommendations. The release of the report corresponded with lockdown orders and other measures taken to combat the ongoing public health crisis—a global pandemic that has disrupted nearly every aspect of life and the effects of which will remain with us for years to come. It is the Commission’s ardent belief that service will be integral to responding to COVID-19, and that many of the recommendations included in *Inspired to Serve*, if acted on, will create a more resilient nation, better prepared to meet the next national emergency, regardless of what form it takes. With 164 recommendations, *Inspired to Serve*

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<sup>1</sup> *Inspired to Serve* and the Commission’s legislative proposals are accessible at <https://www.inspire2serve.gov/reports>.

contains a bold vision and comprehensive plan for to strengthen all forms of service to address critical national security and domestic needs, invigorate civil society, and strengthen our democracy. The Commission is united behind this report as a consensus product, and every recommendation has the support of a bipartisan supermajority of the Commission.

The recommendations we propose are based on extensive research and an equally extensive effort to learn from experts, stakeholders, and a wide spectrum of the American public. We traveled across the nation to learn firsthand about Americans' views on and experience with service, visiting 22 states across all nine census districts. The Commission conducted interviews with individuals from over 530 organizations, held 11 public meetings and forums, analyzed more than 4,300 public comments, leveraged multiple surveys with partner organizations, and convened 14 open hearings with 68 policy experts to discuss and analyze a wide variety of policy proposals.

We found that, as was the case 200 years ago during the earliest days of the republic, America's extraordinary and longstanding spirit of service continues to shape the life of our nation. However, in a country of 329 million Americans, the full potential for service remains largely untapped. *Inspired to Serve* offers a bold and inclusive vision to create a culture of service in our nation, beginning with comprehensive civic education and service learning starting in kindergarten, service opportunities so ubiquitous that service becomes a rite of passage for millions of young adults, and new and revitalized service options for adults of any age, background, or experience. By the year 2031—the 70th anniversary of President Kennedy's call for Americans to serve their nation—we envision five million Americans will begin to serve in military, national, or public service each year. Our long-term goal is to cultivate a *culture* in which service is a common expectation and experience of all Americans—when it is the norm,

rather than the exception—when every American is inspired and eager to serve. By igniting the extraordinary potential for service, our recommendations will address critical national security and domestic needs, expand economic and educational opportunities, and strengthen the civic fabric of the nation.

Given this Subcommittee’s jurisdiction and the focus of today’s hearing, my testimony focuses on the Commission’s public service recommendations, covering six major areas: federal agency hiring processes, attracting new generations of Americans to public service, the personnel culture within agencies, critical-skill challenges, the competitiveness of federal employee benefits, and a long-term approach to realizing a modern talent-management system. The Commission’s final report also addresses military service, national service, emergency national mobilization, expansion of registration for the Selective Service System, civic education, service learning, and coordination among all forms of service.

Regarding the last item, I would call your attention to a cross-service recommendation that is especially important to public service. The Commission proposes to create an interagency Council on Military, National, and Public Service within the Executive Office of the President (EOP) to advance and coordinate service initiatives across the federal government. The absence of a locus of responsibility within the EOP for public service has contributed to the workforce challenges of federal agencies. Such an interagency council could help to elevate public service and address the problems the Commission and others have identified.

### **The Need for Public Service Reform**

As the members of this Committee know well, public servants are vital to the well-being of the nation. With integrity and impartiality, civil servants at all levels of government implement the decisions of elected officials and administer programs that fundamentally enhance

our national security and improve the lives of Americans in countless ways. Since the Commission was created by Congress, it focused especially on the challenges of attracting new generations—and Americans with critical skills—to public service employment within the federal government. The Commission found that many Americans seek civil service careers but are prevented from serving by antiquated personnel systems and practices, overly long hiring and clearance timelines, uncompetitive compensation and benefits, and lack of career flexibility.

The challenges facing government hiring are so severe that the Government Accountability Office (GAO) has identified strategic human capital management as an area of “high risk.”<sup>2</sup> In particular, lack of adequate talent management has led to “mission-critical skills gaps” that significantly contribute to 16 of the 34 other “high-risk” areas identified in GAO’s latest report.<sup>3</sup> Americans who aspire to public service find many obstacles to gaining employment in a federal agency. Competitive examining, the standard hiring process for federal agencies, is too slow—with an average time-to-hire nearly triple that of private industry<sup>4</sup>—and often fails to advance and hire highly qualified candidates.

The inability of the competitive process to reach qualified candidates has directly contributed to the proliferation of special hiring authorities for agencies seeking exemptions from Congress and the Office of Personnel Management (OPM). Despite the Pendleton Act’s original intent to make competitive examining the federal government’s primary hiring mechanism, in

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<sup>2</sup> GAO, *High-Risk Series*, 75–77. GAO’s high-risk program “identifies government operations with vulnerabilities to fraud, waste, abuse, and mismanagement, or in need of transformation to address economy, efficiency, or effectiveness challenges,” especially those involving “public health or safety, service delivery, national security, national defense, economic growth, privacy and citizen rights, or could result in significantly impaired service, program failure, injury or loss of life, or significantly reduced economy, efficiency, or effectiveness.” GAO, “Why GAO Did This Study,” in *High-Risk Series*, 2.

<sup>3</sup> GAO, *High-Risk Series*, 75.

<sup>4</sup> Max Stier, President and CEO, Partnership for Public Service, “Improving Basic Hiring Processes,” Statement to the National Commission on Military, National, and Public Service, May 15, 2019, 3, <https://www.inspire2serve.gov/api/files/258>.

Fiscal Year (FY) 2014 it accounted for less than one-quarter of new hires.<sup>5</sup> Instead, policymakers have dispersed more than 105 separate hiring authorities unevenly across the government to fill gaps in the personnel system and to help agencies meet critical hiring needs.<sup>6</sup> While these policies produced short-term fixes, they also added to the complexity of administering federal hiring. Yet for agencies without such hiring authorities and for individuals who lack the specialized qualifications that the exemptions target, the competitive process remains the only way for agencies to meet hiring needs and would-be employees to join the government. Though the federal government has longstanding separate hiring systems for students and recent graduates, recent changes to these programs have made them almost indistinguishable from the standard competitive process—with all of its attendant problems—further undermining the ability of agencies to attract new generations to public service employment.

These hiring challenges are intensified by several additional factors, such as the lack of a strong talent-management culture within agencies. While some agencies aggressively use all available hiring authorities, others do not, whether due to lack of training, lack of support from management, or risk aversion. Attracting and retaining in-demand workers with critical skills will always be more challenging and less forgiving of long hiring timelines and uncompetitive compensation and benefits. And when policymakers have acted, it has typically involved quick fixes to meet immediate needs, rather than proactive, sustainable solutions.

The Commission's public service recommendations address both near-term, urgent problems and long-term, structural issues. The Commission believes that policymakers should take steps to improve existing personnel processes so that agencies can function better now. At

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<sup>5</sup> GAO, *Federal Hiring: OPM Needs to Improve Management and Oversight of Hiring Authorities* (Washington, DC: GAO, August 2016), 9, <https://www.gao.gov/products/GAO-16-521>.

<sup>6</sup> GAO, *Federal Hiring: OPM Needs to Improve Management*, 8.

the same time, the Government needs a realistic approach to replacing those core aspects of the federal personnel system that are fundamentally flawed so that it can become a competitive employer for any talent that agencies need. Ultimately, the Commission's proposals will assist Congress and the President in realizing a modern talent-management system that attracts and retains a highly qualified public service workforce so that the government can fulfill its critical mission for the American people.

### **Reform Federal Hiring**

The Commission focused on two sets of problems with federal hiring. First, basic hiring processes used in competitive examining—and often repeated in excepted service hiring—are frequently ineffective. Second, the government's system of hiring preferences and noncompetitive hiring no longer meets the needs of agencies and many applicants.

#### *Basic competitive hiring processes*

Basic federal agency hiring processes need a major overhaul to make them competitive with other employers and to ensure agencies can reliably hire highly qualified employees. The Commission proposes a multitude of steps to fix hiring. Revising job descriptions to use clear, accessible language; accepting standard, one-page resumes; and improving interoperability between USAJOBS and popular third-party job boards would be a good start. Agencies also must transform the way they assess candidates for employment. The widely used self-assessments—in which job applicants are asked to rate their own qualifications—are ineffective and easily gamed by candidates; they, along with keyword-based resume reviews, should be eliminated. Hiring managers and subject-matter experts—not HR generalists—should review resumes and assess candidates. For example, the U.S. Digital Service found several instances in which federal agencies determined that dentists were qualified for software engineering jobs

because they knew how to use spreadsheet software. This absurd result is a direct consequence of failure to involve actual software engineers in assessing candidates. To efficiently evaluate a large volume of applicants for entry-level jobs, OPM has developed validated online assessment tools, but these are underused. Making them available to agencies at no charge could spur adoption. Modernizing recruitment and ensuring thorough and accurate candidate assessment would help to advance highly qualified candidates through the competitive hiring process. Greater flexibility for agencies in candidate selection, temporary and term appointments, and interagency transfers would also help the personnel system to better meet agency workforce needs—especially in rapidly responding to meet unexpected demands, such as a nationwide public health crisis.

#### *Preferences and noncompetitive hiring options*

Hiring preferences and special hiring options, such as the Veterans Recruitment Appointment (VRA) and noncompetitive eligibility, also need modernization. Veterans' preference within competitive examining is not working well for many veterans or for agencies that need to hire highly qualified talent. The preference has become inequitable—not all veterans are preference eligible, and even those eligible for preference are treated differently so that many veterans receive little or no practical benefit. And, at some agencies and in some career fields, it virtually excludes nonveteran talent, no matter how qualified, from civil service employment. Some preference-eligible veterans who are assessed as minimally qualified for the job are automatically moved to the top of the best-qualified list. Advancing poorly qualified candidates does no favors to anyone—it sets up some veterans for failure and prevents agencies from obtaining the talent they need to meet their critical missions for the American people. As a result, more than half of all competitive examining certificates are returned without a hire being made, a



tremendous waste of time and resources.<sup>7</sup> Consequently, frustrated agencies ask Congress and OPM for more direct-hire authority, special personnel systems, and other exemptions so they can avoid veterans' preference—adding complexity to the personnel system and undermining the preference's utility to veterans. At the same time, noncompetitive options to hire qualified veterans—like VRA—are underused by agencies.

The Commission proposes a comprehensive approach that would improve veteran hiring while enabling agencies to hire the highly qualified talent they need. This proposal would make veterans' preference a tiebreaker between equally qualified candidates—eligible veterans would still receive preference over others assessed to the same category but would not be automatically upgraded to a higher category—and refocus the preference on recently discharged veterans who are transitioning to civilian employment. Preference-eligible veterans would have 10 years from discharge to use the preference. Additionally, federal employees who have worked more than two years in the competitive service would not be eligible for preference—allowing time for new employees to change jobs if the initial position is not a good fit but not conferring a permanent preference for every subsequent job change.

Concurrently, the Commission proposes a major expansion of VRA, extending eligibility for noncompetitive hiring of qualified veterans to 10 years after discharge, up from 3 years. In addition, every discharging veteran would receive training on how to seek federal employment using the preference and VRA, and USAJOBS would include a hiring roster to more easily connect recently discharged veterans and other candidates with noncompetitive eligibility to the agencies that want to hire them. To encourage continued service and leverage existing taxpayer

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<sup>7</sup> Margaret M. Weichert, Acting Director, Office of Personnel Management, "Memorandum for Heads of Executive Departments and Agencies: Improving Federal Hiring through the Use of Effective Assessment Strategies to Advance Mission Outcomes," September 13, 2019, <https://chcoc.gov/content/improving-federal-hiring-through-use-effective-assessment-strategies-advance-mission>.

investments, the Commission recommends offering 36 months of noncompetitive eligibility (NCE) to full-time AmeriCorps alumni and Returned Peace Corps Volunteers and 12 months of NCE for successful completion of federally sponsored internship, scholarship, and fellowship programs.

### **Revamp Hiring Systems for Students and Recent Graduates**

The statistics are grim: only six percent of federal employees under the age of 30, more than one-third of federal employees will soon be eligible to retire. New hires of student interns fell from 35,000 in 2010 to 4,000 in 2018.<sup>8</sup> Clearly, the trend is moving in the wrong direction. Policymakers and agencies must take bold action to bring new generations into the civil service.<sup>9</sup> To start, the federal government needs functional internship and recent-graduate hiring programs. The Commission proposes to reform these programs and place them into statute so they become a permanent responsibility of OPM and agencies, increasing the cap on direct-hire authority for students and recent graduates, and setting a statutory, governmentwide goal of hiring 30,000 recent graduates per year by 2026, rising to 50,000 by 2031.

But to truly transform the ability of federal agencies to attract younger workers, new and innovative approaches are necessary. The Commission identified an estimated 20,000 federally sponsored internships, fellowships, and scholarship positions. Many of these are unpublicized and less than half permit agencies to hire participants on a noncompetitive basis. The

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<sup>8</sup> Partnership for Public Service and Booz Allen Hamilton, *Building the Enterprise: A New Civil Service Framework* (Washington, DC: Partnership for Public Service, April 2014), 4–8, [https://ourpublicservice.org/wp-content/uploads/2019/06/Building\\_the\\_Enterprise\\_A\\_New\\_Civil\\_Service\\_Framework-2014.04.01.pdf](https://ourpublicservice.org/wp-content/uploads/2019/06/Building_the_Enterprise_A_New_Civil_Service_Framework-2014.04.01.pdf); GAO, *High-Risk Series*, 75–77; and Executive Office of the President, *Fiscal Year 2020 Budget of the U.S. Government: Analytical Perspectives* (Washington, DC: EOP, 2019), 77, <https://www.govinfo.gov/content/pkg/BUDGET-2020-PER/pdf/BUDGET-2020-PER.pdf>.

<sup>9</sup> Partnership for Public Service and Booz Allen Hamilton, *Building the Enterprise: A New Civil Service Framework* (Washington, DC: Partnership for Public Service, April 2014), 4–8, [https://ourpublicservice.org/wp-content/uploads/2019/06/Building\\_the\\_Enterprise\\_A\\_New\\_Civil\\_Service\\_Framework-2014.04.01.pdf](https://ourpublicservice.org/wp-content/uploads/2019/06/Building_the_Enterprise_A_New_Civil_Service_Framework-2014.04.01.pdf); and GAO, *High-Risk Series*, 75–77.

Commission proposes a new Federal Fellowship and Scholarship Center, within OPM, which would administer, streamline, and expand federal fellowship and scholarship programs that develop people with critical skills and leadership ability for government service. The Center would make available, in one place, information about all federal fellowship and scholarship programs, enable agencies to adjust programs to meet their workforce needs, and grant noncompetitive eligibility to successful participants to enable agencies to capitalize on these taxpayer-funded developmental programs.

The Commission also proposes that Congress create new pipelines from postsecondary education to public service, starting with a new Public Service Corps, similar to ROTC, in which agencies would offer scholarships to university students in exchange for a 4-year public service commitment met through employment at the agency. A separate proposal would establish a new Public Service Academy grant program that would support efforts by institutions of higher education—such as Arizona State University, which has already established a similar program—to prepare students for public service careers, as well as an expansion of the military service academies to include a cohort of public service cadets and midshipmen, who would complete their 5-year service commitment through civilian employment for a federal agency.

Finally, the Commission recommends revitalizing the Presidential Management Fellows Program, the federal government’s premier leadership development opportunity for post-grads, by devolving more authority to agencies and increasing accountability; piloting a new approach to hiring recent graduates with critical skills; and paying federal interns, which would increase access to such opportunities to Americans who cannot afford to take an unpaid internship.

## **Promote a High-Performing Personnel Culture**

Many of the Commission’s recommendations address issues of policy that would require changes to law. But the Commission also found challenges with the culture surrounding personnel—for example, whether agencies make full use of existing authorities, whether HR staff work closely with subject-matter experts and hiring managers at all stages of hiring, and whether strategic workforce planning is a priority for agency executives.

Improving the personnel culture within agencies first and foremost requires strong agency leadership, but policymakers can help. First, agencies need to increase their HR capabilities. The Commission proposes to establish competency standards for HR professionals, including technical knowledge, analytics, and collaborative skills, as well as invest in training for HR staff. Additionally, every agency should identify a senior executive to be responsible for development of a workforce plan—covering hiring, retention, and reskilling—and every supervisor should be evaluated in part based on human capital responsibilities.

Also, agencies should communicate with the public about their important missions and to inspire new generations of Americans to serve. The Commission learned that longstanding appropriations riders have deterred agencies from this important communication. The Commission proposes a statutory change to address this unintended consequence.

## **Address Critical-Skill Challenges**

Federal agencies struggle to hire workers with critical skills using existing personnel systems. The impact of outdated occupational classification (for example, the federal government still does not have a job series for data scientists), uncompetitive salaries, and long hiring and clearance timelines compound the challenges in attracting workers who are in high

demand. The Commission focused on two areas of heightened concern: cybersecurity and health care.

Policymakers have made efforts to address challenges associated with hiring cybersecurity personnel—such as expanding direct-hire authority and offering some agencies exceptions from Title 5 personnel policies—but all agencies need cybersecurity personnel, and many have not benefited from these changes. The Commission proposes to allow all agencies to adopt the Cyber Talent Management System, the special personnel system for cybersecurity professionals, currently limited to the Department of Homeland Security (DHS). The Commission also proposes to pilot a Civilian Cybersecurity Reserve at DHS and the National Security Agency (NSA), enabling these agencies to quickly expand their cybersecurity workforces by temporarily hiring experts with prior government experience who have the necessary technical skills, platform knowledge, and clearance to enable DHS and NSA to surge on an as-needed basis, including in response to emergencies. Finally, reskilling is a promising approach to meet workforce needs through investment in the skills of current federal employees, but Title 5 was not designed to accommodate transfers in this context. The Commission proposes adding flexibility to appoint reskilled employees to new roles without loss of salary or grade.

The Veterans Health Administration (VHA) has a critical mission to deliver quality health care to millions of veterans and bolster the private-sector health care system during national emergencies. The VHA’s personnel policies are not competitive with private-sector health care delivery systems. Compounding this, the VHA uses three personnel systems—one for physicians, another for other health professionals, and yet another for administrative and operational support personnel. This complex and unwieldy system is uncompetitive across all skill levels. For example, the Commission learned from VHA managers about their difficulties

retaining housekeeping personnel—critical for cleaning and disinfecting hospital spaces and promoting patient and healthcare-provider safety —because salaries are not competitive. The Commission proposes to develop one personnel system, with competitive, market-based pay, for all VHA employees. The Commission also proposes to expand licensure portability—currently available to DoD and Coast Guard employees—to all federal employees delivering care within the scope of their federal duties. Such actions would help VHA fill its roughly 49,000 vacancies and provide much-needed flexibility as outbreaks of COVID-19 surge in different localities at various times.

### **Increase Competitiveness of Benefits**

Benefits for federal employees are well suited for workers who intend to remain employed at a federal agency for decades, but they are uncompetitive for workers who prefer career flexibility. And while the new paid parental leave benefit improves competitiveness, other aspects, such as the lack of short-term disability coverage, have not kept up.

The Commission’s recommendations on benefits would accommodate career mobility and offer employees more choices. The Commission proposes that Congress establish a cafeteria plan that would allow federal employees flexibility in how to allocate agency contributions to supplemental benefits, such as life insurance, dental and vision coverage, and flexible spending arrangements. Under current policy, agencies contribute to life insurance, but not the other benefits. For example, for some employees, dental coverage would be more valuable than life insurance—this new cafeteria plan would allow the employee to apply the agency contribution to dental instead.

The Commission also proposes that Congress authorize a pilot program for a new benefit option at three agencies. New and recent hires could select between the existing benefit package

and a new option—of equivalent value—featuring fully portable retirement benefits, agency-paid disability-income insurance, flexible time off, and paid parental leave. This option would be more attractive to younger workers, especially those with critical skills, who are interested in public service employment but not careerlong federal employment. Notably, it would remove a disincentive for federal employees to pursue new experiences outside of government and potentially return later to public service.

### **Develop a New Personnel System**

The federal government’s fragmented, outdated, and rigid personnel system—which has not fundamentally changed since the General Schedule was established 70 years ago—hinders its ability to adequately meet workforce needs. While most of the Commission’s recommendations are focused on addressing immediate problems, the Commission believes policymakers must build towards a long-term vision of a modern talent-management system that would allow federal agencies to become and remain competitive for talent.

To start, the Commission proposes revamping and expanding OPM’s demonstration-project authority, which is flawed and underutilized. Pilots should be used to test innovative new approaches and develop evidence to inform governmentwide policy. OPM should have greater flexibility to conduct larger demonstration projects while requiring rigorous, third-party evaluation and offering an administrative pathway to expanding successful pilots.

Next, the Commission recommends piloting a comprehensive new personnel system—covering hiring, classification, compensation, transfer, and promotion—at agencies with a significant number of STEM employees. Such agencies are well-suited to test comprehensive new approaches because so many aspects of the current personnel system are problematic for swiftly evolving technical skillsets, ranging from classification to compensation and promotion

paths. For example, in FY 2018, more than 85 percent of National Aeronautics and Space Administration (NASA) vacancies for scientists and mathematicians received fewer than three qualified—not best qualified—applicants. A comprehensive personnel pilot could help agencies like NASA to become competitive for highly sought talent while developing evidence for future modernization of public service personnel systems.

Finally, the Commission recommends engaging GAO, the Office of Management and Budget, and the National Academy of Public Administration for two tasks: first, by 2026, to evaluate any changes made to federal personnel systems in response to the Commission’s report; and second, by 2031, to recommend a comprehensive proposal for a modern talent-management system to meet agency workforce needs.

## **Conclusion**

Two and a half years ago, Congress charged our Commission with something never done before: to conduct a comprehensive and holistic review of all forms of service to the nation. In doing so, we saw firsthand how service is a fundamental part of who we are as Americans, and how we meet our challenges. COVID-19 represents one of the most all-encompassing and unprecedented challenges in the history of the United States. Yet the potential for service is currently untapped. Public service is inhibited by outdated personnel systems and a broken federal hiring process. By surmounting these barriers and igniting the extraordinary potential for service, our recommendations will address critical national security and domestic needs, expand economic and educational opportunities, strengthen the civic fabric of the nation, and establish a robust culture of service. Bold action is needed. Incremental changes and small improvements are not enough.



We call on Congress and the President to invest in the American people and the security of the nation by taking action. Now is the time—and *Inspired to Serve* is the plan—to strengthen service and achieve the vision of every American, inspired and eager to serve.