



TESTIMONY OF

**JACQUELINE SIMON, POLICY DIRECTOR
AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO**

TO THE

NATIONAL COMMISSION ON MILITARY, NATIONAL, AND PUBLIC SERVICE

**MAY 15, 2019 | WASHINGTON, D.C.
PUBLIC SERVICE HEARING: IMPROVING BASIC HIRING PROCESSES**

On behalf of the more than 700,000 federal and District of Columbia employees represented by the American Federation of Government Employees, AFL-CIO, I thank you for the opportunity to participate in today's hearing.

I prepared my statement after reading the staff memorandum that summarized much of the research and recommendations that the Commission members would consider in making its final report. The memorandum includes a long list of "policy options" that fall under two broad headings, improving basic hiring processes and attracting and retaining public service employees.

Although we represent already-hired employees, our members do have a strong interest in retaining competitive, merit-based hiring in federal agencies not only because we are firm believers in good government and an apolitical civil service, but also because federal employees don't always spend their entire careers in the same job. They apply for promotions and lateral moves within and between agencies.

As such, they are wary of many of the proposals for non-competitive hiring and any diminution of the role that military service plays in hiring decisions. Hardly a day goes by when we do not see a proposal for "direct hiring authority" in some form or another. In agencies like the Department of Veterans Affairs, DHS and DoD, up to a third of our membership is made up of military veterans. They rightly see direct hiring and non-competitive hiring as a means of evading veterans' preference and merit principles. The facts make it is virtually impossible to challenge this perspective. We hear bitter complaints from agency management that, alternatively, it's too hard to hire and too hard to fire federal employees. They seem to want an easy come, easy go system where their mistakes can be blamed on workers and systems, anything but their own failures to learn and utilize the immense authorities they currently have under the law to hire the most qualified and fire those who engage in misconduct or fail to perform.

I would like to address some of the specific recommendations in the staff memorandum to the Commissioners.

The first "policy option" that jumped off the page was the proposal to adopt a modified Title 38 personnel system for federal health care providers that was recommended by the 2016 Commission on Care in the VA. Please never forget that this personnel system was recommended by a body whose majority was focused on dismantling and privatizing the VA healthcare system. Their modus operandi was to degrade, defund and dismantle a world-class, veteran-centric health care system that consistently outperforms the private sector. Part of that plan was to impose a personnel system that would facilitate the failure of the VA health care delivery system in order to clear the path to privatization.

The employees who would have been covered under their proposed system vehemently opposed it because it would have eliminated many of their rights to collective bargaining and union representation, reduced their retirement and healthcare benefits, based pay and pay

adjustments on subjective factors and thereby open the door to favoritism, corruption, and discrimination. In so doing, it would have removed any kind of effective check on VA mismanagement or corruption of the kind that led to the waitlist scandal in Phoenix in 2014.

Please do not be fooled by headlines or assurances that such a personnel system upholds merit system principles; it does not. It may reflect current non-union private sector practice, but the federal government should never lower its standards to that level. The federal government should not join the proverbial race to the bottom with regard to employment practices, allowing minimal rights to employees and cutting pay for the majority of employees in order to finance very high compensation for those at the top. The VA is already struggling to compete with private sector health care employers for physicians and other clinicians in short supply and the elimination of merit system principles will make it even more difficult to keep the VA adequately staffed.

I would advise this Commission to reject the memorandum's proposal regarding a personnel system for federal healthcare workers. Adoption of that proposal would make federal employment less attractive for health care employees, not more attractive. What is worse, the elimination of rights and accountability for management would lead, inevitably, to lower quality health care in VA, DoD, the Indian Health Service, in federal prisons, and wherever else it might be applied.

AFGE also strongly opposes the proposal to create any kind of cafeteria-type structure for employee benefits. The federal government should provide all its employees a comprehensive benefit package. No one should have to choose between health insurance and paid time off, between paid parental leave and retirement income security, between disability insurance and dental insurance. Instead of either-or, I urge the Commission to recommend the addition of employer paid parental leave, as well as disability, vision, and dental insurance. That alone would do more to improve hiring and make the federal government an attractive employer than all the various ideas for non-competitive hiring you are considering.

There are numerous proposals to eliminate or vastly reduce the benefits available under the Federal Employees Retirement System (FERS). President Trump's budget includes the proposal for elimination of FERS for new hires included in your staff memorandum, along with massive cuts for the incumbent workforce.

The defined benefit component of FERS is extremely modest but it is highly valued by federal employees and is a strong inducement to federal employment, both in terms of recruitment and retention. Following the private sector in the realm of retirement benefits, where less than half of workers have any kind of employment-based retirement system at all and only half of those who do receive any kind of employer subsidy is not only immoral, it contributes to what will be an enormous retirement income crisis in the future. People who retire from federal employment should have a dignified retirement, and a dignified retirement requires a guarantee of adequate income to cover living costs. Many federal employees cannot

afford to save enough in the Thrift Savings Plan to finance an income stream that lasts throughout their old age. Their defined benefit, a retirement income that they will never outlive, is crucial. We urge you to reject any and all calls for the elimination of or for reductions to the FERS defined benefit.

As the title of this hearing is about “Improving Basic Hiring Processes,” I want to briefly mention that the staff memorandum essentially omits any role for the Office of Personnel Management (OPM). Indeed, the current Administration is proposing to abolish OPM and send many of its functions to the General Services Administration. The idea that the U.S. government would not have a central human resources agency should be appalling to members of this commission, whether you come from the public or private sector. OPM is the successor to the Civil Service Commission, and is the agency primarily responsible for ensuring merit-based hiring and adherence to civil service principles.

Much of the staff memorandum seemed to be focused on non-competitive, direct and excepted hiring processes. These methods of hiring rarely offer the type of broad-based opportunities often associated with merit-based civil service recruitment and hiring. Rather, they are frequently used to allow hiring managers to pick their friends, acquaintances and other favored-people for federal positions. AFGE supports a genuine merit-based hiring system to ensure that only the most qualified people are considered for federal employment.

AFGE urges the commission to review the program established by OPM during the Obama Administration called USAHire. This is an entry-level program to hire college graduates that uses validated merit principles. Rather than jettisoning or abandoning competitive, merit-based hiring, the commission should strongly endorse this time-tested approach. In addition, the commission should emphasize the need for a centralized personnel agency such as OPM. Federal personnel policy development needs to be comprehensive and based on merit principles. Only a strong, centralized human resources agency can achieve these goals.

Finally, the memorandum calls for a new, government-wide personnel system. This is the wrong time for such a project. No one should trust the Trump administration with government-wide personnel reform. At the moment, federal employees are fighting a lonely battle to defend the apolitical civil service from corruption and politicization. We have an administration that has tried to bypass Congress through the issuance of executive orders to all but eliminate the right of federal employees to obtain the union representation they have voted and paid for. This administration has tried to restrict collective bargaining to such an extent that it is becoming an exercise in futility. The administration keeps trying to freeze federal pay and distort the measurement of the pay gap, cut federal retirement benefits and cut federal health insurance benefits. This administration is trying, and sometimes succeeding, in drastically curtailing due process rights.

It is an administration that wants to privatize and contract out federal jobs including those that are closely associated with inherently governmental and core functions of agencies.

An administration that wants to abolish the federal government's central personnel agency, close regional offices of some agencies and decentralize others. An administration that has cut staff through layoffs and attrition and refusals to hire much needed personnel including physicians and nurses at VA medical facilities. Last but not least, the administration has tried to politicize agencies through intimidation, questioning of loyalties, quashing scientific findings, and forbidding federal employees from using certain words connected to scientific matters. To reiterate, clearly this is not the administration to trust with government-wide personnel reform.

This commission's work aimed at promoting and facilitating public service employment is extremely important and praiseworthy. We are well aware that decades of politicians denigrating public employment and the mission of government agencies has taken its toll. Failures and missteps by federal agencies are hyped as evidence that the government itself can do nothing right, even when identical failures by private entities are understood as the result of inadvertent mistakes or the actions of a few bad apples. But let's not succumb to the simplistic notion that the structure and rules that guarantee an apolitical, professional civil service are what stands in the way of more effective government. Let's acknowledge that difficulties in recruitment and retention are the result of low pay, low public regard, and an enormous workload due to understaffing and too few resources.

This concludes my testimony. I will be happy to answer any questions you may have.