

# URGENT BUSINESS FOR AMERICA

REVITALIZING THE FEDERAL GOVERNMENT  
FOR THE 21ST CENTURY

REPORT OF  
THE NATIONAL COMMISSION  
ON THE PUBLIC SERVICE

JANUARY 2003



# PREFACE

Fifty years have passed since the last comprehensive reorganization of the federal government. The changes proposed by The Hoover Commission served the nation well as it adapted to the mid-20th century world. It was a world transformed by World War II and the new responsibilities of the United States government at home and abroad.

It was also a world in which television was still a curiosity, transportation without jets was slow and expensive, typewriters were still manual, and Xerox machines, personal computers, microchips, and the Internet were unknown and beyond imagination.

Medicare and Medicaid did not exist. There were no nuclear power plants and no national highway system. The government organization table contained no EPA, OSHA, NIH, or dozens of other now familiar institutions.

The relationship of the federal government to the citizens it serves became vastly broader and deeper with each passing decade. Social programs are by far the largest component of a federal budget that now amounts to over one-fifth of the gross national product. National security and foreign policy issues, the environment, protection of human rights, health care, the economy, and questions of financial regulation dominate most of the national agenda.

Something less tangible, but alarming, has also happened over the last 50 years. Trust in government — strong after World War II, with the United States assuming international leadership and meeting domestic challenges — has eroded. Government's responsiveness, its efficiency, and too often its honesty are broadly challenged as we enter a new century. The bonds between our citizens and our public servants, essential to democratic government, are frayed even as the responsibilities of government at home and abroad have increased. Government work ought to be a respected source of pride. All too frequently it is not.

The members of this Commission — Republicans, Democrats, and independents — have joined in a common conviction. The time has come to bring government into the 21st century. We take as a given the Constitutional division of authority among the Legislature, the Judiciary, and the Executive. Our proposals mainly concern the organization of the administrative side, but there are implications for the Congress and for the effectiveness of our courts.

We are a small group, with limited resources. But beyond our own combined experience in government, we have been able to draw upon an enormous amount of research and professional analysis in conducting our work. That evidence points unambiguously toward certain conclusions:

- **Organization:** A clear sense of policy direction and clarity of mission is too often lacking, undercutting efficiency and public confidence. As a result, there is real danger of healthy public skepticism giving way to corrosive cynicism.
- **Leadership:** Too many of our most competent career executives and judges are retiring or leaving early. Too few of our most talented citizens are seeking careers in government or accepting political or judicial appointments.
- **Operations:** The federal government is not performing nearly as well as it can or should. The difficulties federal workers encounter in just getting their jobs done has led to discouragement and low morale.

Disciplined policy direction, operational flexibility, and clear and high performance standards are the guiding objectives of our proposals. Our report calls for sweeping changes in organizational structure and personnel incentives and practices. Clarification and consolidation of responsibility for policymaking executives, combined with greater delegation of operational functions to agency managers, should be the hallmark of progress. Implementation and effective oversight will require clear-sighted action by the President, the Cabinet, and the Congress.

I have great appreciation for the men and women who agreed to give their attention and knowledge to the mission of this commission. They are people of all political persuasions who have time and again demonstrated their commitment to excellence in government. They came together in the wake of 9/11/01 with a common desire to help our government meet the critical challenges of this new century.

Most of all, the support of a concerned public for bold change is critical. Only then will we be able to rebuild trust in government.

It is our belief that these are matters of consequence to all who are interested in government and its performance.

The members of the Commission commend the report to the attention of the American public and our elected and appointed leaders.



Paul A. Volcker

# THE NATIONAL COMMISSION ON THE PUBLIC SERVICE

## CHAIRMAN

### **Paul A. Volcker**

Paul Volcker served in the federal government for almost thirty years during five presidential administrations. Appointed as Chairman of the Board of Governors of the Federal Reserve System by President Jimmy Carter in 1979, he was re-appointed by President Ronald Reagan in 1983. After leaving the Federal Reserve in 1987, he became Professor of International Economic Policy (now emeritus) at Princeton University and served as Chairman of the firm of James D. Wolfensohn & Co. until his retirement in 1996. He currently works with a number of institutions concerned with both domestic and international affairs. As Chairman of the first National Commission on the Public Service ("The Volcker Commission") in 1988, he established himself as one of the nation's strongest advocates for the revitalization of the public service.

## MEMBERS

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Appointed Comptroller General of the United States by President Ronald Reagan in 1981, Charles Bowsher led the General Accounting Office (GAO) for fifteen years. For the 25 years prior to his appointment, he was associated with Arthur Andersen & Co., except for a four-year period between 1967 and 1971 when he served as Assistant Secretary of the Navy for Financial Management. He currently serves on a number of corporate boards.

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Bill Bradley represented New Jersey in the United States Senate from 1979 to 1997. Senator Bradley held seats on the Finance Committee and the Energy and Natural Resources Committee and also served on the Special Committee on Aging and the Select

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Frank C. Carlucci served as Secretary of Defense under President Ronald Reagan from November 1987 to January 1989, during which time he oversaw the Defense Secretary's Commission on Base Realignment and Closure. Secretary Carlucci also served as Assistant to the President for National Security Affairs under President Reagan. Currently Chairman of the Carlyle Group, Secretary Carlucci has amassed more than 25 years of government service within the Departments of Defense and of Health, Education and Welfare; the Central Intelligence Agency; the Office of Management and Budget; and the Foreign Service.

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Kenneth M. Duberstein served as President Reagan's Chief of Staff in 1988 and 1989, following his previous service as Deputy Chief of Staff and in other senior positions in the Reagan Administration. He serves on the boards of several corporate and nonprofit organizations, including the Boeing Company, Fannie Mae, Kennedy Center for the Performing Arts Vice Chairman, the Council on Foreign Relations, the Brookings Institution, and others. He is currently Chairman and Chief Executive Officer of the Duberstein Group.

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Constance Horner served as Assistant to the President and Director of Presidential Personnel for President George H. W. Bush. During the Reagan Administration, she headed the Office of Personnel Management, which oversees the

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From 1996 to 1998, Franklin D. Raines served as the Director of the Office of Management and Budget for President Bill Clinton. He previously served as Assistant Director of the Domestic Policy staff and Associate Director of OMB in the Carter Administration. Prior to joining Fannie Mae in 1991 he was a general partner with Lazard Freres & Co. He is currently Chairman and Chief Executive Officer of Fannie Mae and serves on several corporate boards.

#### **Richard Ravitch**

Richard Ravitch is the Co-Chair of the bipartisan Millennial Housing Commission, a congressionally chartered organization examining the status of affordable housing in the United States. He was appointed to the United States Commission on Urban Problems by President Lyndon Johnson in 1966. In 1975 he became Chairman of the nearly bankrupt New York State Urban Development Corporation at the request of Governor Hugh Carey. After restoring the corporation to solvency, Ravitch served as Chair of the New York Metropolitan Transportation Authority for five years. He is currently a principal in Ravitch, Rice & Co.

#### **Robert E. Rubin**

Robert E. Rubin served as the 70th Secretary of the United States Treasury from January 1995 to July 1999. Prior to joining the Treasury, Secretary Rubin served as Assistant to the President for Economic Policy in the Clinton Administration and directed the National Economic Council. Before he joined the

Clinton Administration, Secretary Rubin served as Co-Chairman of Goldman Sachs & Co. Secretary Rubin is currently Chairman of the Executive Committee and Member of the Office of Chairman of Citigroup.

#### **Donna E. Shalala**

Donna E. Shalala served as Secretary of Health and Human Services in the Clinton Administration from 1993 to 2001. Prior to joining the Clinton Administration, Secretary Shalala served as Chancellor of the University of Wisconsin-Madison. She has taught political science at Columbia, the City University of New York, and the University of Wisconsin-Madison. In the Carter Administration, she served as Assistant Secretary for Policy Development and Research, U.S. Department of Housing and Urban Development. She is currently a Professor of Political Science and the President of the University of Miami. Secretary Shalala was a Commissioner on the first National Commission on the Public Service.

#### **Vin Weber**

Vin Weber represented Minnesota's Second Congressional District in the United States House of Representatives from 1980 to 1992. During that time, Representative Weber was a member of the Appropriations Committee and an elected member of the House Republican leadership. Representative Weber is a Co-Director of Empower America, Chairman of the National Endowment for Democracy, and a Senior Fellow at the Humphrey Institute of Public Affairs at the University of Minnesota. Representative Weber is also a managing partner of Clark & Weinstock.

## **EX-OFFICIO MEMBERS**

#### **Bruce Laingen**

Bruce Laingen served as the Executive Director of the first National Commission on the Public Service. He was a member of the U.S. Foreign Service from 1949 to 1987. Laingen served as

U.S. Ambassador to Malta from 1977 to 1979 and as chargé d'affaires of the American embassy in Iran in 1979. Ambassador Laingen is currently the President of the American Academy of Diplomacy and serves on the boards of the Presidential Classroom for Young Americans and the National Defense University Foundation.

### **Strobe Talbott**

Strobe Talbott assumed the presidency of the Brookings Institution in July 2002 after a career in journalism, government, and academe. His immediate previous post was Founding Director of the Yale School for the Study of Globalization. Talbott served in the State Department from 1993 to 2001, first as ambassador-at-large and special adviser to the Secretary of State for the new independent states of the former Soviet Union, then as Deputy Secretary of State for seven years. Talbott entered government after twenty-one years with *Time* magazine.

## **EXECUTIVE DIRECTOR**

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Hannah S. Sistare was Staff Director and Counsel to the U.S. Senate Governmental Affairs Committee for U.S. Senator Fred Thompson from 1995 to 2002. She has held positions within the Departments of Health and Human Services and Labor and has taught at George Washington University and American University. She served as Chief of Staff to Senator Charles H. Percy and as Chief Legislative Assistant to former Senate Republican Leader Hugh Scott. She is a Visiting Fellow at the Brookings Institution.

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Paul C. Light served as Senior Advisor to the first National Commission on the Public Service. He is the Founding Director of the Brookings Institution Center for Public Service and also the Paulette Goddard Professor of Public Service at New York University. He was previously Director of the Public Policy Program of the Pew Charitable Trusts.

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G. Calvin Mackenzie is a Visiting Fellow at the Brookings Institution and holds an endowed chair as the Goldfarb Family Distinguished Professor of Government at Colby College. As a Senior Research Analyst for the U.S. House Commission on Administrative Review, he was the principal author of its analyses of administrative operations in the House of Representatives.

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## ACKNOWLEDGEMENTS

This Commission arose largely out of the work of the Brookings Institution's Center for Public Service under the creative and energetic leadership of Paul C. Light, Director of the Center for Public Service and Senior Advisor to the Commission, complemented by the indefatigable efforts of Hannah Sistare, Executive Director, and her staff.

At its formation, other organizations long concerned with the effectiveness of government and the state of public service joined together to provide analyses, ideas, and encouragement.

While those organizations, listed below, bear no responsibility for the particular conclusions the Commission has reached, their participation in our work reflects one strongly shared perception: The time has come to reform both the administrative organization and the personnel practices of the federal government to meet the needs of the 21st century.

The Commission greatly appreciates the special contribution of these organizations to its work. Together they provided a solid foundation of theory and practice, amplifying the experience of the members of the Commission and their staff.

Council for Excellence in Government  
United States General Accounting Office  
Kennedy School of Government at Harvard University  
National Academy of Public Administration  
United States Office of Personnel Management  
Partnership for Public Service  
RAND Corporation



# TABLE OF CONTENTS

SUMMARY OF RECOMMENDATIONS	x
THE CASE FOR CHANGE	1
THE TASK WE FACE	3
PROBLEMS – AND OPPORTUNITIES	6
A TIME FOR ACTION	11
RECOMMENDATIONS	13
THE ORGANIZATION OF GOVERNMENT	14
LEADERSHIP FOR GOVERNMENT	18
OPERATIONAL EFFECTIVENESS IN GOVERNMENT	26
INTERIM STEPS TOWARD IMPLEMENTATION	32
CONCLUSION	33
APPENDIX	36
THE GOVERNMENT AT WORK	36
■ Examples of Jurisdictional Chaos	36
■ Case Examples of Entry-Level Hiring in the Civil Service	37
■ Federal Employee Appeal Process	40
■ New Approaches to Personnel Management	41
ACKNOWLEDGEMENT OF SOURCES UTILIZED BY THE COMMISSION	43
■ Witnesses at Commission Hearings	43
■ Institutions Providing Research and other Information to the Commission	44
■ Published Studies and Written Commentary	45
■ Organizations and Individuals Contributing to the Commission’s Knowledge	47

# SUMMARY OF RECOMMENDATIONS

## THE ORGANIZATION OF GOVERNMENT

Fundamental reorganization of the federal government is urgently needed to improve its capacity for coherent design and efficient implementation of public policy.

**RECOMMENDATION 1**  
The federal government should be reorganized into a limited number of mission-related executive departments.

**RECOMMENDATION 2**  
The operating agencies in these new executive departments should be run by managers chosen for their operational skills and given the authority to develop management and personnel systems appropriate to their missions.

**RECOMMENDATION 3**  
The President should be given expedited authority to recommend structural reorganization of federal agencies and departments.

**RECOMMENDATION 4**  
The House and Senate should realign their committee oversight to match the mission-driven reorganization of the executive branch.

## LEADERSHIP FOR GOVERNMENT

Effective government leadership requires immediate changes in the entry process for top leaders and the long-term development of a highly skilled federal management corps.

**RECOMMENDATION 5**  
The President and Congress should develop a cooperative approach to speeding and streamlining the presidential appointments process.

**RECOMMENDATION 6**  
Congress and the President should work together to significantly reduce the number of executive branch political positions.

**RECOMMENDATION 7**  
The Senior Executive Service should be divided into an Executive Management Corps and a Professional and Technical Corps.

**RECOMMENDATION 8**  
Congress should undertake a critical examination of “ethics” regulations imposed on federal employees, modifying those with little demonstrated public benefit.

**RECOMMENDATION 9**  
Congress should grant an immediate and significant increase in judicial, executive, and legislative salaries to ensure a reasonable relationship to other professional opportunities.

**RECOMMENDATION 10**  
Congress should break the statutory link between the salaries of members of Congress and those of judges and senior political appointees.

## OPERATIONAL EFFECTIVENESS IN GOVERNMENT

The federal workforce must be reshaped, and the systems that support it must be rooted in new personnel management principles that ensure much higher levels of government performance.

### RECOMMENDATION 11

More flexible personnel management systems should be developed by operating agencies to meet their special needs.

### RECOMMENDATION 12

Congress and the Office of Personnel Management should continue their efforts to simplify and accelerate the recruitment of federal employees.

### RECOMMENDATION 13

Congress should establish policies that permit agencies to set compensation related to current market comparisons.

### RECOMMENDATION 14

Competitive outsourcing should follow clear preset standards and goals that advance the public interest and do not undermine core competencies of the government.



# THE CASE FOR CHANGE

*I*n the 21st century, government touches every American's life. It affects, often profoundly, the way we live and work. So we have a deep and growing concern that our public service and the organization of our government are in such disarray.

The notion of public service, once a noble calling proudly pursued by the most talented Americans of every generation, draws an indifferent response from today's young people and repels many of the country's leading private citizens. Those with policy responsibility find their decisionmaking frustrated by overlapping jurisdictions, competing special interests, and sluggish administrative response. Those who enter the civil service often find themselves trapped in a maze of rules and regulations that thwart their personal development and stifle their creativity. The best are underpaid; the worst, overpaid. Too many of the most talented leave the public service too early; too many of the least talented stay too long.

Those who enter public service often find themselves at sea in an archipelago of agencies and departments that have grown without logical structure, deterring intelligent policymaking. The organization and operations of the federal government are a mixture of the outdated, the outmoded and the outworn. Related responsibilities are parceled out among several agencies, independent of each other or spread across different departments.

In this technological age, the government's widening span of interests inevitably leads to complications as organizations need to coordinate policy implementation. But as things stand, it takes too long to get even the clearest policies implemented. There are too many decisionmakers, too much central clearance, too many bases to touch, and too many overseers with conflicting agendas. Leadership responsibilities often fall into the awkward gap between inexperienced political appointees and unsupported career managers. Accountability is hard to discern and harder still to enforce. Policy change has become so difficult that federal employees themselves often come to share the cynicism about government that afflicts many of our citizens.

"A strong workforce  
comes from having the right people  
with the right skills  
in the right place at the right time.  
Only then will government operate  
in an effective, efficient, and  
economic manner."

*U.S. Senator Daniel K. Akaka*

The system has evolved not by plan or considered analysis but by accretion over time, politically inspired tinkering, and neglect. Over time the "civil service system" was perceived as a barrier to effective government performance. Few leaders in Washington, even those who understood the importance of revitalizing the public service, were willing to expend the political capital deemed necessary to do so. And government reorganization has come to be viewed as a task so daunting, requiring such extensive and excruciating political negotiations, that it takes a national emergency to bring it about.

Without government reorganization, it will be very difficult to revitalize the public service. The fact of the matter is that we need both government reorganization and revitalization of the public service. Without structure and organization, no political leaders or body of public servants will be able to do the kind of job the citizens want and demand.

Recognition that there is much wrong with the current organization and management of the public service is widespread today. It stimulated the creation of this National Commission on the Public Service, and it has inspired our determined effort to call upon expert testimony and

analysis to address what lies at the core of the current problems. We believe that the proposals in this report, when implemented, will make a significant difference in the quality of government performance.

The need to improve performance is urgent and compelling. The peace dividend many Americans expected from the end of the Cold War has quickly vanished in the face of new and sinister threats to our national security. The economic boom of the 1990s has ended, and Americans look to their government for fiscal and regulatory policies to cope with harsh new economic realities. The looming baby boomer retirement bulge will put greater pressure than ever before on government human services programs. Across the full range of government activities, new demands are accelerating, and the pace of change is quickening. At the same time, the federal government has had difficulty in adapting to the knowledge-based economy and taking advantage of the significant advances in technology.

The federal government is neither organized nor staffed nor adequately prepared to meet the demands of the 21st century. It was in recognition of that fact that the President found it necessary last year to propose the most sweeping change in the organization of the federal government in decades by creating the new Department of Homeland Security. But that imperfect reorganization covers only part of the government. With every passing day, the gap between expectations and responsive capacity is growing. If we do not make the necessary changes now, when our needs are clear, we will be forced to cope with the consequences later in crisis after crisis.

In this report, we have not shied away from proposing radical change. Our analysis and recommendations may discomfort parts of our audience. We accept that inevitability for a simple but important reason: the current organization of

the federal government and the operation of public programs are not good enough. They are not good enough for the American people, not good enough to meet the extraordinary challenges of the century just beginning, and not good enough for the hundreds of thousands of talented federal workers who hate the constraints that keep them from serving their country with the full measure of their talents and energy. We must do better, much better, and soon.

“We’ve got to get the public engaged  
and we’ve got to get the media  
to understand the importance  
and the linkage between getting good  
public servants and  
having a nation that works.”

*Constance Berry Newman, Assistant  
Administrator for Africa, U.S. Agency for  
International Development*

## THE TASK WE FACE

American citizens and their national government face a variety of new and demanding challenges in the 21st century. People live longer and the average age of the population will continue to increase. We are experiencing ever greater racial and religious diversity. By mid-century there may be no majority race in the United States for the first time in our history. New technologies are bringing far-reaching changes in the way we work, produce our food, obtain and communicate information, and care for ourselves. Globalization, the extraordinary needs of developing nations, and the availability of weapons of mass destruction to nonstate actors are redefining national security and international relations.

In the United States, there are accelerating demands on limited resources like fuel and water. And there is ever-increasing demand for expensive services, especially medical services and especially for the elderly. We will need to find ways and means of keeping our financial markets both free and honest. We will be forced to confront hard and deeply contentious questions about the proper role of government and the extent to which government can aid its citizens with services and burden them with taxes. And overlaying all this are the now-constant challenges to our national security and to our role and responsibilities in shaping a peaceful and prosperous world.

Americans expect more of their government than ever before, not necessarily in size but in responsiveness, and, inevitably, good government will demand more of the American people than ever before. For the relationship to work well, the American people must trust and respect their government, but that will only occur if the quality of government performance improves.

No one should expect a 21st century population confronting 21st century problems to be

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## HOW THE WORK OF GOVERNMENT HAS CHANGED

As the current director of the U.S. Office of Personnel Management has noted, the government of 1950 was largely a government of clerks. The newly created General Schedule, covering 96 percent of the nonpostal, white-collar federal workforce, provided specific job descriptions and salary ranges for 15 grades, each of which contained ten distinct steps. Most federal employees worked in the lower levels of the administrative hierarchy — GS-3 was the most populous grade and more than half of the General Schedule employees occupied grades at or below GS-4.

For most federal employees, the work was process oriented and routinized. It required few specialized skills. Because the character of work was consistent across agencies, public service policies could demand consistency as well. The federal workers in one agency were paid and treated just like federal workers with the same classification in all others. The bedrock principle of the government's employee classification system was — and is — that job description and time in service determine one's compensation, not skill nor training nor education nor performance.

But as these consistent and rigid policies of equal treatment and protection of employee tenure took deep root, the character of federal responsibilities and the nature of work began to change in ways that would dramatically alter government functions and revolutionize the workplace in the second half of the 20th century. Nearly every aspect of government became more technically complex. A space program emerged and quickly became a significant federal activity. Foreign aid and foreign trade became important components of foreign relations. Ensuring the safety of food and drugs, of travel, and of the workplace loomed larger in importance. Science and technology research, complex litigation, rigorous analysis, and innovation in service delivery became critical responsibilities in agency after agency. Financial regulators became hard pressed by the competitiveness of modern capital markets. Increasingly, government operations were contracted to the private sector. A simple comparison of the grade distributions between 1950 and 2000 reveals one dimension of the change. In 1950, 62 percent of the basic federal workforce was in GS grades 1-5, with only 11 percent in the top five grades; by 2000 those relationships were reversed: 15 percent of the federal workforce was in the bottom five grades, compared to 56 percent in the top.

Rigid federal personnel policies, designed to enhance consistency and employee tenure, have become an ever tighter straitjacket for a government that needs to place a higher value on creativity and flexibility to meet rapidly changing and increasingly complicated demands. As the country, the world, and the federal government have evolved into entities very different from their 1950 forms, the principal structural elements of the federal public service have remained largely the same.

Occasional legislative initiatives, including the much-trumpeted Civil Service Reform Act in 1978, brought some measure of flexibility to a few agencies with critical needs and created the promise — too often unfulfilled — of performance-based compensation for some federal workers. But central principles and core structures changed little.

SOURCE: Office of Personnel Management, *A Fresh Start for Federal Pay: The Case for Modernization* (April 2002)

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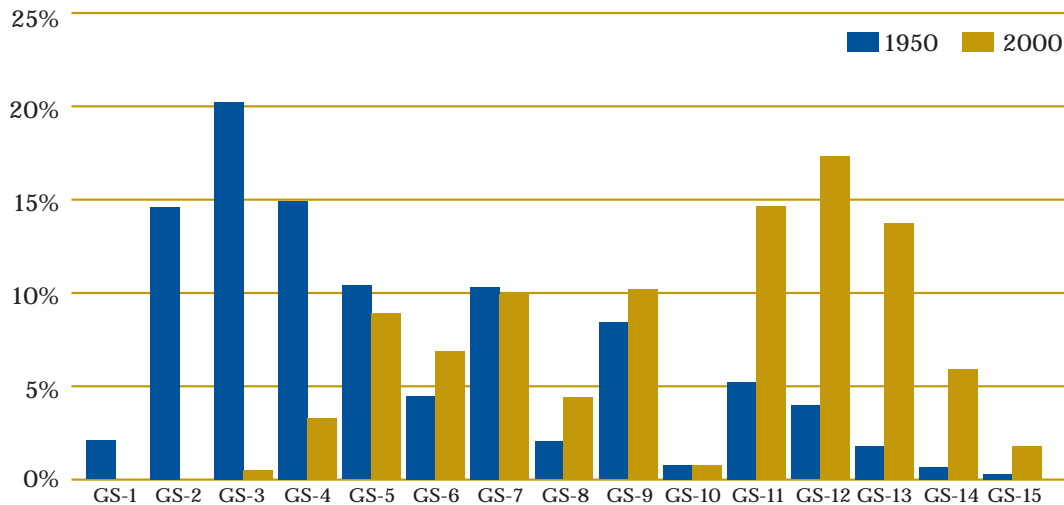
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## THE CHANGING FEDERAL WORKFORCE, 1950-2000.



SOURCE: Office of Personnel Management, *A Fresh Start for Federal Pay: The Case for Modernization* (April 2002), p. 5.

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satisfied with a government hamstrung by organizations and personnel systems developed decades ago. The organizational structure of the federal government was last reviewed in a comprehensive way in the mid-20th century, first with a significant modernization of the defense establishment after World War II and then in response to the two national commissions created during the administrations of Presidents Truman and Eisenhower and chaired by former President Herbert Hoover. Since then, new entities have been created to cope with new technologies, greatly expanded social programs, and commitments to enhance the health, safety, and environment of the nation. This ad hoc layering of agencies, departments, and programs greatly complicated management, expanded the influence of powerful interests, and diminished coherent policy direction. The federal government today is a layered jumble of organizations with muddled public missions.

A government that has not evolved to meet the demands of the early 21st century risks being overwhelmed by the even greater demands that lie ahead. Capacity and performance in government do not now equal public demands and expectations. Public trust steadily declines as a

“And it was 12 years ago  
when Paul Volcker chaired  
the first commission  
that dealt with a quiet crisis.  
Well, it’s no longer quiet  
and it is a crisis of even more  
remarkable dimensions.”

*Connie Morella, U.S. Representative*

result. The gap will only grow larger in the years ahead, and the consequences and costs of that gap will grow as well.

## PROBLEMS — AND OPPORTUNITIES

Our collective experience matches the central theme of most research and expert opinion on the functioning of the federal government: problems of organization and of human capital have combined to produce results far short of what is needed.

Our recommendations deal with seven key areas of concern, beginning with the overriding importance of the relationship between the American people and their government.

**Citizen disaffection and distrust of government.** Too many American citizens do not respect and trust their government — often for the very good reason that government has not earned their trust or respect.

Survey after survey confirms that the past 40 years have been marked by a steep decline in levels of public trust in government.

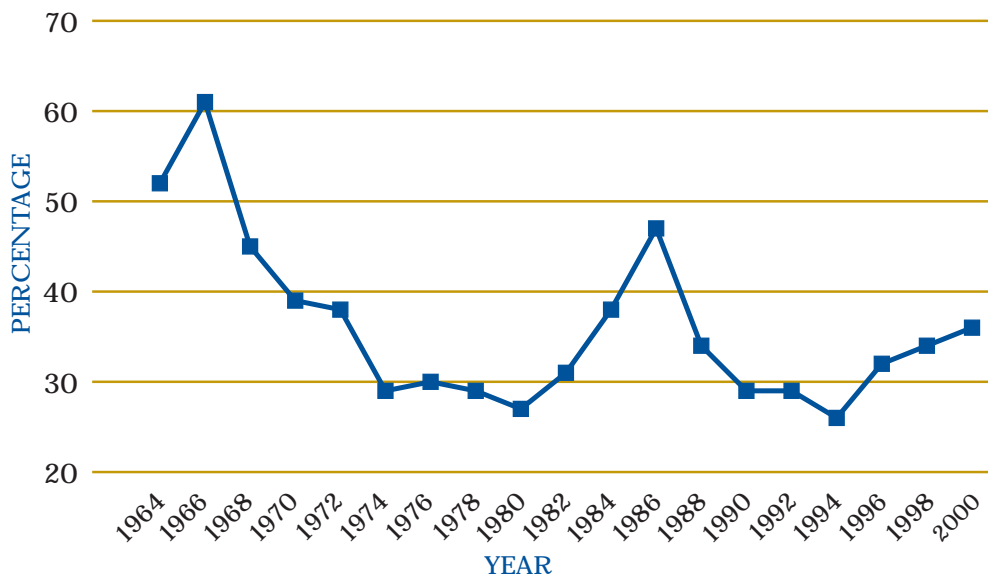
This is not a simple phenomenon and has no single cause. But recent opinion polling finds strong relationships between negative perceptions of the performance of government and distrust of government.

The public policies needed to meet the challenges of the 21st century will require sacrifices and strong support from the American people.

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TRUST IN FEDERAL GOVERNMENT, 1964-2000.



SOURCE: Based on data from National Election Studies "Trust in Government Index 1958-2000." ([http://www.umich.edu/~nes/nesguide/toptable/tab5a\\_5.htm](http://www.umich.edu/~nes/nesguide/toptable/tab5a_5.htm))

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## OPPORTUNITY LOST: SEPTEMBER 11 AND PUBLIC TRUST IN GOVERNMENT

In the aftermath of the tragedy of September 11, public trust in the federal government spiked dramatically upward. In July 2001, only 29 percent of participants in a national survey said they trusted the government in Washington to do the right thing “just about always” or “most of the time,” the standard measure of trust in government. That finding was consistent with the low levels of public trust that have been normal for many years. But in October 2001, a few weeks after the tragedy, trust in government exploded upward to 57 percent. One had to return to the 1960s to find such high levels of public trust.

The September 11 impact on trust in government was short lived, however. As stories of intelligence failures, confusion over the collection and distribution of victims’ relief funds, and the issuance of visas to terrorists emerged, public trust quickly began to fall back to earlier levels. By May 2002, it had dropped to 40 percent.

Favorability ratings for some visible leaders like the President, vice president, secretary of state and secretary of defense shot up after September 11 and remained unusually high in the months that followed. But individual favorability did not translate into positive ratings of government performance.

SOURCE: G. Calvin Mackenzie and Judith M. Labiner, “Opportunity Lost: The Rise and Fall of Trust and Confidence in Government After September 11,” Center for Public Service, Brookings Institution, May 30, 2002.

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Those will be hard to achieve if citizens distrust the government. But such distrust will continue to be the norm until government performance improves sufficiently to earn greater respect than it does now from the American people.

**Organizational chaos.** The seemingly coherent mid-20th century organizational structure of the federal government has been overtaken by events. Today, we have inherited an accumulation of particular organizations that follow no logical pattern. As a consequence, public servants often find themselves in doubt about the relevance and importance of their agency’s mission while spending inordinate amounts of time coordinating or battling with their counterparts in other agencies. In energy policy, health care, environmental protection, resource management, and scores of other important public matters, decisions are made and remade from different perspectives, while the need for coordina-

tion and for complementary policy approaches is neglected.

A dramatic reflection of the problem was made evident in the President’s call and Congress’s endorsement for massive reorganization of the disparate agencies with responsibility for homeland security. That proposed reorganization involves at least 22 agencies drawn from across government, affects at least 170,000 federal employees, and acknowledges the need for flexibility not possible under the old organizational structure and personnel system.

**One-size-fits-all management.** The major public service reform commissions of the 20th century sought to find single, consistent, overarching solutions to broad and complex organizational and management challenges. The first and second Hoover Commissions, most notably, sought to develop common

departmental and agency structures and uniform management practices.

If that was ever a viable or relevant approach, it is no longer. One size does not fit all in a government performing tasks as complex and varied as ours. Agencies have broadly different missions. One delivers monthly pension checks, another regulates the securities industry, a third conducts research on the frontiers of science, and so on. Because missions differ so widely, no single administrative structure or management approach can work effectively in all cases. Excellent performance requires organization, leadership, and culture that fit the mission, not just a single theory of administration.

*“Our federal civil service today  
stands at the intersection  
of opportunity and peril.”*

*U.S. Representative Steny Hoyer*

**Vanishing talent.** The middle decades of the 20th century were in some ways a golden age for public service recruiting and retention. First, public response to the Great Depression, then to the war against the Axis powers, drew committed and talented Americans to government to manage those enormous enterprises. In the 1960s, as the federal government took the lead in efforts to define and broaden the civil rights of citizens and to protect consumer and environmental rights, government again became a powerful magnet for the passion and commitment of talented citizens. Those generations of young Americans were drawn to public service by a powerful sense of mission.

But those highly motivated public servants are now gone or soon will be. Within the next five years, more than half the senior managers of the federal government will be eligible to retire. Not all will, but the best estimates are that by the end of this decade, the federal government will have suffered one of the greatest drains of experienced personnel in its history.

That would be less worrisome if there were evidence that the middle ranks of government contained ready replacements and the entry levels were filling with people full of promise for the future. But the evidence, in fact, points in the opposite direction. Far too many talented public servants are abandoning the middle levels of government, and too many of the best recruits are rethinking their commitment, either because they are fed up with the constraints of outmoded personnel systems and unmet expectations for advancement or simply lured away by the substantial difference between public and private sector salaries in many areas. Some employees leave federal service because they can no longer tolerate the dismal facilities and working conditions in many agencies. Drab and tiny workspaces, inadequate room for storage and record-keeping, and aging lighting, heating, and air conditioning systems — too common in the federal government — seem to many employees emblematic of the low value in which they as workers are held. The invasions of personal privacy resulting from financial reporting, background investigations, and public scrutiny in general also take a toll on morale. Increasingly, federal workers have real cause to be concerned about their personal safety.

Too often, as well, federal employees depart before their time in frustration over the strangling organizational and procedural complexity of contemporary government decisionmaking. For too many, even their best efforts to be responsive and creative end up in organizational oblivion.

The entry-level situation is equally dismaying. Rarely in recent history has there been a time when public service was so far from the minds of America's young people. The federal government is no longer viewed as the destination of choice for many graduates of the nation's top public policy and administration programs.<sup>1</sup>

Those who do have an interest in public service soon find that it is one of the most difficult professions in America to enter. Complex and convoluted entry procedures stop too many potential applicants in their tracks. Those who apply for jobs in the private sector typically find the application process much simpler and more streamlined and they get responses to their applications much more quickly. Faced with a job offer from a private sector employer in one hand and the prospect of many months of tedious review of their government job application in the other, they make the rational choice to take the sure thing.

So we confront a classic "catch-22." As the government's experienced workers depart for retirement or more attractive work, it creates an opening for new energy and talent; yet the replacement streams are drying up. Left unchecked, these trends can lead to only one outcome: a significant drop in the capabilities of our public servants.

**Personnel systems out of touch with market reality.** For more than a century, the central principle of federal personnel management has been equity across agencies in personnel matters. In a personnel system dominated by relatively low-level jobs, "equal pay for equal work" was a reasonable and workable management theory.

But we no longer have a government dominated by people performing low-skilled jobs. The concept of "equal work" is now impossible to apply to many of the tasks undertaken by gov-

ernment agencies. To be sure, there are employees in every agency who perform work similar to that of other employees in other agencies. Every agency has security personnel, human resource staff, accounting specialists, and so on. And efforts to ensure commonality in their treatment and compensation still make sense.

In the broader array of professional and managerial jobs, however, such comparisons are often impossible. There is no basis for comparing a trade analyst to a microbiologist or a space shuttle designer to an airport security manager.

There have been efforts in recent years to inject flexibility and market-relatedness in setting compensation for some agencies with critical missions and recruitment crises. In effect, there has been a reluctant concession to reality. The benefits have been evident but scattered and uneven. The broader issues of how compensation can rationally be determined across the government remain to be adequately addressed.

"The problem with the pay system is there is no incentive structure, no recognition of hard work... it is very hard to maintain my motivation knowing that even if I worked half as hard, I would still receive my scheduled 'step' increase each year."

*Employee, U.S. Department of Health and Human Services*

### **Personnel systems are immune to performance.**

Three factors, far beyond any others, determine the compensation of the overwhelming majority of federal employees. The first is how individual jobs fit into the General Schedule classification system; the second is the geographical location of the job; and the third is the employee's time in service. Quality of performance, which ought to be the central factor in determining compensation, is too often ignored.

With the Civil Service Reform Act of 1978, bonuses, merit pay, and performance awards were instituted for high-performing civil servants, especially top managers. However, those efforts failed to produce the intended results. Congress has rarely provided sufficient appropriations to fund the bonuses, and the performance evaluation system that supports them has too often been rendered ineffective by managers seeking to spread bonuses around as compensation supplements for large numbers of employees instead of incentives or rewards for top performers. "An employee needs to do little, if anything, to earn these increases," according to the Office of Personnel Management. "They are essentially entitlements."<sup>2</sup>

The consequence is a compensation system that makes few distinctions between hard-working high-achievers and indifferent nonachievers. There are too few rewards for those who do their jobs well and too few penalties for those who perform poorly. The Senior Executive Service (SES), created as part of the Civil Service Reform Act of 1978, was an attempt to use pay-for-performance measures to reward senior level managers. Every three years, members of the SES are subject to recertification based on their performance levels. However, a study conducted in 1997 by the Office of Personnel Management found that 99 percent of SES members were routinely recertified in each three-year cycle, indicating that recertification is merely a rubber stamp and not a measure of, nor an incentive to, performance.<sup>3</sup>

This has added to the great discouragement among many federal employees with the performance of some of their colleagues. A recent Center for Public Service survey of federal employees found that the average estimate of the number of poor performers in their midst was about 25 percent, and more than two-thirds had negative views of their agency's system for disciplining those poor performers.<sup>4</sup> Such a system, of course, also discourages potential employees, especially the most talented and promising, who are reluctant to enter a field where there are so few financial rewards for their hard work, where mediocrity and excellence yield the same pay check.

**Labor-management conflict.** The extended debate over the creation of a Department of Homeland Security through the summer and fall of 2002 makes clear that labor-management relations will pose a challenge to reform. Some of the disagreement was the result of clear substantive differences; some was a reflection of partisan political jockeying; much was the result of inadequate communication. It was only after the November elections presaged a switch from Democrat to Republican control of the Senate that a compromise was reached. What is clear is that a new level of labor-management discourse is necessary if we are to achieve any serious reform in the civil service system.

The Commission believes that it is entirely possible to modernize the public service without jeopardizing the traditional and essential rights of public servants. Federal employees should be hired based on their demonstrated skills and talents, not their political affiliations. They should enjoy protection from discrimination and from arbitrary personnel actions. The traditional values of merit hiring, nondiscrimination, protection from arbitrary discipline or dismissal, and freedom from political interference should remain paramount. Engaged and mutually respectful labor relations should be a high federal priority.

The President, department and agency heads, members of Congress, and federal employee representatives can examine earlier public sector labor-management collaborations to find models for a new dialogue. Examples include the Quality Service through Partnership program developed by former Governor George Voinovich and the Ohio American Federation of State, County and Municipal Employees Union. Mayor Stephen Goldsmith of Indianapolis and employee representatives collaborated successfully to address deep differences over contracting for city services. At the federal level, President Clinton established a National Partnership Council to foster better labor-management communications at the agency level. Internal Revenue Service Commissioner Charles Rossotti used the 1998 IRS reform legislation, and an internal culture that already encouraged open relations, to forge a constructive labor-management relationship at the IRS.

"The fact is we all share the same goals: We want the federal government to be the employer of choice, to create an environment where the employees who are here, who are dedicated and committed, want to stay, and where we are able to hire those who are looking to enter federal service."

*Colleen Kelley, President,  
National Treasury Employees Union*

## A TIME FOR ACTION

Our analysis yields one overarching conclusion above all others: The task we face is not small. There is no magic bullet.

But neither are solutions beyond our grasp. Often in our past — in the 1880s, during the two world wars, and in meeting the threat of a great depression — we have faced pressures and demands that required government to alter its structure and operations. In recent years, we have seen some state and local governments successfully confront many of the problems identified here.

In Washington, too, thoughtful people throughout the federal government have experimented, often successfully, with innovative approaches to staffing and managing the public service. There is much cause for optimism. Governments and government agencies can change, even in ways that seem far-reaching, and those changes can produce significant improvements in efficiency and performance. Partly in response to the terrorist threat, there is today greater understanding that government plays an indispensable role in American life. This role cannot be responsibly fulfilled by mediocre performance or mediocre talent.

We also note a confluence of conditions that make this a propitious time for innovation in the public service. The enormous retirement bulge facing the federal government in this decade, though worrisome in many ways, is also an opportunity to rebuild and fortify for the future the senior levels of the public service.

We also detect a strong and growing bipartisan understanding in Washington that the public service must be modernized to meet the demands of an environment very different from the one in which the current rules were shaped. Most obviously, the debate over the creation of a new

Department of Homeland Security has raised important issues about the organization of government, the role of the public service, and the ways in which it must be managed to respond to 21st century needs. Plainly, frustrations with the old order are not limited to questions of national security. Across the political spectrum, there are calls for new approaches and new ideas.

Important as well, we note deep disaffection within the public service. Federal employees themselves are unhappy with the conditions they face. They are frustrated and fatigued. They lack the resources they feel they need to do their assigned jobs. They struggle with the constraints of an outmoded personnel system that keeps them from fully developing or utilizing their talents. They resent the protections provided to those poor performers among them who impede their own work and drag down the reputation of all government workers. While understandably wary of reforms that might do little more than introduce new political pressures into their work environments, the vast majority of federal employees know the system is not working and is in need of repair.

Moreover, we sense a substantial meeting of the minds among independent researchers, good-government groups, educators, and experienced public managers about the main items of needed reforms.

For all these reasons — because there is much wrong and a great need for change, because the American people and their elected representatives seem unusually disposed to consider such change, and because the government employees who will be most affected are themselves often advocates of change — we believe the time is right, indeed the time is ripe, for action on a broad front.

We hope the recommendations that follow from our own analysis of the problems will provide focus for public debate and needed decisions.

“Our members tell us  
that they desperately want  
to make a difference in their jobs and  
provide efficient service to the public,  
but lately, more than ever,  
they have less of a say over  
how the work can best be done and  
they are frustrated.”

*Mark Roth, General Counsel, American  
Federation of Government Employees*



# RECOMMENDATIONS

The compelling need to address the pressing problems identified in this report cuts across regions, generations, and political affiliations. We must have a government that can respond efficiently and effectively to political direction. When the American people, through their representatives, express a desire for policy change, the operating agencies of the government should be able to deliver that change promptly and efficiently. We believe that the recommendations that follow will greatly enhance their capacity to do so.

Taken together, these recommendations call for far-reaching changes in the structure and operations of the federal government. But it is not enough to call for large-scale organizational changes. These changes will not be effective without able public servants who are equipped and motivated to do their best in implementing public policies. And it is equally true that new approaches to recruiting and managing federal employees cannot be effective without a complementary organizational framework.

Tinkering around the edges is not enough. Decades of disjointed tinkering, in fact, have contributed to many of the problems we must now correct. It is time for deliberate, comprehensive review and reconstruction. This will not be completed soon, perhaps not even in a decade, but it must begin now and must reach deeply into all federal activities. The creation of the Department of Homeland Security was a first step. The effort that led to the development of that reorganization must now be applied government wide.

# THE ORGANIZATION OF GOVERNMENT

**Fundamental reorganization of the federal government is urgently needed to improve its capacity for coherent design and efficient implementation of public policy.**

The structure of the federal government is outmoded. Some programs no longer have viable missions. More often, too many agencies share responsibilities that could profitably be combined. Decisionmaking is too often entangled in knots of conflict, clearance, coordination, and delay. The necessity for coordination and consultation cannot be permitted to overwhelm and needlessly delay decisionmaking.

The simple reality is that federal public servants are constrained by their organizational environment. Changes in federal personnel systems will have limited impact if they are not accompanied by significant change in the operating structure of the executive branch. This is why we begin our recommendations with an emphasis on issues of organization.

Every agency has — or should have — a clear mission with structures and processes that follow from their particular responsibilities. With rare exception, agencies with related mandates should fit together in a broad organizational scheme that permits and encourages constructive interaction rather than battles over turf. Federal departments should be reorganized to bring together agencies that contribute to a broad mission in a manner responsible to direction from elected leaders and their appointees, and subject to careful oversight by Congress but sufficiently independent in administration to achieve their missions.

## RECOMMENDATION 1

**The federal government should be reorganized into a limited number of mission-related executive departments.**

As the debate about homeland security illustrated, large-scale reorganization of the federal government is no easy task. In some ways, the barriers to success are compounded by a piecemeal approach. Consequently, we urge a broader, more comprehensive vision, recognizing that implementation will take considerable determination and time. The basic point is that a significant change in structure is essential for the responsive and efficient implementation of public policy that the new century demands.

Our goal is enhanced mission coherence and role clarification. Federal agencies that share closely related missions should be administered by the same organizational entity. A few large departments in which those agencies are grouped together should enhance their employees' sense of purpose and loyalty, provide opportunities for advancement and job mobility, and encourage interagency cooperation. It is a much more sensible approach to government organization than the current pattern in which agencies with similar responsibilities have been scattered throughout the government.

The reorganization that we recommend here will require significant improvements in the quality of top executives, in the management of operating units, and in the ability of agencies to meet their unique staffing needs. There must also be clearer definition of the distinct roles of

federal employees. Those charged with policy decisions should be political appointees, most of whom would work in the central offices of the large departments. Under the secretary would be deputy, under, and assistant secretaries to manage the budget and policy development. Although we contemplate that these appointees would oversee the individual operating agencies within their departments, operational responsibility would be delegated to the operating agencies. This would promote the dual advantages of mission cohesion and of smaller operating units.

There is extensive evidence now of duplication, overlap, and gaps in many critical government functions. This pattern consistently undermines effective government performance. Examples are plentiful and consequences are deeply damaging to the national interest.

1. **Waste of limited resources.** As many as 12 different agencies are responsible for administering more than 35 food safety laws. Testimony before the Senate Governmental Affairs Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia noted that fragmented responsibility under the current food safety system leaves many gaps, inconsistencies, and inefficiencies in government oversight and results in an unacceptable level of public health protection.<sup>5</sup>
2. **Inability to accomplish national goals.** For example, with 541 clean air, water, and waste programs in 29 agencies, no one in the federal government can effectively manage the application of federal resources devoted to these goals.
3. **Impediments to effective management.** Some government missions are so widely dispersed among so many agencies that no coherent management is possible. Some examples:

- Seven different federal agencies administer 40 different programs aimed primarily at job training.
- Eight different federal agencies operate 50 different programs to aid the homeless.
- Nine agencies operate 27 teen pregnancy programs.
- Ninety early childhood programs are scattered among 11 federal agencies.<sup>6</sup>

#### 4. **Danger to our national security and defense.**

- The Hart-Rudman Commission (U.S. Commission on National Security/21st Century) found that as a result of excessive layering, performance suffered profoundly. The commission highlighted the problem of “gaps and seams” in mission responsibilities:

*Redundancy and overlap between organizations, as well as greatly diffused lines of authority, responsibility and accountability generally point to “gaps and seams.” These generally lead to the creation of “patches” or “workarounds,” and the migration of functions and power to different organizations that would seem to lie outside their traditional core competencies.*

To better address the nation’s homeland security needs, the Hart-Rudman Commission recommended extensive reorganization of the Department of Defense, Department of State, and even the National Laboratories. The commission found that “there is a critical need to reshape the Department of Defense to meet the challenges of the 21st Century security environment.” And the Commission warned that the U.S. intelligence capabilities were hindered by “organizational constraints that limit the Intelligence Community’s ability to optimally address emerging security threats.” All of these recommendations were made prior to the attacks on the United States on 9/11/01.<sup>7</sup>

- Those participating in the Joint Congressional Committee inquiry into the intelligence failures of 9/11 repeatedly raised questions about the organization of U.S. intelligence agencies, the overlap and gaps in responsibilities, and the failure to share information within and between agencies.<sup>8</sup>
- There are 123 federal offices and agencies located in 16 federal departments with responsibility for counterterrorism.<sup>9</sup>

We believe that essential reorganization must begin with commitment to a few basic principles. First, programs that are designed to achieve similar outcomes should be combined within one agency unless there is a compelling case for competition. Second, agencies with similar or related missions should be combined in large departments that encourage cooperation, achieve economies of scale in management, and facilitate responsiveness to political leadership. Third, these new agencies and departments should be organized so that there are as few layers as possible between the top leadership and the operating units. Fourth, agencies should have maximum flexibility to design organizational structures and operating procedures that closely fit their missions.

Such reorganization takes time and patience. We believe a program on the scale we recommend here may take a decade or more to complete. But it is a task we must begin now and seek to accomplish with dispatch. The federal government will never fully meet the needs of the American people until this work is done.

## RECOMMENDATION 2

**The operating agencies in these new executive departments should be run by managers chosen for their operational skills and given the authority to develop management and personnel systems appropriate to their missions.**

Subject to clear objectives and performance criteria, these agencies should be given substantial flexibility in the choice of subordinate organizational structure and personnel systems. Employees government wide should continue to have the basic employment guarantees of merit hiring, nondiscrimination, and protection from arbitrary or political personnel actions. These grants of authority would be defined by the President and subject to oversight by the Office of Management and Budget and the Office of Personnel Management, as well as Congress. The Office of Personnel Management, the management side of OMB, and human resources and management specialists government wide have been subjected to personnel reductions in recent years. The added responsibilities recommended here will require a strengthening of these capabilities.

Many agencies currently have executives who serve in the role of chief management or operating officer, either by administrative appointment or by statute. The new Department of Homeland Security will have a presidentially appointed, Senate confirmed, Undersecretary for Management. There is considerable support for the view that such an officer can provide important management focus, particularly where the leadership of the agency is focused on policy development and implementation. We recommend that the decision as to whether such a position should exist be considered on an agency-by-agency basis, at smaller as well as larger agencies.

Of particular importance is that managers, whether political or career, have the appropriate experience, training, and skills to manage

effectively. This should be a priority for the President in identifying executives for appointment and a matter for congressional inquiry during the confirmation process. Finally, we recommend that Congress pay particular attention to the management implications of any legislation it considers.

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**RECOMMENDATION 3**  
**The President should be given expedited authority to recommend structural reorganization of federal agencies and departments.**

We recommend a qualified restoration of the President's authority to reorganize departments and agencies as the most efficient way to ensure that the operations of the federal government keep pace with the demands placed upon it. We suggest as a model the executive reorganization authority that began with the Reorganization Act of 1932 (5 USC 901 et seq.) and continued with its successor statutes through the middle decades of the 20th century.

We would assign the initiating role to the President. He would propose structural reorganizations or new management approaches that would contribute to the accomplishment of agency missions. In general, these proposals would take into account recommendations from the departments and agencies, from the President's policy and management advisers, and from Congress and its committees.

To take effect, these proposals would have to be approved by Congress. But such reorganization proposals would have two characteristics intended to ensure both their coherence and a timely congressional response. Specifically, we suggest that each proposal:

- Not be subject to amendment,
- Be given an up-or-down vote within 45 legislative days of submission.

With these characteristics, Congress could reject a reorganization proposal through a majority vote against approval in either chamber.

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**RECOMMENDATION 4**  
**The House and Senate should realign their committee oversight to match the mission-driven reorganization of the executive branch.**

Operating agencies desperately need the support of an active Congress if they are to perform effectively. At the same time, broad grants of administrative flexibility demand effective congressional oversight, transparency, and clear reporting relationships, which in turn require that congressional committees and subcommittees organize themselves around the same central missions as the departments of the executive branch.

A mismatch of missions reduces Congress's ability to provide broad effective oversight and can lead instead to micromanagement of those aspects of agency activities that happen to be most visible.

At critical junctures in its past — in 1911, in 1946, and in 1973 — Congress has reorganized its committee jurisdictions to reflect changes in the country and in the executive branch. As the executive branch evolves in the new century, the organization of Congress must evolve as well.

# LEADERSHIP FOR GOVERNMENT

Effective government leadership requires immediate changes in the entry process for top leaders and the long-term development of a highly skilled federal management corps.

No organization in this country is more dependent on qualified senior leadership than the federal government. Yet few organizations in our society have paid so little attention to leadership succession and leadership quality.

Senior leadership in federal agencies comes from two sources: political appointments by the President and the career ranks of the Senior Executive Service (SES). Today, both leadership sources are seriously flawed, and the awkward intersections of the two frequently compound these flaws. The challenge is to recruit the most

talented individuals for service as presidential appointees and senior career managers and find a better approach to allocating positions and coordinating efforts between them.

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**RECOMMENDATION 5**  
The President and Congress should develop a cooperative approach to speeding and streamlining the presidential appointments process.

Repairing the presidential appointments process must be a high priority in any effort to strength-

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## THE PRESIDENTIAL APPOINTEE PROBLEM

Contemporary presidents face two daunting difficulties in filling the top posts in their administrations: the number of appointments is very large, and the appointments process is very slow.

When President Kennedy came to office in 1960, he had 286 positions to fill in the ranks of Secretary, Deputy Secretary, Under Secretary, Assistant Secretary, and Administrator — the principal leadership positions in the executive branch. By the end of the Clinton administration, there were 914 positions with these titles. Overall in 2001, the new administration of President George W. Bush confronted a total of 3,361 offices to be filled by political appointment.

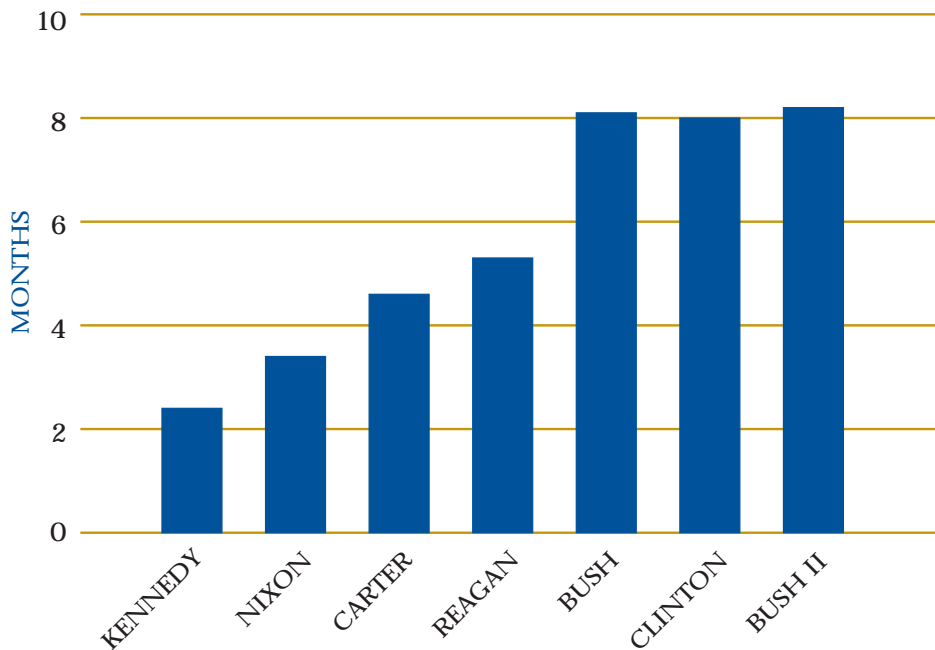
The time required to fill each of these positions has expanded exponentially in recent decades. (See graph.) In part, this results from the more thorough and professional recruitment procedures employed by recent administrations. But most of the elongation of the appointments process is the consequence of a steady accumulation of inquiries, investigations, and reviews aimed at avoiding political embarrassment. These include extensive vetting, lengthy interviews, background checks, examinations of government computer records, completion of questionnaires and forms composed of hundreds of questions, FBI full-field investigations, public financial disclosure, and conflicts of interest analysis. Much of the process is duplicated when a nomination goes to the Senate and is subjected to the confirmation process.

Potential appointees sometimes decline to enter government service when confronted by this process. Others drop out along the way. But the principal impact of the modern appointments process is the delay it imposes on the staffing of new administrations.

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## AVERAGE TIME TO COMPLETE AN APPOINTMENT, BY ADMINISTRATION



SOURCE: Calculated by The Presidential Appointee Initiative, Brookings Institution. Calculations reflect the average time elapsed between Inauguration day and Senate confirmation for initial appointees in each administration.

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en public service leadership. Other commissions have recommended a number of thoughtful reforms of the appointments process, most notably a long-overdue streamlining of the myriad forms that political appointees must complete. And at the time of our work, there is legislation pending in Congress that would implement those changes. We endorse these efforts.

But more is needed to fix the presidential appointments process than legislation alone can provide. An attitude change is essential as well. The appointments process has become a political battleground. Presidents and senators are the principal warriors, but candidates for presidential appointment are the principal victims. We desperately need a mutual recognition on the part of Senate leaders and the President that they must change their approach to the appointments process.

We believe that both branches should work toward a compact that would assure expeditious treatment of appointments, disciplined constraints on attacks on appointees or improper delay of their appointments as ways to gain political leverage, and an enhanced emphasis at both ends of Pennsylvania Avenue on doing what is necessary to attract America's most talented and creative leaders to public service.

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**RECOMMENDATION 6**  
Congress and the President should work together to significantly reduce the number of executive branch political positions.

The first step in any effort to improve leadership in the public service must be a rationalization of the leadership structure of federal agencies and departments. Over the past half-

century, the layers of political appointees and senior career managers have grown steadily, without regard to organizational needs or any sustained effort to tie structure to performance.

When a new administration takes office or a new agency head is appointed, it often seems too politically difficult, or the time horizon too short, to reshape the top ranks or to improve accountability. So more leadership posts are created to help agency heads and presidents work around old leadership posts they cannot control or remove. Compounded over the decades, this pattern has yielded a federal management structure that is top-heavy, cumbersome, and contrary to the goals of effective leadership and meaningful accountability.

Now we find ourselves in a situation that is deeply problematic on several counts. The presidential appointments process simply cannot keep up with the burden of filling all these positions with properly qualified leaders in a timely way. Political appointees may enter their jobs with too little trust in the competence and loyalty of career executives. Newly selected department and agency heads are often unable to keep control their own subordinate appointments due to pressure from the White House, special interest groups, or determined members of Congress. Thus these department and agency heads are forced to lead disparate teams of strangers, some of whom owe little loyalty to the senior leadership. Talented and experienced senior career managers find themselves forced further and further away from the centers of decisionmaking, even as they create new management layers to compensate for pay freezes and the lack of opportunity for advancement created by an aging workforce.

No one benefits from this situation, and an essential first step toward improvement is a significant cut in the number of political executive

positions. We believe that a reduction of at least one-third is an appropriate first target.

The number of political appointees grows with each succeeding administration. We recommend that the executive branch and Congress work together to selectively identify political positions that could be changed to career positions or that could be terminated altogether.

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## RECOMMENDATION 7

**The Senior Executive Service should be divided into an Executive Management Corps and a Professional and Technical Corps.**

Reducing the layers of executive management in government will require more from the executives who remain in the chain of command.

Unfortunately, the Senior Executive Service (SES), created in 1978, has never developed into the hoped-for corps of experienced managers that would move across agencies, deploying their skills and bringing the benefit of their experience to a broad array of management venues. Because the SES is the main route for senior employee advancement, many members of the SES are not managers at all but scientists, other professionals, and technical specialists. Few SES managers have ever worked, or applied to work, outside of the agency in which they are currently employed.

The original design also included a rewards and incentive system where compensation for senior managers would be closely tied to performance. Those who performed at the highest levels would get bonuses and merit awards equal to a substantial portion of their annual pay. But Congress has often failed to appropriate the funds necessary to fuel that reward system. In addition, by tying senior executive pay to its own pay, Congress has prevented senior executives from receiving the annual increase provided to most government workers. Although



there are six levels on their pay scale, 70 percent of all SES members now earn the same compensation. So much for performance incentives.

We believe that dividing the Senior Executive Service into a corps of professional and technical specialists and another of highly talented executives and managers can address these problems, as set forth below:

First, the new Professional and Technical Corps (PTC) and Executive Management Corps (EMC) would draw their talent from government and also from the private and public nonprofit sectors as needed.

Second, agencies should be given maximum flexibility in assigning members of the EMC. Greater flexibility is important at all levels of government but is especially significant at the senior management levels where individual performance is more broadly significant. Mobility across agencies should characterize service in the EMC. We also believe the EMC should be structured around performance-based contracts for specific terms of service and that a significant portion of EMC compensation should be related to performance.

Third, the EMC should be separated from the PTC for purposes of recruiting, compensation, assignment, and effective utilization. In general, we believe that compensation for members of the EMC will be similar across the government, while compensation for technical and scientific specialists would vary much more in response to differences in individual labor markets.

Finally, and most important, greater attention must be paid to the development within the federal government of strong management talent. The quality and motivation of government managers determines whether policy decisions will be successfully implemented and whether government programs will run effectively.

Greater effort must be made to identify potential managerial talent early in employees' careers and to nurture it through adequately and consistently funded training, professional development, and subsidized opportunities for graduate education and work experience outside government. While we noted that there should be greater receptivity to lateral entry into these management ranks, the bulk of government managers in the future will and should come from the lower and middle ranks of government employees today.

The military services have long been more effective in this area, with great benefit to the quality of the senior officer corps. The pending deluge of managerial retirements in the civilian service would be far less ominous if the civilian agencies had been doing a better job of leadership succession, planning, and preparation.

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**RECOMMENDATION 8**  
**Congress should undertake a critical examination of "ethics" regulations imposed on federal employees, modifying those with little demonstrated public benefit.**

Over the past 40 years, Congress has enacted laws and presidents have issued executive orders that have produced a deeply layered and extraordinarily cumbersome regulatory scheme designed to ensure the integrity of federal employees. Every isolated scandal seems to produce new laws designed to prevent its recurrence.

We believe that the ethics regulations imposed on public servants have grown out of proportion to public need and to common sense. The system has become dysfunctional and must be reexamined.

It is now the case that more than 250,000 federal employees must make annual disclosure of the full details of their personal finances; for nearly 25,000 of them, the disclosure is public.

As noted above, every presidential appointee must navigate through endless forms and questionnaires probing into every detail of his or her life before entering public service. Thousands of federal employees spend their days investigating the behavior of other federal employees. Requirements that employees divest themselves of financial holdings sometimes go beyond what is rational and can result in unjustified financial loss to the employee.

“Our study found that in the years from 1995 through 2000, 99.3% of all the public financial disclosure forms filed in those years were never viewed by anybody in the public.”

*G. Calvin Mackenzie, Visiting Fellow,  
The Brookings Institution*

The “ethics” barriers create a climate of distrust that limits lateral entry of talent into government, which in turn creates a gulf of misunderstanding and suspicion that undermines government performance. Mission-related personnel interchanges would benefit those in government who work with the private sector and those in the private sector who work with government. At critical junctures in our past — during the two world wars, for example — such interchanges contributed vitally to the accomplishment of important government missions. But current ethics laws now prohibit virtually all such personnel movement.

We urge Congress to make federal ethics rules cleaner, simpler, and more directly linked to the goals they are intended to achieve. Specifically,

we recommend that legislation be enacted to reduce the number of federal employees required annually to disclose their personal finances and that Congress enact legislation recommended by the Office of Government Ethics and currently pending in the U.S. Senate to simplify the personnel disclosure forms and other questionnaires for presidential appointees.

We urge Congress to seek a better balance between the legitimate need of the public for certain limited personal information about public servants, and the inherent rights of all Americans — even public servants — to protection from unjustified invasions of their privacy. Such a re-striking of the balance, we firmly believe, will make public service much more attractive to the kinds of talented people government must recruit and retain in the years ahead.

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**RECOMMENDATION 9**  
Congress should grant an immediate and significant increase in judicial, executive, and legislative salaries to ensure a reasonable relationship to other professional opportunities.

**Judicial salaries** are the most egregious example of the failure of federal compensation policies. Federal judicial salaries have lost 24 percent of their purchasing power since 1969, which is arguably inconsistent with the Constitutional provision that judicial salaries may not be reduced by Congress. The United States currently pays its judges substantially less than England or Canada. Supreme Court Justice Stephen Breyer pointed out in testimony before the Commission that, in 1969, the salaries of district court judges had just been raised to \$40,000 while the salary of the dean of Harvard Law School was \$33,000 and that of an average senior professor at the school was \$28,000.

That relationship has now been erased. A recent study by the Administrative Office of the U.S.

“Inadequate compensation seriously compromises the judicial independence fostered by life tenure.

The prospect that low salaries might force judges to return to the private sector rather than stay on the bench risks affecting judicial performance.”

*William H. Rehnquist, Chief Justice,  
U.S. Supreme Court*

Courts of salaries of professors and deans at the twenty-five law schools ranked highest in the annual *U.S. News and World Report* survey found that the *average* salary for deans of those schools was \$301,639. The average base salary for full professors at those law schools was \$209,571, with summer research and teaching supplements typically ranging between \$33,000 and \$80,000. Federal district judges currently earn \$150,000.<sup>10</sup>

Also in testimony before the Commission, Chief Justice William Rehnquist noted that “according to the Administrative Office of the United States Courts, more than 70 Article III judges left the bench between 1990 and May 2002, either under the retirement statute, if eligible, or simply resigning if not, as did an additional number of bankruptcy and magistrate judges. During the 1960s on the other hand, only a handful of Article III judges retired or resigned.”

The lag in judicial salaries has gone on too long, and the potential for diminished quality in American jurisprudence is now too large. Too many of America’s best lawyers have declined judicial appointments. Too many senior judges

have sought private sector employment — and compensation — rather than making the important contributions we have long received from judges in senior status.

Unless this is revised soon, the American people will pay a high price for the low salaries we impose on the men and women in whom we invest responsibility for the dispensation of justice. We are not suggesting that we should pay judges at levels comparable to those of the partners at our nation’s most prestigious law firms. Most judges take special satisfaction in their work and in public service. The more reasonable comparisons are with the leading academic centers and not-for-profit institutions. But even those comparisons now indicate a significant shortfall in real judicial compensation that requires immediate correction.

**Executive compensation** has reached a similar crisis. Today, in some departments and agencies, senior staff are paid at a higher level than their politically appointed superiors. We recognize that some appointees enter office with enough personal wealth to render salaries irrelevant, while others see great value in the prestige and future earning potential associated with high public office. Increasingly, more are dependent on the salary of an employed spouse. But the good fortune — or tolerance for sacrifice — of a few cannot justify the financial burdens that fall on the many.

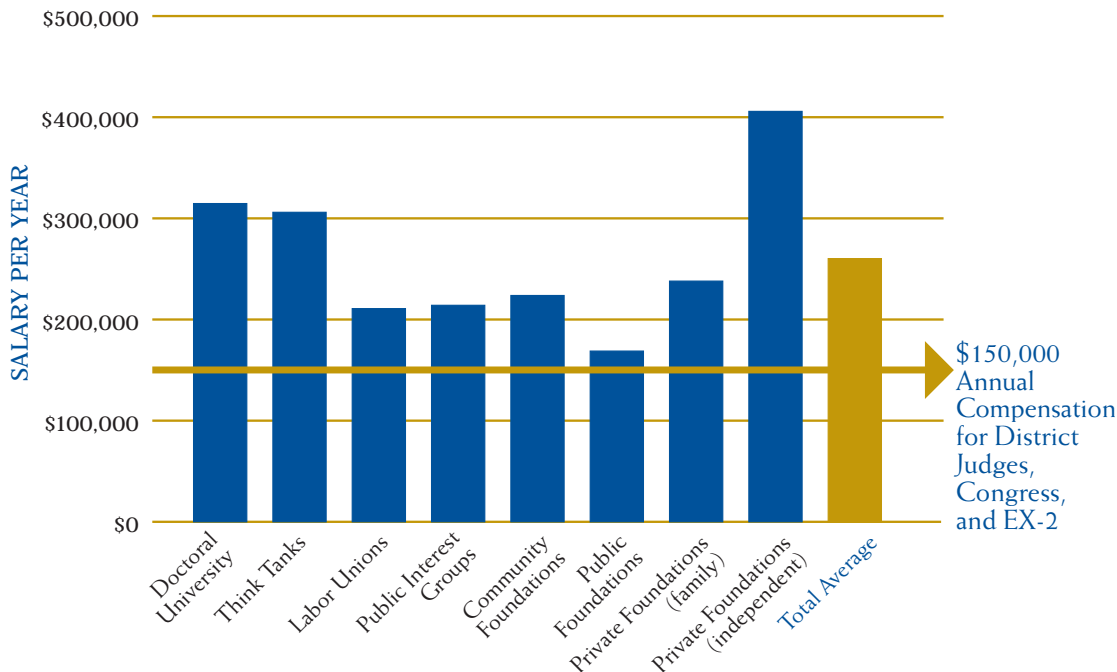
Cabinet secretary pay rose 169 percent between 1969 and 2001. But in that same period, according to the Bureau of Labor Statistics, the Consumer Price Index for urban consumers increased 391 percent. Measured in constant 2001 dollars, the salaries of cabinet secretaries have actually declined 44 percent since 1969. During this thirty-two year period, the salaries of cabinet officers have lost more than 50 percent of their value with respect to the median family income.<sup>11</sup>

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## EXECUTIVE PAY COMPARISON



Doctoral university salaries taken from "The Chronicle of Higher Education." Think tank salaries represent those with  $\geq$  \$10M in assets, labor union salaries represent those with  $\geq$  \$100M in assets, public interest groups represent those with  $\geq$  \$10M in assets, community foundations represent those with  $\geq$  \$250M, public foundations represent those with  $\geq$  \$100M in assets, private foundations (family) represent those with  $\geq$  \$250M in assets, private foundations (independent) represent those with  $\geq$  \$1B in assets, and total average equals the average salary of an executive level officer from the above groups.

These declines in real compensation have real effects. Too many talented people shy away from public service because they have large mortgages to pay, children in college, or other financial obligations that cannot be met on current federal salaries. Too many others enter public service but stay too briefly for those same financial reasons.

It is difficult to generate public concern about the salaries of senior federal officials because those salaries are higher than the average compensation of workers nationwide. But the comparison is not apt. The talent and experience needed to run large and complex federal enterprises are not average. Eighty-seven percent of the people appointed by President George W. Bush in his first year in office had advanced

degrees. Most had extensive experience in the management of large organizations. Excellence in government performance requires excellent leadership. We must be willing to pay enough to bring such leaders into public service and to keep them there.

To restore fairness and improve the appeal of public service, we believe appointees' salaries must be raised. They need not equal the salaries of senior corporate executives or even approach those. But they should be on a par with the compensation of leaders in educational and not-for-profit organizations, or even with counterpart positions in state or local government. It is not unreasonable in our view that a secretary of state should be paid a salary that compares with

a university president or that a secretary of education should earn what a superintendent of a large urban school district earns.

**Legislative salaries** have shown the same general decay as executive salaries. Few democracies in the world expect so much from their national legislators for so little in compensation. Indeed, salaries of members of Congress fall well below the compensation of the nation's top college and university presidents and the executive directors of its largest philanthropic foundations and charitable organizations. We believe that members of Congress merit a salary that is commensurate with comparable salaries in the educational and not-for-profit sectors.

**RECOMMENDATION 10**  
Congress should break the statutory link between the salaries of members of Congress and those of judges and senior political appointees.

Congress has traditionally tied the salaries of senior executive branch employees and federal judges to its own. In 1989 the linkage was set in statute. Given the reluctance of members of Congress to risk the disapproval of their constituents, a phenomenon first seen in 1816, Congress has regularly permitted salaries to fall substantially behind cost-of-living increases and trends in private, educational, and not-for-profit compensation.

We are aware that recent research suggests that pay disparities at the middle and lower levels of the federal workforce may be less significant than previously believed. However, the “pay gap” at the top of the salary structure is indisputable, as are its consequences in lost morale and uncertain accountability. Its consequences are also clear in the presidential appointments process, which must increasingly focus on the relatively affluent or those for whom an

“Salaries do matter.  
If you keep cutting and cutting,  
you will find the institutional strength  
sapped. You will find it harder  
to attract and keep people.  
The reputation of the agency will fall.  
The public will become disenchanted.  
It will begin to distrust  
the organization. It will lose interest.  
As a result, morale within  
the organization falls.”

*Stephen G. Breyer, Associate Justice,  
U.S. Supreme Court*

appointment represents a dramatic increase in compensation, neither of which is appropriate in itself for public service.

We believe that members of Congress are entitled to reasonable and regular salary adjustments, but we fully understand the difficulty they face in justifying their own salary increases. They must answer to the voters when they make such choices, and most of the voters have annual incomes significantly lower than members of Congress. Whatever political difficulties they face in setting their own salaries, however, members of Congress must make the quality of the public service their paramount concern when they consider salary adjustments for top officials of the other branches of government. We believe that executive and judicial salaries must be determined by procedures that tie them to the needs of the government, not the career-related political exigencies of members of Congress.

Although members of Congress have the power to adjust their own salaries, judges and senior executives do not have such power. Under current law, they are at the mercy of Congress when it comes to salary adjustments. That mercy should not be strained by the inherent

difficulty of congressional salary decisions. Salaries for leaders of the other branches should be based on the compelling need to recruit and retain the best people possible. Unlinking congressional salaries from theirs is an important first step in accomplishing that.

## OPERATIONAL EFFECTIVENESS IN GOVERNMENT

**The federal workforce must be reshaped, and the systems that support it must be rooted in new personnel management principles that ensure much higher levels of government performance.**

As noted earlier, much of Title 5, the section of the U.S. Code that regulates the public service, was written at a time when government was composed largely of lower-level employees with relatively routine tasks that required few specialized or advanced skills. The principal purpose of much of the substance of Title 5 is to protect federal workers from political influence, from arbitrary personnel actions, and from unfair and inequitable treatment compared to other federal workers. Those are important protections to preserve. But they must coexist with a much broader recognition of the needs of modern agencies to perform missions that are more complex and much more specialized than those of the government for which much of Title 5 was written.

In recent years, Congress has begun to permit some exceptions to Title 5 constraints for agencies facing critical mission challenges or personnel needs.<sup>12</sup> We believe these experiments have demonstrated beyond a doubt that, in the performance of mission-related functions, agencies often benefit when they are liberated from Title 5 constraints. And we believe the results of those experiments should now be extended much more broadly across the government.

The simple fact is that many agencies would perform better if they had greater freedom to design personnel recruitment strategies and define conditions of service, more latitude to assemble competitive compensation packages and align compensation policies with performance criteria, expanded freedom to reorganize to meet emerging needs, and greater authority to use contracted outsourcing when that is the most efficient way to meet mission objectives.

We clearly recognize the risks in some of these new approaches, especially when they are deployed unevenly. In the development of the new Transportation Security Agency, for example, we have seen how greater management and compensation flexibility in one agency can cannibalize others that lack that flexibility. Federal employees act rationally; the best are drawn to environments where their opportunities to advance in their careers and their compensation are affected by their performance. When one agency follows that principle and another does not, employees will naturally be drawn away from the latter and toward the former. That is one reason why we believe it is time to treat these matters as government-wide issues, not

merely as stopgaps for agencies in distress, to move from experimentation and testing to broad implementation of ideas whose time has come.

**RECOMMENDATION 11**  
**More flexible personnel management systems should be developed by operating agencies to meet their special needs.**

We recommend that the General Schedule classification system be abolished. As the U.S. Office of Personnel Management recently noted, “The resources and effort needed to maintain the General Schedule system — which include developing precisely defined locality pay areas and adjustments, establishing and administering special rates, developing and applying classification standards and day-to-day pay administration — are substantial...”<sup>13</sup> A system like the General Schedule that emphasizes internal equity in compensation will always demand constant tinkering to define “equal work” so that it can ensure “equal pay.”

Under the pressure for better performance, movement away from the General Schedule has already begun. Nearly 20 percent of nonpostal career federal employees now work under other personnel systems, many of which were enacted by Congress in response to the particular needs of high-impact agencies such as the Federal Aviation Administration and Internal Revenue Service. Again, the President’s proposal for a new Department of Homeland Security illustrated the desire for a much greater degree of discretion over salaries, hiring, and disciplinary action.

As a default system, we recommend a “broad-band” system under which the 15 pay grades and salary ranges would be consolidated into six to eight broad bands with relatively wide salary ranges. Managers would be able to determine individual pay based on competence and performance. Other agencies might adopt systems

“Ultimately, an effective performance management system

must link pay and incentive programs to individual knowledge, skills and ability, and contributions to achieving organizational results.”

*David Walker, Comptroller General, U.S. General Accounting Office*

with an entirely different form. The goal of all agencies must be the same: a commitment to designing a personnel system that best supports its own mission. But that cannot happen until we have seen the last of the General Schedule. “Continued reliance on this antiquated system,” notes Kay Coles James, Director of the Office of Personnel Management, “is comparable to insisting that today’s offices use carbon paper and manual typewriters.”<sup>14</sup>

Consistent with our other recommendations, we envision the development of modern personnel management approaches that afford agencies far more flexibility and responsiveness in packaging attractive job offers at the entry level, while fitting talent to task across the full spectrum of federal activity, permitting lateral movement within the government and between government and the private sector recognizing and rewarding performance.

**RECOMMENDATION 12**  
**Congress and the Office of Personnel Management should continue their efforts to simplify and accelerate the recruitment of federal employees.**

Recruitment to federal jobs is heavily burdened by ancient and illogical procedures that vastly

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## PROMISING APPROACHES TO PERSONNEL REFORM

### *Voinovich / Akaka Personnel Policy Reforms*

The following personnel reforms were proposed by Senator George V. Voinovich and Senator Daniel K. Akaka and included in the Homeland Security Act.

- 1) Establishes a Chief Human Capital Office at each major agency to oversee recruitment, retention, and training efforts and raise the profile of human capital needs within agencies.
- 2) Establishes an interagency council of Chief Human Capital Officers to exchange best practices.
- 3) Gives agencies the choice of placing job applicants in categories, such as basically qualified, highly qualified, and superior, rather than being limited to considering only the top three applicants.
- 4) Allows agencies to offer up to \$25,000 in buyouts and use early retirement packages in the executive and judicial branches to reshape workforces to correct skills imbalances.
- 5) Expands the ability of agencies to pay for job-related training, including studies leading to an academic degree.
- 6) With certain preconditions, allows senior managers to receive their full performance bonus in a single year, rather than having to spread it over two years.
- 7) Requires that human capital planning activities be included in annual agency performance and management reports mandated by the Government Performance and Results Act.
- 8) Allows agencies to hire candidates directly and bypass current Title 5 requirements once OPM has determined that there is a severe shortage of candidates for the position.
- 9) Eases restrictions on the placement of National Security Education Program (NSEP) participants by allowing fellows to meet their service requirement by working in non-national security positions in the federal government, if national security positions are not available.
- 10) Repeals ineffective recertification requirements for Senior Executives.
- 11) Provides federal employees compensatory time off for official travel.

SOURCE: These provisions were included in an amendment to H.R. 5005, to establish a Department of Homeland Security, when it was ordered reported to the full Senate by the Senate Governmental Affairs Committee. Senator Daniel K. Akaka (D-Hawaii) was Chairman of the Subcommittee on International Security, Proliferation and Federal Services of the Senate Governmental Affairs Committee. Senator George V. Voinovich (R-Ohio) was Ranking Member of the Senate Governmental Affairs Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia.

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## PROMISING APPROACHES TO PERSONNEL REFORM

### *Office of Personnel Management Initiatives to Modernize Federal Personnel Practices*

OPM manages government wide the Human Capital Initiative of the President's Management Agenda.

- 1) Held government's first "virtual job fair" in April 2002, which drew more than 20,000 applications for 270 available jobs.
- 2) Enhanced the USAJOBS website to make the system more user-friendly and helpful for those seeking jobs in the federal government.
- 3) Instituted a multipronged approach to utilizing e-government technology to assist job seekers and employees government wide. Components include the improved USAJOBS website, e-Clearance, e-Training, Enterprise HR Integration, and e-Payroll.
- 4) Provided agency customers with tools and advice to help recruit, hire, and retain quality employees; train and develop workforces; and manage performance.
- 5) Initiated a project to assist agencies in identifying and utilizing personnel flexibility provided in current law.
- 6) Initiated an interagency project to modernize federal job vacancy announcements. Over 350 colleges were enlisted to participate in a national "Call to Serve."
- 7) Undertook a major review and critique of the federal pay structure, preparatory to formulating recommendations for modernization.

SOURCE: Kay Coles James, Testimony before the National Commission on the Public Service, July 2002.

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complicate the application process and limit the hiring flexibility of individual managers. A college graduate applying for a federal job confronts a complex and lengthy application form demanding far more information than any employer reasonably needs. The very nature of the application deters applicants.

College campuses should be prime recruiting sites for federal agencies. Recently OPM and individual agencies have initiated programs to compete for talented graduating men and women, but as the personal anecdotes in the appendix indicate, government must do more and do it better.

Agencies have been burdened for decades by the "rule of three," which required agencies to hire only from among the top three candidates, chosen through a rigid scoring system. Only in November 2002, with the enactment of the Homeland Security Act, was this counterproductive process reformed. Now agencies government wide will be allowed to establish broader categories of applicants from which to choose the individual who will best fulfill the needs of the job.

We note that the government recruits most effectively when it recruits most specifically. And it appeals most to talented applicants when

it recruits for clear and compelling missions. What sells in the employment marketplace is the appeal of a specific job to perform specific tasks for specific rewards. Bright young people will be more interested in microbiological investigation of a particular disease, managing foreign aid for a particular part of the world, or bringing work to unemployed single mothers than to "working for the federal government." We believe that Congress should provide the funds necessary for agencies to compete effectively for the employees they need.

**RECOMMENDATION 13**  
**Congress should establish policies that permit agencies to set compensation related to current market comparisons.**

Proper adjustment of public service compensation is a conundrum as old as the Republic. Broad satisfaction with the way compensation decisions are made has always been elusive. But rarely has the compensation system been as misaligned as it is now. As noted earlier, recent research suggests that the pay gap between federal employees and their private sector peers is not consistent across all pay levels and all occupations. However, the pay gap in hard-to-recruit positions, from engineering to acquisitions, remains a significant barrier to recruitment and retention.

Repairing the system requires a reconsideration of first principles. That will require firm establishment of the notion that markets must play a larger role in setting compensation. Individual agencies need greater freedom to determine the relevant market for their employees, to adjust their compensation to its exigencies, and to connect pay to performance.

In fact, we have already begun to move in that direction. A number of agencies have been granted critical compensation flexibility in

"So we must decide:  
Are we going to continue to respond  
to the pay crisis agency by agency,  
occupation by occupation,  
running from one fire to another,  
or are we going to provide  
an overall structure within which  
we can provide the compensation  
necessary to attract and retain  
the talented experience we need?"

*Carol Bonosaro, President,  
Senior Executives Association*

recent years to allow them to hire and retain employees in the face of demanding market conditions. In each case where those flexibilities have been granted, the recruitment and retention crises have been brought under control and the long-term personnel management prospects for the agency have brightened considerably.

We believe those have been valuable lessons and should be extended throughout the government. The goal of internal equity, which has dominated federal compensation practices for more than a century, still has a place in some aspects of the personnel process. But it must be balanced more thoughtfully now with the external equity that is increasingly important to many agencies seeking to hire or retain employees with rare or unusually valuable skills in highly competitive markets. As noted earlier, any system adopted must be grounded in long held merit system principles.

What are the relevant markets for most federal employees? The Commission does not believe

that the federal government needs to match salaries of corporate managers in most instances to ensure a quality workforce. The proper marketplace comparisons will more often be with the independent sector: with universities, think tanks, and nonprofits rather than with business corporations. As one of our witnesses suggested, the federal government should be able to compete with the dot-edus and the dot-orgs, but not with the dot-coms.

Ceilings imposed by Congress for many years have created tight compression of salaries at the top of all three branches of government. Currently, approximately 70 percent of the Senior Executive Service receive exactly the same compensation due to compression. This is deeply discouraging to the government's most talented civil servants, and as Carol Bonosaro, the President of the Senior Executives Association, testified, many of them "plan to retire as soon as they're eligible because they are demoralized by the failure to address pay, and they can't resist attractive offers from private industry."

"The public sector should mirror those organizations in the private sector who appreciate that the most valuable organizational asset is the workforce itself and who recognize that you get what you pay for."

*Darryl Perkinson, President, Federal Managers Association, Mid-Atlantic Region*

## RECOMMENDATION 14

**Competitive outsourcing should follow clear preset standards and goals that advance the public interest and do not undermine core competencies of the government.**

The issue of who does the work of government has become a leading source of labor-management conflict. Recent years witnessed increased interest in allowing private firms to compete for work currently being done by federal employees. Competitive outsourcing may be needed, for example, to acquire additional skills, to augment capacity on an emergency or temporary basis, and to save money on goods and services that are not inherently governmental.

Whether it is called competitive sourcing, strategic sourcing, outsourcing, contracting out, or privatization, the general hope is that private competition can bring both cost savings and higher performance in certain functions such as information technology services or facilities maintenance. While we see many virtues in the competition that outsourcing can bring, we are also concerned that when competitive sourcing is perceived as unfair or for the purpose of reducing the government workforce, it breeds mistrust and undermines employee morale.

Whether work is performed by government or contracted to the private sector, it should be overseen with high performance and transparency standards.

# INTERIM STEPS TOWARD IMPLEMENTATION

We recognize that these recommendations are sweeping in scope and cannot all be implemented at one time. Some will require planning and study prior to presidential and congressional action. Implementation of the broad reorganization activity in this report will not be the work of months or a single session of Congress; it should be an agenda for years.

There are, however, steps that can and should be taken promptly and which will create the momentum necessary for a longer period of needed reform.

1. The President should be given expedited authority to recommend structural reorganization of federal agencies and departments.
2. The President and Congress should develop a cooperative approach to speeding and streamlining the presidential appointments process.
3. Congress should grant an immediate and significant increase in judicial, executive, and legislative salaries to ensure a reasonable relationship with other professional opportunities. Its first priority in doing so should be an immediate and substantial increase in judicial salaries.

4. Congress, the Office of Personnel Management, and individual agencies should continue their efforts to simplify and modernize the recruitment of federal employees.

Proposals to accomplish these four interim recommendations have been considered by both the Executive branch and Congress during recent legislative sessions. We believe that quick action on these proposals is possible and will demonstrate the value of further progress on our other recommendations.

Lastly, planning and specific decisions with respect to large department and agency reorganizations will logically fall within the competence of OMB and OPM. This development process will take a concerted ongoing effort and involve Congress, affected agencies, and the public. The sense of this Commission is that the Administration and the Congress might tap the resources and expertise of non-governmental public service organizations for assistance and support. Several such organizations assisted the Commission and are cited herein. We recommend that a continuing advisory board drawn from these groups be established forthwith to assist in this process and to encourage continuing reform.

# CONCLUSION

America begins the 21st century with a national government that is ill suited to the critically important challenges that confront us. We have already seen how structural and personnel deficiencies have left our intelligence and security operations vulnerable to devastating attack. In many other areas of government responsibility — health care, environmental protection, Social Security — our capacities are similarly threatened. Across the government, in one functional area after another, we find the same persistent problems: organizational structures and personnel policies that are inconsistent with and thwart important public missions.

We must recognize the magnitude of those problems and move boldly to fix them.

We have sought in this report to point the way to a modern, revitalized federal government. The government we envision, the government America so clearly needs, would look like this: Federal operations would be organized within fewer departments with lean, senior management levels, composed of operating agencies sharing similar substantive responsibilities. Government leaders would have the necessary flexibility to shape their organizations and management processes to fit the substantive tasks assigned to them. Federal personnel policies would be designed to attract and retain energetic and creative employees, to permit their talents to flourish, to be free of the drag of poor performers, and to imbue federal employees with pride in their service to the public.

The government we envision would be organized around critical missions, with management keyed to performance. It would be a dynamic government, prepared to meet the multifaceted and evolving needs of a complex modern society. Federal employment would appeal to highly competent people because it would encourage and reward their best efforts. This would not be a bigger government, but it would be a better government.

We do not underestimate the scope and challenge of this task, but neither are we daunted by it. Reorganizing a government as large and old as ours and redesigning personnel policies so deeply

ingrained will take time and the steady commitment of our national leaders. It is task for all of us—for the President, for Congress, for members of all political parties, for private citizens everywhere who understand that only a government that is very good, is good enough.

The need could not be more urgent. We pay a high price every day we fail to act. That price grows with each passing year, as expectations of government exceed government capacity. Our country grows steadily in population and diversity. Escalating demands are placed on limited resources. The biggest generation in American history approaches retirement with longer life expectancies than ever before in human history.

The world beyond our shores now confronts us with unprecedented opportunities and grave danger. We cannot wait until the price of delay is one we cannot survive.

We recognize that we may not have all the answers, or all the ideal ones, but we are convinced that our nation can wait no longer. Fundamental change must become a high priority for the President and Congress. Encouraging and supporting that change must become a high priority for American citizens.

This is a vital responsibility for all of us. It deserves our most urgent and profound commitment.

## END NOTES

- 1 Paul C. Light, "To Restore and Renew," *Government Executive Magazine*, November 2001.
- 2 Office of Personnel Management, *A Fresh Start for Federal Pay: The Case For Modernization*, (OPM White Paper, April 2002, p.22).
- 3 Office of Personnel Management, Senior Executive Service, "Recertification Assessment — 1997" (<http://opm.gov/ses/recertifyintro.html>).
- 4 Paul C. Light, *The Troubled State of the Federal Public Service*, Washington: Brookings Institution, June 27, 2002.
- 5 Senate Governmental Affairs Committee, Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia. (S. Hrg. 107-210, October 10, 2001 and S. Hrg. 106-366, August 4, 1999).
- 6 Senator Fred Thompson, Chairman, Committee on Governmental Affairs, United States Senate, "Government at the Brink: Urgent Federal Management Problems Facing the Bush Administration," June 1, 2001.
- 7 Report of the U.S. Commission on National Security/21st Century (February 2001).
- 8 Transcript of final hearing of Joint Congressional Committee (October 8, 2002).
- 9 Senate Governmental Affairs Committee, compiled from First Annual Report to the President and the Congress of the Advisory Panel to Assess Domestic Response Capabilities for Terrorism Involving Weapons of Mass Destruction, Assessing the Threat, Appendix 1 (December 15, 1999) and Office of Management and Budget, Annual Report to Congress on Combating Terrorism (August 2001).
- 10 A confidential survey conducted by the Administrative Office of the U.S. Courts, September 2002.
- 11 Gary Burtless, *How Much Is Enough? Setting Pay for Presidential Appointees*, a report of The Presidential Appointee Initiative, Brookings Institution, March 22, 2002.
- 12 Examples of new approaches to personnel management are in the Appendix.
- 13 Office of Personnel Management, *A Fresh Start*, p. 46.
- 14 Kay Coles James, testimony before the National Commission on the Public Service, July 15, 2002.

# APPENDIX

## THE GOVERNMENT AT WORK

### EXAMPLES OF JURISDICTIONAL CHAOS

The federal government is a flotilla of many distinct organizational units. Virtually every year new vessels are added to respond to the demands of the time. Occasionally, in response to a broadly perceived national emergency, the vessels are regrouped. The Department of Homeland Security is a case in point, as was the Department of Energy when it was created in the late 1970s. Virtually never are they combined to eliminate program duplication.

Missions are not realigned or even rationalized. Program laps upon program. Responsibilities are not coordinated.

Moreover, while for most of its history our government has grown and evolved on an issue-by-issue and “need to” basis, the Hoover Commission of 1949 stands — fifty-three years later — as the sole serious effort to keep the parts from undermining the mission of the whole.

These phenomena have resulted in a virtually unmanageable tangle of government activities. In those areas where there is a clear and readily definable program goal, such as getting benefit checks out, the work gets done, albeit with varying degrees of efficiency and often with considerable waste of personnel and program funds. In all too many cases, however, one program’s goals are intertwined with those of similar programs. Cross-program communication and coordination rarely takes place. Programs that no longer serve a good purpose — or which are inferior in impact to others with similar goals — continue on, never to be merged with those that are doing a viable job.

Examples of this phenomenon and its impact on the government’s ability to accomplish its responsibilities are legion. Just a few of them are highlighted below.

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### OVERLAP AND DUPLICATION IN FEDERAL PROGRAMS

Prior to the post 9/11 reorganizations, over 40 federal agencies were involved in activities to combat terrorism.

The Department of Housing and Urban Development operates 23 self-sufficiency and economic opportunity programs that target tenants of public housing and other low-income clients.

Responsibility for federal drug control strategies and their implementation is fragmented among more than 50 federal agencies.

There are over 90 early childhood programs scattered among 11 federal agencies and 20 offices. Nine federal agencies administer 69 programs supporting education and care for children under age five.

There are 342 federal economic development-related programs administered by 13 of the 14 cabinet departments

Seven agencies administer 40 different programs that have job training as their main purpose. At least 86 teacher-training programs in nine federal agencies fund similar types of services.

Four agencies are responsible for federal land management.



Over 200 different programs operated by 23 agencies have provided assistance to countries formerly part of the Soviet Union.

There are 50 homeless assistance programs administered by eight agencies.

SOURCE: Senator Fred Thompson, Chairman, Committee on Governmental Affairs, "Government at the Brink," June 2001.

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Obviously, this situation has a negative impact on program performance. For example, there are over 90 early childhood programs in 11 federal agencies and 20 offices. The system of multiple early childhood programs with firm cutoffs could lead to disruptions in services from even slight changes in a child's family status. While multiple programs target disadvantaged preschool children, most such children do not participate in any preschool program. [General Accounting Office, "Management Reform: Continuing Attention Is Needed to Improve Government Performance," May 4, 2000.]

Of even more critical concern is the September 19, 2002 report of the Joint Inquiry Committee of the Congressional Intelligence Committees examining the September 11, 2001 terrorist attacks on the United States. A major conclusion of the investigators was that a failure of communication and coordination within and among our intelligence agencies had greatly hampered their ability to assess the danger posed by al-Qaeda terrorists.

In a recent effort to address the performance problems created by dysfunctional organization, the Inspector General of the Environmental Protection Agency undertook a study to examine the degree to which other agencies share EPA's responsibilities for protecting our environment. In September 2002, the IG issued a report documenting that 29 agencies collectively share responsibility for federal clean air, clean and safe

water, and better waste management programs. As the chart on the next page illustrates, these divided responsibilities have produced 541 separate areas of program activity. Given that most federal efforts to protect and improve the environment are regulatory in nature, the opportunity for duplicative or counterproductive regulatory requirements is significant. Finally, the IG's report notes that EPA's budget of over \$7 billion is only 18 percent of federal spending on environmental and natural resource programs and that, "therefore, the achievement of EPA's broad goals cannot be accomplished without the coordinated and collaborative efforts of many federal partners."

## CASE EXAMPLES OF ENTRY-LEVEL HIRING IN THE CIVIL SERVICE

Three applicants, all with graduate degrees, describe the Federal application process.

### General Statements

"In almost all of the cases [of applying for a federal job], I found the process to be frustrating, time-consuming, and, even on some level, bewildering."

"It seems to me, the more one tries to get in [to the federal service], the more barriers that are put up to prevent it. It almost seems like a test — how much is a person willing to go through to get this job?"

"With the time it takes to even apply and then play the wait and see game, is it any wonder so many people don't even consider applying to the federal government for work?"

"Just thinking about writing separate essays on every KSA (knowledge, skills, and abilities) question for each application to the federal government, knowing that I probably will never hear back about my application, makes me rethink my desire to serve in the federal service."

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## SHARED FEDERAL RESPONSIBILITY FOR ENVIRONMENTAL PROTECTION

Federal Departments and Agencies	Participation (No. of Programs/Activities Identified)			
	Air	Water	Waste	Totals
Department of Agriculture	16	73	6	95
Department of Interior	9	68	12	89
Department of Transportation	36	12	14	62
Department of Commerce	13	33	6	52
Department of Defense	7	21	18	46
Department of Energy	22	5	16	43
Department of Health and Human Services	14	14	12	40
Tennessee Valley Authority	19	8	0	27
Department of Justice	0	1	15	16
National Aeronautics and Space Administration	9	2	1	12
National Science Foundation	3	3	1	7
Federal Emergency Management Agency	0	0	6	6
Office of Science and Technology Policy	5	0	0	5
Department of Treasury	0	0	5	5
Housing and Urban Development	1	3	1	5
State Department	1	0	4	5
Postal Service	0	4	0	4
Nuclear Regulatory Commission	0	1	2	3
National Academy of Sciences	2	1	0	3
Small Business Administration	0	2	1	3
General Services Administration	0	2	1	3
Department of Labor	1	0	1	2
Agency for International Development	0	2	0	2
Federal Housing Finance Board	0	0	1	1
Veterans Affairs	0	0	1	1
Joint Subcommittee on Aquaculture	0	1	0	1
North American Research Strategy for Tropospheric Ozone	1	0	0	1
International Boundary and Water Commission	0	1	0	1
Endocrine Disruptor Screening and Testing Advisory Committee	0	1	0	1

SOURCE: President's Council on Integrity and Efficiency, Compendium of Federal Environmental Programs, September, 2002.

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### Federal Recruiting Efforts

"I understand that it might not always be possible to interview interested applicants on the spot, but what is the point of going to a career fair if all an agency is going to do is refer people to their website?"

"Conversely, the private organizations I met with took my resume, did some quick Q & A, and passed the information along to their HR department, who in turn called me within a week."

"I studied at a state university for a BS and then attended a private university for graduate school to obtain an MPA, and it still amazes me that I never saw recruitment efforts by the federal government other than their presence at career fairs where potential applicants were referred to their website."

### Federal Application Process

"Trying to circumvent the lengthy and overwhelming federal application process, I applied and was nominated to be a Presidential Management Intern from the graduate school I attended (only 10 percent of the graduating MPA/MPP class can be nominated). Unfortunately, after going to an all-day test provided by OPM, I was notified that I had not passed, and only 400 postgraduate students from across the country are accepted into the program. With numerous reports stating that our country is facing a looming retirement bulge, shouldn't the number of PMI invitees be a little larger? The PMI program may be a good initiative to bring new and fresh talent into federal service, but a mere 400 people country-wide isn't enough to solve the federal government's problems."

"In almost all of the [federal] jobs I have applied for, it has been necessary to fill out separate lengthy applications, background information, and other materials. This process is very time-consuming and often requires gathering a pletho-

ra of information, which by itself can be very frustrating. However, this combined with the general inertia of paperwork moving through the system is enough to make anyone forgo an attempt at working for the government."

Trying to apply for two separate job announcements at the Application to Defense Finance and Accounting Service-Designated Examining Unit (DFAS-DEU): "Now I don't know about the rest of the applicants, but if Monster.com, Hotjobs.com, and USAJOBS.com can allow one to save and edit resumes, I would think it would be possible for the DFAS-DEU to allow the same for its applicants."

"This [having to reinput resume information for each specific job announcement] is just another 'barrier to entry' into the federal civil service that needs to be taken down."

"A very frustrating problem is the fact that most of the professional-level positions listed there [USAJOBS.com] do not have a link where someone can send their electronic resume stored on the website. What is the point of having applicants create the online resume if it is never going to be used?"

"There are jobs, with the U.S. Border Patrol and FEMA [Federal Emergency Management Agency], that I started the application process for over a year ago and have been told to expect to wait even longer. In other cases, I have never heard from some agencies that I applied to or, after contacting someone there to follow up, have never had my phone calls returned."

Written statement after applying for a budget officer position in Anniston, Alabama: "I was told by the human resources person I spoke with that there were in excess of 300 applicants for this one position and some 55 phrases that the selecting official required the automated system to key on. This is ridiculous. Those 55

phrases (requirements, to me) weren't even known to the applicants...If you don't know exactly what they [human resource personnel] are looking for, how can you compete with someone who may already have that information? It does appear pretty ludicrous to me."

## Results

"In my case, I have become fed up with the process and have decided to pursue opportunities in the private sector."

"If the process is not streamlined, government agencies will continue to be unable to attract talented individuals to careers in public service."

"I'm seriously considering giving up [applying for a federal job] altogether. There are simply too many barriers to overcome..."

## FEDERAL EMPLOYEE APPEAL PROCESS

### Appellate Bodies

#### Merit Systems Protection Board (MSPB)

Responsible for appeals from major disciplinary actions and other adverse actions. (Bargaining unit employees may appeal these actions through a negotiated grievance procedure with binding arbitration.)

#### Office of Special Counsel (OSC)

Investigates "prohibited personnel practices," e.g., denying employment for political reasons and nepotism, Hatch Act violations, and whistleblower complaints.

#### Federal Labor Relations Authority (FLRA)

Broad authority for federal labor-management relations program, including adjudicating disputes between agencies and unions with exclusive bargaining rights, resolving appeals of arbitration awards, investigating and prosecuting unfair labor practice charges, and resolving negotiation impasses.

#### Office of Personnel Management (OPM)

Authority to review position classification decisions.

#### Equal Employment Opportunity Commission (EEOC)

Authority to adjudicate Federal employee complaints of discrimination.

Today, executive branch civil servants are afforded opportunities for redress at three levels: first, within their employing agencies; next, at one or more of the central adjudicatory agencies; and finally, in the federal courts. Although one of the purposes of the Civil Service Reform Act of 1978 was to streamline the previous redress system, the scheme that has emerged is far from simple. Today, four independent agencies hear employee complaints or appeals. The Merit Systems Protection Board (MSPB) hears employee appeals of firings or suspensions of more than 14 days, as well as other significant personnel actions. The Equal Employment Opportunity Commission (EEOC) hears employee discrimination complaints and reviews agencies' final decisions on complaints. The Office of Special Counsel (OSC) investigates employee complaints of prohibited personnel actions — in particular, retaliation for whistle-blowing. For employees who belong to collective bargaining units and have their individual grievances arbitrated, the Federal Labor Relations Authority (FLRA) reviews the arbitrators' decisions.

While the boundaries of the appellate agencies may appear to be neatly drawn, in practice these agencies form a tangled scheme. One reason is that a given case may be brought before more than one of the agencies — a circumstance that adds time-consuming steps to the redress process and may result in the adjudicatory agencies reviewing each other's decisions. Matters are further complicated by the fact that each of the adjudicatory agencies has its own procedures and its own body of case law. All but

OSC offer federal employees the opportunity for hearings, but all vary in the degree to which they can require the participation of witnesses or the production of evidence. They also vary in their authority to order corrective actions and enforce their decisions.

What's more, the law provides for further review of these agencies' decisions — or, in the case of discrimination claims, even de novo trials — in the federal courts. Beginning in the employing agency, proceeding through one or more of the adjudicatory bodies, and then carried to conclusion in court, a single case can take years.

SOURCE: United States General Accounting Office, *Federal Employee Redress: A System in Need of Reform*, (April 1996).

## NEW APPROACHES TO PERSONNEL MANAGEMENT

**OPM.** Numerous demonstration projects, approved by OPM, have succeeded in allowing agencies flexibility in hiring during difficult market conditions. The first personnel demonstration project after completion of the Civil Service Reform Act of 1978 was the department of the Navy's "China Lake" demonstration project. Here the Navy established performance-based pay systems, increased flexibility in starting salaries, and broad-banded pay structures for 10,000 employees. OPM's review of the China Lake project found significant improvement in recruitment and retention of high performers because of the Navy's ability to meet market challenges for personnel.

**NIST.** In 1988 the National Institute of Standards and Technology started a demonstration project broadly aimed at recruiting high-quality personnel and retaining good performers. Through greater flexibility in hiring, the NIST gained freedom to adjust starting salaries, encouraging more talented applicants. NIST also found that changing its pay system from

narrow classifications to broader pay bands enabled it to retain a higher number of good performers.

**Department of Agriculture.** The Forest Service and the Agricultural Research Service used a demonstration program to streamline hiring by eliminating the "rule of three" and hiring from broader groups of applicants. After five years, the number of applicants had grown, hiring speed increased, and there was more satisfaction with the hiring process among applicants.

**GSA.** Stephen A. Perry, Administrator, United States General Services Administration, advocates the use of existing workplace flexibility by posting the authorities on the agency's Intranet. This provides managers with the information they need to determine where and when the use of these authorities is appropriate. A variety of flexible alternative work schedules and workplace arrangements is available in two categories: compressed work schedules and flexible work schedules. An example of compressed work schedule flexibility is the ability of an associate to work 80 hours within nine or eight work-days instead of the traditional 10 days. With flexible work schedules, managers may offer associates various arrival and departure times.

**IRS.** The IRS Restructuring and Reform Act of 1998 mandated a comprehensive, customer-based reorganization of the IRS. The act allowed for numerous human resource flexibilities, with OPM oversight, to help implement the revised organizational structure and to promote new approaches to compensation and staffing. Provisions were included to allow hiring at "critical pay" levels (i.e., up to the salary of the Vice President) so that the agency could attract key executives from outside government into critical leadership positions. The act also gave the IRS the authority to redesign its hiring mechanisms for technical employees, which they used to create a ranking system based on

categories of employees rather than the “rule of three.” Using the flexibilities in the act, IRS established new career paths for employees who wanted to move up in rank but not enter management, redesigned its performance management system, created a broad-banded pay system for senior managers, and used its authority to reshape its workforce during the reorganization.

**FAA.** The FAA introduced a new agency human resource management system in April 1996 after it was authorized by the 1996 Department of Transportation Appropriations Act. The reforms were developed to meet the unique human resource needs of the FAA and provide greater flexibility for hiring, training, compensating, and deploying personnel. The 1996 legislation exempted the agency’s personnel system from Title 5 of the United States Code, except those parts which provide preference for veterans, protect whistle-blowers, require employees to be loyal to the government, prohibit strikes, restrict certain political activities, and prohibit

discrimination. The FAA chose to follow certain other parts of Title 5, including those that covered merit principles and prohibited personnel practices. All FAA employees were covered by pay-for-performance and pay-band provisions. Air traffic control regulations also allow for collective bargaining for pay for controllers.

**GAO.** Significant reforms were allowed legislatively for the General Accounting Office. In the mid-1980s, legislation was enacted to allow GAO to institute pay bands, thus allowing more flexible staffing. Later, additional legislative and administrative flexibility allowed improvements in the areas of recruitment, training, promotions, bonuses, and dealing with poor performers. Additional flexibility that Congress granted GAO in 2000 allowed early-outs and buyouts to be used for workforce reshaping. The changes allowed GAO to increase the number of reports and testimonies each year and improved the quality of GAO products.

# ACKNOWLEDGEMENT OF SOURCES UTILIZED BY THE COMMISSION

## WITNESSES AT COMMISSION HEARINGS

Monday, July 15, 2002

- Chief Justice William H. Rehnquist
- Associate Justice Stephen G. Breyer
- Kay Coles James, Director of the Office of Personal Management
- David Walker, Comptroller General

Wednesday, July 17, 2002

- Donna Beecher, former director, Office of Human Resources Management, U.S. Department of Agriculture
- Matt Crouch, President, Presidential Management Alumnae Group
- Constance Berry Newman, Assistant Administrator for Africa, U.S. Agency for International Development. Former Smithsonian Institution Undersecretary; Director Office of Personnel Management; Assistant Secretary, Department of Housing and Urban Development; Commissioner Consumer Product Safety Commission and VISTA Director
- Judge Deanell Reece Tacha, Chief Judge, Court of Appeals, 10th Circuit, and Chair, Committee on the Judicial Branch, Judicial Conference of the United States
- American Federation of Government Employees: Mark Roth, General Counsel
- Federal Managers Association: Darryl Perkinson, President, Mid-Atlantic Region
- National Treasury Employees Union: Colleen Kelley, President
- Senior Executives Association: Carol Bonosaro, President

- Brookings Institution, Presidential Appointee Initiative: G. Calvin Mackenzie
- Council for Excellence in Government: Patricia McGinnis, President and CEO
- Kennedy School of Government: Steve Kelman, Albert J. Weatherhead III and Richard W. Weatherhead Professor of Public Management
- National Academy of Public Administration: Bob O'Neill, President
- Partnership for Public Service: Max Stier, President and CEO
- RAND Corporation: Susan D. Hosek, Senior Economist

Thursday, July 18, 2002

- U.S. Senator Daniel K. Akaka (D-HI) Chairman, Subcommittee on International Security, Proliferation and Federal Services, Governmental Affairs Committee
- U.S. Senator George V. Voinovich (R-OH) Ranking Member, Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia, Governmental Affairs Committee
- Congressman Steny H. Hoyer (D-MD) Ranking Member, Subcommittee on Treasury, Postal Service and General Government, House Appropriations Committee
- Congresswoman Connie Morella (R-MD) Chair, District of Columbia Subcommittee, House Committee on Government Reform

## INSTITUTIONS PROVIDING RESEARCH AND OTHER INFORMATION TO THE COMMISSION

The Commission thanks the following organizations for their ongoing assistance.

### **Brookings Institution Presidential Appointee Initiative**

The Presidential Appointee Initiative operates on the premise that effective governance is impossible if the nation's most talented citizens are reluctant to accept the president's call to government service.

<http://www.appointee.brookings.edu/>

### **Brookings Institution Center for Public Service**

The Center for Public Service is dedicated to generating ideas that policymakers can use to encourage America's most talented citizens to choose a career in the public service, wherever those careers might be. The Center looks at both the status of the public service and the challenges government, nonprofits, and the private sector face in adjusting to today's highly diverse, mobile, and less loyal pool of public service talent.

[http://www.brook.edu/dybdocroot/gs/g\\_s\\_hp.htm](http://www.brook.edu/dybdocroot/gs/g_s_hp.htm)

### **Congressional Budget Office**

The Congressional Budget Office's mission is to provide Congress with the objective, timely, nonpartisan analyses needed for economic and budget decisions and with the information and estimates required for the congressional budget process. <http://www.cbo.gov/>

### **Congressional Research Service**

The Congressional Research Service is committed to providing Congress, throughout the legislative process, comprehensive and reliable analysis, research, and information services that are timely, objective, nonpartisan, and confi-

dential, thereby contributing to an informed national legislature. <http://www.loc.gov/crsinfo/>

### **Council for Excellence in Government**

The Council for Excellence in Government works to improve the performance of government and government's place in the lives and esteem of American citizens. The Council helps to create stronger public sector leadership and management, driven by innovation and focused on results, as well as increased citizen confidence and participation in government, through better understanding of government and its role. <http://excelgov.xigroup.com/>

### **General Accounting Office**

The General Accounting Office exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. <http://www.gao.gov/>

### **Kennedy School of Government at Harvard University**

The Kennedy School of Government prepares leaders for service to democratic societies to contribute to the solutions of public problems. <http://www.ksg.harvard.edu/>

### **National Academy of Public Administration**

The National Academy of Public Administration is dedicated to improving the performance of governance systems — the network of public institutions, nonprofit organizations, and private companies that now share in the implementation of public policy.

<http://www.napawash.org/>

### **National Association of Schools of Public Affairs and Administration**

The National Association of Schools of Public Affairs and Administration is an institutional membership organization that exists to promote excellence in public service education. The



membership includes U.S. university programs in public affairs, public policy, public administration, and nonprofit management.  
<http://www.naspaa.org/>

### Office of Personnel Management

The Office of Personnel Management (OPM) is the federal government's human resource agency. The role of OPM is to help agencies get the right people in the right jobs with the right skills at the right time so they can produce results for the American people.  
<http://www.opm.gov/>

### Partnership for Public Service

The Partnership for Public Service is a nonpartisan organization dedicated to revitalizing the federal civil service.  
<http://www.ourpublicservice.org/>

### RAND Corporation

The RAND Corporation is a nonprofit institution that helps improve policy and decision-making through research and analysis.  
<http://www.rand.org/>

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## ORGANIZATIONS AND INDIVIDUALS CONTRIBUTING TO THE COMMISSION'S KNOWLEDGE

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Coalition for Effective Change

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Council on Foundations

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Mary Hamilton, Executive Director, American Society of Public Administration

Judge E. Grady Jolly, President, Federal Judges Association

Judicial Conference of the United States

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