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FEDERAL HIRING PROCESS IMPROVEMENT
ACT OF 2010

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 736

TO PROVIDE FOR IMPROVEMENTS IN THE FEDERAL HIRING
PROCESS, AND FOR OTHER PURPOSES



MAY 12, 2010.—Ordered to be printed

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FEDERAL HIRING PROCESS IMPROVEMENT ACT OF 2010

MAY 12, 2010.—Ordered to be printed

Mr. LIEBERMAN, from the Committee on Homeland Security and Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 736]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 736) to provide for improvements in the Federal hiring process, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

I. PURPOSE AND SUMMARY

Those seeking federal employment have long faced an opaque, lengthy, and unnecessarily complex process that ultimately serves the interests of neither federal agencies nor those seeking to work for them. S. 736 seeks to fix this problem by transforming the way Federal agencies conduct their hiring. It would direct agencies to improve their strategic workforce planning and to streamline the processes by which job applicants apply for vacancies and agencies fill them, and would require agencies to develop plans for reducing the time it takes to hire Federal employees, with a statutory goal of 80 calendar days on average.

II. BACKGROUND AND NEED FOR THE LEGISLATION

Many experts over the years have recognized that the Federal hiring process is not meeting agencies' needs because it is too cumbersome and too slow.¹ Weak recruiting, unintelligible job an-

¹The Government Accountability Office has issued many reports highlighting shortfalls in the Federal hiring process, dating back at least to 1990, including *Federal Recruiting and Hiring: Making Government Jobs Attractive to Prospective Employees*, August 1990, GAO/GGD-90-105; *Human Capital: Opportunities to Improve Executive Agencies' Hiring Processes*, May 2003 (GAO-450); *Human Capital: Additional Collaboration Between OPM and Agencies Is Key to Im-*

Continued

nouncements, onerous application requirements, an overly long hiring process, and poor communications with applicants deter potential candidates from applying and cause many of those who do apply to abandon the effort before a hiring decision is made. Moreover, the inadequacy of many agencies' strategic workforce planning prevents them from effectively identifying and meeting their hiring needs. The Committee has concluded that legislation to streamline and improve the Federal hiring process is necessary to help agencies hire the strongest candidates and to meet the agencies' human capital requirements. This report describes weaknesses in Federal hiring and how S. 736 would address them.

PROBLEMS IN THE FEDERAL HIRING PROCESS

In January 2008, the Merit Systems Protection Board (MSPB) reported on the results of a survey of new Federal employees about their experiences getting hired.² The survey found that the largest obstacle these successful applicants faced was how long it took for the agency to make a hiring decision.³ Nearly 30 percent of those hired through the competitive hiring process waited five months or more from application to hiring.⁴ The MSPB observed that it is often agencies' discretionary internal processes, not statutory requirements, that create unnecessary barriers and add to the hiring time.⁵ It recommended that agencies identify and address causes of delay, eliminate unnecessary burdens on applicants, and frequently communicate with job seekers to reduce the number of good candidates who simply lose patience and drop out before the long process concludes.⁶ The MSPB recommended that the Office of Personnel Management (OPM) work with agencies to develop a government-wide framework for Federal hiring reform and help individual agencies simplify their hiring procedures while ensuring merit-based hiring.⁷

The need to create a more efficient and effective hiring process is particularly pressing now, when large numbers of retirements in the near future will leave vacancies and skills-gaps that agencies must fill. OPM reports that roughly one-third of the Federal workforce, or nearly a half million employees, were eligible to retire at

proved Federal Hiring, June 2004 (GAO-04-797); *Human Capital: Federal Workforce Challenges in the 21st Century*, March 2008 (GAO-07-556T). See also Report of Senator Fred Thompson, Chairman of the Committee on Governmental Affairs of the U.S. Senate, on *Management Challenges Facing the New Administration*, S. Prt. 106-62, 106th Cong., 2d Sess. (October 2000), at pp. 21-23, 27 (detailing the slow and inadequate hiring process and recommending that agencies undertake comprehensive workforce planning and take immediate action to reduce recruiting and hiring delays and provide better feedback to job applicants), available on Committee website [http://hsgac.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=ed881776-6679-4fb2-89da-b95b684bd47b]; Report of Senator George Voinovich, Chairman of the Subcommittee on Oversight of Government Management, Restructuring, and the District of Columbia of the Senate Committee on Governmental Affairs, Report to the President: *The Crisis in Human Capital* (December 2000) (discussing various experts' observations about the Federal hiring process and concluding, "There is almost universal agreement on the need to streamline and expedite the government's hiring process."), available on Committee website at [http://hsgac.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=19fabe06-b755-4afa-a5d0-d56400b42a32].

²U.S. Merit Systems Protection Board, *Attracting the Next Generation: A Look at Federal Entry-level New Hires*, January 2008, at p. 54.

³*Id.* at p. 49.

⁴*Id.* at p. 50.

⁵*Id.* at p. 56.

⁶*Id.* at p. 50.

⁷*Id.* at p. 56.

the end of fiscal year 2009,⁸ and three to four percent of the workforce, or roughly 60,000 employees, will retire each year through fiscal year 2016.⁹ The Partnership for Public Service (the Partnership) in its annual report, *Where the Jobs Are: Mission-Critical Opportunities for America*, estimates that in the next three fiscal years, Federal agencies will need to hire close to 273,000 full-time employees to fill mission-critical vacancies and a total of approximately 600,000 new employees government-wide.¹⁰

To build the specialized expertise and institutional knowledge needed for senior-level Federal positions, the government must hire a large number of entry-level employees to create a career pipeline, especially to fill the many openings impending retirements will soon create. Indeed, the Partnership has observed that the only way Federal agencies can effectively meet their immediate and long-term workforce needs is by recruiting and hiring younger employees. Unfortunately, current hiring processes fail to do this adequately. Based on a fall 2005 survey, the Partnership reported that the Federal government's biggest problem in attracting college graduates has not been a lack of interest in Federal service, but a lack of knowledge among college students about Federal jobs and how to apply for them.¹¹ The Partnership conducted follow-up surveys and discussions and recommended a variety of relatively low-cost, targeted recruitment strategies, such as email notifications, recruitment visits by agency employees to campuses, and educating school faculty about the process for applying for Federal employment.¹²

The MSPB likewise reported in 2008 that Federal recruitment and hiring practices systematically depress the hiring of the younger candidates that are essential to building and maintaining the workforce.¹³ These practices include weak investment in recruiting, particularly on college campuses, and the use of applicant assessment tools—like ones requiring applicants to write a narrative describing how their past experience demonstrates their qualifications for the position—that tend to favor years of experience over skills.¹⁴ The MSPB recommended that agencies change their recruitment and assessment practices in order to identify individuals who are best suited for particular positions regardless of age or experience.¹⁵

In May 2008, the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia (OGM Subcommittee) held a hearing, entitled “From Candidates to Change Makers: Recruiting and Hiring the Next Generation of Federal Employees,” which highlighted a number of weaknesses in Federal recruitment and hiring and explored possible solutions.

⁸U.S. Office of Personnel Management, *An Analysis of Federal Employee Retirement Data: Predicting Future Retirements and Examining Factors Relevant to Retiring from the Federal Service*, March 2008, at p. 4.

⁹*Id.* at 6.

¹⁰Partnership for Public Service, *Where the Jobs Are: Mission-Critical Opportunities for America*, 3rd ed., September 2009, at p. 2. “Mission Critical Positions” are defined as “positions considered crucial by agencies to fulfill their essential obligations to the American people.” *Id.*

¹¹Partnership for Public Service, *Back to School: Rethinking Federal Recruiting on College Campuses*, May 2006, at pp. 10–11, 20.

¹²Partnership for Public Service, *Making the Difference: a Blueprint for Matching University Students with Federal Opportunities*, October, 2007, at pp. 5–6.

¹³MSPB, note 2 above, at pp. i, 1, and 53.

¹⁴*Id.* at pp. 21–25.

¹⁵*Id.* at p. 54.

The first witness, from the Government Accountability Office (GAO), testified that Federal agencies' recruitment and hiring practices have long put the government at a serious competitive disadvantage in attracting and hiring the best candidates.¹⁶ The GAO witness described a multitude of problems: the lengthy and paper-work-intensive process, passive recruitment strategies, confusing vacancy announcements, insufficient candidate assessment, ineffective use of existing hiring flexibilities, and inadequate strategic human capital planning.¹⁷ Echoing the findings of the Partnership's 2005 survey, GAO concluded that the failure to reach out to college campuses resulted in missed opportunities to expose potential entry-level employees to information about Federal jobs.¹⁸ Other witnesses also testified to the difficulty in reaching young people, as well as the Federal government's need to provide better information online, where an increasing number of people look for jobs.¹⁹

Dr. John Crum, Acting Director of the Office of Policy and Evaluation at the MSPB, attributed hiring delays in part to unnecessary steps that agencies add to the process.²⁰ Dr. Crum and others explained that agencies generally require all applicants to submit lengthy knowledge, skills, and ability (KSA) essays to gain even initial consideration, and that eliminating this requirement could significantly streamline the application process.²¹ Dr. Crum testified that agencies often make little effort to recruit candidates for vacancies, and that poorly written, jargon-filled, difficult-to-understand vacancy announcements often discourage potential applicants from applying.²² (Now, nearly two years after the hearing, many agencies continue to require KSA essays or response to lengthy questionnaires from all job applicants.) Moreover, the long hiring process, combined with poor communication by the agency with applicants about the status of their applications, increases the chances that those who do apply will accept other jobs before the agency makes a decision.²³

Yet another problem: because hiring efforts are generally not coordinated across government, applicants must submit and resubmit application materials for each vacancy, even for positions having the same types of duties and requiring the same experience.²⁴ Moreover, with no standard application form, the same information

¹⁶ See Statement of Robert N. Goldenkoff, Director, Strategic Issues, Government Accountability Office, *Human Capital, Transforming Federal Recruiting and Hiring Efforts*, (GAO-08-762T) (hereinafter "Goldenkoff Statement"), for hearing entitled, "From Candidates to Change Makers: Recruiting and Hiring the Next Generation of Federal Employees," U.S. Senate Subcommittee on Oversight of Government Management, the Federal Workforce, U.S. District of Columbia, May 8, 2008 (hereinafter "2008 Hiring Hearing"), at pp. 3-4.

¹⁷ See *id.* at pp. 4, 7.

¹⁸ See *id.* at p. 4.

¹⁹ See Statement of Dan Solomon, Chief Executive Officer of Virilion, Inc., for 2008 Hiring Hearing, at pp. 2-3; Statement of Colleen M. Kelley, National President, National Treasury Employees Union, for 2008 Hiring Hearing (hereinafter "Kelley Statement") at p. 5 ("We believe that OPM needs to step up its marketing and outreach particularly to younger workers.")

²⁰ See Statement of Dr. John Crum, Acting Director, Office of Policy and Evaluation, U.S. Merit Systems Protection Board (hereinafter "Crum Statement"), for 2008 Hiring Hearing, at p. 4.

²¹ See *id.* at p. 8 (stating that MSPB streamlined and improved its hiring by eliminating KSAs); Statement of John Gage, National President, American Federation of Government Employees, for 2008 Hiring Hearing, at p. 3.

²² See Crum Statement at p. 7.

²³ *Id.* at p. 4; see also Kelley Statement at p. 5 (stating that many applicants "wait for months and sometimes up to a year to hear from the agency . . . Many people get discouraged and find other work.")

²⁴ See Crum Statement at p. 5.

often must be submitted multiple times in different formats.²⁵ Dr. Crum testified that, according to surveys, the burdensome process is a top reason applicants have not applied more for Federal jobs: “These respondents did not want to re-write descriptions of knowledge, skills, and abilities; re-write or re-format their resumes; respond to lengthy questionnaires; and, in general, spend an inordinate amount of time applying for Federal jobs.”²⁶

The witness testifying on behalf of OPM at the May 2008 hearing recognized the weaknesses in Federal hiring and described efforts to improve it:

We are well aware that the Federal hiring system has evolved over many years into a cumbersome process and hiring takes far too long. There are few of us who do not have a story to tell that illustrates frustration with the Federal hiring process, whether it is our own, a friend’s, or a neighbor’s. OPM, through collaboration with agencies and on our own, has instituted some important initiatives to “fix the hiring” over the years.²⁷

OPM reported that it was working to create and publish government-wide standards for hiring, “along with a ‘how to’ guide for agencies that includes successful practices, templates, and scripts for communicating with applicants.”²⁸ OPM was also working with agencies to improve workforce planning and to shorten and simplify job vacancy announcements.²⁹

Shortly after the hearing, in August 2008, OPM published its hiring reform plan, named the *End-to-End Hiring Roadmap*.³⁰ This initiative was intended to foster a more user-friendly, less burdensome and time consuming application process; clear, understandable job announcements; better communication with applicants; and timely decision-making by the agencies. The Roadmap addressed the entire hiring cycle, starting with strategic workforce planning, recruitment of applicants, hiring, employee security and suitability reviews, and new-employee orientation, and has continued to serve as the foundation for the current Administration’s efforts to reform the hiring process.

S. 736’s Proposed Solutions

On March 30, 2009, Senators Akaka and Voinovich introduced S. 736 to establish a statutory framework for addressing the long-standing weaknesses in Federal hiring. The bill would direct each Federal agency to develop a strategic workforce plan and to incorporate it into the agency’s overall performance planning under the Government Performance and Results Act of 1993. Under S. 736, each workforce plan would include hiring projections, strategies to address critical skills gaps, recruitment strategies to attract the best candidates, and plans to streamline the agency’s hiring process. The legislation also would require agencies to develop ways to

²⁵ *Id.*

²⁶ *Id.*

²⁷ See Statement of Angela Bailey, Deputy Associate Director for Talent and Capacity Policy, U.S. Office of Personnel Management (hereinafter “Bailey Statement”) for 2008 Hiring Hearing, at p. 2.

²⁸ *Id.* at p. 3.

²⁹ *Id.*

³⁰ Office of Personnel Management, *End to End Hiring Initiative*, available online at [www.opm.gov/staffingportal/EndToEndRoadmap.asp].

measure the effectiveness of their hiring reforms. OPM would be required, using the agency plans, to develop a government-wide strategic workforce plan and update it annually.

S. 736 would also require agencies to simplify the application process and make it user-friendly. It would direct agencies to post brief, clear, and concise job announcements using plain writing. Applicants could opt to submit resumes and cover letters as part of an initial application, and would not have to include knowledge, skills, and abilities essays or additional supporting materials, such as photocopies of degrees or transcripts, with initial applications. S. 736 would also require OPM to offer applicants the option to join a comprehensive inventory of those seeking Federal employment; agencies could use the information in the inventory in filling vacancies, making it a valuable asset for both applicants and agencies.

Under the bill, agencies would, to the extent practical, have an average of 80 days from the date they identify a vacancy to fill it. The workforce planning efforts and applicant inventory required by S. 736 would help agencies meet this standard. Moreover, to address concerns about poor communication with applicants, S. 736 would require timely notification regarding the status of their applications. Applicants would receive information about the hiring process and estimated timeline, and would receive several notices, including when the application is received, when the initial qualification rankings are completed, and when the position is filled.

Reaction to S. 736

On May 7, 2009, the OGM Subcommittee held a second hearing on Federal recruitment and hiring, focusing on S. 736 in particular and entitled “Uncle Sam Wants You! Recruitment in the Federal Government.”³¹ The first witness, OPM Director John Berry, stated that “there is no other priority more important than making the Federal recruiting and hiring process as transparent, efficient, effective, and user-friendly as possible, from the perspective of both job applicants and the Federal agencies that need these critical skills in order to accomplish their missions.”³² Director Berry, who had recently been confirmed to the position, recognized OPM’s and other agencies’ past efforts to improve the Federal hiring process, but he stated that real progress will come only when the improved hiring practices are made mandatory:

What concerns me, though, is that while these initiatives have received good press and are supported at the highest levels within the human resources community, they have unfortunately not permeated throughout the Federal agencies, or, more importantly, become a standard way of operating. Even within my own agency, I find that sound human resources management practices have not taken hold.

This optional, voluntary approach to driving innovative and bold changes to human resources management is not working. If we are going to make any real progress toward

³¹Hearing entitled, “Uncle Sam Wants You! Recruitment in the Federal Government,” U.S. Senate Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, May 7, 2009 (hereinafter “2009 Hiring Hearing”).

³²Statement of the Honorable John Berry, Director of the Office of Personnel Management, for 2009 Hiring Hearing, at p. 1 (hereinafter “Berry statement”).

addressing what the American public has requested—an easy-to-use application process that both Federal managers and applicants deserve and a recruiting and hiring process that brings the right talent to the mission—we must engage in an aggressive campaign to mandate the needed innovations.³³

As to S. 736, the Director testified that he was still reviewing the bill, but that he thought it was excellent overall and that he planned to proceed with implementing essentially the same reforms administratively.³⁴ (As discussed below, the Office of Management and Budget (OMB) subsequently directed agencies to adopt some of these reforms.)

Several witnesses discussed specific problem areas addressed by provisions of S. 736. For example, both Linda Rix, Co-Chief Executive Officer of Avue Technologies Corporation (which provides human resource services to some Federal agencies), and OPM Director Berry stressed a need to make job announcements shorter and less confusing for applicants.³⁵

Similarly, Max Stier, President and Chief Executive Officer of the Partnership, testified that “at a minimum, all agencies should adopt a user-friendly application process (for example, allowing a resume to serve as an application whenever possible); clearly written job announcements; timely and useful information about the status of an application; and a timely hiring decision.”³⁶ Mr. Stier also stated that the Partnership “strongly support[s]” S. 736, and he encouraged the OGM Subcommittee to make the enactment of bipartisan legislation a top priority.³⁷

On June 11, 2009, OMB Director Peter Orszag issued a memorandum building on OPM’s August 2008 reform plan and directing agencies to begin implementing many of the same reforms as S. 736 would require.³⁸ The memorandum characterized the Federal hiring process as “lengthy and encumbered by burdensome requirements and outdated technology systems.”³⁹ In the memorandum, agencies were asked to map their current hiring processes using OPM’s End-To-End Hiring Process Mapping, to review job announcements for critical occupations and write them in plain language, and to notify applicants of their status. The memorandum also called on agencies to engage the hiring managers (that is, the managers from offices where the successful candidates will work and who will make the final hiring decision), not just the human resources professionals, in all critical parts of the hiring process.⁴⁰

OPM Director Berry expressed the administration’s views on S. 736 in a letter dated July 23, 2009, and addressed to the Chairman

³³ *Id.* at pp. 1–2.

³⁴ Oral testimony of the Honorable John Berry at the 2009 Hiring Hearing.

³⁵ See Berry Statement at p. 4; Statement of Linda Rix, Co-CEO of Avue Technologies Corporations, at 2009 Hiring Hearing, at p. 6.

³⁶ See Statement of Max Stier, President and CEO of the Partnership for Public Service, at 2009 Hiring Hearing, at p. 7.

³⁷ *Id.* at pp. 7–8. See also Partnership for Public Service Press Release, “Partnership for Public Service Applauds Senators Daniel Akaka and George Voinovich for Introducing the Federal Hiring Process Improvement Act of 2009,” March 30, 2009, available online at [<http://ourpublicservice.org/OPS/pressroom/releases/statement-090330-fedhiringact.shtml>]

³⁸ Peter M. Orszag, Office of Management and Budget Director *Memorandum on Planning for the President’s Fiscal Year 2011 Budget and Performance Plans*, June 11, 2009, available online at [<http://www.whitehouse.gov/omb/assets/memoranda-fy2009/m09-20.pdf>].

³⁹ *Id.* at p. 5.

⁴⁰ *Id.*

and the Ranking Member of the OGM Subcommittee. In the letter, the OPM Director stated:

OPM strongly supports the principles embodied in S. 736—making the Federal recruiting and hiring process as transparent, efficient, effective, and user-friendly as possible for job applicants and Federal agencies. Many of the provisions in S. 736 mirror the initiatives that OPM currently has under way.

OPM supports the intent of S. 736; but we are concerned that the bill uses the legislative process to mandate good agency practices that may result in agencies' losing flexibility and ability to adapt to change. . . . OPM is confident we can achieve the intended results of S. 736 by administrative means, through proper leadership, planning, measurement, management, transparency, and accountability.⁴¹

The Committee is pleased that, with Director Berry's leadership, this Administration appears to be making progress in improving agency hiring processes, in part by implementing policies like those required by S. 736.⁴² However, the Committee respectfully disagrees that the type of comprehensive changes that all observers agree are needed can be fully implemented and sustained without the type of statutory mandates contained in S. 736. Director Berry testified at the 2009 hearing that he found upon his arrival that sound hiring practices had not taken hold even at OPM. To address entrenched habits that make adequate change very difficult to achieve, strong legislative requirements and the full weight of not only this Administration, but the Congress as well, are needed. Moreover, legislation is required to make permanent improvements; otherwise, the current, focused efforts to make progress may not be sustained, and the hiring process could easily be allowed to revert or regress in the future.

The Committee is convinced that enactment of this legislation would strengthen the existing efforts and make them permanent, while maintaining ample flexibility that OPM and the agencies need to implement reform in the manner that best serves the unique and evolving situation at each agency. For example, in requiring that agencies prepare annual strategic workforce plans, S. 736 describes the contents of such plans in broad terms that can accommodate each agency's specific circumstances now and in the future, and the bill structures these plans as part of the overall performance planning that each agency must already undertake under the Government Performance and Results Act of 1993. Moreover, the bill would achieve reform by having each agency develop

⁴¹ Letter from John Berry, Director, Office of Personnel Management, to Senator Daniel K. Akaka and Senator George V. Voinovich, Chairman and Ranking Member, respectively, of the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia of the Senate Committee on Homeland Security and Governmental Affairs, July 23, 2009.

⁴² For example, on May 11, 2010, President Obama issued a memorandum to all agency heads entitled, *Improving the Federal Recruitment and Hiring Process*, requiring agencies to implement several key hiring reforms. Among other things, agencies must stop requiring job applicants to submit essays describing the applicants' knowledge, skills, and abilities (KSA essays) in the first stage of the application process, instead allowing applicants to begin the process by submitting résumés. Agencies will also be required to stop using the "rule of three," under which hires must be selected from the top three candidates. Instead, agencies must develop methods for placing applicants into quality categories and then choosing hires from the top category, enabling them to select from a pool of top-rated applicants. Memorandum available online at [<http://www.whitehouse.gov/the-press-office/presidential-memorandum-improving-federal-recruitment-and-hiring-process>].

its own processes to achieve broadly stated objectives, not by imposing specific mandates or prohibitions. In summary, the Committee has determined that, to ensure essential improvements in agency hiring are fully implemented government-wide and are sustained under any future administration, the necessary management framework and requirements must be established in statute, as S. 736 would do.

III. LEGISLATIVE HISTORY

On March 30, 2009, S. 736 was introduced by Senators Daniel K. Akaka and George V. Voinovich. Senator Tom Carper subsequently joined as a cosponsor. The bill was referred to the Committee on Homeland Security and Governmental Affairs and was further referred to the OGM Subcommittee, which held a hearing on the bill on May 17, 2009.

The Committee considered S. 736 on July 29, 2009. Senator Akaka, for himself and Senator Voinovich, offered a substitute amendment, which clarifies the roles of OPM and OMB in the development of the strategic workforce plans required by the bill, requires that an analysis of the contractor workforce be included in such plans, and makes several technical changes to the bill. The Committee adopted the amendment and ordered the bill reported favorably, as amended, both by voice vote. Present for both actions were Senators Lieberman, Akaka, Carper, Pryor, Landrieu, McCaskill, Burris, Collins, Coburn, and Voinovich.

IV. SECTION-BY-SECTION ANALYSIS

Section 1—Short title

This section titles the bill the “Federal Hiring Process Improvement Act of 2009.”

Section 2—Definition

For purposes of the legislation, this section defines the term “agency” by cross referencing the term “Executive agency,” as defined in 5 U.S.C. § 105. That term includes Executive departments, government corporations, and most independent agencies in the executive branch, but section 2 of the bill excludes the Government Accountability Office (GAO) from the definition for purposes of this legislation.

Section 3—Strategic workforce plan

Subsection (a)—In General. This subsection requires the head of each agency, in consultation with the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB), to develop a strategic workforce plan as part of the overall performance plan that agencies are required to prepare under the Government Performance and Results Act of 1993. Each strategic workforce plan must include the following elements: (1) hiring projections by occupation and grade level; (2) plans to address critical skills deficiencies; (3) recruitment strategies to attract highly qualified candidates from diverse backgrounds; (4) streamlined hiring processes to meet the provisions of this Act; and (5) a specific analysis of the contractor workforce and of whether the balance between work performed by the Federal workforce and the contractor

workforce should be adjusted. 31 U.S.C. § 1115, which lists what must be included in each agency's annual performance plan, would be amended by this subsection to require inclusion of the strategic workforce plan.

Subsection (b)—Hiring Projections. Under this subsection, projections made under the strategic workforce plans must be made available to the public, including on agency websites.

Subsection (c)—Submission to the Office of Personnel Management. This subsection requires each agency to submit its strategic workforce plan to OPM.

Subsection (d)—Government-Wide Strategic Workforce Plan. Under this subsection, based on the plans submitted under subsection (c), OPM must develop and annually update a government-wide strategic workforce plan, and must make the government-wide strategic workforce plan, as updated annually, available to the President, the Congress, and the public.

Section 4—Federal job announcements

This section requires each agency to make several specific improvements in the development and distribution of Federal job announcements.

Subsection (a)—Targeted Announcements. This subsection provides that the head of each agency, in consultation with the Chief Human Capital Officers (CHCO) Council, must take steps to target highly qualified applicant pools with diverse backgrounds, seek to develop relationships with the people in such applicant pools prior to posting job announcements, and clearly and prominently post job announcements for a reasonable period of time.

Subsection (b)—Public Notice Requirements. This subsection clarifies that the posting requirements in subsection (a) do not supersede public notice requirements for Federal employment.

Subsection (c)—Plain Writing Requirement. Under this subsection, agencies must ensure that job announcements are clear, concise, and well-organized and follow other best practices of plain writing in accordance with guidance provided by OMB.

Subsection (d)—Contact Information. Job announcements must include contact information for applicants to seek further information about the vacant position and the hiring process.

Section 5—Application process and notification requirements

Subsection (a)—Application Process. This subsection requires the head of each agency, in consultation with OMB and OPM, to develop processes to achieve several specific improvements in the Federal hiring process, including eliminating lengthy writing requirements at the initial application stage and allowing applicants to submit a cover letter, resume, and respond to brief questions to complete their application. Also each agency must include an agency hiring manager in all parts of the hiring process.

Subsection (b)—Notification Requirements. Under this subsection, the head of each agency, in consultation with the Chief Human Capital Officers (CHCO) Council, must develop mechanisms under which all job applicants receive timely notification of the status of their applications at each phase of the hiring process.

Section 6—Applicant inventory

This section requires OPM to establish and keep current a comprehensive inventory of individuals seeking employment in the Federal Government. The inventory will contain information voluntarily provided by those applicants for employment who elect to have their information kept on file. The inventory would be made available to agencies for use in filling vacancies.

Section 7—Training

This section requires OPM, in consultation with the CHCO Council, to develop a training program for agency human resources professionals on implementing the Act and fulfilling its requirements. Agencies would be required to develop a training implementation plan and to report such plan to OPM.

Section 8—Reduction in the length of the hiring process

This section requires agency heads, in consultation with OMB, to develop plans to reduce the length of the hiring process. Such plans will include an analysis of the current hiring process, at the time of enactment of this Act, and performed in accordance with standards established by OPM before enactment. To the extent practical, agency plans will also require that a vacancy be filled within an average of 80 calendar days after the vacancy is identified. This section further requires agencies to submit an annual report to Congress on the average time period taken to fill jobs, as well as on job vacancies cancelled or reopened.

Section 9—Measures of Federal hiring effectiveness

This section requires each agency to measure and collect information on key indicators of hiring effectiveness and to annually report this information to OPM. The section details items that must be assessed, including specific aspects of the hiring process and the hiring managers', applicants', and new hires' satisfaction with the process. OPM must annually provide this information in a consistent format to Congress and the public, including making the information available on OPM's website. The Director of OPM will prescribe regulations on the methodology, timing, and reporting of the data.

Section 10—Regulations

This section requires the Director of OPM to prescribe regulations to carry out the Act. The Director of OPM is required to consult with the CHCO Council in developing the regulations.

VI. ESTIMATED COST OF LEGISLATION

AUGUST 20, 2009.

Hon. JOSEPH I. LIEBERMAN, *Chairman,*
Committee on Homeland Security and Governmental Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 736, the Federal Hiring Process Improvement Act of 2009.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Matthew Pickford.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

S. 736—Federal Hiring Process Improvement Act of 2009

S. 736 would require all federal agencies to streamline their recruitment and hiring processes. The bill would require agencies to develop plans to identify hiring needs and recruitment strategies, shorten the hiring process and make it more applicant-friendly, maintain an inventory of all federal job applicants, and measure the effectiveness of those hiring reforms and efforts.

Most of the provisions of S. 736 would codify and expand the current recruiting and hiring practices of most federal agencies and would not significantly increase the costs of carrying out those activities. The Office of Management and Budget requested in June of this year that agencies improve their hiring processes including creating timeliness, using plain language, and streamlining announcements and communications with applicants. In addition, the Office of Personnel Management (OPM) has designed templates and is providing training to assist agencies as they streamline those processes.

Based on information from OPM and selected agencies, CBO expects that enacting S. 736 would impose additional requirements on agencies primarily to gather and analyze hiring statistics and to provide reports to the Congress. Subject to the availability of appropriated funds, CBO estimate that such activities would cost agencies about \$40 million over the next five years (\$15 million in 2010 to develop these data-gathering systems and smaller amounts annually thereafter to maintain them). Enacting the bill also could affect direct spending by agencies not funded through annual appropriations (such as the Tennessee Valley Authority or the U.S. Postal Service). CBO estimates, however, that any increase in spending by those agencies would not be significant or would be offset by corresponding increases in rates charged by those entities. Enacting the legislation would not affect revenues.

S. 736 contains no intergovernmental or private-sector mandates as defined in Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Matthew Pickford. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirement of paragraph 11(b)(1) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill. The Congressional Budget Office (CBO) states that there are no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and no costs on State, local, or tribal governments. The legislation contains no other regulatory impact.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the following changes in existing law made by the bill, as reported, are shown as follows: (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

THE CODE OF THE LAWS OF THE UNITED STATES OF AMERICA

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TITLE 5—GOVERNMENT ORGANIZATION AND EMPLOYEES

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PART III—EMPLOYEES

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Subpart B—Employment and Retention

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CHAPTER 33—EXAMINATION, SELECTION, AND PLACEMENT

Subchapter I—Examination, Certification, and Appointment

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3330. Government-wide list of vacant positions

(a) * * *

* * * * *

(e)(1) The Office of Personnel Management shall establish and keep current a comprehensive inventory of individuals seeking employment in the Federal Government.

(2) The inventory under this subsection shall—

- (A) be made available to agencies for use in filling vacancies;*
- (B) contain information voluntarily provided by applicants for employment, including—*

(i) the resume and contact information provided by the applicant; and

(ii) any other information which the Office considers appropriate;

(C) retain information for no longer than 1 calendar year;

(D) not include information relating to—

(i) the application of the applicant for a specific vacancy announcement; or

(ii) any other information relating to vacancy announcements; and

(E) shall provide for a mechanism to allow—

- (i) *applicants to update resume, qualifications, and contact information; and*
- (ii) *agency officials to search information in the inventory by agency and job classification.*

[(e)](f) The Office shall prescribe such regulations as may be necessary to carry out this section. Any requirement under this section that agencies notify the Office as to the availability of any vacant positions shall be designed so as to avoid any duplication of information otherwise required to be furnished under section 3327 of this title or any other provision of law.

[(f)](g) The Office may, to the extent it determines appropriate, charge such fees to agencies for services provided under this section and for related Federal employment information. The Office shall retain such fees to pay the costs of providing such services and information.

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TITLE 31—MONEY AND FINANCE

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Subtitle II—The Budget Process

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CHAPTER 11—THE BUDGET AND FISCAL, BUDGET, AND PROGRAM INFORMATION

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§ 1115. Performance plans

(a) In carrying out the provisions of section 1105(a)(28), the Director of the Office of Management and Budget shall require each agency to prepare an annual performance plan covering each program activity set forth in the budget of each agency. Such plan shall—

(1) * * *

* * * * *

(5) provide a basis for comparing actual program results with the establish performance goals; **[and]**

(6) describe the means to be used to verify and validate measured values~~["."]; and~~

(7) *include the strategic workforce plan developed under section 3 of the Federal Hiring Process Improvement Act of 2009.*

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