



Boom Town

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National Journal

April 21, 2007

"Uncle Sam wants you" could become the federal government's motto. With a record number of workers nearing retirement, the government needs to attract new talent and provide greater incentives for seasoned employees to stay on the job.

Congress and the Bush administration have been floating education proposals and civil service reforms designed to offset a talent drain. Over the next decade, about 60 percent of the 1.8 million full-time federal employees will be eligible for retirement, including 90 percent of senior executives.

"Aggressive and immediate action is needed to strengthen the federal service, match new skills to current challenges, and build a government that the public deserves and the times demand," said Max Stier, president of the nonprofit Partnership for Public Service.

Office of Personnel Management Director Linda Springer announced last week that her agency has sent a proposal to Congress to allow workers who retire from the civil service to work part-time while still earning their full annuity and salary. Current law cuts their salaries by the amount of their pensions if they come back to work for the government, so retirees often shift to working for government contractors. Allowing retirees to return to the federal sector without being penalized would enable the government to fill critical skills gaps and train the next generation of employees, Springer said.

Beyond retirement incentives, Stier suggests that one of the government's greatest challenges is recruiting talented young people to the workforce. While the military spends millions of dollars on targeted marketing campaigns to attract recruits, the civilian side is lagging, he said. OPM rolled out an advertising campaign last year designed to attract people to the recruiting Web site USAJOBS.gov. Tens of thousands of additional visits to the Web site have been made by residents living in the media markets where the ads aired, according to OPM spokesman Mike Orenstein.

In Congress, several proposals aim to make the federal workforce more appealing to the next generation of workers. Sens. Hillary Rodham Clinton, D-N.Y., and Arlen Specter, R-Pa., and Reps. Jim Moran, D-Va., and Christopher Shays, R-Conn., have proposed creating an undergraduate public service academy that would offer free tuition to approximately 5,000 students in exchange for five years of public service. But with a price tag of over \$205 million a year, new appropriations could be difficult to secure. "I think the [academy] is a very positive move to try to focus around government service," Stier said. "I think we need to look at the most cost-efficient way of doing it."

Sen. George Voinovich, R-Ohio, has offered legislation that would boost repayment of student loans for new employees. Under current law, federal departments and agencies pay student loans up to \$10,000 per year with a cumulative cap of \$60,000, but the incentive is taxed. The legislation would make the loan repayment program tax-free for incoming federal workers; Voinovich touts his plan as a cost-efficient approach that would make the federal workforce more competitive with the private sector.

"The Partnership for Public Service has long championed [Voinovich's] legislation because we know that the burden of student-loan debt drives many talented people away from public service in favor of high-paying, private-sector jobs," Stier said.

From its start, the Bush administration has proclaimed that the key to making federal employment competitive is to replace the decades-old General Schedule pay system with one that ties pay to annual performance evaluations. But its proposed Working for America Act, which would have imposed pay-for-performance on all federal agencies, has not attracted much interest on Capitol Hill. And although some agencies, notably the Defense and Homeland Security departments, have implemented such a system, federal labor unions have strongly opposed it, arguing that it encourages cronyism and political manipulation, and would cut salaries in the long term. Providing "leadership would do more to improve the quality of applicants and performance than alternative personnel systems and pay-for-performance projects as proposed by the administration," said National Treasury Employees Union President Colleen Kelley.

Stier holds that the government's outdated pay system fails to reward and recognize employee achievements, and that replacing it is essential to improving the government's competitive edge. "Talented people at all levels, from new college graduates to seasoned professionals, look to work in environments that reward and recognize effort and results," he said.