## AFGE

## AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO

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Honorable Betty McCollum Chairwoman House Appropriations Committee Defense Subcommittee H-405 U.S. Capitol Washington, D.C. 20515 Honorable Jon Tester Chairman Senate Appropriations Committee Defense Subcommittee S-128 U.S. Capitol Washington, D.C. 20510

Dear Chairwoman McCollum and Chairman Tester:

On behalf of the American Federation of Government Employees, AFL-CIO (AFGE) which represents over 700,000 federal and District of Columbia employees who serve the American people in 70 different agencies, including approximately 300,000 in the Department of Defense (DoD), we appreciate your support of a strong national defense and your recognition of the importance of a professional, apolitical civil service supporting our uniformed servicemen and women. As you and the Armed Services Committees continue work on the Defense Appropriation for Fiscal Year 2023, we write to express our concerns with the way the Department of Defense civilian workforce is being addressed by the Administration during the course of budget hearings and in its proposals to gut section 8012 of the Defense Appropriation.

Section 8012 currently corresponds to the statutory language on how the Department of Defense civilian workforce is to be managed in title 10 United States Code section 129, "Civilian personnel management," which specifically incorporates by reference and requires compliance with title 10 United States Code section 129a, "General policy for total force management." Relevant extracts are quoted below:

From Section 129: The civilian personnel of the Department of Defense shall be managed each fiscal year solely on the basis of and consistent with (1) the total force management policies and procedures established under section 129a of this title, (2) the workload required to carry out the functions and activities of the department, and (3) the funds made available to the department for such fiscal year. The management of such personnel in any fiscal year shall not be subject to any constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees. The Secretary of Defense and the Secretaries of the military departments may not be required to make a reduction in the number of full-time equivalent positions in the Department of Defense except in accordance with the requirements of this section and section 129a of this title.



From Section 129a: The Secretary may not reduce the civilian workforce programmed full-time equivalent levels unless the Secretary conducts an appropriate analysis of the impacts of such reductions on workload, military force structure, lethality, readiness, operational effectiveness, stress on the military force, and fully burdened costs.

The Fiscal Year 2023 President's Budget for the Department of Defense would replace this language in Section 8012 with the following language (renumbered as section 8008) that opens the door to arbitrary reductions of the civilian workforce in the Department of Defense:

Sec. 8008. (a) During the current fiscal year, the civilian personnel of the Department of Defense may not be managed solely on the basis of any constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees.

The language eviscerates completely the total force management requirements specifically incorporated into section 129 of title 10, to which this provision is supposed to conform. Furthermore, the interposition of the adjective "solely" strongly suggests that the civilian workforce is, in fact, to be managed primarily or in large measure on the basis of arbitrary constraints or limitations on the number of employees. This completely changes the meaning of the provision and renders it ridiculous.

At the same time this occurred, for the first time, the Department of Defense budget overview briefing no longer has a section describing what the civilian workforce does as part of the total force, and its contributions to readiness, lethality, and operational effectiveness. And the Green Book, and the Operations and Maintenance Overview containing the budget exhibits for the civilian workforce has yet to be provided to Congress and posted on the Comptroller web site. Numerical summaries from the Green Book are typically included in a table in the budget overview.<sup>1</sup>

The Fiscal Year 2022 Defense Department Budget Overview in Section 5, entitled "Taking Care of People," stated: "The Department of Defense (DOD) Workforce: Military – Active, Reserve, and National Guard – and Civilian personnel are the foundation of the Department and constitute its most valued asset." And later there is a detailed discussion of the capabilities provided by the civilian workforce to the Department's missions, readiness and lethality:

"Among other things, civilian personnel provide organic skills and expertise, as well as institutional continuity. Effective and appropriate use of civilians allows the Department

<sup>&</sup>lt;sup>1</sup> Pages 145-155 of the Fiscal Year 2022 Operations and Maintenance Overview" contain the civilian personnel full time equivalents "actuals" for Fiscal Year 2020, the "enacted levels" for Fiscal Year 2021, and the projected levels proposed for funding in the President's Budget for Fiscal Year 2022. This is followed by funding projections for contract services from pages 156-161. As of May 20, 2022, nothing is posted on the comptroller website for Fiscal Year 2023. https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2022/FY2022\_OM\_Overview.pdf

<sup>&</sup>lt;sup>2</sup> The "Fiscal Year 2022 Defense Department Budget Overview" in Chapter 5, entitled "Taking Care of People," at p. 5-1."

 $https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2022/FY2022\_Budget\_Request\_Overview\_Book.pdf$ 

to focus its Soldiers, Sailors, Airmen, Marines, and Guardians on the tasks and functions that are truly military essential—thereby enhancing the readiness and lethality of our warfighters. However, there is no "one-size-fits-all" solution to the Total Force. . . . The size and composition of the civilian workforce in the FY 2022 budget reflects evolving critical demand areas, which require the Department to manage its civilian workforce on the basis of workload and available funds, and without constraint on end strength while at the same time striving to meet statutory guidelines. By implementing Total Force policies to achieve "the most appropriate and cost efficient mix of military, civilian, and contractor personnel," the Department is able to focus its uniformed manpower on operational demands while simultaneously resourcing the functions provided by civilians that enable and enhance the readiness and lethality of the force."

This entire section is omitted from the Department's budget overview for Fiscal Year 2023, and this omission and vacuum on the civilian workforce has greatly impacted the course of oversight hearings by the authorizers and appropriators, where most of the attention has been focused on increasing spending on weapon systems and defense contractors, with only Army testimony making reference to the value of the civilian workforce as part of the total force and to "people" being their most important asset.

During Senate Armed Services Committee personnel subcommittee hearings with the Under Secretary of Defense Personnel and Readiness, Senator Tillis recognized that the reduced military end strength was not the result of reduced operational demands and followed up with questions on what the Department was doing to improve recruiting as well as to mitigate stress on the all-volunteer military's high-demand, low-density military occupational specialties – specifically by using its civilian workforce or contractors to allow military to focus on military essential functions.

However, during House Appropriations Committee Subcommittee on Defense hearings Ranking Member Calvert urged the Department of Defense to arbitrarily reduce the civilian workforce in proportion to military end strength reductions. His comments failed to acknowledge that the military end strength reductions were not due to reduced operational demand or a change in the National Defense Strategy but due to reduced accessions in a tight labor market. And the idea that the civilian workforce could mitigate stress on the force or improve the military's readiness and lethality was completely overlooked.

The Department's response during the hearings conceded that the Department always was open to becoming more "efficient," a concession to Ranking Member Calvert belied by several Government Accountability Office reviews which found that prior reductions of the civilian workforce did not result in any savings but merely shifted the work done by the civilian workforce to more expensive contractors or military, to the detriment of readiness and lethality, hollowing the Department's capabilities. The current Deputy Secretary of Defense Hicks accurately summarized these GAO findings in a March 2020 Foreign Affairs article she wrote in

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<sup>&</sup>lt;sup>3</sup> The "Fiscal Year 2022 Defense Department Budget Overview" in Chapter 5, entitled "Taking Care of People," in the subsection "Grow Our Talent," the "DOD Civilian Workforce," at p. 5-3." https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2022/FY2022\_Budget\_Request\_Overview\_Boo

her private capacity, but her insights clearly are not reflected in the testimony or proposals by OMB and the Department for how the civilian workforce is to be managed.

"Predictably, for example, even though Congress directed the Defense Department to cut \$10 billion through administrative efficiencies between 2015 and 2019, the Pentagon failed to substantiate that it had achieved those savings. The reason those efforts rarely succeed is that they merely shift the work being done by civilians to others, such as military personnel or defense contractors."

The proposed evisceration of Section 8012 and weak rebuttal to the ranking member's comments are not only detrimental to the Department's civilian workforce, but ultimately detrimental to the taxpayer and the Department of Defense's missions. Spending more without ensuring it is spent in the right places does not equate to a robust national defense. The National Defense Strategy needs to inform the Department's budget rather than arbitrary budgetary constraints being imposed on an important segment of the Department's total force, its civilian workforce. Additionally, professing to care about the civilian hiring process and strategic human capital planning on the one hand, and on the other hand, being fine with this disrupting stable funding through the operation of arbitrary personnel caps and taking away authorizations whenever a vacancy occurs is contradictory. Most persons seem to understand the disruptive effects of sequestration on National Defense. It should not take much to understand how what is being proposed here by the Administration is no different.

For additional information or questions, please contact John Anderson, (703) 943-9438, john.anderson@afge.org or Richard Loeb, <u>richard.loeb@afge.org</u>.

Sincerely,

Julie N. Tippens Legislative Director

Cc: HASC SASC SecDef OMB

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<sup>&</sup>lt;sup>4</sup> Hicks, Kathleen, "Getting to Less: The Truth About Defense Spending," Foreign Affairs (March 2020), p. 56. See, e.g., GAO-16-172, GAO-17-128, DOD CIVILIAN AND CONTRACTOR WORKFORCES: Additional Cost Savings Data and Efficiencies Plan Are Needed (Oct. 2016).