



Civilian Personnel: A New Way Ahead!

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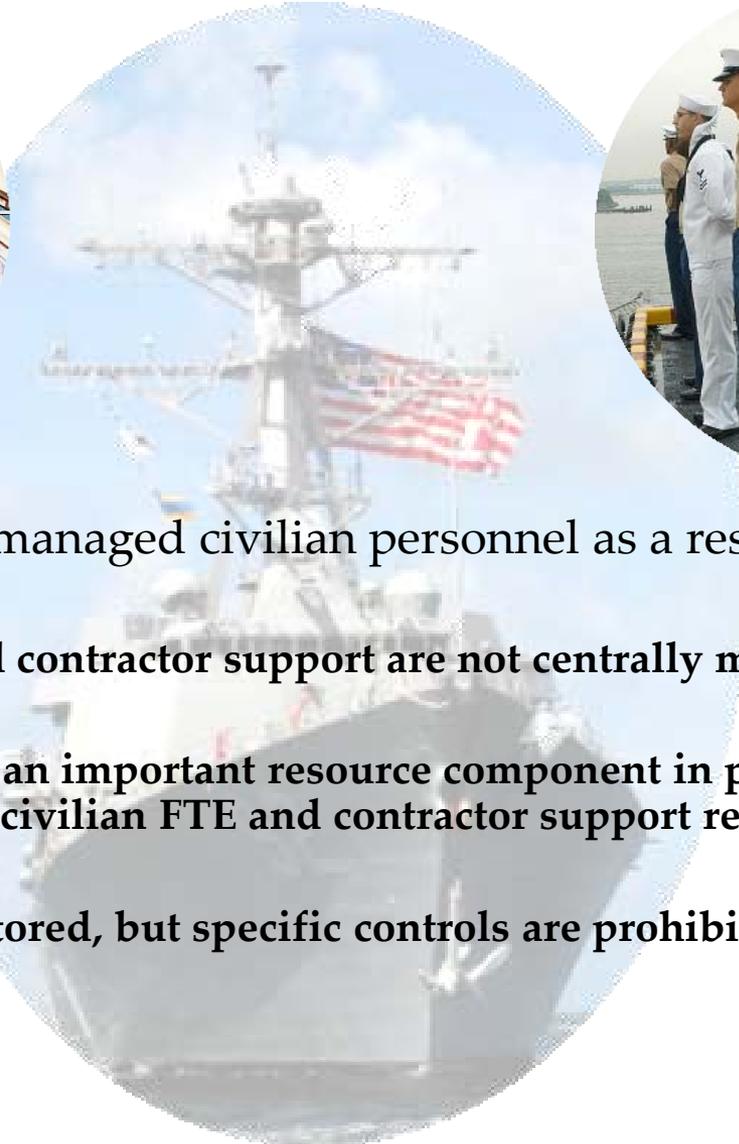
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Civilian Personnel: A New Way Ahead!

- An overview of civilian personnel resourcing:
 - CIVPERS PPBE
 - Workforce size and mix
- Updates on Special Interest Items:
 - National Security Personnel System (NSPS) conversions
 - In-sourcing status and reporting requirements
 - Major DoD Headquarters Activity (MHA) authority
 - Acquisition Workforce and DAWDF/Sec. 852

Management of Civilian Personnel Resources



The Department has long managed civilian personnel as a resource to accomplish mission.

- **Civilian personnel and contractor support are not centrally managed like military personnel.**
- **Civilian personnel are an important resource component in program execution. Commands may tailor civilian FTE and contractor support requirements to accomplish mission.**
- **FTE execution is monitored, but specific controls are prohibited.**

Civilian Management Management

Historically no single office is responsible for all aspects of civilian personnel or contract support like military personnel.

	<u>Military</u>	<u>Civilian</u>	<u>Contract Support</u>
Management	BUPERS, RESFOR, M&RA	Executing Activities	Executing Activities
Funding	Centrally funded by applicable Military or Reserve appropriation	Mission funded by appropriations and funds (NWCF) available for operations	Tasks/end products funded by various appropriations depending on purpose
Requirements Determination	N1, MC Combat Development Command	Executing Activities	Executing Activities
Statutory Controls	Size and mix in annual National Defense Authorization Act	ES/FTE controls prohibited by 10 USDC 129	None. Advisory and assistance services and support contracts are Congressional special interest items.

Civilian Manpower Requirements

- Flow from mission of command/activity
- Inherently Governmental/Commercial Activity
 - OMB Circular A-76
 - Alternatives: Military to Civilian Conversions
- Major DoD Headquarters Activities (DODD 5100.17)
- Restrictions on ES/FTE Controls (10 USC 129)
- Emergency Essential (EE) Civilian Employees
- Triad: Military, Civilian, and/or Contractors

Planning

- Statutory: The Budget & Accounting Act of 1921
- Within DoD, **people** are probably the most expensive resource after major weapon systems and facilities.
 - Investment in people:
 - Training and development programs
 - Education
 - Three R's
 - **Recruitment**
 - **Retention**
 - **Relocation**
- Ultimately resources drive all decision making within an organization.
- The budget represents a point in time.



Programming

OMB Circular A-11: Budgeting

- Estimating Personnel Compensation, Benefits, and Other Costs (Section 32)
 - Budgeting for within grade increases usually not allowed
- Estimating Employment Levels (Section 85)
 - Workforce planning and restructuring
 - Personnel estimates
- Structure of Civilian Personnel Budget (Section 83)
 - Object classes record obligations for items or services purchased by the Federal Government
 - 11 - Personnel Compensation
 - 12 - Personnel Benefits
 - 13 - Benefits for Former Employees
- Type Hire
 - Direct Hire, U.S. Citizen (USDH)
 - Direct Hire, Foreign National (FNDH)
 - Indirect Hire, Foreign National (FNIH)

Formulation

- DoD Guidance
 - Pricing/Inflation Factors
 - FY10 = 2.0%
 - FY11 = 0.0%
 - FY12 = 0.0%
 - FY13 = 2.3%
 - Integrated Program and Budget Review
- Component Review
 - Compliance with pricing/inflation guidance
 - Review planned to actual execution for current and past fiscal years (i.e, utility rate, lapse rate, etc.)
- OSD-OMB Review
 - Program Budget Decisions (PBD)
 - Program Decision Memoranda (PDM)
 - Resource Management Decisions (RMD)
 - Baseline for President's Budget submit

Direct and Reimbursable Funding

- CIVPERS budget exhibits contain labor and non-labor costs that are recorded in separate object class codes.
- Direct funded CIVPERS means the original funding source is the respective appropriation/account. The following appropriations receive direct funds for civilians:
 - Operation and Maintenance
 - Research, Development, Test & Evaluation
 - Family Housing Operations
- Reimbursable funded CIVPERS means the source funding may or may not be the appropriation/fund in which the CIVPERS is executed. Source funding may include procurement and non-DON appropriations/accounts. The following appropriations/ accounts receive reimbursable funds for civilians:
 - Operation and Maintenance
 - Research, Development, Test & Evaluation
 - Family Housing Operations
 - Military Construction
 - Navy Working Capital Fund
 - Foreign Military Sales (MAE)

Workforce Mix and Size

- Secretary Gates' initiatives:
 - Reduce the number of contractors working in DoD
 - Freeze the number of civilian positions in the DoD over the next three years
 - Service freeze applicable to direct funded, Direct Hire U.S. Citizens (DHUS) personnel
 - Navy preserved much of planned growth in acquisition workforce, in-sourcing, IT/CYBER, and Shipyards
 - USMC preserved FY 2010 in-sourcing growth across most of FYDP
 - Eliminated General Officer /Flag and SES positions
 - Navy eliminated 21 SES positions and realigned 18 positions
 - USMC eliminated one SES position
 - PACOM eliminated one SES position
- For the FY 2012 President's budget submit contract dollars were converted to FTE using a formula developed by the Army.
 - The Congress was not pleased with the estimate
 - The DON and Air Force have congressional direction to adopt and use the Army's methodology and system.
- OASN(RD&A) has lead for developing criteria to count the number of contractors

NSPS Termination and Conversion

- *FY 2010 NDAA repealed NSPS directing all personnel to transition to the prior pay system by 1 January 2012 with save pay.*
- Most of the ~67,000 DON civilians transitioned to the GS system in FY 2010. A portion will move to newly designed demonstration systems primarily for acquisition and research and development activities; and, a newly designed system for medical personnel (Defense Health Program (DHP)).
- DoD Components are required to document the costs of the transition and implementation of new pay systems in the PB-61 Exhibit, NSPS Termination and Conversion Costs.
- Converting employees whose salaries are between GS steps will be placed on the higher step thereby preserving pay. Estimated total costs:
- Interim performance evaluation systems are in place.

Department of the Navy MHA Policies and Procedures

- SECNAVINST 5000.3D, Department of the Navy (DON) Major Headquarters and Headquarters Support Activities (dated 26 June 2001), states
 - ASN(M&RA) is responsible for policy matters
 - ASN(FM&C) is responsible for all reporting matters – FMB4
 - CNO/CMC designate a single office with responsibility for MHA
- FMB4/N824 is responsible for tracking and authorizing DON MHA requirements for military and civilian personnel.
 - All requests for increases or decreases in MHA authority should be:
 - Discussed with FMB4/N824 prior to final determinations (includes POM/PR issues as well as SECNAV/CNO/CMC initiatives)
 - Reflected in the next PB-22, Major DoD Headquarters Activities, exhibit submit
 - Commands are not authorized to maintain excess MHA authority
 - Points of Contact:
 - Ms. Ann McClung, FMB42, 703-692-4824, ann.mcclung@navy.mil
 - Ms. Alicia Gibson, FMB423, 703-692-4831, alicia.gibson@navy.mil



Department of the Navy MHA Policies and Procedures - 2

Title 10 USC 5014 applicable to CNO/CMC and the Secretariat staff has been modified by a succession of Authorization Acts and is summarized below:

Sec 1109 of the FY 2010 NDAA amends Sec 1111 of the FY 2009 NDAA to provide for FY 2009 and thereafter to provide exceptions to the 10 USC 5014 limitation which limits the total number of military and civilian personnel, the number of officers, and the number Flag/General officers for acquisition personnel hired under expedited hiring authority or with Department of Defense Acquisition Workforce Development Funds (DAWDF); or personnel hired pursuant to a shortage category designated by SECDEF or the Director OPM.

-- authority to adjust limitations on personnel for FY 2009 and thereafter the SECDEF or SECNAV may adjust the baseline personnel on sections ... 5014 of 10 USC to

- (1) fill a gap in the civilian workforce of the DoD identified by the SECDEF in a strategic human capital plan submitted to Congress in accordance with the requirements of section 115b of this title, or
- (2) accommodate increases in workload or modify the type of personnel required to accomplish work for any of the following purposes

Department of the Navy MHA Policies and Procedures - 3

- (A) Performance of inherently governmental functions.
- (B) Performance of work pursuant to section 2463 of title 10, United States Code
- (C) Ability to maintain sufficient organic expertise and technical capability
- (D) Performance of work that, while the position may not exercise an inherently governmental function, nevertheless should be performed only by officers or employees of the Federal Government or members of the Armed Forces because of the critical nature of the work.

ACTION: The Department of the Navy may only adjust 10 USC 5014 baseline controls for reasons (1) and (2)(A)-(D) listed above, which means the Department must maintain documentation to support the baseline changes.

The FY 2008 NDAA repealed Title 10 USC 130a limitation on the total number of MHA personnel within DOD and the Military Departments. DoD currently reports MHA via the Defense Manpower Requirements Report (DMRR); however, the Department of the Navy will continue to request a baseline PB-22 exhibit for the DON Summer Review.

In-sourcing Initiative

The Federal Government has an overriding obligation to American taxpayers. It should perform its functions efficiently and effectively while ensuring that its actions result in the best value for the taxpayers....

President Barak Obama

*Excerpt from Memorandum to Executive Departments and Agencies,
Subject: Government Contracting, dated March 4, 2009*

- Definition: In-sourcing is the conversion of any current contracted service/ function to DoD civilian or military performance (or a combination thereof) in which a new civilian or military authorization/position is established.
- RMD 802 of 8 April 2009 allocated DON in-sourcing FTE goals across the FYDP to return the DoD workforce (non-military) back to FY 2000 levels (pre-war) of 26 percent in FY 2000 vice 39 percent in FY 2009 for Contract Advisory and Assistance Services (CAAS) and Other Services.
- OSD (P&R) assigned an FY 2010 ES goal of 2,411 and implemented quarterly reporting requirements. The DoD subsequently developed internal controls procedures where proposed changes in in-sourcing goals must be approved by DASN (CPP) and DASN (Budget). The FY 2010 distributions for in-sourcing FTE, ES and personnel dollars should align with the quarterly reports provide to DoD.
- To ensure the DON is able to track assigned in-sourcing goals from PB-10, FTE, ES, and personnel funding are to be updated in PBIS in using new coding developed during the FY 2012/FY 2013 review.

Department of the Navy (DON) In-Sourcing

- The DON effort will be led by the Assistant Secretary of the Navy (Manpower & Reserve Affairs) assisted by the ASN(FM&C), ASN(RD&A), and ASN(I&E); the Chief of Naval Operations (CNO) and the Commandant of the Marine Corps (CMC), with support from Budget Submitting Offices (BSOs).
- In-sourcing resources cannot be used to fund or offset emergent programming or budgeting issues.
- All stakeholders are responsible for maintaining and achieving in-sourcing goals.
- For FY 2010-2015, all contract services' funding in object classes 2511 and 2521 was reduced. Issue 74547 reflects civilian personnel buyback and established FTE FYDP targets for each BSO. Issue 74549 restored contractor services funding from issue 74547 for support contracts.
- Due to time constraints, reductions were applied across all funding lines including lines in which no in-sourcing alternative exists and inadvertently realigned funds among resource sponsors. These issues will be addressed in an In-sourcing Review prior to the DON budget submit. A portion of these positions are targeted for acquisition professionals.
- The DON funding reductions and FTE share are as follows:

\$M	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Contractor Services Reduction	-293.5	-663.3	-1,161.4	-1,668.4	-1,833.6	-1,866.6
Buyback to Civilian FTEs	111.2	255.4	445.3	690.1	864.9	977.5
Support	<u>10.2</u>	<u>138.6</u>	<u>243.4</u>	<u>302.7</u>	<u>226.9</u>	<u>133.9</u>
"Net Savings"	-172.2	-269.3	-472.6	-675.6	-741.8	-755.1
# FTEs (<i>direct +reimb</i>)	1,204	2,737	4,740	7,208	8,914	9,856

- The Navy identified additional in-sourcing goals in the FY 2012 President's Budget. These resources were also used to finance Section 802/DAWDF graduates converting to permanent positions – approximately 1,590 FTE across FYDP (Issues 61698, 61699 & 60920).

Increases to the Acquisition Workforce

- Since the 1990's the Department of the Navy experienced a 40 percent decline in civilian employees along with a loss of some expertise. This has resulted in oversight deficiencies in several major acquisition programs; and, a renewed interest in the appropriate management of acquisition programs including implementation of 10 USC 2463, Guidelines and procedures for use of civilian employees to perform Department of Defense functions.
- Major portions of the Defense budget support acquisitions and the Department's success is based on the ability of personnel to develop, produce, field, and maintain weapon systems and related programs.
- Department of the Navy commands and activities must ensure sufficient acquisition workforce employees (civilian and military) are hired, trained, certified, and retained to carry on programs in the functional areas prescribed in 10 USC 1721. Using government employees will also alleviate the perception of undue influence by contractor staff and preserve inherently governmental functions and decision making.
- A portion of the in-sourcing positions are targeted for acquisition professionals.

Impact of In-sourcing on Acquisition Workforce primarily increases “4B3N” Acquisition and Program Management and NWCW Warfare Center BLI

- The Department’s acquisition programs have suffered due to a lack of sufficiently trained and qualified in-house acquisition personnel which has impacted both readiness and workforce management capabilities.
- Contract services funding derived from the investment appropriations (APN, OPN, PANMC, some RDT&EN, SCN, & WPN) and designated for in-sourcing efforts will fund civilian personnel in the respective O&MN or O&MMC appropriation.
 - All headquarters and PEO personnel are financed by the appropriate expense account usually O&M. (See funding on prior page.)
 - Most PEO and program management personnel are financed in 4B3N.
- About 1/3 of functions to be in-sourced across the FYDP will result in acquisition (DAWIA certifiable) positions spanning all disciplines (i.e., program management, contracting, logistics, and systems engineering).
- Section 852/DAWDF funding will assist in the recruitment and retention of key personnel with critical skills. Chart reflects acquisition workforce increases budgeted for in-sourcing and Section 852 hires.

In-sourcing FTE Summary						
	FY 10	FY 11	FY12	FY 13	FY 14	FY 15
Acquisition	683	1,276	1,889	2,502	2,933	3,500
Non-Acq.	521	1,461	2,851	4,706	5,981	6,356
Total	1,204	2,737	4,740	7,208	8,914	9,856

Acquisition Workforce						
FTE						
	FY 10	FY 11	FY12	FY 13	FY 14	FY 15
In-sourcing	683	1,276	1,889	2,502	2,933	3,500
DAWDF	500	840	1,090	1,440	1,590	1,590
Total	1,183	2,116	2,979	3,942	4,523	5,090

Civilian Personnel Website

Civilian Personnel Execution - Microsoft Internet Explorer provided by NMCI

https://fmbweb1.nmci.navy.mil/nwcf/Civpers.htm

File Edit View Favorites Tools Help

Civilian Personnel Execution

Civilian Personnel
Program/Budget Information System

Navy Marine Corps Intranet

Overview Pricing Model WYPC 1532 Report Contract Support CEI Mil-to-Civ MHA Conferences/Training FECA Acquisition Workforce Insourcing Report and Exhibits

Welcome to the Civilian Personnel Execution Web Site!

Civilians are an integral part of the Department's total workforce consisting of military, civilian, and contract personnel who support the mission and daily functions of the Navy and Marine Corps. Personnel levels included in the FY 2011 President's Budget reflect:

- Civilian Personnel Execution Guidance and Correspondence**
 - Business Process Memorandum for Civilian Time and Attendance**
 - Budget Cycle**
 - [Mid-Year Review of FY 2011 Civilian Personnel Execution Memo](#)**
 - [FY 2011 Mid-Year Review Template](#)**
 - [FY 2011 Mid-Year Review Special Interest Template](#)**

Links

1. DoD NSPS <http://www.cpms.osd.mil/nsps/>
2. DoD Budget includes links to DoD Components
<http://www.defenselink.mil/comptroller/budgetindex.html>
3. DoD Financial Management Regulation 7000.14-R
<http://www.defenselink.mil/comptroller/fmr/>
4. U.S. Budget <http://www.gpoaccess.gov/usbudget/>
5. Office of Management & Budget <http://www.whitehouse.gov/omb/>
6. Office of Personnel Management <http://www.opm.gov/>
7. DoD Issuances <http://www.dtic.mil/whs/directives/>
8. U.S. Code, Title 10 <http://www4.law.cornell.edu/uscode/#SECTIONS>