I. Proposed Legislative Text

1	SECTION 1. TRAINING FOR THE FEDERAL HUMAN RESOURCES WORKFORCE.
2	Chapter 14 of title 5, United States Code, is amended by adding at the end the following
3	new section:
4	"§ 1403. Training for the Federal human resources workforce
5	"(a) IN GENERAL.—(1) The Director of the Office of Personnel Management
6	(Director) may establish and make adjustments to a training and career development
7	program for the Federal human resources workforce.
8	"(2) In support of this authority, the Director is authorized to establish policies
9	and procedures for the effective management of the Federal human resources
10	workforce, including recruitment and hiring, engagement, and retention.
11	"(b) APPLICABILITY.—(1) This section applies to the executive agencies as
12	defined in section 105 of this title and does not include any entity that is an element of
13	the intelligence community, as defined in section 4 of the National Security Act of 1947
14	(50 U.S.C. 3003).
15	"(2) The applicable positions will be determined at the discretion of the Director
16	of the Office of Personnel Management after consultation with the agency Chief Human
17	Capital Officers (or equivalent).
18	"(c) SENIOR ADVISOR FOR HUMAN RESOURCES WORKFORCE PROGRAMS.—
19	There is established a senior leader position of Senior Advisor for Human Resources
20	Workforce Programs at the Office of Personnel Management, who shall—
21	"(1) provide leadership and coordination in developing policy, programs,
22	and other actions to effect needed changes in the Federal human resource
23	workforce, including recommendations on Government-wide training standards
24	or certification requirements and recruitment and hiring, retention,
25	engagement, and career development and learning opportunities for the
26	applicable workforce for the approval of the Director;
27	"(2) oversee workforce studies and strategic human capital planning
28	efforts for the Federal human resources workforce;

1	"(3) collect and analyze human resources workforce data from the Office
2	of Personnel Management, from the heads of executive agencies, and, from
3	individual employees;
4	"(4) analyze human resources career fields to identify critical
5	competencies, duties, tasks, and related academic prerequisites, skills,
6	knowledge and abilities;
7	"(5) coordinate and assist agencies in identifying and recruiting highly
8	qualified candidates for human resources fields;
9	"(6) perform other career management or research functions for the
10	human resources career field as directed by the Director or their designee; and
11	"(7) collaborate with senior leadership at OPM; the Chief Human Capital
12	Officers Council; agency Chief Human Capital Officers and Human Resources
13	Directors; and the Chief Learning Officers Council and agency Chief Learning
14	Officers in the development of recommendations regarding the Federal human
15	resources workforce.
16	"(8) utilize a systematic process to analyze the effects of FHRI training
17	program and to assess its effectiveness annually.
18	"(d) AUTHORITIES OF THE DIRECTOR.—The Director of the Office of Personnel
19	Management or designee shall—
20	"(1) establish any Government-wide training standards or certification
21	requirements for the Federal human resources workforce, and prescribe the
22	manner and extent to which these requirements apply to an individual serving in
23	a position described in subsection (b) at the time the requirements are
24	established;
25	"(2) act on the recommendations put forth by the Senior Advisor for
26	Human Resources Workforce Programs in order to strengthen the skills and
27	capabilities of the Federal human resources workforce and address concerns
28	regarding planning for and the management and development of this workforce;
29	and

1	"(3) issue policies to promote uniform implementation of this section by
2	executive agencies.
3	"(e) FEDERAL HUMAN RESOURCES INSTITUTE.—There is established a Federal
4	Human Resources Institute (FHRI) in the Office of Personnel Management that shall—
5	"(1) foster and promote the development of a professional human
6	resources workforce Government-wide;
7	"(2) develop and/or vet instructional materials for human resources
8	personnel, in coordination with private and public colleges, training facilities,
9	and other government agencies, as appropriate;
10	"(3) evaluate the effectiveness of training and career development
11	programs for human resources personnel;
12	"(4) facilitate interagency intern, apprenticeship, and training programs
13	for human resources personnel, as required by human resources workforce
14	needs; and
15	"(5) collaborate with other executive agency human resources training
16	programs to leverage training supporting all members of the civilian agency
17	human resources workforce.
18	"(f) ADVISORY BOARD.—(1) There is established by the Office of Personnel
19	Management a Federal Human Resources Institute Advisory Board.
20	"(2) REPORTING.—The Federal Human Resources Institute Advisory
21	Board shall report to the Director through the Senior Advisor for Human
22	Resources Workforce Programs.
23	"(3) COMPOSITION.—(A) The Board shall be composed of not more than 9
24	leaders from the Federal Government including three seats held by OPM
25	program areas that oversee Federal human capital management, all of whom
26	shall be appointed by the Director.
27	"(B) The Board shall be chaired by the Senior Advisor for Human
28	Resources Workforce Programs.

1	"(4) DUTIES.—The Board shall provide general direction to the Federal
2	Human Resources Institute to ensure that the Institute—
3	"(A) meets its statutory requirements;
4	"(B) meets the needs of the Federal human resources workforce;
5	"(C) implements effective, accessible, relevant, and impactful
6	programs;
7	"(D) coordinates with appropriate organizations and groups that
8	have an impact on the Federal human resources workforce;
9	"(E) develops and implements plans to meet future challenges of
10	the Federal human resources workforce;
11	"(F) provides metrics for accountability; and
12	"(G) gathers relevant information from labor organizations
13	representing federal employees, other federal worker advocates, and
14	other experts identified by the Board in accomplishing the objectives of
15	the Institute.
16	"(5) RECOMMENDATIONS.—Through the Senior Advisor for Human
17	Resources Workforce Programs, the Board shall make recommendations to the
18	Director regarding the development and execution of the annual budget of the
19	Federal Human Resources Institute.
20	"(6) ANNUAL REPORT.—The Director shall submit to the Committee on
21	Oversight and Accountability and the Committee on Appropriations of the House
22	of Representatives and to the Committee on Homeland Security and
23	Governmental Affairs, and the Committee on Appropriations of the Senate an
24	annual report on the Federal Human Resources Institute, including major
25	initiatives, budget, expenses, and metric data. This requirement will sunset three
26	years after the first annual report is submitted.
27	"(g) WORKFORCE TRAINING FUND.—
28	"(1) PURPOSES.—The purposes of this subsection are to ensure that the
29	Federal human resources workforce—

1	"(A) adapts to fundamental changes in the nature of Federal
2	Government human resources associated with the changing roles of the
3	Federal Government; and
4	"(B) acquires new skills and a new perspective to enable it to
5	contribute effectively in the changing environment.
6	"(2) ESTABLISHMENT AND MANAGEMENT OF FUND.—(A) Not later than
7	two years after the date of the enactment of this Act,¹ there is established a
8	human resources workforce training fund (in this section referred to as 'the
9	Fund').
10	"(B) The Director shall manage the Fund through the Senior Advisor for
11	Human Resources Workforce Programs to support the workforce planning,
12	management, and development activities for the applicable workforce.
13	"(3) CREDITS TO FUND.—(A) A set remittance shall be established
14	annually by the Director in consultation with the Director of the Office of
15	Management and Budget commensurate with the training needs of the
16	workforce.
17	"(B) The total remittance for the Federal human resources workforce shall
18	equal a dollar figure equal to 0.4 percent of the total number of Federal civilian
19	human resources employees (GS-201 and GS-203 excluding workers classified in
20	the military technical specialty area) multiplied by their average annualized
21	salary as identified by the Director of OPM.
22	"(C) The remittance requirements for each executive agency shall be
23	established by a method determined by the Director of Office of Personnel
24	Management in consultation with the Director of the Office of Management and
25	Budget.

 $^{^{\}rm 1}$ FY 2026 would be the earliest budget year for this request.

1	"(4) REMITTANCE BY EXECUTIVE AGENCIES.—The head of each
2	executive agency shall remit to the Office of Personnel Management the amount
3	required to be credited to the Fund for each fiscal year.
4	"(5) AMOUNTS NOT TO BE USED FOR OTHER PURPOSES.—The Director,
5	through the Senior Advisor for Human Resources Workforce Programs, shall
6	ensure that amounts collected under this section are not used for a purpose
7	other than the activities set forth in this section.
8	"(6) AVAILABILITY OF AMOUNTS.—Amounts credited to the Fund remain
9	available to be expended only in the fiscal year for which they are credited and
10	the two succeeding fiscal years.
11	"(h) BUDGET RESOURCES AND AUTHORITY.—
12	"(1) IN GENERAL.—The Director shall have sufficient budget resources
13	and authority for the Federal Human Resources Institute to support
14	Government-wide training standards and certification requirements necessary
15	to enhance the mobility and career opportunities of the Federal human
16	resources workforce.
17	"(2) TRAINING FUND.—Subject to the availability of funds, the Director
18	shall provide the Federal Human Resources Institute with amounts from the
19	Fund established under this section sufficient to meet the annual budget for the
20	Federal Human Resources Institute. Training and other programming that is
21	resourced by the Fund will be provided at no additional cost to agencies.
22	"(i) RESPONSIBILITIES OF EXECUTIVE AGENCIES.—
23	"(1) POLICIES AND PROCEDURES.—(A) In consultation with the Director,
24	the head of each executive agency shall establish policies and procedures for the
25	effective management (including accession, education, training, career
26	development, and performance incentives) of the human resources workforce of
27	the agency.

- "(B) The development of human resources workforce policies under this section shall be carried out consistent with the merit system principles set forth in section 2301(b) of this title.
- "(2) CAREER AND LEARNING OPPORTUNITIES.—The head of each executive agency shall also encourage employees to maintain their human resources knowledge and develop competencies that will support their effective job performance and career growth through a variety of relevant learning opportunities.
- "(3) UNIFORM IMPLEMENTATION.—The head of each executive agency shall ensure that, to the maximum extent practicable, human resources workforce policies and procedures established are uniform in their implementation throughout the agency.
- "(4) INFORMATION SYSTEMS.—(A) The head of each executive agency shall collect and maintain standardized information on the human resources workforce related to implementation of this section.
- "(B) To the maximum extent practicable, such data requirements shall conform to standards established by the Office of Personnel Management for the Central Personnel Data File.

II. Background

Strategic Human Capital Management has been on the Government Accountability Office's (GAO) High Risk List since 2001.² "Mission-critical skills gaps both within federal agencies and across the federal workforce impede the government from effectively serving the public and achieving results. Skills gaps caused by insufficient number of staff, inadequate workforce planning, and a lack of training in critical skills are contributing to [the designation of] 22 of the 35 other areas as high risk."³ Without systematic efforts to address skills gaps led by human resource (HR) practitioners,

² GAO, <u>Federal Workforce</u>: <u>OPM Advances Efforts to Close Government-wide Skills Gaps but Needs a Plan to Improve Its Own Capacity</u> (GAO-23-105528) (2023).

³ GAO, <u>High-Risk Series</u>: <u>Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas</u> (GAO-21-119SP) (2021).

Federal agencies risk mission and operational success. Without adequate investment in the workforce, Federal HR will continue to lack the capacity and capability to fully address these concerns. The lack of workforce development has been cited as a key concern in reports by GAO¹ and the Merit System Protection Board (MSPB).⁴

As the nation's largest employer, Federal HR practitioners are charged with the responsibility to position the Federal Government as a model that sets an example for other employers. They serve a population of more than two and a half million Federal civilian employees and more than 250,000 supervisors and team leaders. The Federal HR workforce is made up of 36,739 HR Specialists and HR Assistants.⁵ The number of HR Specialists has grown 28.8% from September 2017 to September 2023.⁶ Even with a significant decline in the number of HR Assistants⁷ as the nature of human capital management work becomes more strategic and technology-assisted, the total HR practitioner workforce has grown 16% during the same period, which is double the rate of growth of the Federal civilian workforce.⁸

Under-investment in the needs of the Federal HR workforce may be shown by gaps in fundamental HR knowledge and turnover in the workforce. MSPB's *State of the Federal HR Workforce* research brief states that "Both workforce data and interviews suggest workforce planning *and* individual training and development have been lacking" with agencies heavily relying on hiring from within agencies. Further, a majority of Chief Human Capital Officers (CHCOs) state that they had no comprehensive training and development plan for their respective agency HR workforce. A stark example of the existing HR skills gap is reflected in a failure rate of 45 percent on the required certification assessment for HR Specialists who conduct hiring processes under Delegated Examining (DE) rules. One in four HR employees report an intent to leave their position for another job in government. The two-year retention rate of HR Specialists continues to be below the government-wide rate.

⁴ MSPB, State of the Federal HR Workforce: Changes and Challenges (2020).

⁵ Fedscope, September 2023. Excludes positions that serve the military.

⁶ Fedscope: 29,806 HR Specialists in September 2017.

⁷ Fedscope: 10,227 HR Assistants in September 2017.

⁸ Fedscope: 2,087,747 civilian employees in September 2017 and 2,258,821 civilian employees in September 2023.

⁹ MSPB, State of the Federal HR Workforce: Changes and Challenges (2020), p.5.

¹⁰ OPM FEVS, 2017-2021.

¹¹ Fedscope, September 2023. Two-year retention rate is 72.82% governmentwide, 70.22% for HR Specialists and 60.08% for HR Assistants.

Although there has been strong interest in government-wide efforts to mitigate skills gaps in technology positions and cybersecurity, acquisitions, and other mission critical occupations, HR professionals have not received the same level of focus and prioritization even though they are critical for assisting in the hiring and retention strategies for the entirety of the Federal workforce.¹²

The lack of prioritization for HR workforce development and resources is reflected in the low satisfaction scores from HR customers. GSA's annual Mission Support Customer Satisfaction survey consistently measures satisfaction with human capital services as ranking last among enabling functions (Financial Management, Acquisitions and IT) from 2018 to 2023. Overall, customer satisfaction with human capital services was linked most strongly to satisfaction with HR as a strategic partner followed by satisfaction with the recruiting and hiring service area. Generally, the agencies that score the highest on possessing strategic partnership have more favorable staffing ratios, with less than 60 employees serviced per human capital staff member.

As agencies staff up their human resources operations, targeted investment needs to be made in human capital management skills to expand workers' capacity and capability to address agency needs. Career growth opportunities at all career stages must also be expanded to both grow and retain a skilled workforce. To quickly and effectively address concerns for strategic human capital management, OPM needs the statutory authority and funding to plan for and address the developmental needs of the Federal HR workforce.

III. Justification

This proposal would amend Title 5, U.S. Code, to provide the Office of Personnel Management (OPM) statutory authority over strategic workforce analysis and development of the Federal HR workforce. Although the need to improve strategic human capital management has been cited repeatedly as a potential risk to Federal operations, to date, the development of the Federal HR workforce has not been given the priority and resources consistent with their critical value to recruit and hire, retain, develop, and engage a high-quality workforce for the rest of government. Following the successful precedent set to address skills gaps in the Federal Acquisition workforce,

¹² GAO, <u>Federal Workforce</u>: <u>OPM Advances Efforts to Close Government-wide Skills Gaps but Needs a Plan to Improve Its Own Capacity</u> (GAO-23-105528) (2023).

¹³ GSA Mission Support Customer Satisfaction Survey, 2019-2023.

¹⁴ GSA Mission Support Customer Satisfaction Survey, 2021.

OPM seeks the ability to carry out government-wide, coordinated activities to build the capacity and capabilities of the Federal sector HR workforce.

The Government Employees Training Act (GETA), codified in 5 U.S.C. Chapter 41, gives agency heads the authority to establish training programs for employees. It also provides OPM with the authority to regulate the requirements of training programs. However, it does not give OPM the express authority to stand up a centralized and required training program for the Federal HR workforce. Such a program would make use of OPM's mandate to advise on, and coordinate, effective training programs government-wide and lean heavily on the encouragement to centralize training across agencies but would also necessitate divesting other agency heads' authority over the training of their HR employees. Further, establishing a dedicated funding source for a training institute and support for other strategic human capital management efforts to mitigate gaps in the Federal human capital profession are absent from existing legislative and executive guidance.

Establishing OPM as the lead organization with responsibility to foster and promote the development of a modern HR workforce government-wide also builds on the creation for the first time of a -senior-level position at OPM dedicated to the development of the HR workforce in FY 2024.

IV. Section-by-Section Analysis

This proposal would enact a new section 1403 of Title 5.

While current law (Public Law 107-296 and 5 U.S.C. § 1401-1402) establishes the role of the Chief Human Capital Officer (CHCO) to support "agency [leaders] in carrying out the agency's responsibilities for selecting, developing, training, and managing a high-quality, productive workforce" and codifies the role of the Chief Human Capital Officers Council to "advise and coordinate the activities of the agencies of its members," there is no single entity responsible for government-wide coordination and strategic management of the Federal HR workforce.

Subsection (a) would provide the Director of OPM with the necessary statutory authority to provide strategic management and oversight for the Federal HR workforce and the responsibility to address critical concerns to strengthen this Government-wide mission critical occupation.

Subsection (b) would define the Federal HR workforce.

Subsection (c) would establish a senior-level position with the governmentwide responsibility to lead strategic workforce planning, hiring, development, and employee engagement efforts specifically for the Federal HR workforce, support CHCOs and agencies in strengthening their HR workforces, and coordinate efforts to improve the development of the Federal HR practitioners.

Subsection (d) would designate the Director of OPM as the central point of strategic leadership with authority over strategic Federal workforce analysis, training, and development for the Federal HR workforce and shared responsibility and accountability with employing agencies for carrying out recommended human capital improvements. It would also delineate the consultative relationship between the OPM Director and the Senior Advisor for Federal Human Resources Workforce Programs.

Subsection (e) would establish Federal Human Resources Institute (FHRI) as the lead organization for HR workforce development with statutory responsibilities to develop a highly competent HR workforce, expand and maintain a standardized HR developmental framework, provide recommended curriculum and career paths, and establish and operate training and career development programs.

Subsection (f) would create an advisory board to provide strategic direction to guide FHRI functions.

Subsection (g) would authorize appropriated agency remittances to a training fund to be established specifically for training purposes for the Federal HR workforce. Initial experience with the operation of the current fee-based FHRI model as well research benchmarking other occupational training models, such as the Federal Acquisition Institute, used in government indicate that an appropriations-based model would be the best approach to gradually build and consistently deliver, expanded no-fee or below-cost training to Federal agencies. This approach is also consistent with National Academy of Public Administration's (NAPA's) recommendation that OPM expand no-fee support and training in its report "Elevating Human Capital: Reframing the U.S. Office of Personnel Management's Leadership Imperative"¹⁵ which outline specific steps that would have transformational impacts on Federal human capital management and government's ability to deliver on promises to modernize the Federal workforce. To do so, OPM noted in its response that "OPM will require additional funding to provide no-fee technical training and assistance."¹⁶

¹⁵ NAPA, <u>Elevating Human Capital: Reframing the U.S. Office of Personnel Management's Leadership Imperative</u>, Recommendation 2.7 (2021).

¹⁶ OPM, Response to the National Academy of Public Administration Study: Report to Congress, p. 11 (2021).

The proposal would establish a minimum funding level based on the total civilian HR practitioner employee count (except for GS-201s and GS-203s whose focus is on the military population) and their average Federal salary. Benchmarking with this figure will allow the training fund to keep pace with the size of the population to be trained and the complexity of their developmental needs. This funding would be used solely to provide the Federal HR workforce with professional opportunities to acquire and maintain foundational technical skills as well as new competencies and perspectives to effectively perform human capital functions in an evolving environment.

The minimum funding level is estimated to be approximately \$15.7 million based on Federal employment data as of September 2023. This would equate to approximately \$425 annually for each of the 36,739 HR Specialists and HR Assistants in the Federal workforce. When the full curriculum model is operational, this funding level will provide this workforce with full access to a comprehensive suite of virtual training modules covered critical HR specialty areas as well as registration options for hybrid delivery and in-person courses.

Subsection (h) would authorize the OPM Director to exercise budgetary control over the HR workforce training fund and instruct the Director to provide sufficient budgetary resources from the fund to FHRI to carry out its required functions including operating expenses within the constraint of the funds available.

Subsection (i) would stipulate responsibilities for agencies to carry out and implement requirements for the Federal HR workforce as well as to provide sufficient data to permit Government-wide evaluation and oversight of workforce needs.

 $^{^{17}}$ Excludes the 201s and 203s who serve the military.

¹⁸ Dependent on funding, this is proposed to be within ten fiscal years.