THE SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

FEB 9 2001

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
INSPECTOR GENERAL, DEPARTMENT OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES
CHIEF, NATIONAL GUARD BUREAU

SUBJECT: Government Hiring Controls

By memorandum dated January 20, 2001 (Attachment 1), the Assistant to the President and Chief of Staff, Andrew H. Card, Jr., restated the President's desire to redistribute positions and resources from high-level managerial positions to front-line service delivery jobs. Office of Management and Budget Bulletin 01-05, dated January 30, 2001 (Attachment 2), provided additional guidance on implementing this initiative.

In support of the President's goals for Government reform, and to reduce management ranks, I hereby direct the following:

a. Effective immediately, with the exceptions cited in paragraphs b and c below, addressees with appointing authority are delegated the authority to appoint, promote, or reassign individuals to positions after determining that filling the positions is consistent with the spirit and intent of the President's initiative to flatten the Federal hierarchy and reduce the number of high-level managerial positions. This responsibility may be redelegated in writing as appropriate.

b. Due to the Department's continued downsizing requirements, including base closures, and the need to offer placement opportunities to displaced employees, positions for which registrants are referred through the DoD Priority Placement Program (PPP) are exempt from this review, as long as the position is filled through the PPP.

c. Non-career Senior Executive Service, Schedule C and Temporary Transitional C position appointments as well as consultant/expert appointments at the Departmental and Headquarters Defense Agency levels must continue to be approved by the Secretary of Defense or designee.

d. Addressees will establish procedures to review and approve hiring decisions to ensure that such decisions are consistent with the President's reform initiative. In order to ensure that essential Government functions are continued unimpeded, Component heads may except certain non-managerial positions, such as firefighters, police officers, and teachers, from review.

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Each addressee shall forward his or her Component's procedures, along with identified exceptions, to the Office of the Assistant Secretary of Defense for Force Management Policy by March 1, 2001.

e. Addressees shall begin to prepare plans for meeting the President's goal of reducing management ranks. OMB is expected to provide additional guidance for use in developing those plans. Further guidance from the Office of the Assistant Secretary of Defense for Force Management Policy will be forthcoming.

f. Addressees are responsible for ensuring compliance with collective bargaining obligations in implementing the provisions of this memorandum.

Attachments:
As stated

OFFICE OF THE SECRETARY OF DEFENSE
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THE WHITE HOUSE
WASHINGTON

January 20, 2001

MEMORANDUM FOR THE HEADS AND ACTING HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: ANDREW H. CARD, JR. Andrew H. Card, Jr.
Assistant to the President
and Chief of Staff

SUBJECT: Government Hiring Controls

The President has asked me to communicate to each of you his plan for managing the Federal employment process at the outset of his Administration. As you know, during the campaign, the President expressed his desire to make Government more responsive to the needs of citizens, more efficient, and more accountable. The President articulated his view of an effective Federal Government -- one that is citizen-centered, results-oriented, and characterized by quality of service. To help meet these important goals, the President proposed, among other things, to flatten the Federal hierarchy by redistributing positions and resources from high-level managerial positions to front-line, service delivery jobs.

In order to ensure that, from the start of this Administration, the President's appointees have the opportunity to make personnel decisions consistent with his goals for Government reform, he asks that you institute the following hiring control procedures:

1. Effective immediately, no decision relating to hiring shall be made unless and until such decision is reviewed and approved by a department or agency head appointed by the President after noon on January 20, 2001. The department or agency head may delegate this power of review and approval consistent with applicable law. These procedures are subject to such exceptions as the Director or Acting Director of the Office of Management and Budget (the "OMB") may grant as necessary to ensure the operation of essential Government functions, such as those affecting safety, health, or national security, and the provision of essential Government services, such as the delivery of social security or veterans benefits.

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2. For the longer term, every agency head will be instructed to develop a plan to permit the agency to meet the President's goal of reducing management ranks. This plan will be developed in cooperation with the Director or Acting Director of OMB.

3. The actions described in paragraph 1 should be taken in accordance with law, including, but not limited to, statute setting minimum hiring levels and appropriating funding for such hiring.

4. The use of contracts with nongovernmental entities or persons as a means of avoiding the procedures described in paragraph 1 is not an acceptable practice.

5. The actions described in paragraph 1 do not apply to appointments made with the approval of the Assistant to the President for Presidential Personnel and Deputy to the Chief of Staff.

6. All independent agencies are encouraged to adopt the foregoing hiring controls.

7. The Director or Acting Director of OMB will issue any necessary specifics regarding the procedures described in paragraph 1.

I appreciate your cooperation. Together, with prompt and diligent implementation of this memorandum, we can begin to work toward the President's goal of ensuring that his Administration serves the American public in the most efficient and responsible manner possible.

January 30, 2001

BULLETIN NO. 01-05

TO THE HEADS AND ACTING HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Government Hiring Controls

Purpose. This Bulletin provides guidance on the hiring controls established by Assistant to the President and Chief of Staff Andrew Card's January 20, 2001 Memorandum for Heads and Acting Heads of Executive Departments and Agencies, "Government Hiring Controls."

Background and coverage. The January 20th Memorandum asks departments and agencies to ensure that the President's appointees have the opportunity to make personnel decisions consistent with the President's goals for Government reform, in particular making Government more responsive to the needs of citizens, more efficient, and more accountable. The hiring control procedures required by the Memorandum are designed to provide that opportunity.

The Memorandum applies to all Executive departments and agencies.

This Bulletin supersedes the January 22, 2001 memo on hiring controls issued by the Office of Personnel Management.

Required actions. No decision relating to hiring shall be made until it has been reviewed and approved by a department or agency head appointed by the President after noon on January 20, 2001, and confirmed by the Senate.

Department or agency heads appointed by the President after noon on January 20, 2001, and confirmed by the Senate may delegate the power of review and approval consistent with applicable law.

Actions taken pursuant to the Memorandum must be taken in accordance with law, including, but not limited to, statutes setting minimum hiring levels and appropriate funding for hiring.

Contracts with non-governmental entities or persons are not to be used to avoid the hiring controls.

The hiring controls apply to all hiring decisions, except as noted below:

- Appointments made with the approval of the Assistant to the President for Presidential Personnel and Deputy to the Chief of Staff.

- Internal career ladder promotions and with-in grade increases.

- Placement of persons with restoration rights accorded by law, such as restoration after absence with injury compensation and restoration after military duty.

- Placement of an agency's surplus and displaced employees who are eligible under the Career Transition Assistance Program.

- Conversion to the competitive service of persons completing employment programs with conversion authority, such as Veterans Readjustment Act appointments, Thirty-Percent Disabled Veterans, and Presidential Management Interns.

Official job offers extended before January 20, 2001 may be honored.

These controls do not apply to agencies where the department or agency head has already been appointed and confirmed. The newly appointed agency head has the authority to establish appropriate mechanisms and delegations to review and approve hiring decisions.

These procedures are subject to such exceptions as the Director of the Office Management and Budget (OMB) may grant as necessary to ensure the continued operation of essential Government functions, including those affecting safety, health, or national security, and provision of essential Government services, such as the delivery of social security or veterans benefits.

Requests for exceptions should be made by the acting head of the department or agency, and should be submitted to the agency's Resource Management Office in OMB.

In the longer term, every department or agency head will be expected to develop a plan to meet the President's goal of reducing management ranks. Guidance on the development of these plans will be issued by OMB later.

All independent regulatory agencies or other Government establishments whose political appointees by law or custom will

not change with the new Administration, are encouraged to adopt the hiring control procedures.

Contact. Questions regarding this Bulletin should be directed to the agency's OMB representative.

Mitchell E. Daniels, Jr.
Director